

**Winnetka Village Council**  
**REGULAR MEETING**  
**Village Hall**  
510 Green Bay Road  
Tuesday, December 6, 2016  
7:00 p.m.

Emails regarding any agenda item are welcomed. Please email [contactcouncil@winnetka.org](mailto:contactcouncil@winnetka.org), and your email will be relayed to the Council members. Emails for the Tuesday Council meeting must be received by Monday at 4 p.m. Any email may be subject to disclosure under the Freedom of Information Act.

**AGENDA**

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Quorum
  - a) December 13, 2016 Study Session
  - b) December 20, 2016 Regular Meeting
  - c) January 3, 2017 Regular Meeting
- 4) Approval of Agenda
- 5) Consent Agenda
  - a) Approval of Village Council Minutes
    - i) October 20, 2016 Budget Meeting.....3
    - ii) October 27, 2016 Rescheduled Budget Meeting .....5
    - iii) November 15, 2016 Regular Meeting.....9
  - b) Approval of Warrant List dated November 11 – December 1, 2016.....13
  - c) Resolution No. R-60-2016: Renewing the Contract with SAFEbuilt Illinois, Inc. (Adoption).....14
  - d) Resolution No. R-61-2016: Change Order No. 1 - Underground Storage Tank Removal Project (Adoption).....65
  - e) Resolution No. R-62-2016: Approving a Contract with MAG Construction Company for Concrete Repairs to Water Plant Clearwells (Adoption) .....71
  - f) Annual Meetings Notice .....114
  - g) Public Safety Pension Report.....115
- 6) Stormwater Report: None.
- 7) Ordinances and Resolutions
  - a) Budget & Rate Resolutions
    - i) Resolution No. R-57-2016: Village Budget (Adoption).....241

ii) Resolution No. R-58-2016: FY 2017 Utility Rates and Fees (Adoption).....	246
iii) Resolution No. R-59-2016: FY 2017 General Fees (Adoption).....	262
b) Property Tax Levy and Abatement Ordinances.....	277
i) Ordinance No. M-13-2016: An Ordinance Levying Taxes for the Year 2016 (Adoption).....	280
ii) Ordinance No. M-14-2016: An Ordinance Levying Taxes for the Year 2016 for the Village of Winnetka, Cook County, Illinois Special Service Area #3 (Adoption).....	283
iii) Ordinance No. M-15-2016: An Ordinance Terminating Special Service Area Number Four (Adoption).....	285
iv) Ordinance No. M-16-2016: An Ordinance Terminating Special Service Area Number Five (Adoption).....	287
v) Ordinance No. M-17-2016: An Ordinance Abating the Tax Heretofore Levied for the Year 2016 to Pay the Principal of and Interest on \$9,000,000 General Obligation Bonds, Series 2013 (Adoption).....	289
vi) Ordinance No. M-18-2016: An Ordinance Abating the Tax Heretofore Levied for the Year 2016 to Pay the Principal of and Interest on \$7,500,000 General Obligation Bonds, Series 2014 (Adoption).....	291
8) Public Comment	
9) Old Business: None.	
10) New Business: None.	
11) Appointments	
12) Reports	
13) Closed Session	
14) Adjournment	

**NOTICE**

All agenda materials are available at [villageofwinnetka.org](http://villageofwinnetka.org) (Government > Council Information > Agenda Packets & Minutes); the Reference Desk at the Winnetka Library; or in the Manager’s Office at Village Hall (2<sup>nd</sup> floor).

Broadcasts of the Village Council meetings are televised on Channel 10 and AT&T Uverse Channel 99 every night at 7 PM. Webcasts of the meeting may also be viewed on the Internet via a link on the Village’s web site: <http://www.villageofwinnetka.org/government/village-videos/>.

The Village of Winnetka, in compliance with the Americans with Disabilities Act, requests that all persons with disabilities who require certain accommodations to allow them to observe and/or participate in this meeting or have questions about the accessibility of the meeting or facilities, contact the Village ADA Coordinator – Megan Pierce, at 510 Green Bay Road, Winnetka, Illinois 60093, 847-716-3543; T.D.D. 847-501-6041.

**MINUTES  
WINNETKA VILLAGE COUNCIL BUDGT MEETING**

**October 20, 2016**

(Approved: xx)

A record of a legally convened meeting of the Council of the Village of Winnetka, which was held in the Village Hall Council Chambers on Tuesday, October 20, 2016, 2016 at 7:00 p.m.

- 1) Call to Order. President Greable called the meeting to order at 7:00 p.m. Present: Trustees Andrew Cripe, William Krucks, Penny Lanphier, Scott Myers, Christopher Rintz and Kristin Ziv. Absent: None. Also in attendance: Village Manager Robert Bahan, Assistant Village Manager Megan Pierce, Finance Director Tim Sloth, Assistant Finance Director Nick Mostardo, Deputy Fire Chief John Ripka, and no persons in the audience.
- 2) Budget Review Topic (2017 Budget previously distributed):

- a) Budget Overview/2016 (payable in 2017) Tax Levy. Mr. Sloth presented the proposed FY 2017 Budget, beginning with a review of the budget process and explained the 2017 operating budget is balanced, with routine expenditures funded by routine operating revenue. He noted that 2017 Village expenses are expected to increase 2.3% for a typical homeowner. He reviewed the proposed Capital Improvement Plan, which includes funding for: stormwater improvements; Police communications; road, sidewalk, bridge and parking repairs; water main replacements; and Downtown Master Plan implementation projects.

Mr. Sloth noted that Winnetka continues to honor the 2005 Home Rule pledge to maintain tax levys below state caps. He concluded that the proposed 2017 budget is fiscally sound, with appropriate reserves and adequate staffing to provide core services while continuing to invest in infrastructure. Challenges that lie ahead include funding for infrastructure improvements and public safety pensions.

Responding to a question about pension funding assumptions, Manager Bahan said there will be follow-up discussions regarding the Village's rate of investment. He added that the pension boards and investment managers can provide input on the issue.

- b) Public Affairs/Village Manager's Office. Ms. Pierce reviewed 2016 accomplishments for the Public Affairs/Manager's division, and listed objectives for 2017:
  - (i) **Communications:** develop web-based customer efficiencies, conduct a communications assessment, draft a communication plan;
  - (ii) **Strategic Planning:** customer service training, sponsor and facilitate special events, begin sesquicentennial celebration planning;
  - (iii) **Business Development:** hire a full-time economic development coordinator, facilitate Downtown Master Plan implementation, recruit new businesses, promote Winnetka's brand;
  - (iv) **Human Resources:** conduct a compensation study, design a high-deductible health insurance plan, expand human resources software capacity, support succession planning;
  - (v) **Village Facilities:** install storm windows at Village Hall, implement security improvements.

Ms. Pierce explained the major financial drivers are salary and benefit costs, along with continued workforce transition planning and investment in systems and processes.

- c) Finance Department. Mr. Mostardo gave an overview of Finance Department functions and reviewed the proposed 2017 budget. He explained that the Department is a service department, serving both internal and external stakeholders. After a review of 2016 accomplishments, he outlined goals for 2017, including: (i) improvements in the utility billing function; (ii) financial reporting and purchasing procedure enhancements; (iii) utility rate study; and (iv) qualifying for the Government Finance Officers Association's Distinguished Budget Award.
  - d) Fire Department. Deputy Chief Ripka reviewed the Fire Department's organization and duties of administrative officers which include covering shifts when the need arises, to cut down on overtime costs. He reviewed 2016 accomplishments and 2017 goals, which include: (i) inspect all transmitters in the wireless fire alarm network; (ii) provide pediatric advance life support training for all Department staff; (iii) implement a program to improve survival rates for cardiac arrest patients; (iv) update all Standard Operating Procedures; and (v) develop a new mobile call center to help manage large volumes of calls for assistance resulting from an emergency incident.
- 3) Public Comment. None.
- 4) Adjournment. Trustee Myers, seconded by Trustee Ziv, moved to adjourn the meeting. By voice vote, the motion carried. The meeting adjourned at 9:00 p.m.

---

Deputy Clerk

**MINUTES  
WINNETKA VILLAGE COUNCIL  
RESCHEDULED BUDGET MEETING**

**October 27, 2016**

(Approved: xx)

A record of a legally convened meeting of the Council of the Village of Winnetka, which was held in the Village Hall Council Chambers on Thursday, October 27, 2016, at 5:30 p.m.

1) Call to Order. President Greable called the meeting to order at 5:30 p.m. Present: Trustees Andrew Cripe, William Krucks, Penny Lanphier, Christopher Rintz and Kristin Ziv. Absent: Trustee Scott Myers. Also in attendance: Village Manager Robert Bahan, Assistant Village Manager Megan Pierce, Finance Director Tim Sloth, Assistant Finance Director Nick Mostardo, Police Chief Patrick Kreis, Deputy Police Chief Marc Hornstein, Community Development Director Mike D'Onofrio, Director of Water & Electric Brian Keys, Assistant Director of Water & Electric Giovanni McLean, Public Works Director Steve Saunders, Public Works Analyst Matt Havlik, and one person in the audience.

2) Police Department. Chief Kreis reviewed the proposed 2017 budget, explaining that operational increases are due largely to personnel costs. Other factors affecting the 2017 budget include vehicle replacement, upgrades in software, building improvements, costs associated with the upcoming communications consolidation, and a radio system upgrade.

Chief Kreis reviewed the Department's patrol and community engagement activities, crime and arrest statistics, police activities, and administrative adjudication hearings. He said major objectives for 2017 are: (i) implement police communications consolidation plan; (ii) transition to new police radio network; (iii) implement digital citation issuance and crash reporting; (iv) expand existing community policing activities; (v) reinforce crime prevention efforts; and (vi) improve criminal investigations and enforcement efforts.

3) Water & Electric Department.

a) Water Department. Mr. Keys reviewed the Water Department's organizational chart, which includes a request for an additional employee in order to ensure succession planning for a highly technical position. He noted the 2016 water sales were 6% lower than projected, largely due to the popularity of appliances that reduce consumption. He explained that the overall budget for 2017 is increased 3.8%, and he gave a detailed financial summary, which illustrated that most 2016 budget projects were fairly on target. He noted that funding for the 2017 Capital Plan will require a \$1 million IEPA loan in order to prevent depleting cash reserves.

Mr. Keys explained that the 2017 budget is based on a 4% rate increase, which would increase a typical Winnetka resident's water bill by an additional \$2.05 per month. He reviewed major proposed operating and capital expenditures and explained the methodology used to schedule water main replacements. Mr. Keys added that a discussion about long-term water rate strategy to fund main replacement will take place in the near future.

- b) Electric Department. Mr. Keys said the Electric Department's sales are also trending just under budget projections, again attributed to customers' energy efficiency efforts. He reviewed the department's financial summary, and noted that the 2017 budget is based on a 4% rate increase. Fire protection for transformers at the Northfield substation is budgeted for \$600,000, which is significantly lower than originally estimated.

Mr. Keys reviewed electric rates, noting that the same unit rates used in 2016 will be used in 2017; however, a 4% revenue increase is being requested for both energy, demand and services charges. In past years, only energy charges have been increased, while service and demand charges have stayed the same. He explained how a proposed change in the power cost adjustment will impact the setting of rates, adding that the Electric Rate Study will be discussed early in 2017.

Mr. Keys said the fiscal challenges facing the Electric Department stem from the size of necessary capital improvements and meeting the target fund balance. He explained that the proposed 2017 budget was developed taking some areas of concern from the Electric Rate Study into account; however, no structural changes to the billing system are being proposed for 2017.

Next, Mr. Keys reviewed 2017 priority operating and capital expenditures, and he gave a preview of costs expected to be incurred in 2018 when the steam turbines are due for a major tear-down inspection and overhaul. He explained the cost vs. benefits of keeping the steam turbine engines, concluding that the Village is still reaping a financial benefit for its steam generation capacity.

Several Trustees asked for a longer term representation of the cost vs. benefit, as Mr. Keys' presentation used a snapshot view, and concern was expressed about the Plant's aging generators. Mr. Keys explained that concerns about long-term generator viability prompted Staff to propose adding a second Northfield transformer in the five year plan. He described the "three-legged" approach to Winnetka's electric system: (i) 12Kb lines from Northbrook; (ii) the Northfield substation; and (iii) generation capacity. On a peak summer day, at least two of the legs must be operational. If the generators were to be removed from that system, the Village will be left without options in the event of emergency power failure. Once a second transformer is installed at the Northfield substation, if the Council decides not to fund the generation capacity, there would still be three reliable sources for power delivery.

The Council was in favor of having a more detailed discussion before approving further funding of the generation capacity. Mr. Keys said the contract to disassemble Unit 4 in 2017 will be subject to more discussion before the turbine overhaul is begun. He added that his task is to ensure the Village has a reliable electric distribution system in place well before the turbines become obsolete.

- 4) Community Development Department. Mr. D’Onofrio described his Department’s functions and reviewed a budget comparison from 2014 – 2017, including a breakdown of expense categories and third-party service costs. He noted that the permit fees for One Winnetka have not been factored into the 2017 budget. Trustee Cripe suggested that the Council could retain the recent tradition of keeping the Village’s existing tax levy at 0.0% if some of the proposed Downtown Master Plan projects are contingent upon the One Winnetka building permit revenue being received in 2017. Manager Bahan observed that the Village’s recent practice has been to capture the new development portion of the tax levy, even while existing properties stay at zero.

Mr. D’Onofrio reviewed statistics relating to total number of building permits, inspections and plan reviews. Some of the Department’s 2017 goals are: (i) Downtown Master Plan (DMP) implementation; (ii) final approval of the One Winnetka planned development; (iii) pursue economic development opportunities; (iv) building permit processing; and (v) staff support to advisory boards.

Mr. D’Onofrio reviewed proposed early DMP implementation projects, such as: a Post Office site evaluation, improved parking signage, street parklet prototype, bike rack installation, wayfinding and gateway sign program. Also planned in 2017: realign Merrill Street with a two-way conversion and improve the streetscape and gateway treatment at Spruce and Chestnut.

- 5) Public Works Department. Mr. Saunders described the activities of the Public Works Department, which are funded out of six different funds: General Fund, Sanitary Sewer Fund, Stormwater Fund, Refuse Fund, MFT Fund and Fleet Services Fund. He reviewed a General Fund summary and the 2017 Street Rehabilitation Program. Other capital projects for the General Fund include equipment replacement, sidewalk replacement program, and the Lincoln Avenue parking lot rehabilitation.

There was a discussion about the state of the Hubbard Woods train station, especially the pedestrian bridge, and Manager Bahan said the Village would follow up with Metra about rehabilitation of the Hubbard Woods station.

Mr. Saunders reviewed the Sanitary Sewer Fund, including a comparison of Winnetka’s sewer rates with those of surrounding communities, and he proposed a 5% rate increase. He explained a rate policy discussion will need to take place in the next few years, as the fund balance is being drawn down. He reviewed the improvements planned for 2017, along with a map illustrating areas which have already benefitted from sanitary improvements.

Mr. Saunders next reviewed the Refuse Fund, where savings have been realized as a result of the Village’s new recycling contract with Lakeshore Recycling. He noted that there is a cash flow issue on the horizon for this fund, and a refuse collection program evaluation is underway to identify solutions. He suggested stabilizing the fund with (i) a 10% increase in commercial rates; (ii) a 10% increase in sticker prices; (iii) a \$10 monthly service fee; and (iv) increased second-pickup subscription fees. He noted that the refuse collection fleet is very aged and a replacement program will run approximately \$1 million, and he reviewed several alternate cash flow options. He recommended taking time in 2017 to explore cost savings from switching to curbside collection, and survey the community to see who would be in favor of keeping backdoor service, and whether refuse service should be paid for

through fees or property taxes. The Council concurred with the revenue recommendations for 2017, along with evaluation and public discussion of the curb-side collection option.

Mr. Saunders reviewed proposed stormwater projects for 2017, which while resulting in a stable cash flow for the Stormwater Fund, does not include funding for any western alternative projects. Mr. Saunders showed a proposed phasing scenario for stormwater projects from 2017 through 2021. He explained that the funds expended in 2017 will be much lower than budgeted, due to the outcome of October's stormwater alternatives discussion. The stormwater project expenses will result in a negative cash balance starting in 2019; therefore, a funding strategy will need to be put in place in 2018, along with an examination of rate changes to pay for the anticipated debt.

Finally, Mr. Saunders reviewed the Fleet Services and Motor Fuel Tax Funds (MFT). MFT capital projects for 2017 are: rehabilitation of the Cherry and Oak Street bridges, traffic signal modernization at Green Bay Road and Elm Street, and facility improvements at Village Hall.

- 6) Public Comment. Terry Rynn, Winnetka Galleria. Mr. Rynn expressed concern with flooding that occurred in July in the parking garage and several first floor businesses, and requested the Village ensure that the Lincoln Avenue parking lot rehabilitation take place as soon as possible.

Manager Bahan asked the Council for its input on outstanding budget issues for the November 3<sup>rd</sup> Council meeting. It was suggested that the Council members email their comments to Manager Bahan. Manager Bahan suggested putting a follow-up budget discussion on the agenda for the November 3 meeting.

- 7) Adjournment. Trustee Cripe, seconded by Trustee Lanphier, moved to adjourn the meeting. By voice vote, the motion carried. The meeting adjourned at 9:25 p.m.

---

Deputy Clerk

**MINUTES  
WINNETKA VILLAGE COUNCIL  
REGULAR MEETING  
November 15, 2016**

(Approved: xx)

A record of a legally convened regular meeting of the Council of the Village of Winnetka, which was held in the Village Hall Council Chambers on Tuesday, November 15, 2016, at 7:00 p.m.

- 1) Call to Order. President Greable called the meeting to order at 7:00 p.m. Present: Trustees Andrew Cripe, William Krucks, Penfield Lanphier, Scott Myers, Christopher Rintz and Kristin Ziv. Absent: None. Also present: Village Manager Robert Bahan, Village Attorney Peter M. Friedman, Finance Director Tim Sloth, Assistant Finance Director Nick Mostardo, and approximately three persons in the audience.
- 2) Pledge of Allegiance. President Greable led the group in the Pledge of Allegiance.
- 3) Quorum.
  - a) December 6, 2016 Regular Meeting. All of the Council members present indicated that they expect to attend.
  - b) December 13, 2016 Study Session. All of the Council members present indicated that they expect to attend.
  - c) December 20, 2016 Regular Meeting. All of the Council members present indicated that they expect to attend.
- 4) Approval of the Agenda. Trustee Myers, seconded by Trustee Ziv, moved to approve the Agenda. By voice vote, the motion carried.
- 5) Consent Agenda
  - a) Village Council Minutes.
    - i) November 3, 2016 Regular Meeting.
  - b) Warrant List. Approving the Warrant List dated October 28 – November 10, 2016, in the amount of \$710,504.52.

Trustee Myers, seconded by Trustee Ziv, moved to approve the foregoing items on the Consent Agenda by omnibus vote. By roll call vote, the motion carried. Ayes: Trustees Cripe, Krucks, Lanphier, Myers, Rintz and Ziv. Nays: None. Absent: None.
- 6) Stormwater Report. None.

7) Ordinances and Resolutions.

- a) Public Hearing: FY 2017 Village Budget. President Greable opened the public hearing at 7:02 p.m.

Mr. Sloth explained the process for adopting the annual budget and reviewed the FY 2017 budget process. He noted the budget is balanced, with expenditures funded by operating revenues. The Capital portion of the budget includes roadway improvements, stormwater infrastructure improvements, Downtown Master Plan implementation, sanitary sewer improvements, water plant improvements, equipment replacement and facilities maintenance.

There being no public comment or testimony, President Greable closed the public hearing at 7:06 p.m.

Trustee Lanphier thanked Village staff for their diligence in keeping costs under control.

- i) Resolution No. R-57-2016: Village Budget (Introduction).

Trustee Myers, seconded by Trustee Ziv, moved to introduce Resolution No. R-57-2016. By voice vote, the motion carried.

- ii) Resolution No. R-58-2016: FY 2017 Utility Rates and Fees (Introduction).

- iii) Resolution No. R-59-2016: FY 2017 General Fees (Introduction).

Mr. Sloth reviewed rate and fee changes for FY 2017. Manager Bahan said a discussion about the water and electric rate studies, and policy direction for those rates will be held in the near future. Responding to a question about obsolete rates, Manager Bahan said the rate categories will be examined and some will be eliminated for the next budget cycle.

Trustee Cripe, seconded by Trustee Myers, moved to introduce Resolutions No. R-58-2016 and No. R-59-2016. By voice vote, the motion carried.

- b) Property Tax Levy and Abatement Ordinances. Mr. Sloth noted that property tax revenues fund over half of the Village's operations, and that tax levies since 2004 have been below tax cap amounts. For the third year in a row, the Village will not raise taxes on existing properties; however, new development such as additions, renovations and new construction, will see a 1.2% increase.

- i) Ordinance No. M-13-2016: An Ordinance Levying Taxes for the Year 2016 (Introduction).

Trustee Ziv, seconded by Trustee Myers, moved to introduce Ordinance No. M-13-2016. By voice vote, the motion carried.

- ii) Ordinance No. M-14-2016: An Ordinance Levying Taxes for the Year 2016 for the Village of Winnetka, Cook County, Illinois Special Service Area #3 (Introduction).

Trustee Cripe, seconded by Trustee Myers, moved to introduce Ordinance No. M-14-2016. By voice vote, the motion carried.

iii) Ordinance No. M-15-2016: An Ordinance Terminating Special Service Area Number Four (Introduction).

Trustee Myers, seconded by Trustee Ziv, moved to introduce Ordinance No. M-15-2016. By voice vote, the motion carried.

iv) Ordinance No. M-16-2016: An Ordinance Terminating Special Service Area Number Five (Introduction).

Trustee Lanphier, seconded by Trustee Cripe, moved to introduce Ordinance No. M-16-2016. By voice vote, the motion carried.

v) Ordinance No. M-17-2016: An Ordinance Abating the Tax Heretofore Levied for the Year 2016 to Pay the Principal of and Interest on \$9,000,000 General Obligation Bonds, Series 2013 (Introduction).

Trustee Ziv, seconded by Trustee Myers, moved to introduce Ordinance No. M-17-2016. By voice vote, the motion carried.

vi) Ordinance No. M-18-2016: An Ordinance Abating the Tax Heretofore Levied for the Year 2016 to Pay the Principal of and Interest on \$7,500,000 General Obligation Bonds, Series 2014 (Introduction).

Trustee Myers, seconded by Trustee Ziv, moved to introduce Ordinance No. M-18-2016. By voice vote, the motion carried.

8) Public Comment. None.

9) Old Business. None.

10) New Business. None.

11) Appointments.

a) Trustee Myers, seconded by Trustee Lanphier, moved to re-appoint Peggy Stanley to another full term on the Design Review Board. By voice vote, the motion carried.

b) Trustee Myers, seconded by Trustee Cripe, moved to re-appoint Michael Klaskin to another full term on the Design Review Board. By voice vote, the motion carried.

c) Trustee Cripe, seconded by Trustee Ziv, moved to appoint Sarah Balassa to the Zoning Board of Appeals to finish Mary Hickey's term, effective immediately. By voice vote, the motion carried.

d) Trustee Myers, seconded by Trustee Cripe, moved to appoint Matthew Bradley to the Zoning Board of Appeals to finish Chris Blum's term, effective immediately. By voice vote, the motion carried.

12) Reports.

a) Village President. President Greable invited the community to Winnetka's holiday tree lighting ceremony on December 2.

b) Trustees.

i) Trustee Ziv reported on the last Community Conversation event at Peet's Coffee the preceding Saturday.

- c) Attorney. None.
- d) Manager. Manager Bahan noted that the tree lighting ceremony is followed on the Sunday by the Chamber's Red Invitation Sale, and added that Small Business Saturday on November 26.

13) Closed Session. Trustee Ziv moved to adjourn into Closed Session to discuss Personnel, pursuant to Section 2c(1) of the Illinois Open Meetings Act. Trustee Myers seconded the motion. By roll call vote, the motion carried. Ayes: Trustees Cripe, Krucks, Lanphier, Myers, Rintz and Ziv. Nays: None. Absent: None.

President Greable announced that the Council would not return to the open meeting after Executive Session. The Council adjourned into Executive Session at 7:29 p.m.

14) Adjournment. Trustee Cripe, seconded by Trustee Rintz, moved to adjourn the meeting. By voice vote, the motion carried. The meeting adjourned at 8:24 p.m.

---

Deputy Clerk



## Agenda Item Executive Summary

**Title:** Approval of Warrant List

**Presenter:** Robert M. Bahan, Village Manager

**Agenda Date:** 12/06/2016

**Consent:**  YES  NO

- |                                     |                         |
|-------------------------------------|-------------------------|
| <input type="checkbox"/>            | Ordinance               |
| <input type="checkbox"/>            | Resolution              |
| <input type="checkbox"/>            | Bid Authorization/Award |
| <input type="checkbox"/>            | Policy Direction        |
| <input checked="" type="checkbox"/> | Informational Only      |

### Item History:

None.

### Executive Summary:

The Warrant List dated November 11 - December 1, 2016 was emailed to each Village Council member.

### Recommendation:

Consider approving the Warrant List dated November 11 - December 1, 2016.

### Attachments:

None.



## Agenda Item Executive Summary

**Title:** Resolution No. R-60-2016: Renewing the Contract with SAFEbuilt Illinois, Inc. (Adoption)

**Presenter:** Michael D'Onofrio, Director of Community Development

**Agenda Date:** 12/06/2016

- Ordinance
- Resolution
- Bid Authorization/Award
- Policy Direction
- Informational Only

**Consent:**  YES  NO

### Item History:

No previous action.

### Executive Summary:

Resolution No. R-60-2016 authorizes the Village to renew its contract with SAFEbuilt Illinois, Inc. to provide building related inspectional and plan review services. The not-to-exceed amount of the contract is \$295,000. This amount would be the only change to the contract and represents the amount approved for SAFEbuilt services in the 2017 Budget. For original contract, see Attachment B.

The Village entered into a contract for building inspection and plan review services in June, 2013. Winnetka along with four other neighboring municipalities - Glenview, Evanston, Wilmette, Kenilworth - engaged in an RFP process to identify a third party vendor to provide these services. SAFEbuilt was the successful vendor and was chosen over four others. The impetus behind this model was to address the need for additional inspectional and plan review services due to the increase in building activity without adding permanent municipal employees and to use a regional approach to achieve economies of scale and process efficiencies. It should be noted that all four municipalities over the past three years, have expanded their scope of services with SAFEbuilt and renewed their contracts.

The terms of the renewal will remain the same, with the exception of the amount to exceed which will be increased from \$271,875 to \$295,000. However, SAFEbuilt will only invoice for services performed during the term of the contract. Its billable rate is \$72.50/hour and has not increased since the start of the contract in 2013. The current rate of service will remain the same; this includes staffing of two FTE, SAFEbuilt employees, who will conduct all building inspections and plan reviews. Based on past performance, it is estimated this will include 3,300 inspections and 1,150 plan reviews annually.

### Recommendation:

Consider adopting Resolution No. R-60-2016, renewing the contract with SAFEbuilt Illinois, Inc. for an additional one year period.

### Attachments:

- 1) Agenda Report
- 2) Attachment A – Resolution No. R-60-2016
- 3) Attachment B – Agreement for Inspectional & and Plan Review Services

## AGENDA REPORT

**TO:** Village Council

**PREPARED BY:** Michael D'Onofrio, Director of Community Development

**SUBJECT:** Contract with SAFEbuilt to Provide Inspectional/Plan Review Services  
Resolution R-60-2016

**DATE:** November 29, 2016

Resolution R-60-2016 authorizes the Village to renew its contract with SAFEbuilt Illinois, Inc. to provide building related inspectional and plan review services. The not-to-exceed amount of the contract is \$295,000. This amount would be the only change to the contract and represents the amount approved for SAFEbuilt services in the 2017 Budget. The term of the contract will calendar year 2017.

### **Background**

During fall 2012, Winnetka along with City of Evanston and the Villages of Glenview, Kenilworth and Wilmette began development of a joint Request for Proposal (RFP) to secure building plan review, building/electric/plumbing/fire inspections, code enforcement and permit clerk services. The impetus behind the joint RFP was twofold. First, building permit activity was rebounding from the economic downturn of the late 2000's which resulted in the need for increased services. Second, given that all five municipalities were experiencing greater demand for services, it was thought that a regional approach to addressing this issue might be beneficial.

As a result of those 2012 discussions, an RFP was developed and issued in January 2013. The RFP called for a new service delivery model that would supplement and/or replace existing municipal building inspectional staff with employees from a private third party vendor. Four vendors responded to the RFP and following interviews and reference checks, SAFEbuilt was chosen. The selection of SAFEbuilt was made on the following factors:

- Experience – SAFEbuilt had over 20 years of directly related experience with service in over 120 municipalities nationwide including many requiring a similar level of service expected here;
- Cost – beyond a competitive hourly rate, SAFEbuilt provided the most efficient service delivery model leading to less hours required to complete various services;
- Performance Metrics – SAFEbuilt utilizes technology, ongoing training and established performance metrics beyond those currently established by local companies ensuring they maintain a high level of service.

SAFEbuilt began providing building inspections and plan review services in July 2013 and continues to provide them to date. It should be noted that the original five municipalities which originally contracted with SAFEbuilt, continue to use its services. Furthermore, since contracting with SAFEbuilt, all the municipalities have expanded their services with them and renewed their contracts.

### **SAFEbuilt Past Performance**

In its initial three year contract with the Village, SAFEbuilt was to provide building, mechanical, electrical and plumbing inspections, along with conducting electric and plumbing plan reviews. In order to accommodate this workload, 1.67 FTE SAFEbuilt staff was provided. Over the past three years, the services and staffing from SAFEbuilt have changed. First, whereas originally, SAFEbuilt only conducted two types of plan reviews – electric and plumbing, they are now responsible for all plan reviews. Two events took place over the past couple of years that prompted this change. First, the Village’s long time in-house plan examiner retired in late 2013. Upon his retirement in January 2014, he was replaced by a part-time (approximately 20 hours/week) SAFEbuilt employed plan examiner. Subsequently, in February 2016, this plan examiner’s duties were reassigned to the two on-staff SAFEbuilt inspectors who were already doing inspections, as well as, electric and plumbing plan reviews. Second, after the first year of the contract, given the increase in permit activity, the hours of the part-time SAFEbuilt inspector, was increased from three days to five days per week. As of today, SAFEbuilt has two full-time inspectors assigned to Winnetka who are responsible for all building inspections and plan reviews.

Under the contract with SAFEbuilt the Village only pays for services it receives; there is no minimum level of service that the Village must guarantee. Under the contract terms, SAFEbuilt will continue to charge the Village an hourly rate of \$72.50/hour for its services. This hourly rate includes all SAFEbuilt costs and there are no additional reimbursable or supplementary charges. It should be noted that SAFEbuilt provides its employees with transportation, computers, cell phones and pays for all training. The Village provides work space for the employees in the Community Development offices. Two other notes about staffing, first in the event of increased permit activity, SAFEbuilt has and will continue provide additional staffing on an as-needed basis. Second, it provides fill-in inspectors when the incumbent inspectors are on vacation, in-training, or out ill. Finally, in the event of increases in workload, at the Village’s request, additional SAFEbuilt staffing can be provided.

With respect to performance and cost, following is a matrix identifying SAFEbuilt activity over the past three years.

	2014	2015	2016
<b>No. of Plan Reviews</b>	720*	1,232	1,100
<b>No. of Inspections</b>	3,025	3,210	3,550
<b>Actual Costs (Budget)</b>	\$234,000 (\$275,000)	\$338,000 (\$369,000)	\$285,000 (\$359,000)

\*Village staff (Plan Examiner) was responsible for building plan reviews.

In the way of comparison, dating back to 2013, when three full-time village employees were responsible for all building permit plan reviews and inspections, it is estimated that in 2017 dollars, all costs (salaries, benefits, ancillary costs) associated with them, would have totaled approximately \$400,000. As for performance indicators, comparing the pre-and post- SAFEbuilt contract numbers, the number of annual inspections increased by approximately 30% and the number of plan reviews by 20%.

Following is a list of other metrics related to SAFEbuilt activities based on the last three years activity:

- The average length of time for a plan review is 52 minutes.
- The average length of time for a building inspection is 41 minutes.
- As for a breakdown of costs, inspection activities account for approximately 67 % of the expenditures, with plan reviews accounting for 33%.
- In calendar year 2016, the annual average monthly cost for all SAFEbuilt activities is \$21,420.
- With respect to an average 7.75 hour day, following is an hourly breakdown of a SAFEbuilt inspector’s activity.
  - Inspections (on-site) – 5.25 hours.
  - Inspections (office tasks – inputting results, confirming appointments) – 0.5 hours
  - Plan reviews – 1.5 hours.
  - Other (phone calls, counter assistance) – 0.5 hours

**Recommendation**

Consider adopting Resolution R-60-2016 renewing the contract with SAFEbuilt Illinois, Inc. for an additional one year period from January 1, 2017 to December 31, 2017.

**Attachments**

Attachment A – Resolution R-60-2016

Attachment B – Agreement for Inspectional & and Plan Review Services

# ATTACHMENT A

## RESOLUTION NO. R-60-2016

### **A RESOLUTION APPROVING A FIRST AMENDMENT TO THE AGREEMENT WITH SAFEbuilt ILLINOIS, INC. FOR INSPECTIONAL & PLAN SERVICES**

**WHEREAS**, the Village of Winnetka (“*Village*”) is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970; and

**WHEREAS**, Article VII, Section 10 of the 1970 Illinois Constitution and the Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1, *et seq.*, authorize and encourage intergovernmental cooperation; and

**WHEREAS**, in 2013, the Village, in conjunction with the Cities of Evanston and Glenview and the Villages of Kenilworth and Wilmette, issued a request for proposals (“*RFP*”) for inspection, plan review, and code enforcement services (“*Services*”); and

**WHEREAS**, pursuant to the RFP, the Village awarded a June 21, 2013 contract to SAFEbuilt, Illinois, Inc. (“*SAFEbuilt*”) for SAFEbuilt to provide the Village the Services (“*Agreement*”); and

**WHEREAS**, the Village reserved itself the right in the Agreement to extend the term of the Agreement for three additional one-year periods; and

**WHEREAS**, the Village now desires to exercise its option to extend the term of the Agreement for an additional year pursuant to the terms of an amendment to the Agreement, which amendment is attached hereto as *Exhibit A* (“*Amendment*”); and

**WHEREAS**, the Council of the Village of Winnetka (“*Village Council*”) has determined that entering into the Amendment with SAFEbuilt is in the best interest of the Village;

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the Village of Winnetka, Cook County, Illinois, as follows:

**SECTION 1: RECITALS.** The Village Council hereby adopts the foregoing recitals as its findings, as if fully set forth herein.

**SECTION 2: APPROVAL OF AMENDMENT.** The Village Council hereby approves, pursuant to the Village’s home rule power, the Amendment in substantially the form attached to this Resolution as *Exhibit A*, and in a final form to be approved by the Village Attorney.

**SECTION 3: AUTHORIZATION TO EXECUTE THE FIRST AMENDMENT.** The Village Council hereby authorizes and directs, pursuant to the Village’s home rule power, the Village President and the Village Clerk to execute and seal, on behalf of the Village, the Amendment.

**SECTION 4: EFFECTIVE DATE.** This Resolution shall be in full force and effect from and after its passage and approval according to law.

[SIGNATURE PAGE FOLLOWS]

**ADOPTED** this \_\_\_\_ day of \_\_\_\_, 2016, pursuant to the following roll call vote:

AYES: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

Signed

\_\_\_\_\_  
Village President

Countersigned:

\_\_\_\_\_  
Village Clerk

**EXHIBIT A**  
**AMENDMENT**

# EXHIBIT A

## FIRST AMENDMENT TO AGREEMENT FOR INSPECTIONAL & PLAN REVIEW SERVICES BETWEEN THE VILLAGE OF WINNETKA AND SAFEbuilt ILLINOIS, INC.

THIS FIRST AMENDMENT TO AGREEMENT FOR INSPECTIONAL & PLAN REVIEW SERVICES BETWEEN THE VILLAGE OF WINNETKA AND SAFEbuilt ILLINOIS, INC. ("*Amendment*") is made as of this \_\_\_ day of December, 2016 by and between the VILLAGE OF WINNETKA, ("*Village*"), and SAFEbuilt ILLINOIS, INC. ("*Consultant*").

### RECITALS

WHEREAS, the Village and Consultant entered into a certain Agreement for Inspectional and Plan Review Services dated June 21, 2013 ("*Agreement*"), pursuant to which Consultant agreed to provide the Village, and the Village agreed to purchase from Consultant, inspection and plan review services as more fully described in the Agreement Documents.

WHEREAS, pursuant to Section 3 of the Agreement, the initial term the Agreement can be extended by the Village for three additional one-year periods.

WHEREAS, the Village and Consultant now wish to extend the term of the Agreement for an additional year and to set forth the price for the Services during the extension.

NOW THEREFORE, for and in consideration of the recitals set forth above and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Recitals Incorporated; Certain Defined Terms.** The recitals set forth above are incorporated into this Amendment and shall be deemed terms and provisions hereof, the same as if fully set forth in this Paragraph 1. All capitalized terms used in this Amendment not otherwise defined shall have the meanings ascribed to them in the Agreement.
2. **Term.** The Village and Consultant hereby agree that the term of the Agreement shall be extended for the period of January 1, 2017 to December 31, 2017 ("*Extension Term*").
3. **Agreement Price.** Section 7 of the Agreement, titled, "Agreement Price" shall be, and is hereby, amended to read as follows:

The Municipality agrees to pay the Consultant in accordance with the **fees set forth in the** Agreement Documents ~~in an annual amount not to exceed amount of \$271,875.00,~~ **provided that the total amount charged by Consultant for the Services during the Extension Term shall not exceed \$295,000.00,** ~~without written approval,~~ inclusive of all services and reimbursable expenses as identified herein, **without the prior written approval of the Municipality.**

4. **Effect of Amendment.** This Amendment modifies and amends the Agreement Documents and the terms and provisions hereof shall supersede and control over any contrary or conflicting terms and provisions set forth in the Agreement Documents. The Agreement, as amended by this Amendment, is hereby ratified and remains in full force and effect.

5. **Counterparts.** To facilitate execution of this Amendment, this Amendment may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Amendment, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement.

6. **Headings.** Section headings contained herein are for convenience or reference only, and shall not govern the interpretation of any of the provisions contained herein.

IN WITNESS WHEREOF, the Parties have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

ATTEST:

**VILLAGE OF WINNETKA**

By: \_\_\_\_\_  
Village Clerk

By: \_\_\_\_\_  
Village Manager

ATTEST:

**SAFEbuilt ILLINOIS, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

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

Its: \_\_\_\_\_

## ATTACHMENT B

### AGREEMENT FOR INSPECTIONAL & PLAN REVIEW SERVICES BETWEEN THE VILLAGE OF WINNETKA AND SAFEbuilt ILLINOIS, INC.

THIS AGREEMENT, dated June 21, 2013, is entered into by and between the Village of Winnetka, an Illinois home rule municipality, (the "Municipality") and SAFEbuilt Illinois, Inc. (the "Consultant").

#### RECITALS

WHEREAS, the Municipality is seeking a consultant to perform inspection and plan review services, (the "Services");

WHEREAS, the Municipality released a formal RFP for the provision of the Services; and

WHEREAS, the Consultant submitted an acceptable proposal to the Municipality to provide the Services;

WHEREAS, the Village of Winnetka's Village Council has adopted resolution R-25-2013, authorizing the Village Manager to execute this Agreement;

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Municipality and Consultant agree as follows:

#### **SECTION 1. AGREEMENT DOCUMENTS**

The Agreement Documents, which constitute the entire agreement between the Municipality and the Consultant, are:

- A. Scope of Work (Exhibit A)
- B. Fee Schedule (Exhibit B)
- C. RFP #213001-Response (Exhibit C)
- D. This Agreement and all exhibits thereto.

These documents are collectively referred to herein as the "Agreement Documents". In the event of a conflict between this Agreement and the Proposal, the provisions of this Agreement shall control.

#### **SECTION 2. SCOPE OF WORK (SOW)**

The Consultant agrees to provide the Services in accordance with the Agreement Documents and Exhibit A Scope of Work & Exhibit B Fee Schedule, and as reasonably required in accordance with management at the time when, and at the place where, the Services are performed.

#### **SECTION 3. TERM; TERMINATION**

The initial term of this Agreement shall commence on June \_\_, 2013 and remain in effect until May 31<sup>st</sup>, 2016. The Municipality reserves the right to renew their agreement for three (3) additional one (1) year periods, subject to acceptable performance by the Consultant. At the end of the initial or renewal term, the Municipality reserves the right to extend this agreement for a period of up to ninety (90) days for the purpose of getting a new agreement in place.

For any term beyond the initial term, this agreement is contingent on the appropriation of sufficient funds; no charges shall be assessed for failure of the Municipality to appropriate funds in future contract years.

For subsequent terms, requests for increases shall be limited to no more than three percent (3%) annually per the attached.

The Municipality reserves the right to terminate this Agreement, or any part of this Agreement upon thirty (30) days written notice, with or without cause. In case of such termination, Consultant shall be entitled to receive payment from the Municipality for work completed up to and including the date of termination in accordance with the terms and conditions of the Agreement Documents.

**SECTION 4. INDEMNIFICATION**

The parties hereto agree to indemnify, save harmless and defend each other, and each party's respective elected and appointed officials, employees, agents, consultants, attorneys and representatives and each of them against, and hold it and them harmless from, any and all lawsuits, claims, injuries, demands, liabilities, losses, and expenses; including court costs and reasonable attorney's fees for or on account of any injury to any person, or any death at any time resulting from such injury, or any damage to property, which may arise or which may be alleged to have arisen out of, or in connection with the work covered by this project to the extent caused by actions of the other party or subcontractors thereof. The obligations of the Consultant under this provision shall not be limited by the limits of any applicable insurance required of the Consultant.

**SECTION 5. INSURANCE**

The Consultant shall maintain for the duration of the contract, including warranty period, insurance purchased from a company or companies lawfully authorized to do business in the state of Illinois and having a rating of at least A-minus and a class size of at least X as rated by A.M. Best Ratings. Such insurance as will protect the Consultant from claims set forth below which may arise out of or result from the Consultant's operations under the contract and for which the Consultant may be legally liable, whether such operations be by the Consultant or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

**5.1 Workers' Compensation Insurance** covering all liability of the Consultant arising under the Workers' Compensation Act and Occupational Diseases Act; limits of liability not less than statutory requirements.

**5.2 Employers Liability** covering all liability of consultant as employer, with limits not less than: \$1,000,000 per injury – per occurrence; \$500,000 per disease – per employee; and \$1,000,000 per disease – policy limit.

**5.3 Comprehensive General Liability** in a broad form on an occurrence basis, to include but not be limited to, coverage for the following where exposure exists; Premises/Operations, Contractual Liability, Products/Completed Operations for 2 years following final payment, Independent Contractor's coverage to respond to claims for damages because of bodily injury, sickness or disease, or death of any person other than the Consultant's employees as well as claims for damages insured by usual personal injury liability coverage which are sustained (1) by a person as a result of an offense directly or indirectly related to employment of such person by the consultant, or (2) by another person and claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use there from; Broad Form Property Damage Endorsement; Railroad exclusions shall be deleted if any part of the project is within 50 feet of any railroad track.

General Aggregate Limit	\$ 2,000,000
Each Occurrence Limit	\$ 1,000,000

5.4 **Automobile Liability Insurance** shall be maintained to respond to claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle. This policy shall be written to cover any auto whether owned, leased, hired, or borrowed. Each

Each Occurrence Limit                      \$ 1,000,000

5.5 **Professional Liability Insurance** shall be maintained to respond to claims for damages due to the Firm's errors and omissions.

Errors and Omissions                      \$1,000,000

5.6 Consultant agrees that with respect to the above required insurance:

5.6.1 The CGL policy shall be endorsed for the general aggregate to apply on a "per Project" basis;

5.6.2 To provide endorsements: to name the Village of Winnetka as additional insured as their interest may appear, and; to provide thirty (30) day notice, in writing, of cancellation or material change.

5.6.3 The Consultant's insurance shall be primary in the event of a claim.

5.6.4 The Village of Winnetka shall be provided with Certificates of Insurance and endorsements evidencing the above required insurance, prior to commencement of this Contract and thereafter with certificates evidencing renewals or replacements of said policies of insurance at least thirty (30) days prior to the expiration of cancellation of any such policies. Said Notices and Certificates of Insurance shall be provided to: Village of Winnetka, 510 Green Bay Road, Winnetka, IL 60093.

5.6.5 A **Certificate of Insurance** that states the Villages of Winnetka has been endorsed as an "additional insured" on a non-contributory basis by the Consultant's insurance carrier. **Specifically, this Certificate must include the following language: "The Village of Winnetka, and their respective elected and appointed officials, employees, agents, consultants, attorneys and representatives, are, and have been endorsed, as an additional insured under the above reference policy number \_\_\_\_\_ on a primary and non-contributory basis for general liability and automobile liability coverage for the duration of the contract term."**

5.7 **Failure to Comply:** In the event the Consultant fails to obtain or maintain any insurance coverages required under this agreement, the Villages of Winnetka may purchase such insurance coverages and charge the expense thereof to the Consultant.

## **SECTION 6. INVOICES AND PAYMENTS**

The Consultant shall submit detailed invoices for services, including labor rate per consultant, and the number of hours worked per week. No allowances shall be made for expenses other than those identified herein without prior approval. Payment shall be made in accordance with the Illinois Local Government Prompt Payment Act, 50 ILCS 505/1, *et seq.*

**SECTION 7. AGREEMENT PRICE**

The Municipality agrees to pay the Consultant in accordance with the Agreement Documents in an annual amount not to exceed amount of \$271,875.00, without written approval, inclusive of all services and reimbursable expenses as identified herein.

**SECTION 8. CHANGE ORDERS**

In the event that a Change Order is required, the Consultant shall review the scope of work to be performed under this Agreement to suggest alternatives that can be implemented to offset the cost increase of any necessary changes without sacrificing the quality and/or scope of the contract specifications. All Change Orders and alternative suggestions must be approved by the Village impacted by such change order prior to execution.

Detailed written Requests for Change Orders must be submitted to the Village's Inspectional Services Manager. In order to facilitate checking of quotations for extras or credits, all requests for change orders shall be accompanied by a complete itemization of costs including labor, materials and Subcontracts.

Each written Request for a Change Order must be accompanied by written suggestions where costs can be reduced to offset the Change Order increase requested or a written certification stating that the Consultant has reviewed the work to be performed and cannot identify areas where costs can be reduced.

A written Change Order must be issued by the Village of Winnetka prior to commencing any additional work covered by such order. Work performed without proper authorization shall be the Consultant's sole risk and expense.

**SECTION 9. JURISDICTION, VENUE, CHOICE OF LAW**

This Agreement shall be construed under and governed by the laws of the State of Illinois, and the exclusive jurisdiction and venue for all claims and controversies arising hereunder shall be the Circuit Court of Cook County, Illinois.

**SECTION 10. INDEPENDENT CONTRACTOR**

The Consultant is an independent contractor, and neither the Consultant, nor any employee or agent thereof, shall be deemed for any reason to be an employee or agent of the Municipality.

**SECTION 11. CONSULTANT REPRESENTATIONS**

Consultant hereby represents and warrants as follows:

- A. Consultant is a company which is validly existing and duly authorized to do business under the laws of the State of Illinois, with power and authority to conduct its business as currently conducted and as contemplated by this Agreement.
- B. All necessary corporate, regulatory, or other similar action has been taken to authorize and empower Consultant to execute, deliver and perform this Agreement. The person(s) executing this Agreement on behalf of Consultant is duly authorized to do so and this Agreement is a legal, valid and binding obligation of each and all of the owners, shareholders, officers, managers, partners or members of Consultant, enforceable against them in accordance with its terms, subject to bankruptcy, equitable principles and laws affecting creditor's rights generally.
- C. Except only for those representations, statements or promises expressly contained in the Agreement Documents, no representation, statement or promise, oral or in writing, of any kind

whatsoever by the Village, its officials, agents, or employees has induced Consultant to enter into this Agreement or has been relied upon by Consultant.

D. No proceeding of any kind, including, but not limited to, litigation, arbitration, bankruptcy, judicial or administrative, is pending or threatened against or contemplated by Consultant which would under any circumstance have any material adverse effect on the execution, delivery, performance or enforceability of this Agreement. As of the date of execution of this Agreement, Consultant has not received notice, and does not have a reasonable basis for believing that Consultant or any of its members, shareholders, partners, associates, officers, managers or employees are the subject of any criminal action, complaint or investigation pertaining to any criminal charge, civil action or claim in any state or federal jurisdiction predicated on alleged acts of (i) antitrust violations; (ii) business fraud; (iii) discrimination due to race, creed, color, disability, gender, marital status, age, national origin, or religious affiliation.

E. This Agreement constitutes a valid, legal and binding obligation of Consultant, and to the extent permissible by law, is enforceable against it in bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally and to general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law.

F. Consultant shall provide prompt notice to the Municipality whenever any of the representations or warranties contained herein ceases to be true or correct.

#### **SECTION 12. ASSIGNMENT**

Neither the Consultant nor the Municipality shall assign any duties or performance under this Agreement without the express written consent of the other.

#### **SECTION 13. MODIFICATION**

This Agreement may be amended or supplemented only by an instrument in writing executed by both of the parties hereto.

#### **SECTION 14. NO IMPLIED WAIVERS**

The failure of either party at any time to require performance by the other party of any provision of this Agreement shall not affect in any way the full right to require such performance at any time thereafter. Nor shall the waiver of either party of a breach of any provision of this Agreement be taken or held to be a waiver of the provision itself.

#### **SECTION 15. OWNERSHIP OF DOCUMENTS**

The Municipality shall retain ownership of all work product and deliverables created by Consultant pursuant to this Agreement.

#### **SECTION 16. RECORDS AND INFORMATION**

Consultant understands that it may receive or gain access to information that is confidential or highly sensitive in nature and acknowledges that such information will be used only for the purpose of fulfilling its obligations under the Agreement. Further, any output from this Agreement is to be kept confidential and is for the sole use of the Municipality. Consultant shall not reveal such information and/or output to other parties without the express written permission of the Municipality. All records and documents received by Consultant from the Municipality shall remain the sole property of the Municipality and all such records, or exact copies thereof, shall be turned over intact to the Municipality within ten (10) days of any request from the Municipality.

**SECTION 17. CONFIDENTIALITY**

Confidential information shall include, without limitation:

- A. All information that concerns the business affairs of the Municipality including, without limitation, financial information, and all other data, records, and proprietary information involving the Municipality’s business operations;
- B. Any information developed or created by Consultant in connection with the services being rendered under this Agreement by Consultant; and
- C. Any other information reasonably identified by the Municipality as confidential; provided however that confidential information shall not include the following:
  - i. Information known by, or generally available to the public at large through no breach by Consultant of this Agreement;
  - ii. Any information given to Consultant by a third party without continuing restrictions on its use;
  - iii. Information disclosed by Consultant with the Municipality’s written approval; and
  - iv. Information required to be disclosed by law;

**SECTION 18. FREEDOM OF INFORMATION ACT**

As a contractor of the Municipality, Consultant may be subject to certain records requests brought pursuant to the Illinois Freedom of Information Act, 5 ILCS 140/1, *et seq.* (the “Act”). Consultant agrees to cooperate with the Municipality to answer requests for records brought pursuant to the Act for which Consultant may have records in its possession.

**SECTION 19. SEVERABILITY**

If any part of this Agreement shall be held to be invalid for any reason, the remainder of this Agreement shall be valid to the fullest extent permitted by law.

**SECTION 20. NOTICES**

Any notices or demands, which may be or are required, to be given by either party to the other under this Agreement shall be in writing, and all notices, demands and payments required to be given or made hereunder shall be given or made either: (a) by hand delivery; or (b) by United States certified mail, postage prepaid addressed to the Municipality or Consultant, respectively, at the following addresses, or at such other place as the Municipality or Consultant may from time to time designate in writing:

If to the Village:

The Village of Winnetka  
Attn: Village Manager, Robert M. Bahan  
510 Green Bay Road  
Winnetka, IL 60093

With a copy to:

The Village of Winnetka  
Attn: Village Attorney, Katherine S. Janega  
510 Green Bay Road  
Winnetka, IL 60093

If to the Contractor:

SAFEbuilt Incorporated  
Attn: David Thomsen  
3755 Precision Drive, Suite 140  
Loveland, CO 80538

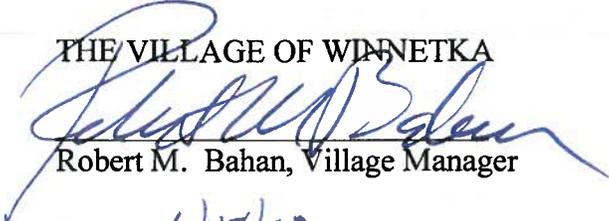
With a copy to:

SAFEbuilt Incorporated  
Attn: Sharon Marquez  
3755 Precision Drive, Suite 140  
Loveland, CO 80538

IN WITNESS HEREOF, the undersigned have caused this Agreement to be executed in their respective names on the dates hereinafter enumerated.

THE VILLAGE OF WINNETKA

SAFEbuilt Illinois, Inc.

  
Robert M. Bahan, Village Manager

  
David Thomsen, Vice President

Date: 6/18/13

Date: 6.21.13

Attest:   
\_\_\_\_\_

Name: Mary Joins

Title: Deputy Village Clerk

Date: 6/18/13

## **EXHIBIT A**

### **SCOPE OF WORK**

The Village of Winnetka (the “Village”) shall be responsible for permit and plan intake, the issuance of all permits, and the coordination of all permit services, including the scheduling of all inspections. The Village shall also be responsible for all plan review and inspections related to the application of and compliance with the Village’s Zoning Ordinance, Sanitation Code, and Fire and Life Safety Codes. SAFE Built shall be responsible for providing the following services:

#### **1. Building Inspections**

- a.** Conduct all building inspections, in accordance with the Winnetka Building Code, as adopted and amended by the Village of Winnetka (“Village”) pursuant to ordinance. All such inspection shall be scheduled by Department of Community Development.
- b.** Conduct all electrical inspections, in accordance with the Winnetka Electrical Code, as scheduled by Department of Community Development.
- c.** Conduct all plumbing inspections in accordance with Winnetka’s adopted plumbing code, as scheduled by Department of Community Development.
- d.** Conduct all forestry inspections (related to construction activity only) in accordance with Winnetka’s adopted forestry related codes, as scheduled by Department of Community Development.
- e.** Write up inspection results on forms provided by the Village of Winnetka, leaving one copy on site and providing Village with another copy.
- f.** Enter inspection results in Village’s automated building permit tracking system.
- g.** On a daily basis be available either in person, or by phone to respond to questions, concerns, or issues related to inspection activities.

#### **2. Plan Reviews**

- a.** Conduct all electrical plan reviews in accordance with Winnetka’s adopted electrical codes, within 10 working days of receipt.
- b.** Conduct all plumbing plan reviews in accordance with the State of Illinois Plumbing Code, and Village of Winnetka amendments, within 10 working days of receipt.
- c.** Conduct forestry plan reviews in accordance with Village of Winnetka forestry regulations related to building construction, within 10 working days of receipt.
- d.** Draft plan review comments and enter into Village’s automated building permit tracking system.
- e.** All reviews of revised plans must be conducted within 5 working days of receipt.
- f.** On a daily basis be available, either in person, or by phone to respond to questions, concerns, or issues related to inspection activities.

### **3. Miscellaneous Terms**

- a.** Employees hired by Consultant to perform work on behalf of the Village shall be approved by the Village.
- b.** Employees of the consultant shall report to SAFEbuilt and the Director of Community Development or anyone else designated by the Village.
- c.** The Consultant's local manager or supervisor shall report to the Director of Community Development, or anyone else designated by the Village. The Consultant's local manager or supervisor shall have mutually agreed to regular status meetings with the Director of Community Development to discuss the services provided and evaluate any problems.
- d.** The Village may ask the Consultant to perform work not included in the contract or this Scope of Work. A written change order with a budget cost shall be agreed to by both parties in advance of the work.
- e.** The Consultant shall bill the Village monthly in a format approved by the Village.
- f.** If an employee of the Consultant is off work for 3 days for any reason, at the Village's discretion, the Consultant shall supply a new employee to fill that position. The interview and trial period mentioned earlier begins again for the employee (if new to the Village).
- g.** The Consultant will bill the Village for services on a monthly calendar basis. Invoices will include hour's worked, hourly rate, name of employee, services provided and any supporting documentation.
- h.** The Consultant shall provide all transportation, tools and materials necessary to safely perform the job functions.
- i.** The Consultant shall not bill for travel time to and from its offices.

**Exhibit B**

**FEE SCHEDULE**

Type of Service	SAFEbuilt Hourly Rate
Building Inspection Services	\$72.50 an hour
Electrical Inspection Services	\$72.50 an hour
Plumbing Inspection Services	\$72.50 an hour
Electrical Plan Review Services	\$72.00 an hour
Plumbing Plan Review Services	\$72.00 an hour
Structural Engineer Plan Review Services	\$84.75 an hour

For subsequent terms, requests for increases shall be limited to no more than three percent (3%) annually.

**Exhibit C**

**RFP #213001-SAFEbuilt RESPONSE**



Village of Glenview Finance Department  
1225 Waukegan Road  
Glenview, IL 60025

**SUBMISSION INFORMATION**

PROPOSAL #213001  
BID OPENING DATE: February 7, 2013  
TIME: 2:00 P.M. Local Time  
LOCATION: Administrative Services Department  
  
COPIES: One (1) original, Four (4) copies &  
One (1) electronic copy

**REQUEST FOR PROPOSALS CONSULTANT INFORMATION**

Company Name: **SAFEbuilt®**  
Address: 3755 Precision Drive, Suite 140  
City, State, Zip Code: Loveland, CO 80538

**INSPECTION SERVICES**

Per the specification identified herein

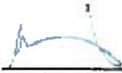
*Provide detailed pricing via the Pricing Sheet (Exhibit A).*

Grand Total	\$721,713.00
-------------	--------------

Any and all exceptions to these specifications MUST be clearly and completely indicated on the proposal sheet. Attach additional pages if necessary. **NOTE TO OFFERORS:** Please be advised that any exceptions to these specifications may cause your proposal to be disqualified. Submit bids by SEALED PROPOSALS ONLY. Fax and e-mail proposals are not acceptable and will not be considered.

**THE SECTION BELOW MUST BE COMPLETED IN FULL AND SIGNED**

The undersigned hereby certifies that they have read and understand the contents of this solicitation and agree to furnish at the prices shown any or all of the items above, subject to all instructions, conditions, specifications and attachments hereto. Failure to have read all the provision of this solicitation shall not be cause to alter any resulting agreement or to accept any request for additional compensation. By signing this proposal document, the Offeror hereby certifies that they are not barred from submitting an offer on this RFP as a result of a violation of either Section 33E-3 or 33E-4 of the Illinois Criminal Code of 1961, as amended.

Authorized Signature:   
Typed/Printed Name: Mike McCurdie  
Title: President

Company Name: **SAFEbuilt®**  
Date: February 7, 2013  
Telephone Number: 970-292-2203

## RESUME OF FIRM

---

### *Company History*

SAFEbuilt was founded in 1992 for the sole purpose of providing building department and related services to municipalities and public agencies. Over the past 21 years we have stayed true to that original mission. We understand it can be difficult for communities to keep pace with fluctuations in building department related activity without compromising community safety and customer service. We also understand that every community faces unique challenges and has different expectations. Our customized solutions help you solve address these challenges and achieve greater efficiencies. SAFEbuilt's approach and experience has made us one of the leading providers of building department services across the country.

### *Core Values*

SAFEbuilt plans for success in every aspect of our business. At the heart of every decision made are the company's core values. Every employee shares these values and our clients see them in our performance day-in and day-out.

- Customer Service
- Continuous Improvement
- Integrity
- Teamwork
- Respect

### *Service Philosophy*

Local, local, local. This is one of the keys to our success and the satisfaction of our clients. We hire locally, which ensures our staff understand the environment and the unique needs of our clients. We then empower that local team with the proper decision making authority. We have found that putting that decision making close to our clients helps us be more efficient and effective. Finally, we ensure that our clients maintain local control. Every community has a vision for their community and we help make sure those unique requirements show through in the work we do.

We work to be as efficient and effective as possible while still maintaining service levels and safety. We have developed processes over the years for doing just that. We have also developed a quality assurance program to ensure that safety and service standards are being met consistently. We utilize technology when possible to help with our efficiency and enhance the client experience. We also are constantly looking for ways to improve. Our team members will look at challenges our clients face and together we will develop solutions.

We hire the best people in the industry. It goes without saying that our team members have the right technical expertise and experience to meet our clients' needs. More importantly they also possess the right soft skills to deliver service at the highest levels. Our hiring process focuses in on these soft skills, making sure we have team members that will remain consistent over the years for our clients.

One of the primary components of our business plan is customer service. We believe that providing exemplary customer service to your citizens, builders, developers and homeowners is one of our most important performance measurements. We survey our clients annually to gather their feedback and suggestions for improvement. The primary purpose of these surveys is to both ensure customer

satisfaction and to identify areas of improvement in how services are delivered. The result speaks for itself, with client satisfaction ratings of 100% satisfaction for the last two years.

#### *Community Involvement*

Another key to our success is that we strive to be actively involved in the communities we serve. We offer homeowner workshops and educational events for contractors. We participate in community sponsored activities such as fairs and other celebrations. We sponsor those and other events. We volunteer with groups like Habitat for Humanity. We offer scholarships to students in the community. We believe very strongly in giving back to the communities we serve and being more than just a contract resource.

#### *Company Locations*

SAFEbuilt has offices in Colorado, Georgia, Michigan, and South Carolina. Assessing demand and developing new partner relationships around that demand often leads to new physical locations, a key component to SAFEbuilt's growth plan. All of our clients regardless of size get access to resources typically only found in larger cities. We currently work with over 120 public agencies across the nation to provide community department services. We have a proven track record of providing excellent service to all of our clients; whether they are in or out of currently served areas.

#### *SAFEbuilt Industry Expertise*

SAFEbuilt team members go beyond bringing their expertise to the communities we serve; they are involved with the sharing of knowledge on an industry level. This involvement allows them to further their individual careers while providing benefits to SAFEbuilt and our partner clients. SAFEbuilt is dedicated to becoming an industry expert; our team members have become International Code Council instructors, disaster response instructors, and have received numerous appointments on industry boards and committees.

## **SERVICES AND APPROACH**

---

#### *Services Overview*

We have carefully reviewed all requirements in the RFP and are confident we can provide all of the services requested. With the exception of Engineering Code Enforcement we have demonstrated experience with each of the services requested. We have identified a local resource for that service as well and also have another potential client that is interested in that service as well. Our depth of experience with these services, the team that we have identified, and our approach to meeting the needs of our clients will all ensure a successful experience for each of the communities.

#### *Approach Philosophy*

SAFEbuilt assumes responsibility for the requested services, so each jurisdiction can focus on other critical matters while maintaining local control of the development process. We believe you will find that partnering with SAFEbuilt is the best option as we have the experience and technology to affect a positive impact on each community. Our systems and processes are not only efficient and effective they are user-friendly and can easily be adapted to fit each client's unique needs. Our purpose and intent is to implement solutions specific to the City of Evanston, the Village of Glenview, the Village of Wilmette, the Village of Winnetka and the Village of Kenilworth.

SAFEbuilt is one of the country's largest and most experienced providers of building department and related services. In order to continue providing these services, it has been imperative that we remain competitive, consistent, innovative, professional and flexible. SAFEbuilt is impartial and professional in our

conduct, but thorough in requiring conformance with standards. Our experience and depth of resources allows us to consistently provide:

- Qualified and motivated staff
- Quality customer service
- A depth of personnel resources for flexible support
- Technology for efficient use of resources and real time access to information
- Seamless transition of services with minimum impact on all stakeholders

#### *Transition Phase*

Once selected to provide services, we will initiate the transition phase of our process. Continuity of service at a high level is a primary goal and we will work closely with each municipality to understand their specific requirements, existing processes and procedures. Together we will establish an effective implementation plan that maximizes efficiency, minimizes impact during and after the transition, and meets your needs. Performance metrics and reporting tools will be agreed to during this time. Constant monitoring occurs during the implementation and beyond to ensure that expectations are being met. During this phase:

- SAFEbuilt will complete the hiring and on-boarding of staff while establishing clear job expectations. New hire orientation and internal training will be completed.
- SAFEbuilt will meet with each municipality to gain a clear understanding of existing processes, procedures, and software. Schedules for training SAFEbuilt team members on these functions will be established and SAFEbuilt team members will be introduced.
- We will meet with other departments during this phase as well to make sure our processes involve them in every aspect necessary.
- Once we are staffed and understand functions specific to each community. Our goal is to operate in such a manner that the customer does not perceive any changes. Any process changes will be discussed fully prior to implementation.
- Upon service start-up, we will evaluate implemented processes to ensure the best programs, systems, processes and resources are deployed effectively. Appropriate adjustments are made during this time to achieve performance metrics. We will continue to evaluate and improve services through the duration of the contract.
- SAFEbuilt will then meet with each municipality to evaluate the implementation and ongoing services. We take this opportunity to document best practices and improve our implementation program based on new information learned through this transition. This meeting generally occurs during months 3-6, providing our team time to settle into the department and reflect on the activities.

#### *Service Levels*

All services will be provided in accordance with each municipalities adopted codes, amendments, ordinances and other pertinent laws and requirements and will be performed using ICC certified/state licensed professionals in the appropriate discipline. Performance measurement will be essential for defining goals, setting objectives, and measuring our success. We will work with each jurisdiction to identify key metrics for inspection deliver, plan review turn-around times, and customer service. These metrics will form the basis for ongoing reporting and communication.

#### *Communication*

Part of being a partner in the development process is providing information to the community. If desired we will host an open house in each community as part of our service transition to introduce our team and philosophy. We also believe strongly in educating the community as a whole. SAFEbuilt can help host homeowner project workshops and industry educational meetings. In the field we provide immediate

feedback so that corrections are timely and accurate. We clearly identify code/ordinance requirements and provide consistent enforcement.

Communication with our clients is also critical. We will schedule regular check-ins with each Contract Manager to review performance and discuss improvements to be made. We will attend staff and council meetings as requested as well. Our goal is to be a seamless extension of current staff.

#### *Reporting & Accountability*

SAFEbuilt believes it is imperative to have an effective reporting structure in place to make sure jurisdiction and citizen needs are being met. We will regularly provide agreed upon reports to demonstrate our performance against set standards. While the SAFEbuilt team will have a great deal of authority and autonomy, they remain accountable to SAFEbuilt as well as each jurisdiction. We will make sure the team assigned to your jurisdiction is meeting our service commitments and have the tools and resources needed to be successful. We share best practices from across the company and look for ways to implement those practices to your benefit.

#### *Office Location*

SAFEbuilt provides two basic models to our clients across the country. The first is a co-located model where our team resides in the jurisdiction's offices with other staff. The second is a hub model where we have a central office and deploy resources to multiple locations. We are proposing a hybrid approach for your communities. We would like to have staff co-located in one or more of the jurisdictions and then deploy our team to other locations.

#### *Tools*

We will provide our team members all of the tools required to perform their jobs. This will include vehicles, computers, smart phones, code books, safety equipment, and office supplies.

#### *Delivery Schedule*

If selected to provide services, SAFEbuilt will assign a team to facilitate the implementation. SAFEbuilt's experience with these transitions over the years has allowed us to identify key activities for successful analysis and implementation of services. We would like to have a period of 30 to 45 calendar days from selection to complete this process.

#### *Long-Term Viability*

SAFEbuilt believes very strongly in the market for our services in Illinois as a whole. It is one of our targeted geographies and we have spent the last year working on developing a presence there. We are currently in discussions with other jurisdictions in the area and have worked to develop a talent pool of potential employees. We have even interviewed those people ahead of this proposal. We are familiar with the other options available and believe we can bring a unique approach and new level of professionalism to the area. Our plans are to grow in the area and be there for many years to come. We will initially focus our growth plans on surrounding communities and those that you currently share other services with. We will work with you through that process as well to make sure this is a mutually beneficial partnership for years to come.

#### *Service and Experience Summary*

When looking at the services being requested and the experience required to deliver those services, we strongly believe that SAFEbuilt can meet your needs.

- 20+ years providing services to government agencies
- Providing these and other services to over 120 communities across the country
- Client satisfaction ratings of 100% for the past two years
- Core values of service, integrity, improvement, teamwork, and respect

- Involvement in the communities
- Direct experience providing the services requested
- Customized solutions for each community
- An effective transition process
- Exemplary communication and reporting
- Commitment to meeting and exceeding agreed upon metrics
- A long-term commitment to the area

## STAFFING AND QUALIFICATIONS OF TEAM

---

### *Staffing Overview*

SAFEbuilt does not currently have staff in Illinois. However, we do have a great history of being able to identify, hire, and orient new teams in a short period of time. We have spent the past year developing a talent pool of potential employees in Illinois. To this point, we have phone screened, administered assessment tests, and live interviewed the team proposed. Because some of these people are currently employed elsewhere, they have asked that their names not be used. We also have back-ups identified for each position. We take our staffing very seriously and are confident you will be comfortable with our process and the team we bring.

It is important that we hire a team of people that are not only experts in their field, but people that work well with other team members. We evaluate all prospective team members based on several key traits; among these key traits are expertise in their field, cultural fit, personality and willingness to be high performers on the team. We look for alignment with the team, with our partner jurisdictions, and alignment to our core values of ***Integrity, Improvement, Respect, Teamwork, and Service.***

### *Management & Staffing Approach*

With our years of experience we've developed a rigorous and proven process for recruiting, screening, and hiring the best in the industry. We have used that process to develop and maintain a deep talent pool of ICC certified/state licensed professionals in Illinois. We will provide staffing that maintains the high levels of customer service SAFEbuilt expects and the City of Evanston, the Village of Glenview, the Village of Wilmette, the Village of Winnetka and the Village of Kenilworth deserves. This talent pool allows SAFEbuilt to provide an appropriate level of personnel to meet service requirements for both current and future needs.

### *Staffing Levels*

We will provide the proper levels of staffing required maintain high customer service levels and to meet our agreed upon performance measurements. Our experience in the realm of building department services enables us to help predict activity through the review of permits, plans and zoning inquiries. We will use this data to make adjustments in staff levels, including adding support from our other offices during unusual peaks in demand.

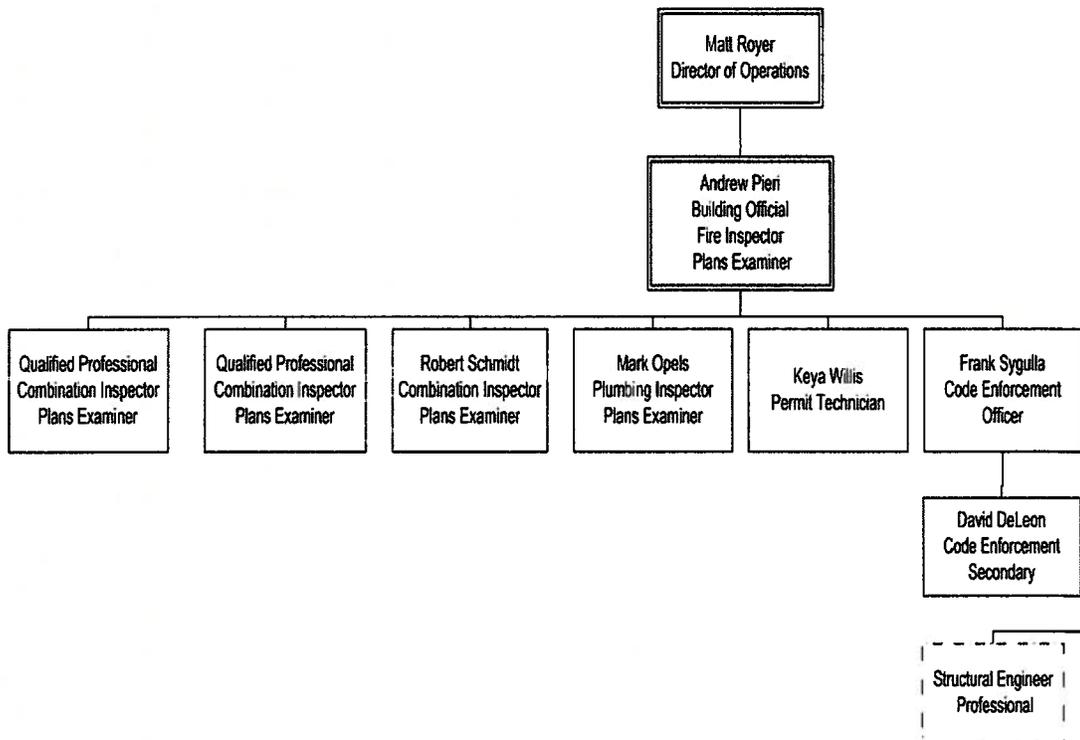
### *Team Orientation*

We provide a thorough orientation for all new team members. This orientation is designed to familiarize personnel with SAFEbuilt methodology and culture. SAFEbuilt mentors new team members and provides insight into a SAFEbuilt culture that promotes positive energy, leadership, respect, and accountability at all levels. We believe that staff should be available to the public and reward team members for providing consistent service.

*Team Lead*

SAFEbuilt will assign one team member as the principal point of contact for each municipality. This professional will also act as the SAFEbuilt team lead for staff assigned to your municipality and will report directly to your designated representative. Principal contacts will ensure that service offerings meet the needs of each municipality, its contractors and its citizens. This point of contact will increase the effectiveness of communication between all parties.

*Proposed Organization Chart*



*Staff Availability*

SAFEbuilt will provide a primary team of ICC certified/state licensed professionals to support each municipality. When additional support is required in a community due to peaks in activity or when the primary is unavailable; all team members assigned to this hub area will provide back-up. Principal points of contact will be available to the jurisdictions by cell phone and email during regular business hours; and by cell phone after hours for emergencies. All SAFEbuilt team members are available during business hours by cell phone and email. We will establish mutually agreed upon office hours for individual team members to meet with municipal staff, builders, contractors, and homeowners based on each municipality's individual requirements.

*Continuous Training*

SAFEbuilt provides ongoing technical and soft-skills training to ensure that our staff is up-to-date on emerging issues in their fields. We encourage and financially reward our team for obtaining additional ICC certified/state licenses and absorb all training costs. This focus on continuous training minimizes risk while improving our ability to respond to citizens and developers with helpful insight.

### Internal Communication

SAFEbuilt will assign a local account manager to oversee all operations in the area. This person is responsible for service delivery, customer satisfaction, resource management, quality assurance, training, and reporting. Internal communications are routed through this one point of contact to ensure consistency in the message. All employees assigned to the accounts will report to this individual.

### Outreach Plans

A Community Outreach Plan will be developed to define community involvement and industry participation. SAFEbuilt expects our employees to get involved in area building official groups, trade groups and other community programs.

### Community Point of Contact

The local account manager will be the main point of contact for all clients in this served area. This person will be responsible for managing the workload assignments and resources. This one point of contact will provide consistency and predictability for the communities.

Through the transition process we will work closely with each community to determine the best method for requesting support and distributing these resources. SAFEbuilt's local account manager will take all requests and disseminate inspectors and resources appropriately. Resources will be assigned to areas to help ensure consistency and efficiency for service delivery.

Should an issue arise with the service or an inspection we ask that our local manager be the first point of contact. If the issue needs another level of attention the Regional Manager or Director should be contacted. Company contact information will be provided to all clients.

Our local account manager will have regular scheduled check-in meetings with the community's point of contact. These meetings are often monthly and are there to facilitate communication around the service and to remain in touch with the community's needs. Annual or bi-annual check-ins are scheduled with the Regional Manager or Director to follow up and ensure alignment between community needs and services being delivered.

### Staff Resumes

The following resumes show the specific qualifications of proposed team members. All certifications are current and comply with required continuing education requirements.

### Primary Team Members

---

#### Matt Royer, SAFEbuilt Director of Operations

---

#### EXPERIENCE

---

Director of Operations - SAFEbuilt	2007 to Present
Building Official - SAFEbuilt Colorado	2005 to 2007
Lead Building Inspector/Plans Examiner -4 Leaf Inc., CA	2004 to 2005
Plans Examiner/Senior Building Inspector - Eagle County, CO	2000 to 2004
Building Inspector III - Sedgewick County, KS	1997 to 2000

---

#### LICENSES & CERTIFICATIONS

---

#### International Code Council

- Building Plans Examiner #1086520-B3
- Accessibility Inspector/Plans Examiner #1086520-21

- Commercial & Residential Building Inspector #1086520-B5
- Commercial & Residential Plumbing Inspector #1086520-P5
- Commercial & Residential Mechanical Inspector #1086520-M5

**CONTINUING EDUCATION**

- International Code Council (ICC)

**PROFESSIONAL AFFILIATIONS**

- International Code Council (ICC)

**Andrew Pieri, Building Official / Team Lead / Fire Inspector / Plans Examiner**

**EXPERIENCE**

Home Energy Program Liaison – Residential Science Resources	2012 to Present
Sole Proprietor – Fire Prevention Solutions	2005 to 2012
Plans Examiner & Inspector - DuPage County, IL	2004 to 2010
Inspector/Investigator - Village of Gurnee. IL Fire Department	2000 to 2003

**LICENSES & CERTIFICATIONS**

**International Code Council**

- Building Plans Examiner
- Commercial & Residential Building Inspector

**Fire Service Certifications**

- Fire Prevention Officer / Firefighter III / Fire Apparatus Engineer
- Fire Service Instructor / Fire Investigator / Hazardous Materials Operations

**CONTINUING EDUCATION**

- International Code Council (ICC)
- Building Officials and Code Administrator (BOCA)
- National Fire Prevention Association (NFPA)
- Americans with Disabilities Act (ADA)
- Illinois Accessibility Code (IAC)
- Illinois Department of Public Health (IDPH)

**PROFESSIONAL AFFILIATIONS**

- International Code Council (ICC)
- National Fire Prevention Association (NFPA)
- Illinois Council of Code Administrations
- Illinois Fire Inspector Association
- National Association of Homebuilders (NAHB)

**Qualified Professional\*, Combination Inspector / Plans Examiner**

**EXPERIENCE**

Building Commissioner – Municipality, IL	2006 to Present
Building Inspector – Illinois Licensed Home Inspector	2002 to 2006

**LICENSES & CERTIFICATIONS**

**International Code Council**

- Master Code Professional & Certified Building Official
- Building Inspector & Building Plans Examiner
- Commercial & Residential Combination Inspector
- Commercial & Residential Electrical Inspector
- Commercial & Residential Building Inspector

- Commercial & Residential Plumbing Inspector
- Commercial & Residential Mechanical Inspector
- Commercial Energy Inspector / Commercial Energy Plans Examiner
- Residential Energy Inspector/Plans Examiner
- Residential Plans Examiner
- Accessibility Inspector / Plans Examiner
- Property Maintenance & Housing Inspector - ICC & AACE

**CONTINUING EDUCATION**

- International Code Council (ICC)

**PROFESSIONAL AFFILIATIONS**

- International Code Council (ICC)

Note: \*Qualified Professional does not wish to have his name or his place of employment listed to protect his current position if SAFEbuilt is not awarded contract for services.

**Qualified Professional\*, Combination Inspector / Plans Examiner**

**EXPERIENCE**

Building Inspector – Private Consulting Company	2011 to Present
Building Inspector – Municipality, IL	2008 to 2011
Building Inspector & Compliance Officer – Municipality, IL	2007 to 2008

**LICENSES & CERTIFICATIONS**

**International Code Council**

- Building Inspector
- Commercial Building Inspector
- Residential Building Inspector
- Residential Electrical Inspector
- Residential Energy Inspector / Plans Examiner
- Residential Mechanical Inspector
- Property Maintenance & Housing Inspector – ICC & AACE

**CONTINUING EDUCATION**

- International Code Council (ICC)
- William Rainey Harper College
  - Municipal Building Code Enforcement

**PROFESSIONAL AFFILIATIONS**

- International Code Council (ICC)

Note: \*Qualified Professional does not wish to have his name or his place of employment listed to protect his current position if SAFEbuilt is not awarded contract for services.

**Robert Schmidt, Combination Inspector / Plans Examiner**

**EXPERIENCE**

Code Compliance Inspector/Plans Examiner – Hickory Hills, IL	2012 to Present
Senior Project Manager – Michael Buss Architects	2000 to Present
Project Manager/Draftsman – Styczynski Walker & Associates	1999 to 2000

**LICENSES & CERTIFICATIONS**

**International Code Council**

- Commercial Building Inspector

- Residential Building Inspector
- Residential Electrical Inspector
- Residential Energy Inspector / Plans Examiner
- Residential Mechanical Inspector
- Residential Plumbing Inspector
- Property Maintenance & Housing Inspector – ICC & AACE
- Building Plans Examiner
- Residential Plans Examiner
- Accessibility Inspector/Plans Examiner

#### CONTINUING EDUCATION

- International Code Council (ICC)
- Occupational Safety & Health Association
- The IL Energy Office / IL DCEO
- International Association of Arson Investigators

#### PROFESSIONAL AFFILIATIONS

- International Code Council (ICC)

#### **Mark Opels, Plumbing Inspector / Plans Examiner**

#### EXPERIENCE

Plumbing Inspector – Village of Carpentersville, IL	2009 to Present
Owner/Operator – Pipeworks	1997 to Present
Contract Plumbing Inspector – Prospect Heights, IL	1992 to Present

#### LICENSES & CERTIFICATIONS

##### State of Illinois

- Plumbing Inspector - #058-102468
- Licensed Plumber - #058-102468

##### International Code Council

- Commercial Plumbing Inspector - #8073139-P2
- Residential Plumbing Inspector - #8073139-P1

##### Illinois Environmental Protection Agency

- Cross Connection Control Device Inspector

#### CONTINUING EDUCATION

- International Code Council (ICC)
- Plumbing-Heating-Cooling Contractors Association (PHCC) of Illinois

#### PROFESSIONAL AFFILIATIONS

- Illinois Plumbing Inspectors Association-Charter
- International Association Plumbing & Mechanical Officials (IAPMO)

#### **Keya Willis, Permit Technician**

#### EXPERIENCE

Zoning Administration Coordinator – DuPage County, IL	2005 to Present
Community Development Intern – Village of Bartlett, IL	2005 to 2005
Planning Intern – City of Macomb, IL	2004 to 2005

#### EDUCATION

- M.A. Public Administration – University of West Florida – Pensacola, FL

---

**PROFESSIONAL SKILLS**

---

- ArcView/ArcMap GIS
- Microsoft Office
- Customer Relations
- Basic Project Management
- Basic Accounting Principles

---

**Frank Sygulla, Code Enforcement Officer**

---

**EXPERIENCE**

---

Commercial Real Estate Specialist – Robert Half Legal, IL	2012 to Present
Senior Code Enforcement Officer – City of Elgin, IL	1995 to 2010

---

**LICENSES & CERTIFICATIONS**

---

**International Code Council**

- Building Inspector - #5170595-B5
  - Commercial Building Inspector - #5170595-B2
  - Residential Building Inspector - #5170595-B1
  - Property Maintenance & Housing Inspector – ICC & AACE - #5170595-64
- 

**CONTINUING EDUCATION**

---

- International Code Council (ICC)
    - IECC Performing Residential Energy Plan Reviews
    - IECC Fundamentals of Residential Provisions for Designers
  - Illinois Association of Code Enforcement
- 

**PROFESSIONAL AFFILIATIONS**

---

- International Code Council
  - Economic Development Committee for the Sustainability Master Plan Advisory
  - Golden Key International Honor Society
- 

**David DeLeon, Code Enforcement Officer**

---

**EXPERIENCE**

---

Quality of Life Inspector (Seasonal) – Aurora, IL	2005 to Present
---	-----------------

---

**LICENSES & CERTIFICATIONS**

---

**International Code Council**

- Property Maintenance & Housing Inspector – ICC & AACE
- 

**CONTINUING EDUCATION**

---

- International Code Council (ICC)
- 

**PROFESSIONAL AFFILIATIONS**

---

- International Code Council (ICC)
-

### *Staff Consistency*

It is important to our clients that the members of our team fit with their community and that they will be around for the foreseeable future. We invest a great deal of time into our team members and have created an environment where they can prosper. We offer competitive pay and benefits and support them with continuing education and training. Because of the environment we have created, we have very low turnover in the company. People want to work here. If turnover does occur, for any reason, we will discuss the situation with the communities. We will also continue to maintain a talent pool of people so that interruptions of service do not occur.

### *Staffing Summary*

Our client's often recognize that we have the best people in the business. We are confident that your communities will have the same experience because we:

- Hire for the right balance of technical and soft skills
- Have employees that model our core values
- Have developed a strong orientation program
- Have clear lines of reporting
- Provide flexibility of resources to accommodate changes in activity levels
- Provide continuing training
- Keep our team members over time
- Maintain a deep talent pool in each area we serve

## REFERENCES AND EXPERIENCE

### *Experience Overview*

The services requested match up very well with the services we have been providing since 1992. While we have provided specific references below, feel free to contact any of our clients.

### *List of Current Cities, Towns, and Public Agencies Served*

<b>Aims Community College, CO</b>	<b>Ferndale, MI</b>	<b>Muskegon Heights, MI</b>
<b>Apex, NC</b>	<b>Front Range Community College, CO</b>	<b>Nederland, CO</b>
<b>Aspen Public Schools, CO</b>	<b>Firestone, CO</b>	<b>Newberry County, SC</b>
<b>Aspen, CO</b>	<b>Forest Park, GA</b>	<b>Northglenn, CO</b>
<b>Ault, CO</b>	<b>Foxfield, CO</b>	<b>Norton Shores, MI</b>
<b>Bainbridge, GA</b>	<b>Georgetown, CO</b>	<b>Northeastern Junior College, CO</b>
<b>Barnwell, SC</b>	<b>Georgetown, SC</b>	<b>Nunn, CO</b>
<b>Beaufort, SC</b>	<b>Gilcrest, CO</b>	<b>Orangeburg, SC</b>
<b>Bennett, CO</b>	<b>Grover, CO</b>	<b>Palmetto Academy, SC</b>
<b>Boulder County Schools, CO</b>	<b>Hanahan, SC</b>	<b>Peachtree City, GA</b>
<b>Boulder County, CO</b>	<b>Hampton, GA</b>	<b>Pierce, CO</b>
<b>Breckenridge, CO</b>	<b>Hapeville, GA</b>	<b>Pine Lake, GA</b>
<b>Burlington, CO</b>	<b>Hayden, CO</b>	<b>Pitkin County, CO</b>
<b>Butts County, GA</b>	<b>Hudson, CO</b>	<b>Platteville, CO</b>
<b>Castle Pines, CO</b>	<b>Idaho Springs, CO</b>	<b>Powder Springs, GA</b>
<b>Castle Rock, CO</b>	<b>Johns Creek, GA</b>	<b>Red Cliff, CO</b>
<b>Centennial, CO</b>	<b>Jonesboro, GA</b>	<b>Roswell, GA</b>
<b>Chamblee, GA</b>	<b>Keenesburg, CO</b>	<b>Saluda, SC</b>
<b>Chattahoochee Hills, GA</b>	<b>Kersey, CO</b>	<b>Senoia, GA</b>
<b>Cheraw, SC</b>	<b>Kiowa, CO</b>	<b>Severance, CO</b>
<b>Clarkston, GA</b>	<b>Lake City, GA</b>	<b>Sharpsburg, GA</b>
<b>Coastal Carolina University, SC</b>	<b>Lake County, CO</b>	<b>St. Vrain Valley Schools, CO</b>
<b>College of Charleston, SC</b>	<b>Limon, CO</b>	<b>State of Colorado</b>
<b>Colorado Mesa University, CO</b>	<b>Lithonia, GA</b>	<b>State of South Carolina</b>
<b>CO State University, CO</b>	<b>Lochbuie, CO</b>	<b>State of Wyoming</b>
<b>Commerce City, CO</b>	<b>Lone Tree, CO</b>	<b>Stone Mountain, GA</b>
<b>Craig, CO</b>	<b>Loveland, CO</b>	<b>Summit Public Schools, CO</b>
<b>Dacono, CO</b>	<b>Lyons, CO</b>	<b>Timnath, CO</b>
<b>Decatur, GA</b>	<b>Madison Heights, MI</b>	<b>Troy, MI</b>
<b>Department of Corrections, CO</b>	<b>Marlboro County, SC</b>	<b>Tyrone, GA</b>
<b>Dept. Military &amp; Veterans, CO</b>	<b>Mead, CO</b>	<b>Union City, GA</b>
<b>Dept. of Natural Resources, SC</b>	<b>Medical University of SC</b>	<b>University of Northern CO</b>
<b>Eagle, CO</b>	<b>Midlands Technical College, SC</b>	<b>Vail, CO</b>
<b>Eagle County School District, CO</b>	<b>Milliken, CO</b>	<b>Villa Rica, GA</b>
<b>Easley, SC</b>	<b>Milton, GA</b>	<b>WC School District, CO</b>
<b>Edgewater, CO</b>	<b>Mountain Park, GA</b>	<b>Wellington, CO</b>
<b>Federal Heights, CO</b>	<b>Muskegon, MI</b>	<b>West Point, GA</b>

References

<b>Municipality:</b>	City of Troy, Michigan
<b>Address:</b>	500 West Big Beaver Road
<b>City, State, Zip Code:</b>	Troy, MI 48084
<b>Contact Person:</b>	Mark Miller, Assistant City Manager
<b>Telephone Number:</b>	248-524-3351
<b>Email:</b>	<a href="mailto:millermf@troymi.gov">millermf@troymi.gov</a>
<b>Dates of Service:</b>	July 2010 to June 2013 (initial 3 year term; option for additional 2 year term)
<b>Award Amount:</b>	\$6.9M
<b>Municipality:</b>	City of Roswell, Georgia
<b>Address:</b>	38 Hill Street
<b>City, State, Zip Code:</b>	Roswell, GA 30075
<b>Contact Person:</b>	Alice Wakefield, Community Development Director
<b>Telephone Number:</b>	770-641-3780
<b>Email:</b>	<a href="mailto:awakefield@roswellgov.com">awakefield@roswellgov.com</a>
<b>Dates of Service:</b>	Sept 2012 to Sept 2015 (initial 3 year term; option for additional 2 year term)
<b>Award Amount:</b>	\$720K Annually
<b>Municipality:</b>	City of Muskegon, Michigan
<b>Address:</b>	933 Terrance Street
<b>City, State, Zip Code:</b>	Muskegon, MI 48083
<b>Contact Person:</b>	Bryon Mazade, City Manager
<b>Telephone Number:</b>	231-724-6724
<b>Email:</b>	<a href="mailto:bryon.mazade@postman.org">bryon.mazade@postman.org</a>
<b>Dates of Service:</b>	Nov 2012 to Nov 2015 (initial 3 year term; option for additional 2 year term)
<b>Award Amount:</b>	\$330 K Annually
<b>Municipality:</b>	City of Centennial, Colorado
<b>Address:</b>	13133 East Arapahoe Road
<b>City, State, Zip Code:</b>	Centennial, CO 80112
<b>Contact Person:</b>	Wayne Reed, Director of Planning
<b>Telephone Number:</b>	303-734-4567
<b>Email:</b>	<a href="mailto:reed@centennialcolorado.com">reed@centennialcolorado.com</a>
<b>Dates of Service:</b>	Jan 2011 to Dec 2015 (initial 5 year term; two (2) one-year extensions)
<b>Award Amount:</b>	\$14M
<b>Municipality:</b>	Town of Windsor, Colorado
<b>Address:</b>	301 Walnut Street
<b>City, State, Zip Code:</b>	Windsor, CO 80550
<b>Contact Person:</b>	Joseph Plummer, Director of Planning and/or Scott Ballstadt, Planner
<b>Telephone Number:</b>	970-674-2414 (Plummer) – 970-674-2411 (Ballstadt)
<b>Email:</b>	<a href="mailto:jplummer@windsorgov.com">jplummer@windsorgov.com</a> - <a href="mailto:sballstadt@windsorgov.com">sballstadt@windsorgov.com</a>
<b>Dates of Service:</b>	Jan 1992 to Dec 2013 – renews annually
<b>Award Amount:</b>	\$745K Annually

## TESTIMONIALS

---

*City of Johns Creek, Georgia*

November 09, 2012

Good Morning,

I just wanted to drop you a line to let you know about the SAFEbuilt Team in Johns Creek, GA.

They work hard to serve our community and continue to be a team player. They even provided a breakfast and Marine Corp birthday cake today to help us celebrate our veterans.

Sometimes it is the little things that make a big difference. I just wanted to brag on the Johns Creek SAFEbuilt team.

Thank you,

Joanie Jones, City Clerk

*City of Ferndale, Michigan*

July 02, 2012

Good Morning!!

I wanted to send a note to let you know what an excellent job Scott is doing for us. His professionalism, attention to detail and work ethic are excellent. There have been two specific instances where Scott has gone above and beyond what I'd expect from even a full time City employee. On an inspection he encountered a hoarder situation, instead of just issuing the appropriate violations Scott intervened, contacted the County on his own and followed through making sure the issue was resolved to the benefit of everyone, including the tenant. In a second instance we had a landlord that owns many properties in the City make an appointment to meet with me regarding several inspections Scott conducted. They questioned several of the comments and on the surface appeared to be correct on many issues or they were things that we did not require in the past. Without a request from me, and on his own time, Scott took the inspections and identified the appropriate section of code that supported the comment - not only making my job easier but also identifying some areas where we could provide a better level of service.

Scott is professional, works well with Staff and has provided us with an excellent level of service while we are short-handed. He represents your company in the most positive manner possible.

Best regards,

Derek L. Delacourt

Director Community & Economic Development

*Town of Vail, Colorado*

Is there one incident or event that sticks in your mind that really exemplifies the Town's relationship with SAFEbuilt?

SAFEbuilt was originally brought on to assist the Town when the volume of work outpaced our staffing levels. Even though the volume of work has decreased dramatically and our staffing levels were reduced, I keep SAFEbuilt on because of their demonstrated ability to consistently deliver the professional services our customers have come to expect. They do this work with integrity, professionalism and always on budget.

Town of Vail Building Official

March 14, 2012

## FEES – EXHIBIT A

---

See Exhibit A

## SCOPE OF WORK – EXHIBIT B

---

See Exhibit B

## ADDITIONAL INFORMATION

---

### *Over the Counter Permitting/Do-It-Yourself Projects Rapid Review*

On mutually agreed upon days, SAFEbuilt provides over the counter permits and plan reviews for specified permit types such as garages, uncovered decks, patio covers, egress windows, and basement finishes. Over the counter permitting provides for faster permitting turn around, and face to face interaction between building department staff, contractors and homeowners.

### *Neighborhood Improvement Team Program (NIT)*

SAFEbuilt offers a Neighborhood Improvement Team program. The Neighborhood Improvement Team is a structured program to create partnerships within the municipality to improve quality of life through collaboration of municipal staff and community members in identifying neighborhood concerns and applying resources to respond.

While municipal staff, officials and community organizations are all working towards the same goals it has been determined that there is a disconnect among the tactics employed and a lack of communication among these key participants. The creation of the Neighborhood Improvement Team is designed to improve communication and rebuild the relationship between officials and citizens. It is based on the belief that we can do a better job by engaging citizens in developing priorities and solutions. The program consists of a monthly meeting among staff, citizens and community organizations to discuss quality of life issues, concerns and announcements.

### *Homeowner Improvement Program*

This program incents homeowners to undertake quality home improvement projects utilizing quality/approved contractors in the community. It includes local business involvement and can also positively impact your permit revenue intake.

### *Emergency Response*

In the case of emergency response, SAFEbuilt fulfills the role of assessing damages, posting placards on both safe and unsafe structures. SAFEbuilt provides immediate response to localized emergencies (such as fire, building collapse, etc.) through co-located staff. In the case of large scale emergencies, our building official will work directly with your representative and emergency management personnel to determine an appropriate response and mobilize additional resources as needed. SAFEbuilt has an ICC Disaster Response trainer on staff and will ensure all inspectors are properly trained and certified to respond.

## Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) <b>SAFEbuilt, Illinois, Inc.</b>	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input checked="" type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶ _____	
	Address (number, street, and apt. or suite no.) <b>3755 Precision Dr, Suite 140</b>	Requester's name and address (optional)
	City, state, and ZIP code <b>Loveland, CO 80538</b>	
List account number(s) here (optional)		

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

<b>Social security number</b>	
[ ] [ ] [ ] - [ ] [ ] - [ ] [ ] [ ] [ ]	
<b>Employer identification number</b>	
4 6 - 2 3 4 0 4 3 9	

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶ <u>3/25/13</u>
------------------	----------------------------	-----------------------

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form**

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.





**POLICY HOLDER NOTICE**

**CERTIFICATE HOLDER CANCELLATION NOTICE SCHEDULE**

**Should this policy be cancelled before the expiration date hereof, the producer will endeavor to mail 30 days written notice to the certificate holder named herein, but failure to do so shall impose no obligation or liability of any kind upon the insurer, the producer, or the respective agents or representatives of each.**

**SCHEDULE:**

CERTIFICATE HOLDERS AS IDENTIFIED ON THE MOST RECENT QUARTERLY SCHEDULE OF CERTIFICATE HOLDERS PROVIDED BY THE INSURED'S BROKER OF RECORD TO THE INSURER.



# CERTIFICATE OF LIABILITY INSURANCE

SAFE-1

OP ID: LD

DATE (MM/DD/YYYY)  
05/31/13

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Brown & Brown Inc 4532 Boardwalk Dr, Suite 200 Fort Collins, CO 80525 Karen E. Siwak, CPA	Phone: 970-482-7747 Fax: 970-484-4165	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):
	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURED</b> Safebuilt, Inc. SAFEbuilt Illinois, Inc. 3755 Precision Drive, St.140 Loveland, CO 80538	<b>INSURER A : Great Northern Insurance Co.</b>		<b>20303</b>
	<b>INSURER B : Federal Insurance Company</b>		<b>20281</b>
	<b>INSURER C : Continental Casualty Company</b>		<b>20443</b>
	<b>INSURER D :</b>		
	<b>INSURER E :</b>		
	<b>INSURER F :</b>		

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY			35987968	04/30/13	04/30/14	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 10,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COM/OP AGG \$ 2,000,000
							\$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY			73575355	04/30/13	04/30/14	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB			79887751	04/30/13	04/30/14	EACH OCCURRENCE \$ 5,000,000
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$ 5,000,000
	<input type="checkbox"/> DED	<input type="checkbox"/> RETENTION \$					\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>						WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y / <input type="checkbox"/> N	N/A				E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
C	<b>Professional Liab</b>			MCH288349823	04/30/13	04/30/14	Per Claim 5,000,000
	<b>Claims Made</b>						\$50,000 DED

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Village of Winnetka, & their respective elected & appointed officials, employees, agents, consultants, attorneys & representatives are included as additional insured (blanket) & coverage is primary/noncontributory for general & auto liability per forms and conditions on page 2. rbahan@winnetka.org and mdonofrio@winnetka.org

**CERTIFICATE HOLDER****CANCELLATION**

<b>VILLAGW</b>  Village of Winnetka Attn: Village Manager 510 Green Bay Rd Winnetka, IL 60093	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
--	---

© 1988-2010 ACORD CORPORATION. All rights reserved.

**NOTEPAD**INSURED'S NAME **Safebuilt, Inc.****SAFEB-1**  
OP ID: LDPAGE 2  
DATE **05/31/13**

If required by written contract, the following forms apply on a blanket basis:

**General Liability:**

80-02-2305 (04/01) Additional Insured-Owners, Lessees or Contractors  
80-02-2000 (04/01) General Liability Form - Includes a waiver of subrogation and primary wording

**Auto Liability:**

16-02-0292 (1/10) Commercial Automobile Broad Form Endorsment - Includes a waiver of subrogation and additional insured



## Liability Insurance

### Endorsement

*Policy Period*            APRIL 30, 2012 TO APRIL 30, 2013  
*Effective Date*           APRIL 30, 2012  
*Policy Number*            3598-79-68 DEN  
*Insured*                     SAFE BUILT, INC  
  
*Name of Company*        GREAT NORTHERN INSURANCE COMPANY  
*Date Issued*                MAY 8, 2012

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Who Is An Insured, the following provision is added:

#### **Who Is An Insured**

*Owners, Lessees Or  
Contractors*

Any person or organization designated below is an **insured**; but they are **insureds** only with respect to their liability as owner, lessee or contractor arising out of your ongoing operations performed for that **insured**.

---

**Who Is An Insured**

*Owners, Lessees Or  
Contractors  
(continued)*

Designated Owners, Lessees Or Contractors

PERSONS OR ORGANIZATIONS THAT YOU ARE OBLIGATED,  
PURSUANT TO A CONTRACT OR AGREEMENT, TO PROVIDE  
WITH SUCH INSURANCE AS IS AFFORDED BY THIS POLICY.

All other terms and conditions remain unchanged.

*Authorized Representative*



---

---

## Conditions

### *Duties In The Event Of Occurrence, Offense, Claim Or Suit (continued)*

- F. Knowledge of an **occurrence** or offense by an agent or **employee** of the **insured** will not constitute knowledge by the **insured**, unless an **officer** (whether or not an **employee**) of any **insured** or an **officer's** designee knows about such **occurrence** or offense.
- G. Failure of an agent or **employee** of the **insured**, other than an **officer** (whether or not an **employee**) of any **insured** or an **officer's** designee, to notify us of an **occurrence** or offense that such person knows about will not affect the insurance afforded to you.
- H. If a claim or loss does not reasonably appear to involve this insurance, but it later develops into a claim or loss to which this insurance applies, the failure to report it to us will not violate this condition, provided the **insured** gives us immediate notice as soon as the **insured** is aware that this insurance may apply to such claim or loss.

### *Legal Action Against Us*

No person or organization has a right under this insurance to:

- join us as a party or otherwise bring us into a **suit** seeking damages from an **insured**; or
- sue us on this insurance unless all of the terms and conditions of this insurance have been fully complied with.

A person or organization may sue us to recover on an **agreed settlement** or on a final judgment against an **insured** obtained after an actual:

- trial in a civil proceeding; or
- arbitration or other alternative dispute resolution proceeding;

but we will not be liable for damages that are not payable under the terms and conditions of this insurance or that are in excess of the applicable Limits Of Insurance.

### *Other Insurance*

If other valid and collectible insurance is available to the **insured** for loss we would otherwise cover under this insurance, our obligations are limited as follows.

#### *Primary Insurance*

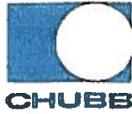
This insurance is primary except when the Excess Insurance provision described below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in the Method of Sharing provision described below.

#### *Excess Insurance*

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

- A. that is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar insurance for **your work**;
- B. that is insurance that applies to **property damage** to premises rented to you or temporarily occupied by you with permission of the owner;
- C. if the loss arises out of aircraft, **autos** or watercraft (to the extent not subject to the Aircraft, Autos Or Watercraft exclusion);



# General Liability

## Conditions

### Other Insurance (continued)

- D. that is insurance:
  1. provided to you by any person or organization working under contract or agreement for you; or
  2. under which you are included as an insured; or
- E. that is insurance under any Property section of this policy.

When this insurance is excess, we will have no duty to defend the **insured** against any **suit** if any other insurer has a duty to defend such **insured** against such **suit**. If no other insurer defends, we will undertake to do so, but we will be entitled to the **insured's** rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of the total:

- amount that all other insurance would pay for loss in the absence of this insurance; and
- of all deductible and self-insured amounts under all other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not negotiated specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

### Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable limits of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

### Premium Audit

We will compute all premiums for this insurance in accordance with our rules and rates.

In accordance with the Estimated Premiums section of the Premium Summary, premiums shown with an asterisk (\*) are estimated premiums and are subject to audit.

In addition to or in lieu of such designation in the Premium Summary, premiums may be designated as estimated premiums elsewhere in this policy. In that case, these premiums will also be subject to audit, and the second paragraph of the Estimated Premiums section of the Premium Summary will apply.

### Separation Of Insureds

Except with respect to the Limits Of Insurance, and any rights or duties specifically assigned in this insurance to the first named **insured**, this insurance applies:

- as if each named **insured** were the only named **insured**; and
- separately to each **insured** against whom claim is made or **suit** is brought.

---

**Conditions**

*(continued)*

*Transfer Or Waiver Of  
Rights Of Recovery  
Against Others*

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the **insured** has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the **insured's** rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The **insured** must do nothing after loss to impair them. At our request, the **insured** will bring **suit** or transfer those rights to us and help us enforce them.

This condition does not apply to **medical expenses**.

## COMMERCIAL AUTOMOBILE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

#### BUSINESS AUTO COVERAGE FORM

This endorsement modifies the Business Auto Coverage Form.

##### 1. EXTENDED CANCELLATION CONDITION

Paragraph A.2.b. – CANCELLATION - of the COMMON POLICY CONDITIONS form IL 00 17 is deleted and replaced with the following:

- b. 60 days before the effective date of cancellation if we cancel for any other reason.

##### 2. BROAD FORM INSURED

###### A. Subsidiaries and Newly Acquired or Formed Organizations As Insureds

The Named Insured shown in the Declarations is amended to include:

1. Any legally incorporated subsidiary in which you own more than 50% of the voting stock on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
2. Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
  - (a) That is an "insured" under any other automobile policy;
  - (b) That has exhausted its Limit of Insurance under any other policy; or
  - (c) 180 days or more after its acquisition or formation by you, unless you have given us written notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

###### B. Employees as Insureds

Paragraph A.1. – WHO IS AN INSURED – of SECTION II – LIABILITY COVERAGE is amended to add the following:

- d. Any "employee" of yours while using a covered "auto" you don't own, hire or

borrow in your business or your personal affairs.

##### C. Lessors as Insureds

Paragraph A.1. – WHO IS AN INSURED – of SECTION II – LIABILITY COVERAGE is amended to add the following:

- e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
  - (1) The agreement requires you to provide direct primary insurance for the lessor; and
  - (2) The "auto" is leased without a driver. Such leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire. However, the lessor is an "insured" only for "bodily injury" or "property damage" resulting from the acts or omissions by:
    1. You;
    2. Any of your "employees" or agents; or
    3. Any person, except the lessor or any "employee" or agent of the lessor, operating an "auto" with the permission of any of 1. and/or 2. above.

##### D. Persons And Organizations As Insureds Under A Written Insured Contract

Paragraph A.1 – WHO IS AN INSURED – of SECTION II – LIABILITY COVERAGE is amended to add the following:

- f. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed under an express provision in a written "insured contract", written agreement or a written permit issued to you by a governmental or public authority to add such person or organization to this policy as an "insured". However, such person or organization is an "insured" only:

- (1) with respect to the operation, maintenance or use of a covered "auto"; and
- (2) for "bodily injury" or "property damage" caused by an "accident" which takes place after:
  - (a) You executed the "insured contract" or written agreement; or
  - (b) The permit has been issued to you.

**3. FELLOW EMPLOYEE COVERAGE**

EXCLUSION B.5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply.

**4. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE**

Paragraph A.4.a. - TRANSPORTATION EXPENSES - of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day for temporary transportation expense, subject to a maximum limit of \$1,000.

**5. AUTO LOAN/LEASE GAP COVERAGE**

Paragraph A. 4. - COVERAGE EXTENSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to add the following:

**c. Unpaid Loan or Lease Amounts**

In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the loan or lease for a covered "auto" minus:

1. The amount paid under the Physical Damage Coverage Section of the policy; and
2. Any:
  - a. Overdue loan/lease payments at the time of the "loss";
  - b. Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
  - c. Security deposits not returned by the lessor;
  - d. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and
  - e. Carry-over balances from previous loans or leases.

We will pay for any unpaid amount due on the loan or lease if caused by:

1. Other than Collision Coverage only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
2. Specified Causes of Loss Coverage only if the Declarations indicate that Specified Causes of Loss Coverage is provided for any covered "auto"; or
3. Collision Coverage only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

**6. RENTAL AGENCY EXPENSE**

Paragraph A. 4. - COVERAGE EXTENSIONS - of

SECTION III - PHYSICAL DAMAGE COVERAGE is amended to add the following:

**d. Rental Expense**

We will pay the following expenses that you or any of your "employees" are legally obligated to pay because of a written contract or agreement entered into for use of a rental vehicle in the conduct of your business:

**MAXIMUM WE WILL PAY FOR ANY ONE CONTRACT OR AGREEMENT:**

1. \$2,500 for loss of income incurred by the rental agency during the period of time that vehicle is out of use because of actual damage to, or "loss" of, that vehicle, including income lost due to absence of that vehicle for use as a replacement;
2. \$2,500 for decrease in trade-in value of the rental vehicle because of actual damage to that vehicle arising out of a covered "loss"; and
3. \$2,500 for administrative expenses incurred by the rental agency, as stated in the contract or agreement.
4. \$7,500 maximum total amount for paragraphs 1., 2. and 3. combined.

**7. EXTRA EXPENSE - BROADENED COVERAGE**

Paragraph A.4. - COVERAGE EXTENSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to add the following:

**e. Recovery Expense**

We will pay for the expense of returning a stolen covered "auto" to you.

**8. AIRBAG COVERAGE**

Paragraph B.3.a. - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE does not apply to the accidental or unintended discharge of an airbag. Coverage is excess over any other collectible insurance or warranty specifically designed to provide this coverage.

**9. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT - BROADENED COVERAGE**

Paragraph C.2. - LIMIT OF INSURANCE - of SECTION III - PHYSICAL DAMAGE is deleted and replaced with the following:

2. \$2,000 is the most we will pay for "loss" in any one "accident" to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:
  - a. Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
  - b. Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or

c. An integral part of such equipment.

**10. GLASS REPAIR – WAIVER OF DEDUCTIBLE**

Under Paragraph D. - DEDUCTIBLE – of SECTION III – PHYSICAL DAMAGE COVERAGE the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

**11. TWO OR MORE DEDUCTIBLES**

Paragraph D.- DEDUCTIBLE – of SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add the following:

If this Coverage Form and any other Coverage Form or policy issued to you by us that is not an automobile policy or Coverage Form applies to the same "accident", the following applies:

1. If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived; or
2. If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

**12. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS**

Paragraph A.2.a. - DUTIES IN THE EVENT OF AN ACCIDENT, CLAIM, SUIT OR LOSS of SECTION IV - BUSINESS AUTO CONDITIONS is deleted and replaced with the following:

- a. In the event of "accident", claim, "suit" or "loss", you must promptly notify us when the "accident" is known to:
  - (1) You or your authorized representative, if you are an individual;
  - (2) A partner, or any authorized representative, if you are a partnership;
  - (3) A member, if you are a limited liability company; or
  - (4) An executive officer, insurance manager, or authorized representative, if you are an organization other than a partnership or limited liability company.

Knowledge of an "accident", claim, "suit" or "loss" by other persons does not imply that the persons listed above have such knowledge. Notice to us should include:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons or witnesses.

**13. WAIVER OF SUBROGATION**

Paragraph A.5. - TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US of SECTION IV – BUSINESS AUTO CONDITIONS is deleted and replaced with the following:

5. We will waive the right of recovery we would otherwise have against another person or organization for "loss" to which this insurance applies, provided the "insured" has waived their rights of recovery against such person or organization under a contract or agreement that is entered into before such "loss".

To the extent that the "insured's" rights to recover damages for all or part of any payment made under this insurance has not been waived, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

**14. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

Paragraph B.2. – CONCEALMENT, MISREPRESENTATION or FRAUD of SECTION IV – BUSINESS AUTO CONDITIONS - is deleted and replaced with the following:

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not void coverage under this Coverage Form because of such failure.

**15. AUTOS RENTED BY EMPLOYEES**

Paragraph B.5. - OTHER INSURANCE of SECTION IV – BUSINESS AUTO CONDITIONS - is amended to add the following:

- e. Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire. If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

**16. HIRED AUTO – COVERAGE TERRITORY**

Paragraph B.7.b.(5).(a) - POLICY PERIOD, COVERAGE TERRITORY of SECTION IV – BUSINESS AUTO CONDITIONS is deleted and replaced with the following:

- (a) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 45 days or less; and

**17. RESULTANT MENTAL ANGUISH COVERAGE**

Paragraph C. of - SECTION V – DEFINITIONS is deleted and replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death as a result of the "bodily injury" sustained by that person.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/14/13

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Aon Risk Services, Inc of Florida 1001 Brickell Bay Drive, Suite #1100 Miami, FL 33131-4937	<b>CONTACT NAME:</b> Aon Risk Services, Inc of Florida
	<b>PHONE (A/C, No, Ext):</b> 800-743-8130 <b>FAX (A/C, No):</b> 800-522-7514 <b>EMAIL ADDRESS:</b> ADP.COI.Center@Aon.com
<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURER A:</b> New Hampshire Ins Co	<b>NAIC #</b> 23841
<b>INSURER B:</b>	
<b>INSURER C:</b>	
<b>INSURER D:</b>	
<b>INSURER E:</b>	
<b>INSURER F:</b>	

**INSURED**  
 ADP TotalSource III, Inc.  
 10200 Sunset Drive  
 Miami, FL 33173  
**ALTERNATE EMPLOYER**  
 SafeBuilt Colorado Inc  
 3755 Precision Drive, Suite 140  
 Loveland, CO 80538

**COVERAGES**      **CERTIFICATE NUMBER:** 657111      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.      LIMITS SHOWN ARE AS REQUESTED.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$	
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$	
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DEC    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$	
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WC 015685231 CO	7/1/2013	7/1/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS    OTH-ER E.L. EACH ACCIDENT \$ 2,000,000 E.L. DISEASE - EA EMPLOYEE \$ 2,000,000 E.L. DISEASE - POLICY LIMIT \$ 2,000,000	

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)**  
 All worksite employees working for the above named client company, paid under ADP TOTALSOURCE, INC's payroll, are covered under the above stated policy. The above named client is an alternate employer under this policy

<b>CERTIFICATE HOLDER</b>  Village of Winnetka Attn: Village Manager 510 Green Bay Road Winnetka, IL 60093	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Aon Risk Services, Inc of Florida</i>



## Agenda Item Executive Summary

**Title:** Resolution No. R-61-2016: Change Order No. 1 - Underground Storage Tank Removal Project (Adoption)

**Presenter:** Steven M. Saunders, Director of Public Works/Village Engineer

**Agenda Date:** 12/06/2016

**Consent:**  YES  NO

Ordinance  
 Resolution  
 Bid Authorization/Award  
 Policy Direction  
 Informational Only

### Item History:

None.

### Executive Summary:

On August 2, 2016 the Village approved a contract with Crowne Industries for the removal of an existing 10,000 gallon underground storage tank (UST) at the Public Works facility. Considering the unknown conditions at the Public Works facility the bid documents requested a price from the contractor for the removal of contaminated soils and liquids should they be encountered during the removal process.

During the removal of the tank the contractor encountered unsuitable materials and liquids that need to be disposed of in accordance with state regulations. A total of 430.32 cubic yards of contaminated soil and 7565 gallons of contaminated ground water was removed from the construction site. It was also necessary to replace two manhole access points on the diesel tanks due to deterioration. Utilizing the proposed pricing in the contract for the removal and proper disposal of the contaminated soil and liquid including the replacement of the two manholes to contract acquired additional costs in the amount of \$35,263.05.

Staff is proposing to use available funds from account 100.30.01-650 for these additional costs.

### Recommendation:

Consider approving Resolution No. R-61-2016, approving Change Order No. 1 to Crown Industries, Inc. for the removal and disposal of contaminated soil and liquids and manhole replacements as part of the Public Works UST removal project for a price not to exceed \$35,263.05.

### Attachments:

- 1) Resolution No. R-61-2016
- 2) Copy of Pay Request No. 2

**RESOLUTION NO. R-61-2016**

**A RESOLUTION APPROVING CHANGE ORDER NO. 1 TO THE CONTRACT WITH  
CROWN INDUSTRIES FOR STORAGE TANK REPLACEMENT**

**WHEREAS**, Article VII, Section 10 of the 1970 Illinois Constitution authorizes the Village of Winnetka ("**Village**") to contract with individuals, associations, and corporations in any manner not prohibited by law or ordinance; and

**WHEREAS**, the Village requested bids to replace an underground storage tank located at the Public Work's fueling station ("**Work**"), which request for bids also included a request for pricing if it was determined during the course of the Work that additional soil and ground water needed to be removed pursuant to state environmental regulations and two manhole access points on the diesel tanks needed to be replaced due to deterioration ("**Additional Work**"); and

**WHEREAS**, on August 2, 2016, the Village Council approved Resolution R-41-2016, which authorized the Village to enter into a contract ("**Contract**") with Crowne Industries ("**Contractor**") to perform the Work; and

**WHEREAS**, while performing the Work, it was determined that the Additional Work needed to be performed; and

**WHEREAS**, the Village and the Contractor desire to ratify Change Order Number 1 ("**Change Order No. 1**") under the Contract for the performance of the Additional Work in the not-to-exceed amount of \$35,263.05; and

**WHEREAS**, the Village Council has determined that ratifying Change Order No. 1 for the Additional Work is (i) necessary to complete the project and (ii) in the best interest of the Village and authorized by law;

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the Village of Winnetka, Cook County, Illinois, as follows:

**SECTION 1: RECITALS.** The Village Council hereby adopts the foregoing recitals as its findings, as if fully set forth herein.

**SECTION 2: APPROVAL OF CHANGE ORDER NO. 1.** The Village Council hereby ratifies and approves Change Order No. 1 in substantially the form attached to this Resolution as **Exhibit A** and in a final form approved by the Village Attorney.

**SECTION 3: AUTHORIZATION TO EXECUTE CHANGE ORDER NO. 1.** The Village Council hereby authorizes and directs the Village President and the Village Clerk to execute and attest, respectively, on behalf of the Village, the final Change Order No. 1.

December 6, 2016

**R-61-2016**

**SECTION 4: EFFECTIVE DATE.** This Resolution shall be in full force and effect from and after its passage and approval according to law.

**ADOPTED** this 6th day of December, 2016, pursuant to the following roll call vote:

AYES: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

Signed

\_\_\_\_\_  
Village President

Countersigned:

\_\_\_\_\_  
Village Clerk

**EXHIBIT A**  
**CHANGE ORDER NO. 1**

## Continuation Sheet

AIA DOCUMENT G703

(Instructions on reverse side) Page 1 of 1 Pages

AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.

APPLICATION NUMBER: 2

APPLICATION DATE: 21-Nov-16

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

ARCHITECT'S PROJECT NO: #016-015

A	B	C	D		E	F	G	H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETE		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	%(G+C)	BALANCE TO FINISH (C-G)	
			FROM PREVIOUS APPLICATION (D+E)	THIS PERIOD					
1	Permits	800.00	800.00	0.00	0.00	800.00	100%	0.00	
2	Mobilization	3,000.00	3,000.00	0.00	0.00	3,000.00	100%	0.00	
3	Fuel System Removal & Site Demo.	17,000.00	17,000.00	0.00	0.00	17,000.00	100%	0.00	
4	Fuel Tanks, Straps, Sumps & Deadmen.	30,000.00	30,000.00	0.00	0.00	30,000.00	100%	0.00	
5	Fuel System Equip. (other than tanks)	29,000.00	29,000.00	0.00	0.00	29,000.00	100%	0.00	
6	Fuel Tank Installation Labor, Machinery & Shoring.	47,000.00	38,000.00	9,000.00	0.00	47,000.00	100%	0.00	
7	Fuel System Piping & Equip Install Labor	34,000.00	15,000.00	19,000.00	0.00	34,000.00	100%	0.00	
8	Electrical Work	19,000.00	6,000.00	13,000.00	0.00	19,000.00	100%	0.00	
9	Concrete	39,490.00	0.00	39,490.00	0.00	39,490.00	100%	0.00	
10	Fuel Dispensers	15,000.00	0.00	15,000.00	0.00	15,000.00	100%	0.00	
11	Kiosk	8,500.00	8,500.00	0.00	0.00	8,500.00	100%	0.00	

Attachment E-AIA Form G703

12	Start up	1,000.00	0.00	1,000.00	0.00	1,000.00	100%	0.00
13	Contaminated Liquid Disposal. (\$.65/gal) (7565 gal x \$ .65/gal)	4,917.25	4,917.25	0.00	0.00	4,917.25	100%	0.00
14	Contaminated Soil Disposal. (\$65/cuyd) (430.32 cu yds x \$65/cuyd)	27,970.80	26,085.80	1,885.00	0.00	27,970.80	100%	0.00
15	Remove and Replace Existing Pavement w/Concrete. (\$133/sq yd)	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00
16	Backfill - Additional (\$41/cu yd)	0.00	0.00	0.00	0.00	0.00	#DIV/0!	0.00
17	New manholes for old tanks	2,375.00	0.00	2,375.00	0.00	2,375.00	100%	0.00
TOTAL ALL PAGES		279,053.05	178,303.05	100,750.00	0.00	279,053.05		0.00

AIA DOCUMENT G703 - APPLICATION AND CERTIFICATE FOR PAYMENT - MAY 1983 EDITION - AIA REGISTERED - COPYRIGHT 1983  
 THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C. 20006



## Agenda Item Executive Summary

**Title:** Resolution No. R-62-2016: Approving a Contract with MAG Construction Company for Concrete Repairs to Water Plant Clearwells (Adoption)

**Presenter:** Brian Keys, Director of Water & Electric

**Agenda Date:** 12/06/16

- Ordinance
- Resolution
- Bid Authorization/Award
- Policy Direction
- Informational Only

**Consent:**  YES  NO

### Item History:

The Water Plant utilizes three concrete clearwells as part of the distribution system for potable water. An inspection report was completed for Clearwells 1 & 2 following a December 2014 internal inspection of the de-watered clearwells. The report found the clearwells to be in good condition, but identified some areas of cracks and spalling that should be addressed, particularly on the ceiling. In addition to the concrete repair, plant staff had previously identified a hydraulic problem with filters 1-4 which limits their filtering capability during peak periods. In 2016, funding was budgeted to address both the concrete repairs and the hydraulic problem.

### Executive Summary:

The scope of concrete repairs in the clearwells includes addressing cracks in the ceiling, cracks in the walls, and repairs to the access hatches. The manner and materials that will be used in the repairs were specified using the professional services of RHMG and Baxter & Woodman.

As previously noted, Water Plant staff experience a hydraulic problem with filters 1-4 during peak periods which limits their filtering capability. Plant staff attributed the problem to an incorrectly sized filter effluent header located within Clearwell #1. Earlier in 2016, Water & Electric retained the professional services of Strand Associates to hydraulically model the filter effluent, confirm that a hydraulic problem does in fact exist, and to develop a solution. The proposed solution requires the installation of an additional, parallel length of filter effluent header within Clearwell #1. Plans and specifications were assembled by Strand Associates for the required IEPA permitting and the bid documents. Staff has received an IEPA construction permit to proceed with the modifications to the filter effluent header.

Request for Bid #016-027 was issued for the required concrete repairs and the modification of the filter effluent. The bid was published in the Winnetka Talk and posted to the on-line bidding service Demand Star. Seven companies attended the mandatory pre-bid meeting at the Water Plant. Three companies submitted proposals. The proposals are summarized below:

- MAG Construction Company: \$128,950.00
- LIFCO Construction: \$147,500.00
- Keno & Sons Construction: \$156,381.00

Unit prices for each contractor have been included as Attachment A.

**Executive Summary (continued):**

All of the contractors have successfully completed prior projects for the Village. MAG Construction recently completed replacement of the structural floor in the Public Works Building "B".

Staff is recommending acceptance of MAG Construction Company's bid as the lowest responsible bidder. Staff is anticipating that additional quantities of repair may be required beyond those identified during the 2014 inspection of the de-watered clearwells. As part of the bid process, each bidder was asked to provide a unit price for additional ceiling and wall repair. In addition to acceptance of MAG Construction Company's base bid of \$128,950.00, staff is requesting contingency funding in the amount of \$1,812.

The FYE 2016 Budget contains \$150,000 allocated toward concrete repairs and \$90,000 for modifications of the filter effluent header in capital account #520.61.40-620. Of this funding, \$21,514 has been expended for professional services associated with the project. Completion of the project will extend into the beginning of 2017.

Resolution No. R-62-2016, prepared by the Village Attorney, authorizes the Village President and Village Clerk to execute and attest, a contract with MAG Construction Company.

**Recommendation:**

Consider adoption of Resolution No. R-62-2016 approving an agreement with MAG Construction Company for Concrete Repairs to the Water Plant Clearwells.

**Attachments:**

Attachment A: Bid Evaluation

Resolution No. R-62-2016; A Resolution Approving a Contract with MAG Construction Company for Concrete Repairs to Water Plant Clearwells.

- Village of Winnetka Contract for the Concrete Repairs to Water Plant Clearwells [RFB #16-027]

# ATTACHMENT A

## RFB #016-027 Clearwell Repair Bid Evaluation

	Unit Price Item	Unit	Approximate Number of Units	MAG CONSTRUCTION		LIFCO CONSTRUCTION		KENO & SONS CONSTRUCTION	
				Per Unit	Extension	Per Unit	Extension	Per Unit	Extension
1	Mobilization	EA	1	\$ 19,100.00	\$ 19,100.00	\$ 2,000.00	\$ 2,000.00	\$ 8,906.00	\$ 8,906.00
2	Dewatering clearwell for entrance	EA	1	\$ 5,200.00	\$ 5,200.00	\$ 4,000.00	\$ 4,000.00	\$ 2,884.00	\$ 2,884.00
3	Scaffolding Erection (if required)	EA	1	\$ 3,200.00	\$ 3,200.00	\$ 2,000.00	\$ 2,000.00	\$ 874.00	\$ 874.00
4	Pumping Equipment	EA	1	\$ 2,900.00	\$ 2,900.00	\$ 12,000.00	\$ 12,000.00	\$ 2,922.00	\$ 2,922.00
5	Adhesive/Grout Material	EA	1	\$ 670.00	\$ 670.00	\$ 4,000.00	\$ 4,000.00	\$ 2,708.00	\$ 2,708.00
6	Sealing of hatches	EA	2	\$ 950.00	\$ 1,900.00	\$ 2,000.00	\$ 4,000.00	\$ 1,308.00	\$ 2,616.00
7	Concrete repairs to Ceiling	FT	150	\$ 42.00	\$ 6,300.00	\$ 200.00	\$ 30,000.00	\$ 90.00	\$ 13,500.00
8	Concrete repairs to Walls	FT	15	\$ 184.00	\$ 2,760.00	\$ 200.00	\$ 3,000.00	\$ 100.00	\$ 1,500.00
9	Installation of Effluent header (inclusive of materials)	EA	1	\$ 64,000.00	\$ 64,000.00	\$ 50,000.00	\$ 50,000.00	\$ 91,104.00	\$ 91,104.00
10	Heating equipment	EA	1	\$ 10,600.00	\$ 10,600.00	\$ 15,000.00	\$ 15,000.00	\$ 13,852.00	\$ 13,852.00
11	Post construction cleaning of clearwell	EA	1	\$ 3,615.00	\$ 3,615.00	\$ 13,000.00	\$ 13,000.00	\$ 4,520.00	\$ 4,520.00
12	Disinfection of clearwell	EA	1	\$ 2,615.00	\$ 2,615.00	\$ 4,000.00	\$ 4,000.00	\$ 3,863.00	\$ 3,863.00
13	De-mobilization	EA	1	\$ 3,200.00	\$ 3,200.00	\$ 2,000.00	\$ 2,000.00	\$ 2,252.00	\$ 2,252.00
14	Performance Bond	EA	1	\$ 2,890.00	\$ 2,890.00	\$ 2,500.00	\$ 2,500.00	\$ 4,880.00	\$ 4,880.00
					<b>\$ 128,950.00</b>		<b>\$ 147,500.00</b>		<b>\$ 156,381.00</b>

				MAG CONSTRUCTION	LIFCO CONSTRUCTION	KENO & SONS CONSTRUCTION
15	Additional concrete repairs to Ceiling	FT	TBD	\$ 42.00	\$ 150.00	\$ 95.00
16	Additional concrete repairs to Walls	FT	TBD	\$ 184.00	\$ 150.00	\$ 105.00

**RESOLUTION NO. R-62-2016**

**A RESOLUTION APPROVING A CONTRACT WITH  
MAG CONSTRUCTION COMPANY FOR  
CONCRETE REPAIRS TO WATER PLANT CLEARWELLS**

**WHEREAS**, Article VII, Section 10 of the 1970 Illinois Constitution authorizes the Village of Winnetka (“*Village*”) to contract with individuals, associations, and corporations in any manner not prohibited by law or ordinance; and

**WHEREAS**, the Village has appropriated funds for the procurement of all work necessary to make concrete repairs to the water plant’s clearwells interior and for the installation of a new water effluent header (collectively, “*Work*”); and

**WHEREAS**, the Village requested bids for the performance of the Work; and

**WHEREAS**, the Village received three bids for the Work and opened the bids on November 18, 2016; and

**WHEREAS**, pursuant to Chapter 4.12 of the Village Code and the Village’s purchasing manual, the Village Council has determined that MAG Construction Company (“*Contractor*”), is the lowest responsible bidder for the Work; and

**WHEREAS**, the Village Council desires to enter into a contract with Contractor for the performance of the Work (“*Contract*”) for a price not to exceed \$130,762.00, which price includes \$1,812.00 in contingency funds in the event that the Village determines that additional crack repairs are needed while the Work is being performed; and

**WHEREAS**, the Village Council has determined that it is in the best interests of the Village and its residents to enter into the Contract with Contractor;

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the Village of Winnetka, Cook County, Illinois, as follows:

**SECTION 1: RECITALS.** The Village Council hereby adopts the foregoing recitals as its findings, as if fully set forth herein.

**SECTION 2: APPROVAL OF CONTRACT.** The Village Council hereby approves the Contract in substantially the form attached to this Resolution as **Exhibit A** and in a final form approved by the Village Attorney.

**SECTION 3: AUTHORIZATION TO EXECUTE CONTRACT.** The Village Council hereby authorizes and directs the Village President and the Village Clerk to execute and attest, respectively, on behalf of the Village, the final Contract after receipt by the Village Manager of two executed copies of the final Contract from Contractor; provided, however, that if the Village Manager does not receive two executed copies of the final Contract from Contractor

December 6, 2016

**R-62-2016**

within 60 days after the date of adoption of this Resolution, then this authority to execute and seal the Contract will, at the option of the Village Council, be null and void.

**SECTION 4: EFFECTIVE DATE.** This Resolution shall be in full force and effect from and after its passage and approval according to law.

**ADOPTED** this \_\_\_ day of \_\_\_\_\_, 2016, pursuant to the following roll call vote:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

Signed

\_\_\_\_\_  
Village President

Countersigned:

\_\_\_\_\_  
Village Clerk

**EXHIBIT A**  
**CONTRACT**

**VILLAGE OF WINNETKA  
CONTRACT FOR THE  
CONCRETE REPAIRS TO WATER PLANT CLEARWELLS**

Contract Number: [ *RFB #016-027* ]

**VILLAGE OF WINNETKA  
 CONTRACT FOR THE  
 CONCRETE REPAIRS TO WATER PLANT CLEARWELLS**

Contract Number: [ *RFB #016-027* ]

**TABLE OF CONTENTS**

		<u>Page</u>
<b>ARTICLE I</b>	<b>The Work .....</b>	<b>1</b>
1.1	Performance of the Work .....	1
1.2	Commencement and Completion Dates .....	2
1.3	Required Submittals .....	2
1.4	Review and Interpretation of Contract Provisions .....	3
1.5	Conditions at the Work Site; Record Documents/Drawings .....	3
1.6	Technical Ability to Perform .....	4
1.7	Financial Ability to Perform.....	4
1.8	Time.....	4
1.9	Safety at the Work Site.....	5
1.10	Cleanliness of the Work Site and Environs.....	5
1.11	Damage to the Work, the Work Site, and Other Property.....	5
1.12	Subcontractors and Suppliers .....	6
1.13	Simultaneous Work By Others .....	6
1.14	Occupancy Prior to Final Payment.....	6
1.15	Owner’s Right to Terminate or Suspend Work for Convenience .....	6
<b>ARTICLE II</b>	<b>Changes And Delays.....</b>	<b>7</b>
2.1	Changes .....	7
2.2	Delays .....	7
<b>ARTICLE III</b>	<b>Contractor’s Responsibility For Defective Work.....</b>	<b>8</b>
3.1	Inspection; Testing; Correction of Defects.....	8
3.2	Warranty of Work.....	8
3.3	Owner’s Right to Correct .....	9
<b>ARTICLE IV</b>	<b>Financial Assurances.....</b>	<b>9</b>
4.1	Bonds.....	9
4.2	Insurance.....	9
4.3	Indemnification.....	10
<b>ARTICLE V</b>	<b>Payment.....</b>	<b>10</b>
5.1	Contract Price .....	10

5.2	Taxes and Benefits .....	10
5.3	Progress Payments.....	10
5.4	Final Acceptance and Final Payment .....	11
5.5	Liens .....	11
5.6	Deductions .....	12
<b>ARTICLE VI</b>	<b>Disputes And Remedies.....</b>	<b>13</b>
6.1	Dispute Resolution Procedure .....	13
6.2	Contractor’s Remedies .....	13
6.3	Owner’s Remedies.....	13
6.4	Owner’s Special Remedy for Delay .....	15
6.5	Terminations and Suspensions Deemed for Convenience .....	15
<b>ARTICLE VII</b>	<b>Legal Relationships And Requirements .....</b>	<b>15</b>
7.1	Binding Effect .....	15
7.2	Relationship of the Parties.....	15
7.3	No Collusion/Prohibited Interests .....	15
7.4	Assignment .....	16
7.5	Confidential Information .....	16
7.6	No Waiver .....	16
7.7	No Third Party Beneficiaries.....	17
7.8	Notices .....	17
7.9	Governing Laws .....	17
7.10	Changes in Laws.....	18
7.11	Compliance with Laws .....	18
7.12	Compliance with Patents .....	19
7.13	Time.....	19
7.14	Severability .....	19
7.15	Entire Agreement.....	20
7.16	Amendments.....	20

**Contractor’s Certification**

- Attachment A:** Supplemental Schedule of Contract Terms
- Attachment B:** Specifications
- Attachment C:** List of Documents/Documents/Drawings
- Appendix:** Prevailing Wage Ordinance

**VILLAGE OF WINNETKA  
CONTRACT FOR THE  
CONCRETE REPAIRS TO WATER PLANT CLEARWELLS**

Contract Number: [ *RFB #016-027* ]

In consideration of the mutual promises set forth below, the *Village of Winnetka, 510 Green Bay Road, Winnetka, IL 60093*, an Illinois municipal corporation (“*Owner*”), and [*name and address of successful bidder*], a [*form of organization*] (“*Contractor*”), make this Contract as of \_\_\_\_\_, 20\_\_\_\_, (the “*Effective Date*”) and hereby agree as follows:

**ARTICLE I: THE WORK**

**1.1 Performance of the Work**

Contractor, at its sole cost and expense, must provide, perform, and complete all of the following, all of which is herein referred to as the “*Work*”:

1. Labor, Equipment, Materials, and Supplies. Provide, perform, and complete, in the manner described and specified in this Contract, all necessary work, labor, services, transportation, equipment, materials, apparatus, machinery, tools, fuels, gas, electric, water, waste disposal, information, data, and other means and items necessary to accomplish the Project at the Work Site, both as defined in Attachment A, in accordance with the specifications attached hereto as Attachment B, the Documents/Drawings identified in the list attached hereto as Attachment C.
2. Permits. Except as otherwise provided in Attachment A, procure and furnish all permits, licenses, and other governmental approvals and authorizations necessary in connection therewith.
3. Bonds and Insurance. Procure and furnish all Bonds and all certificates and policies of insurance specified in this Contract.
4. Taxes. Pay all applicable federal, state, and local taxes.
5. Miscellaneous. Do all other things required of Contractor by this Contract, including without limitation arranging for utility and other services needed for the Work and for testing, including the installation of temporary utility lines, wiring, switches, fixtures, hoses, connections, and meters, and providing sufficient sanitary conveniences and shelters to accommodate all workers and all personnel of Owner engaged in the Work.
6. Quality. Provide, perform, and complete all of the foregoing in a proper and workmanlike manner, consistent with the highest standards of professional and

construction practices and in full compliance with, and as required by or pursuant to, this Contract, and with the greatest economy, efficiency, and expedition consistent therewith, with only new, undamaged and first quality equipment, materials, and supplies.

**1.2 Commencement and Completion Dates**

Contractor must commence the Work not later than the “*Commencement Date*” set forth on Attachment A and must diligently and continuously prosecute the Work at such a rate as will allow the Work to be fully provided, performed, and completed in full compliance with this Contract not later than the “*Completion Date*” set forth in Attachment A. The time of commencement, rate of progress, and time of completion are referred to in this Contract as the “*Contract Time*.”

**1.3 Required Submittals**

A. Submittals Required. Contractor must submit to Owner all documents, data, and information specifically required to be submitted by Contractor under this Contract and must, in addition, submit to Owner all such Documents/Drawings, specifications, descriptive information, and engineering documents, data, and information as may be required, or as may be requested by Owner, to show the details of the Work, including a complete description of all equipment, materials, and supplies to be provided under this Contract (“*Required Submittals*”). Such details must include, but are not limited to, design data, structural and operating features, principal dimensions, space required or provided, clearances required or provided, type and brand of finish, and all similar matters, for all components of the Work.

B. Number and Format. Contractor must provide [*three*] complete sets for each Required Submittal. All Required Submittals, except Documents/Drawings, must be prepared on white 8-1/2” x 11”. Two blueline prints and one sepia transparency of each drawing must be provided. All Documents/Drawings must be clearly marked in the lower right-hand corner with the names of Owner and Contractor.

C. Time of Submission and Owner’s Review. All Required Submittals must be provided to Owner no later than the time, if any, specified in this Contract for their submission or, if no time for submission is specified, in sufficient time, in Owner’s sole opinion, to permit Owner to review the same prior to the commencement of the part of the Work to which they relate and prior to the purchase of any equipment, materials, or supplies that they describe. Owner will have the right to require such corrections as may be necessary to make such submittals conform to this Contract. All such submittals will, after final processing and review with no exception noted by Owner, become a part of this Contract. No Work related to any submittal may be performed by Contractor until Owner has completed review of such submittal with no exception noted. Owner’s review and stamping of any Required Submittal will be for the sole purpose of examining the general management, design, and details of the proposed Work, does not relieve Contractor of the entire responsibility for the performance of the Work in full compliance with, and as required by or

pursuant to this Contract, and may not be regarded as any assumption of risk or liability by Owner.

D. Responsibility for Delay. Contractor is responsible for any delay in the Work due to delay in providing Required Submittals conforming to this Contract.

**1.4 Review and Interpretation of Contract Provisions**

Contractor represents and warrants that it has carefully reviewed this Contract, including all of its Attachments, and the Documents/Documents/Drawings identified in Attachment C, all of which are by this reference incorporated into and made a part of this Contract. Contractor must, at no increase in the Contract Price, provide workmanship, equipment, materials, and supplies that fully conform to this Contract. Whenever any equipment, materials or supplies are specified or described in this Contract by using the name or other identifying feature of a proprietary product or the name or other identifying feature of a particular manufacturer or vendor, the specific item mentioned is understood as establishing the type, function and quality desired. Other manufacturers' or vendors' products may be accepted, provided that the products proposed are equivalent in substance and function to those named as determined by Owner in its sole and absolute discretion.

Contractor must promptly notify Owner of any discrepancy, error, omission, ambiguity, or conflict among any of the provisions of this Contract before proceeding with any Work affected thereby. If Contractor fails to give such notice to Owner, then the subsequent decision of Owner as to which provision of this Contract governs is final, and any corrective work required does not entitle Contractor to any damages, to any compensation in excess of the Contract Price, or to any delay or extension of the Contract Time.

When the equipment, materials, or supplies furnished by Contractor cannot be installed as specified in this Contract, Contractor must, without any increase in the Contract Price, make all modifications required to properly install the equipment, materials, or supplies. Any such modification is subject to the prior review and consent of Owner.

**1.5 Conditions at the Work Site; Record Documents/Drawings**

Contractor represents and warrants that it has had a sufficient opportunity to conduct a thorough investigation of the Work Site and the surrounding area and has completed such investigation to its satisfaction. Contractor will have no claim for damages, for compensation in excess of the Contract Price, or for a delay or extension of the Contract Time based upon conditions found at, or in the vicinity of, the Work Site. When information pertaining to subsurface, underground or other concealed conditions, soils analysis, borings, test pits, utility locations or conditions, buried structures, condition of existing structures, and other investigations is or has been provided by Owner, or is or has been otherwise made available to Contractor by Owner, such information is or has been provided or made available solely for the convenience of Contractor and is not part of this Contract. Owner assumes no responsibility whatever in respect to the sufficiency or accuracy of such information, and there is no guaranty or warranty, either expressed or implied, that the conditions indicated are

representative of those existing throughout the Work or the Work Site, or that the conditions indicated are representative of those existing at any particular location, or that the conditions indicated may not change, or that unanticipated conditions may not be present.

Contractor is solely responsible for locating all existing underground installations by prospecting no later than two workdays prior to any scheduled excavation or trenching, whichever is earlier. Contractor must check all dimensions, elevations, and quantities indicated in this Contract within the same time period as set forth above for prospecting underground installations. Contractor must lay out the Work in accordance with this Contract and must establish and maintain such locations, lines and levels. Wherever pre-existing work is encountered, Contractor must verify and be responsible for dimensions and location of such pre-existing work. Contractor must notify Owner of any discrepancy between the dimensions, elevations and quantities indicated in this Contract and the conditions of the Work Site or any other errors, omissions or discrepancies which Contractor may discover during such inspections. Full instructions will be furnished by Owner should such error, omission, or discrepancy be discovered, and Contractor must carry out such instructions as if originally specified and without any increase in Contract Price.

Before Final Acceptance of the Work, Contractor must submit to Owner two sets of Documents/Drawings of Record, unless a greater number is specified elsewhere in this Contract, indicating all field deviations from Attachment B or the Documents/Drawings identified in Attachment C.

**1.6 Technical Ability to Perform**

Contractor represents and warrants that it is sufficiently experienced and competent, and has the necessary capital, facilities, plant, organization, and staff, to provide, perform and complete the Work in full compliance with, and as required by or pursuant to, this Contract.

**1.7 Financial Ability to Perform**

Contractor represents and warrants that it is financially solvent, and Contractor has the financial resources necessary to provide, perform and complete the Work in full compliance with, and as required by or pursuant to, this Contract.

**1.8 Time**

Contractor represents and warrants that it is ready, willing, able and prepared to begin the Work on the Commencement Date and that the Contract Time is sufficient time to permit completion of the Work in full compliance with, and as required by or pursuant to, this Contract for the Contract Price, all with due regard to all natural and man-made conditions that may affect the Work or the Work Site and all difficulties, hindrances, and delays that may be incident to the Work.

**1.9 Safety at the Work Site**

Contractor is solely and completely responsible for providing and maintaining safe conditions at the Work Site, including the safety of all persons and property during performance of the Work. This requirement applies continuously and is not limited to normal working hours. Contractor must take all safety precautions as necessary to comply with all applicable laws and to prevent injury to persons and damage to property.

Contractor must conduct all of its operations without interruption or interference with vehicular and pedestrian traffic on public and private rights-of-way, unless it has obtained permits therefor from the proper authorities. If any public or private right-of-way are rendered unsafe by Contractor's operations, Contractor must make such repairs or provide such temporary ways or guards as are acceptable to the proper authorities.

**1.10 Cleanliness of the Work Site and Environs**

Contractor must keep the Work Site and adjacent areas clean at all times during performance of the Work and must, upon completion of the Work, leave the Work Site and adjacent areas in a clean and orderly condition.

**1.11 Damage to the Work, the Work Site, and Other Property**

The Work and everything pertaining thereto is provided, performed, completed, and maintained at the sole risk and cost of Contractor from the Commencement Date until Final Payment. Contractor is fully responsible for the protection of all public and private property and all persons. Without limiting the foregoing, Contractor must, at its own cost and expense, provide all permanent and temporary shoring, anchoring and bracing required by the nature of the Work in order to make all parts absolutely stable and rigid, even when such shoring, anchoring and bracing is not explicitly specified, and support and protect all buildings, bridges, roadways, conduits, wires, water pipes, gas pipes, sewers, pavements, curbs, sidewalks, fixtures and landscaping of all kinds and all other public or private property that may be encountered or endangered in providing, performing and completing the Work. Contractor will have no claim against Owner because of any damage or loss to the Work or to Contractor's equipment, materials, or supplies from any cause whatsoever, including damage or loss due to simultaneous work by others. Contractor must, promptly and without charge to Owner, repair or replace, to the satisfaction of Owner, any damage done to, and any loss suffered by, the Work and any damage done to, and any loss suffered by, the Work Site or other property as a result of the Work. Notwithstanding any other provision of this Contract, Contractor's obligations under this Section exist without regard to, and may not be construed to be waived by, the availability or unavailability of any insurance, either of Owner or Contractor, to indemnify, hold harmless, or reimburse Contractor for the cost of any repair or replacement work required by this Section.

**1.12 Subcontractors and Suppliers**

A. Approval and Use of Subcontractors and Suppliers. Contractor must perform the Work with its own personnel and under the management, supervision, and control of its own organization unless otherwise approved by Owner in writing. All subcontractors, suppliers, and subcontracts used by Contractor must be acceptable to, and approved in advance by, Owner. Owner's approval of any subcontractor, supplier, and subcontract does not relieve Contractor of full responsibility and liability for the provision, performance, and completion of the Work in full compliance with, and as required by or pursuant to, this Contract. All Work performed under any subcontract is subject to all of the provisions of this Contract in the same manner as if performed by employees of Contractor. Every reference in this Contract to "*Contractor*" is deemed also to refer to all subcontractors and suppliers of Contractor. Every subcontract must include a provision binding the subcontractor or supplier to all provisions of this Contract.

B. Removal of Subcontractors and Suppliers. If any subcontractor or supplier fails to perform the part of the Work undertaken by it in a manner satisfactory to Owner, Contractor must immediately upon notice from Owner terminate such subcontractor or supplier. Contractor will have no claim for damages, for compensation in excess of the Contract Price, or for a delay or extension of the Contract Time as a result of any such termination.

**1.13 Simultaneous Work By Others**

Owner has the right to perform or have performed such other work as Owner may desire in, about, or near the Work Site during the performance of the Work by Contractor. Contractor must make every reasonable effort to perform the Work in such manner as to enable both the Work and such other work to be completed without hindrance or interference from each other. Contractor must afford Owner and other contractors reasonable opportunity for the execution of such other work and must properly coordinate the Work with such other work.

**1.14 Occupancy Prior to Final Payment**

Owner will have the right, at its election, to occupy, use, or place in service any part of the Work prior to Final Payment. Such occupancy, use, or placement in service must be conducted in such manner as not to damage any of the Work or to unreasonably interfere with the progress of the Work. No such occupancy, use, or placement in service may be construed as an acceptance of any of the Work or a release or satisfaction of Contractor's duty to insure and protect the Work, nor may it, unless conducted in an unreasonable manner, be considered as an interference with Contractor's provision, performance, or completion of the Work.

**1.15 Owner's Right to Terminate or Suspend Work for Convenience**

A. Termination or Suspension for Convenience. Owner has the right, for its convenience, to terminate or suspend the Work in whole or in part at any time by written

notice to Contractor. Every such notice must state the extent and effective date of such termination or suspension. On such effective date, Contractor must, as and to the extent directed, stop Work under this Contract, cease all placement of further orders or subcontracts, terminate or suspend Work under existing orders and subcontracts, cancel any outstanding orders or subcontracts that may be cancelled, and take any action necessary to protect any property in its possession in which Owner has or may acquire any interest and to dispose of such property in such manner as may be directed by Owner.

B. Payment for Completed Work. In the event of any termination pursuant to Subsection 1.15A above, Owner must pay Contractor (1) such direct costs, excluding overhead, as Contractor has paid or incurred for all Work done in compliance with, and as required by or pursuant to, this Contract up to the effective date of termination together with ten percent of such costs for overhead and profit; and (2) such other costs pertaining to the Work, exclusive of overhead and profit, as Contractor may have reasonably and necessarily incurred as the result of such termination. Any such payment may be offset by any prior payment or payments and is subject to Owner's rights to withhold and deduct as provided in this Contract.

## ARTICLE II: CHANGES AND DELAYS

### 2.1 Changes

Owner has the right, by written order executed by Owner, to make changes in the Contract, the Work, the Work Site, and the Contract Time ("*Change Order*"). If any Change Order causes an increase or decrease in the amount of the Work, an equitable adjustment in the Contract Price or Contract Time may be made. All claims by Contractor for an equitable adjustment in either the Contract Price or the Contract Time must be made within two business days following receipt of such Change Order, and may, if not made prior to such time, be conclusively deemed to have been waived. No decrease in the amount of the Work caused by any Change Order will entitle Contractor to make any claim for damages, anticipated profits, or other compensation.

### 2.2 Delays

A. Extensions for Unavoidable Delays. For any delay that may result from causes that could not be avoided or controlled by Contractor, Contractor must, upon timely written application, be entitled to issuance of a Change Order providing for an extension of the Contract Time for a period of time equal to the delay resulting from such unavoidable cause. No extension of the Contract Time will be allowed for any other delay in completion of the Work.

B. No Compensation for Delays. No payment, compensation, damages, or adjustment of any kind, other than the extension of the Contract Time provided in Subsection 2.2A above, may be made to, or claimed by, Contractor because of hindrances or delays from any cause in the commencement, prosecution, or completion of the Work, whether caused by Owner or any other party and whether avoidable or unavoidable.

**ARTICLE III: CONTRACTOR'S RESPONSIBILITY  
FOR DEFECTIVE WORK**

**3.1 Inspection; Testing; Correction of Defects**

A. Inspection. Until Final Payment, all parts of the Work are subject to inspection and testing by Owner or its designated representatives. Contractor must furnish, at its own expense, all reasonable access, assistance, and facilities required by Owner for such inspection and testing.

B. Re-Inspection. Re-inspection and re-testing of any Work may be ordered by Owner at any time, and, if so ordered, any covered or closed Work must be uncovered or opened by Contractor. If the Work is found to be in full compliance with this Contract, then Owner must pay the cost of uncovering, opening, re-inspecting, or re-testing, as the case may be. If such Work is not in full compliance with this Contract, then Contractor must pay such cost.

C. Correction. Until Final Payment, Contractor must, promptly and without charge, repair, correct, or replace all or any part of the Work that is defective, damaged, flawed, or unsuitable or that in any way fails to conform strictly to the requirements of this Contract.

**3.2 Warranty of Work**

A. Scope of Warranty. Contractor warrants that the Work and all of its components will be free from defects and flaws in design, workmanship, and materials; must strictly conform to the requirements of this Contract; and will be fit, sufficient, and suitable for the purposes expressed in, or reasonably inferred from, this Contract. The warranty herein expressed is in addition to any other warranties expressed in this Contract, or expressed or implied by law, which are hereby reserved unto Owner.

B. Repairs; Extension of Warranty. Contractor, promptly and without charge, must correct any failure to fulfill the above warranty that may be discovered or develop at any time within one year after Final Payment or such longer period as may be prescribed in Attachment B to this Contract or by law. The above warranty may be extended automatically to cover all repaired and replacement parts and labor provided or performed under such warranty and Contractor's obligation to correct Work may be extended for a period of one year from the date of such repair or replacement. The time period established in this Subsection 3.2B relates only to the specific obligation of Contractor to correct Work and may not be construed to establish a period of limitation with respect to other obligations that Contractor has under this Contract.

C. Subcontractor and Supplier Warranties. Whenever Attachment B requires a subcontractor or supplier to provide a guaranty or warranty, Contractor is solely responsible for obtaining said guaranty or warranty in form satisfactory to Owner and assigning said

warranty or guaranty to Owner. Acceptance of any assigned warranties or guaranties by Owner is a precondition to Final Payment and does not relieve Contractor of any of its guaranty or warranty obligations under this Contract.

**3.3 Owner's Right to Correct**

If, within two business days after Owner gives Contractor notice of any defect, damage, flaw, unsuitability, nonconformity, or failure to meet warranty subject to correction by Contractor pursuant to Section 3.1 or Section 3.2 of this Contract, Contractor neglects to make, or undertake with due diligence to make, the necessary corrections, then Owner is entitled to make, either with its own forces or with contract forces, the corrections and to recover from Contractor all resulting costs, expenses, losses, or damages, including attorneys' fees and administrative expenses.

**ARTICLE IV: FINANCIAL ASSURANCES**

**4.1 Bonds**

Contemporaneous with Contractor's execution of this Contract, Contractor must provide a Performance Bond and a Labor and Material Payment Bond, on forms provided by, or otherwise acceptable to, Owner, from a surety company licensed to do business in the State of Illinois with a general rating of A and a financial size category of Class X or better in Best's Insurance Guide, each in the penal sum of the Contract Price ("*Bonds*"). Contractor, at all times while providing, performing, or completing the Work, including, without limitation, at all times while correcting any failure to meet warranty pursuant to Section 3.2 of this Contract, must maintain and keep in force, at Contractor's expense, the Bonds required hereunder.

**4.2 Insurance**

Contemporaneous with Contractor's execution of this Contract, Contractor must provide certificates and policies of insurance evidencing the minimum insurance coverages and limits set forth in Attachment A. For good cause shown, Owner may extend the time for submission of the required policies of insurance upon such terms, and with such assurances of complete and prompt performance, as Owner may impose in the exercise of its sole discretion. Such policies must be in a form, and from companies, acceptable to Owner. Such insurance must provide that no change, modification in, or cancellation of any insurance becomes effective until the expiration of 30 days after written notice thereof has have been given by the insurance company to Owner. Contractor must, at all times while providing, performing, or completing the Work, including, without limitation, at all times while correcting any failure to meet warranty pursuant to Section 3.2 of this Contract, maintain and keep in force, at Contractor's expense, the minimum insurance coverages and limits set forth in Attachment A.

**4.3 Indemnification**

Contractor hereby agrees to and will indemnify, save harmless, and defend Owner and all of its elected officials, officers, employees, attorneys, agents, and representatives against any and all lawsuits, claims, demands, damages, liabilities, losses, and expenses, including attorneys' fees and administrative expenses, that may arise, or be alleged to have arisen, out of or in connection with Contractor's performance of, or failure to perform, the Work or any part thereof, whether or not due or claimed to be due in whole or in part to the active, passive, or concurrent negligence or fault of Contractor, except to the extent caused solely by the negligence of Owner.

**ARTICLE V: PAYMENT**

**5.1 Contract Price**

Owner must pay to Contractor, in accordance with and subject to the terms and conditions set forth in this Article V and Attachment A, and Contractor must accept in full satisfaction for providing, performing, and completing the Work, the amount or amounts set forth in Attachment A (the "*Contract Price*"), subject to any additions, deductions, or withholdings provided for in this Contract.

**5.2 Taxes and Benefits**

Owner is exempt from and will not be responsible to pay, or reimburse Contractor for, any state or local sales, use, or excise taxes. The Contract Price includes all other applicable federal, state, and local taxes of every kind and nature applicable to the Work as well as all taxes, contributions, and premiums for unemployment insurance, old age or retirement benefits, pensions, annuities, or other similar benefits. All claim or right to claim additional compensation by reason of the payment of any such tax, contribution, or premium is hereby waived and released by Contractor.

**5.3 Progress Payments**

A. Payment in Installments. The Contract Price must be paid in monthly installments in the manner set forth in Attachment A ("*Progress Payments*").

B. Pay Requests. Contractor must, as a condition precedent to its right to receive each Progress Payment, submit to Owner a pay request in the form provided by Owner ("*Pay Request*"). The first Pay Request must be submitted not sooner than 30 days following commencement of the Work. Owner may, by written notice to Contractor, designate a specific day of each month on or before which Pay Requests must be submitted. Each Pay Request must include (a) Contractor's certification of the value of, and partial or final waivers of lien covering, all Work for which payment is then requested and (b) Contractor's certification that all prior Progress Payments have been properly applied to the payment or reimbursement of the costs with respect to which they were paid.

C. Work Entire. This Contract and the Work are entire and the Work as a whole is of the essence of this Contract. Notwithstanding any other provision of this Contract, each and every part of this Contract and of the Work are interdependent and common to one another and to Owner's obligation to pay all or any part of the Contract Price or any other consideration for the Work. Any and all Progress Payments made pursuant to this Article are provided merely for the convenience of Contractor and for no other purpose.

**5.4 Final Acceptance and Final Payment**

A. Notice of Completion. When the Work has been completed and is ready in all respects for acceptance by Owner, Contractor must notify Owner and request a final inspection ("*Notice of Completion*"). Contractor's Notice of Completion must be given sufficiently in advance of the Completion Date to allow for scheduling of the final inspection and for completion or correction before the Completion Date of any items identified by such inspection as being defective, damaged, flawed, unsuitable, nonconforming, incomplete, or otherwise not in full compliance with, or as required by or pursuant to, this Contract ("*Punch List Work*").

B. Punch List and Final Acceptance. The Work may be finally accepted when, and only when, the whole and all parts thereof have been completed to the satisfaction of Owner in full compliance with, and as required by or pursuant to, this Contract. Upon receipt of Contractor's Notice of Completion, Owner must make a review of the Work and notify Contractor in writing of all Punch List Work, if any, to be completed or corrected. Following Contractor's completion or correction of all Punch List Work, Owner must make another review of the Work and prepare and deliver to Contractor either a written notice of additional Punch List Work to be completed or corrected or a written notice of final acceptance of the Work ("*Final Acceptance*").

C. Final Payment. As soon as practicable after Final Acceptance, Contractor must submit to Owner a properly completed final Pay Request in the form provided by Owner ("*Final Pay Request*"). Owner must pay to Contractor the balance of the Contract Price, after deducting therefrom all charges against Contractor as provided for in this Contract ("*Final Payment*"). Final Payment must be made not later than 60 days after Owner approves the Final Pay Request. The acceptance by Contractor of Final Payment will operate as a full and complete release of Owner of and from any and all lawsuits, claims, demands, damages, liabilities, losses, and expenses of, by, or to Contractor for anything done, furnished for, arising out of, relating to, or in connection with the Work or for or on account of any act or neglect of Owner arising out of, relating to, or in connection with the Work.

**5.5 Liens**

A. Title. Nothing in this Contract may be construed as vesting in Contractor any right of property in any equipment, materials, supplies, and other items provided under this Contract after they have been installed in, incorporated into, attached to, or affixed to, the Work or the Work Site. All such equipment, materials, supplies, and other items will, upon being so installed, incorporated, attached or affixed, become the property of Owner, but such

title will not release Contractor from its duty to insure and protect the Work in accordance with the requirements of this Contract.

B. Waivers of Lien. Contractor must, from time to time at Owner's request and in any event prior to Final Payment, furnish to Owner such receipts, releases, affidavits, certificates, and other evidence as may be necessary to establish, to the reasonable satisfaction of Owner, that no lien against the Work or the public funds held by Owner exists in favor of any person whatsoever for or by reason of any equipment, material, supplies, or other item furnished, labor performed, or other thing done in connection with the Work or this Contract ("*Lien*") and that no right to file any Lien exists in favor of any person whatsoever.

C. Removal of Liens. If at any time any notice of any Lien is filed, then Contractor must, promptly and without charge, discharge, remove, or otherwise dispose of such Lien. Until such discharge, removal, or disposition, Owner will have the right to retain from any money payable hereunder an amount that Owner, in its sole judgment, deems necessary to satisfy such Lien and to pay the costs and expenses, including attorneys' fees and administrative expenses, of any actions brought in connection therewith or by reason thereof.

D. Protection of Owner Only. This Section does not operate to relieve Contractor's surety or sureties from any of their obligations under the Bonds, nor may it be deemed to vest any right, interest, or entitlement in any subcontractor or supplier. Owner's retention of funds pursuant to this Section is deemed solely for the protection of its own interests pending removal of such Liens by Contractor, and Owner will have no obligation to apply such funds to such removal but may, nevertheless, do so where Owner's interests would thereby be served.

## 5.6 Deductions

A. Owner's Right to Withhold. Notwithstanding any other provision of this Contract and without prejudice to any of Owner's other rights or remedies, Owner will have the right at any time or times, whether before or after approval of any Pay Request, to deduct and withhold from any Progress or Final Payment that may be or become due under this Contract such amount as may reasonably appear necessary to compensate Owner for any actual or prospective loss due to: (1) Work that is defective, damaged, flawed, unsuitable, nonconforming, or incomplete; (2) damage for which Contractor is liable under this Contract; (3) state or local sales, use, or excise taxes from which Owner is exempt; (4) Liens or claims of Lien regardless of merit; (5) claims of subcontractors, suppliers, or other persons regardless of merit; (6) delay in the progress or completion of the Work; (7) inability of Contractor to complete the Work; (8) failure of Contractor to properly complete or document any Pay Request; (9) any other failure of Contractor to perform any of its obligations under this Contract; or (10) the cost to Owner, including attorneys' fees and administrative costs, of correcting any of the aforesaid matters or exercising any one or more of Owner's remedies set forth in Section 6.3 of this Contract.

B. Use of Withheld Funds. Owner is entitled to retain any and all amounts withheld pursuant to Subsection 5.6A above until Contractor has either performed the

obligations in question or furnished security for such performance satisfactory to Owner. Owner is entitled to apply any money withheld or any other money due Contractor under this Contract to reimburse itself for any and all costs, expenses, losses, damages, liabilities, suits, judgments, awards, attorneys' fees and administrative expenses incurred, suffered, or sustained by Owner and chargeable to Contractor under this Contract.

## **ARTICLE VI: DISPUTES AND REMEDIES**

### **6.1 Dispute Resolution Procedure**

A. Notice of Disputes and Objections. If Contractor disputes or objects to any requirement, direction, instruction, interpretation, determination, or decision of Owner, Contractor may notify Owner in writing of its dispute or objection and of the amount of any equitable adjustment to the Contract Price or Contract Time to which Contractor claims it will be entitled as a result thereof; provided, however, that Contractor must, nevertheless, proceed without delay to perform the Work as required, directed, instructed, interpreted, determined, or decided by Owner, without regard to such dispute or objection. Unless Contractor so notifies Owner within two business days after receipt of such requirement, direction, instruction, interpretation, determination, or decision, Contractor is conclusively deemed to have waived all such disputes or objections and all claims based thereon.

B. Negotiation of Disputes and Objections. To avoid and settle without litigation any such dispute or objection, Owner and Contractor agree to engage in good faith negotiations. Within three business days after Owner's receipt of Contractor's written notice of dispute or objection, a conference between Owner and Contractor will be held to resolve the dispute. Within three business days after the end of the conference, Owner must render its final decision, in writing, to Contractor. If Contractor objects to the final decision of Owner, then it must, within three business days, give Owner notice thereof and, in such notice, must state its final demand for settlement of the dispute. Unless Contractor so notifies Owner, Contractor will be conclusively deemed (1) to have agreed to and accepted Owner's final decision and (2) to have waived all claims based on such final decision.

### **6.2 Contractor's Remedies**

If Owner fails or refuses to satisfy a final demand made by Contractor pursuant to Section 6.1 of this Contract, or to otherwise resolve the dispute which is the subject of such demand to the satisfaction of Contractor, within 10 days after receipt of such demand, then Contractor will be entitled to pursue such remedies, not inconsistent with the provisions of this Contract, as it may have in law or equity.

### **6.3 Owner's Remedies**

If it should appear at any time prior to Final Payment that Contractor has failed or refused to prosecute, or has delayed in the prosecution of, the Work with diligence at a rate that assures completion of the Work in full compliance with the requirements of this Contract on or before the Completion Date, or has attempted to assign this Contract or Contractor's

## CONTRACT

rights under this Contract, either in whole or in part, or has falsely made any representation or warranty in this Contract, or has otherwise failed, refused, or delayed to perform or satisfy any other requirement of this Contract or has failed to pay its debts as they come due (“*Event of Default*”), and has failed to cure any such Event of Default within five business days after Contractor’s receipt of written notice of such Event of Default, then Owner will have the right, at its election and without prejudice to any other remedies provided by law or equity, to pursue any one or more of the following remedies:

1. Owner may require Contractor, within such reasonable time as may be fixed by Owner, to complete or correct all or any part of the Work that is defective, damaged, flawed, unsuitable, nonconforming, or incomplete; to remove from the Work Site any such Work; to accelerate all or any part of the Work; and to take any or all other action necessary to bring Contractor and the Work into strict compliance with this Contract.
2. Owner may perform or have performed all Work necessary for the accomplishment of the results stated in Paragraph 1 above and withhold or recover from Contractor all the cost and expense, including attorneys’ fees and administrative costs, incurred by Owner in connection therewith.
3. Owner may accept the defective, damaged, flawed, unsuitable, nonconforming, incomplete, or dilatory Work or part thereof and make an equitable reduction in the Contract Price.
4. Owner may terminate this Contract without liability for further payment of amounts due or to become due under this Contract.
5. Owner may, without terminating this Contract, terminate Contractor’s rights under this Contract and, for the purpose of completing or correcting the Work, evict Contractor and take possession of all equipment, materials, supplies, tools, appliances, plans, specifications, schedules, manuals, Documents/Drawings, and other papers relating to the Work, whether at the Work Site or elsewhere, and either complete or correct the Work with its own forces or contracted forces, all at Contractor’s expense.
6. Upon any termination of this Contract or of Contractor’s rights under this Contract, and at Owner’s option exercised in writing, any or all subcontracts and supplier contracts of Contractor will be deemed to be assigned to Owner without any further action being required, but Owner may not thereby assume any obligation for payments due under such subcontracts and supplier contracts for any Work provided or performed prior to such assignment.
7. Owner may withhold from any Progress Payment or Final Payment, whether or not previously approved, or may recover from Contractor, any and all costs, including attorneys’ fees and administrative expenses, incurred by Owner as

the result of any Event of Default or as a result of actions taken by Owner in response to any Event of Default.

8. Owner may recover any damages suffered by Owner.

**6.4 Owner's Additional Remedy for Delay**

If the Work is not completed by Contractor, in full compliance with, and as required by or pursuant to, this Contract, within the Contract Time as such time may be extended by Change Order, then Owner may invoke its remedies under Section 6.3 of this Contract or may, in the exercise of its sole and absolute discretion, permit Contractor to complete the Work but charge to Contractor, and deduct from any Progress or Final Payments, whether or not previously approved, administrative expenses and costs for each day completion of the Work is delayed beyond the Completion Date, computed on the basis of the "*Per Diem Administrative Charge*" set forth in Attachment A, as well as any additional damages caused by such delay.

**6.5 Terminations and Suspensions Deemed for Convenience**

Any termination or suspension of Contractor's rights under this Contract for an alleged default that is ultimately held unjustified will automatically be deemed to be a termination or suspension for the convenience of Owner under Section 1.15 of this Contract.

**ARTICLE VII: LEGAL RELATIONSHIPS  
AND REQUIREMENTS**

**7.1 Binding Effect**

This Contract is binding on Owner and Contractor and on their respective heirs, executors, administrators, personal representatives, and permitted successors and assigns. Every reference in this Contract to a party is deemed to be a reference to the authorized officers, employees, agents, and representatives of such party.

**7.2 Relationship of the Parties**

Contractor will act as an independent Contractor in providing and performing the Work. Nothing in, nor done pursuant to, this Contract may be construed (1) to create the relationship of principal and agent, partners, or joint venturers between Owner and Contractor or (2) except as provided in Paragraph 6.3(6) above, to create any relationship between Owner and any subcontractor or supplier of Contractor.

**7.3 No Collusion/Prohibited Interests**

Contractor hereby represents that the only persons, firms, or corporations interested in this Contract as principals are those disclosed to Owner prior to the execution of this Contract, and that this Contract is made without collusion with any other person, firm, or corporation.

If at any time it is found that Contractor has, in procuring this Contract, colluded with any other person, firm, or corporation, then Contractor will be liable to Owner for all loss or damage that Owner may suffer thereby, and this Contract will, at Owner's option, be null and void.

Contractor hereby represents and warrants that neither Contractor nor any person affiliated with Contractor or that has an economic interest in Contractor or that has or will have an interest in the Work or will participate, in any manner whatsoever, in the Work is acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by the United States Treasury Department as a Specially Designated National and Blocked Person, or for or on behalf of any person, group, entity or nation designated in Presidential Executive Order 13224 as a person who commits, threatens to commit, or supports terrorism, and neither Contractor nor any person affiliated with Contractor or that has an economic interest in Contractor or that has or will have an interest in the Work or will participate, in any manner whatsoever, in the Work is, directly or indirectly, engaged in, or facilitating, the Work on behalf of any such person, group, entity or nation.

**7.4 Assignment**

Contractor may not (1) assign this Contract in whole or in part, (2) assign any of Contractor's rights or obligations under this Contract, or (3) assign any payment due or to become due under this Contract without the prior express written approval of Owner, which approval may be withheld in the sole and unfettered discretion of Owner; provided, however, that Owner's prior written approval will not be required for assignments of accounts, as defined in the Illinois Commercial Code, if to do so would violate Section 9-318 of the Illinois Commercial Code, 810 ILCS 5/9-318. Owner may assign this Contract, in whole or in part, or any or all of its rights or obligations under this Contract, without the consent of Contractor.

**7.5 Confidential Information**

All information supplied by Owner to Contractor for or in connection with this Contract or the Work must be held confidential by Contractor and may not, without the prior express written consent of Owner, be used for any purpose other than performance of the Work.

**7.6 No Waiver**

No examination, inspection, investigation, test, measurement, review, determination, decision, certificate, or approval by Owner, nor any order by Owner for the payment of money, nor any payment for, or use, occupancy, possession, or acceptance of, the whole or any part of the Work by Owner, nor any extension of time granted by Owner, nor any delay by Owner in exercising any right under this Contract, nor any other act or omission of Owner may constitute or be deemed to be an acceptance of any defective, damaged, flawed, unsuitable, nonconforming or incomplete Work, equipment, materials, or supplies, nor operate to waive or otherwise diminish the effect of any warranty or representation made by

Contractor; or of any requirement or provision of this Contract; or of any remedy, power, or right of Owner.

**7.7 No Third Party Beneficiaries**

No claim as a third party beneficiary under this Contract by any person, firm, or corporation other than Contractor may be made or be valid against Owner.

**7.8 Notices**

All notices required or permitted to be given under this Contract must be in writing and are deemed received by the addressee thereof when delivered in person on a business day at the address set forth below or on the third business day after being deposited in any main or branch United States post office, for delivery at the address set forth below by properly addressed, postage prepaid, certified or registered mail, return receipt requested.

Notices and communications to Owner must be addressed to, and delivered at, the following address:

Village of Winnetka  
510 Green Bay Road  
Winnetka, IL 60093  
Attention: \_\_\_\_\_

with a copy to:  
Holland & Knight LLP  
131 South Dearborn Street, 30th Floor  
Chicago, Illinois 60603  
Attention: \_\_\_\_\_

Notices and communications to Contractor must be addressed to, and delivered at, the following address:

*MAG Construction* [name of successful bidder]  
*629 Homewood Ave* [address of successful bidder]  
*Highland Park, IL 60035* \_\_\_\_\_

with a copy to:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The foregoing may not be deemed to preclude the use of other non-oral means of notification or to invalidate any notice properly given by any such other non-oral means.

By notice complying with the requirements of this Section, Owner and Contractor each have the right to change the address or addressee or both for all future notices to it, but no notice of a change of address is effective until actually received.

**7.9 Governing Laws**

This Contract and the rights of Owner and Contractor under this Contract will be interpreted according to the internal laws, but not the conflict of laws rules, of the State of Illinois.

**7.10 Changes in Laws**

Unless otherwise explicitly provided in this Contract, any reference to laws includes such laws as they may be amended or modified from time to time.

**7.11 Compliance with Laws**

A. Compliance Required. Contractor must give all notices, pay all fees, and take all other action that may be necessary to ensure that the Work is provided, performed, and completed in accordance with all required governmental permits, licenses or other approvals and authorizations that may be required in connection with providing, performing, and completing the Work, and with all applicable statutes, ordinances, rules, and regulations, including without limitation the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 et seq. (see Subsection C of this Section) (a copy of Owner's ordinance ascertaining the prevailing rate of wages, in effect as of the date of this Contract, has been attached as an Appendix to this Contract; if the Illinois Department of Labor revises the prevailing rate of hourly wages to be paid, the revised rate applies to this Contract); any other applicable prevailing wage laws; the Fair Labor Standards Act; any statutes regarding qualification to do business; any statutes requiring preference to laborers of specified classes; the Illinois Steel Products Procurement Act, 30 ILCS 565/1 et seq.; any statutes prohibiting discrimination because of, or requiring affirmative action based on, race, creed, color, national origin, age, sex, or other prohibited classification, including, without limitation, the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq., the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq., and the Public Works Discrimination Act, 775 ILCS 10/0.01 et seq.; and any statutes regarding safety or the performance of the Work, including the Illinois Underground Utility Facilities Damage Prevention Act, 220 ILCS 50/1 et seq., and the Occupational Safety and Health Act of 1970, 29 U.S.C. §§ 651 et seq.

B. Liability for Fines, Penalties. Contractor is solely liable for any fines or civil penalties that are imposed by any governmental or quasi-governmental agency or body that may arise, or be alleged to have arisen, out of or in connection with Contractor's, or its subcontractors' or suppliers', performance of, or failure to perform, the Work or any part thereof.

C. Prevailing Wage Act. Contractor and each subcontractor, in order to comply with the Prevailing Wage Act, 820 ILCS 130/0.01 et seq. (the "Act"), must submit to the Village a certified payroll on a monthly basis, in accordance with Section 5 of the Act. The certified payroll must consist of a complete copy of those records required to be made and kept by the Act. The certified payroll must be accompanied by a statement signed by the Contractor or subcontractor that certifies that (1) such records are true and accurate, (2) the hourly rate paid is not less than the general prevailing rate of hourly wages required by the Act, and (3) the Contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class B misdemeanor. Contractor may rely on the certification of a subcontractor, provided that Contractor does not knowingly rely on a subcontractor's false certification. On two business days' notice, Contractor and each subcontractor must make available for inspection the records required to be made and kept by the Act (i) to the Village

and its officers and agents and to the Director of the Illinois Department of Labor and his or her deputies and agents and (ii) at all reasonable hours at a location within the State.

D. Required Provisions Deemed Inserted. Every provision of law required by law to be inserted into this Contract is deemed to be inserted herein.

**7.12 Compliance with Patents**

A. Assumption of Costs, Royalties, and Fees. Contractor will pay or cause to be paid all costs, royalties, and fees arising from the use on, or the incorporation into, the Work, of patented equipment, materials, supplies, tools, appliances, devices, processes, or inventions.

B. Effect of Contractor Being Enjoined. Should Contractor be enjoined from furnishing or using any equipment, materials, supplies, tools, appliances, devices, processes, or inventions supplied or required to be supplied or used under this Contract, Contractor must promptly offer substitute equipment, materials, supplies, tools, appliances, devices, processes, or inventions in lieu thereof, of equal efficiency, quality, suitability, and market value, for review by Owner. If Owner should disapprove the offered substitutes and should elect, in lieu of a substitution, to have supplied, and to retain and use, any such equipment, materials, supplies, tools, appliances, devices, processes, or inventions as may by this Contract be required to be supplied, Contractor must pay such royalties and secure such valid licenses as may be requisite and necessary for Owner to use such equipment, materials, supplies, tools, appliances, devices, processes, or inventions without being disturbed or in any way interfered with by any proceeding in law or equity on account thereof. Should Contractor neglect or refuse to make any approved substitution promptly, or to pay such royalties and secure such licenses as may be necessary, then Owner will have the right to make such substitution, or Owner may pay such royalties and secure such licenses and charge the cost thereof against any money due Contractor from Owner or recover the amount thereof from Contractor and its surety or sureties notwithstanding that Final Payment may have been made.

**7.13 Time**

The Contract Time is of the essence of this Contract. Except where otherwise stated, references in this Contract to days is construed to refer to calendar days.

**7.14 Severability**

The provisions of this Contract will be interpreted when possible to sustain their legality and enforceability as a whole. In the event any provision of this Contract is held invalid, illegal, or unenforceable by a court of competent jurisdiction, in whole or in part, neither the validity of the remaining part of such provision, nor the validity of any other provisions of this Contract will be in any way affected thereby.

**7.15 Entire Agreement**

This Contract sets forth the entire agreement of Owner and Contractor with respect to the accomplishment of the Work and the payment of the Contract Price therefor, and there are no other understandings or agreements, oral or written, between Owner and Contractor with respect to the Work and the compensation therefor.

**7.16 Amendments**

No modification, addition, deletion, revision, alteration or other change to this Contract is effective unless and until such change is reduced to writing and executed and delivered by Owner and Contractor.

IN WITNESS WHEREOF, Owner and Contractor have caused this Contract to be executed by their properly authorized representatives in two original counterparts as of the Effective Date.

**Village of Winnetka**

By: \_\_\_\_\_

Name: \_\_\_\_\_

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

Attest:

By: \_\_\_\_\_

Name: \_\_\_\_\_

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

***[name of contractor]***

By: Joseph C. Magnani

Name: Joseph C. Magnani

Title: President

Attest:

By: Rachel L. Magnani

Name: Rachel L. Magnani

Title: Secretary



STATE OF ILLINOIS )  
 ) SS  
COUNTY OF LAKE )

CONTRACTOR'S CERTIFICATION

*[contractor's executing officer]*, being first duly sworn on oath, deposes and states that all statements herein made are made on behalf of Contractor, that this deponent is authorized to make them, and that the statements contained herein are true and correct.

Contractor deposes, states, and certifies that Contractor is not barred from contracting with a unit of state or local government as a result of (i) a violation of either Section 33E-3 or Section 33E-4 of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E-1 et seq.; or (ii) a violation of the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) (the "*Patriot Act*") or other statutes, orders, rules, and regulations of the United States government and its various executive departments, agencies and offices related to the subject matter of the Patriot Act, including, but not limited to, Executive Order 13224 effective September 24, 2001.

DATED: 11/19, 2016.

*[name of contractor]*

By: Joseph C. Magnani  
Name: Joseph C. Magnani  
Title: President



Attest:  
By: Rachel L. Magnani  
Name: Rachel L. Magnani  
Title: Secretary

Subscribed and Sworn to before me on November 20, 2016.

My Commission expires: 7/24/2020

Kris A. Limardi  
Notary Public



(SEAL)

**VILLAGE OF WINNETKA  
CONTRACT FOR THE  
CONCRETE REPAIRS TO WATER PLANT CLEARWELLS**

**ATTACHMENT A**

**SUPPLEMENTAL SCHEDULE OF CONTRACT TERMS**

1. **Project:** The restorative services of the Water Plant's clearwells interior and installation of a new water effluent header. The first objective is to repair cracks and concrete spalling on the walls, floor, and ceiling to maintain structural integrity and prevent potential water infiltration. The second objective is to installation a new water effluent header which will provide reinforcement to the existing header system and improve system flows. The services include but are not limited to the;

- Mobilization and de-mobilization to project site
- Dewatering of clearwell
- Sealing clearwell hatches
- Wall and floor crack repairs
- Ceiling crack repairs
- Removal of internal access ladder
- Installation of a new water effluent header
- Post construction cleaning and disinfection of clearwells

2. **Work Site:** The Village of Winnetka Water Plant is located at 725-735 Tower Road, Winnetka, Illinois. The primary point of water production is at the Water Plant, which consists of three clearwells for storing potable water.

### 3. Contractor Responsibilities

- A. Contractor must obtain all required governmental permits, licenses, approvals, and authorizations, except: Building permit, Owner to cover cost of permit.
- B. The Contractor shall be solely responsible for the protection of the adjacent clearwells. Clearwells #3 will remain in service during the construction work. Any damage thereto due to his construction operations, and/or resultant repairs, shall remain his responsibility.
- C. No trucks and/or heavy machinery will be permitted on the roof of the clearwells.
- D. Shall use materials in the specification or similar materials approved by the Owner and be compliant with for potable water usage.
- E. The Contractor will be responsible to pump out the remaining water. No water will be discharged to Lake Michigan. The water can be discharged to the intake pond of the Electric Plant.
- F. The Contractor will provide any supplemental heating required to perform the construction work and adhesive curing. The heating element must remain outside of the clearwell. No equipment or heating units that emit fumes (kerosene, diesel, etc.) will be allowed in the clearwell.
- G. Based on prior experience and shown in the inspection report "*Clearwell No.1 & 2 Inspections Summary & Recommendations – RHMG Project No. 21526010*", the existing valve does not provide a complete shutdown. Contractor will be responsible to provide pumps to keep the clearwell de-watered during construction activities.
- H. The Contractor will provide all pump(s) required to de-water the clearwell for entry and used to remove disinfected water.
- I. The Contractor shall perform the work in an expedient manner to insure timely return of the clearwell to service.
- J. Contractor personnel will have access to existing electrical outlets located at the Water & Electric Plants or external buildings. At the close of each work day, the site will be secured.

- L. Upon completion of the construction activities, the Contractor will perform a thorough cleaning of the clearwell. All scaffolding, tools, and material will be removed from the clearwell. The walls, ceiling and floor will be cleaned thoroughly using high pressure water jet, sweeping, scrubbing, or equally effective means. All accumulated foreign material will be discharged. The Contractor shall use a sediment trap/bag to collect any foreign debris before releasing water to the Electric Plant intake pond.
- M. This will be followed by disinfection of the clearwell in accordance with the American Water Works Association (AWWA) standard entitled "*Disinfection of Water-Storage Facilities*", ANSI/AWW C652-02.
- N. The forms of chlorine that may be used in the disinfecting operation are liquid chlorine, sodium hypochlorite solution and calcium hypochlorite granules or tablets. In coordination with the Contractor. When filled with disinfecting water, the required retention time is 24 hours.

#### 4. Owner Responsibilities

- A. Prior to turning the site over to the contractor, Village staff will reduce the water level in the clearwell from thirteen (13) feet to approximately three (3) feet.
- B. Staff shall perform operation of all valves required to isolate and/or fill the clearwell.
- C. Staff will perform valve operations to fill the clearwell with the required water level for disinfection.
- D. Staff shall identify an area for material and equipment storage.
- E. Staff will perform bacteria testing during the disinfection process. If the test results are unsatisfactory, the disinfection process will be repeated by the Contractor at their expense.
- F. After successful test results, the Owner will pump out the disinfected water as fresh potable water is added until the concentration is appropriate for distribution.

5. **Commencement Date:**

30 days after execution of the Contract by Owner.

6. **Completion Date:**

45 days after the Commencement Date plus extensions, if any, authorized by a Change Order issued pursuant to Subsection 2.2A of the Contract. In no event shall the work be completed later than March 15<sup>th</sup>, 2017.

7. **Insurance Coverage:**

A. **Worker's Compensation and Employer's Liability** with limits not less than:

- (1) **Worker's Compensation:** Statutory;
- (2) **Employer's Liability:** \$1,000,000 injury-per occurrence; \$1,000,000 disease-per employee; \$1,000,000 disease-policy limit

Such insurance must evidence that coverage applies in the State of Illinois.

B. **Comprehensive Motor Vehicle Liability** with a combined single limit of liability for bodily injury and property damage of not less than \$2,000,000 for vehicles owned, non-owned, or rented.

All employees must be included as insureds.

C. **Comprehensive General Liability** with coverage written on an "occurrence" basis and with limits no less than:

- (1) General Aggregate: \$5,000,000. See Subsection F below regarding use of umbrella coverage.
- (2) Bodily Injury: \$2,000,000 per person; \$2,000,000 per occurrence
- (3) Property Damage: \$2,000,000 per occurrence and \$5,000,000 aggregate.

Coverage must include:

- Premises / Operations

## ATTACHMENT A

- Products / Completed Operations (to be maintained for two years after Final Payment)
- Independent Contractors
- Personal Injury (with Employment Exclusion deleted)
- Broad Form Property Damage Endorsement
- Blanket Contractual Liability (must expressly cover the indemnity provisions of the Contract)
- Bodily Injury and Property Damage

“X”, “C”, and “U” exclusions must be deleted.

Railroad exclusions must be deleted if Work Site is within 50 feet of any railroad track.

All employees must be included as insured.

- D. Umbrella Policy. The required coverage may be in the form of an umbrella policy above \$2,000,000 primary coverage. All umbrella policies must provide excess coverage over underlying insurance on a following-form basis so that, when any loss covered by the primary policy exceeds the limits under the primary policy, the excess or umbrella policy becomes effective to cover that loss.

8. **Contract Price:**

**SCHEDULE OF PRICES**

**A. UNIT PRICE CONTRACT**

NOTE: If Owner has provided a separate form Schedule of Pricing attached to this Attachment A, then that Schedule of Prices will be used and this Subsection B should not be used. If Owner has not provided a separate form Schedule of Prices, then this Subsection B should be used.

For providing, performing, and completing all Work, the sum of the products resulting from multiplying the number of acceptable units of Unit Price Items listed below incorporated in the Work by the Unit Price set forth below for such Unit Price Item:

## COMPLETE TABLE AS INDICATED

<u>Unit Price Item</u>	<u>Unit</u>	<u>Approximate Number of Units</u>	<u>Price Per Unit</u>	<u>Extension</u>
1 Mobilization	EA	TBD by Bidder	\$ <u>19,100-</u>	\$ <u>19,100-</u>
2 Dewatering clearwell for entrance	EA	TBD by Bidder	\$ <u>5,200-</u>	\$ <u>5,200-</u>
3 Scaffolding Erection (if required)	EA	TBD by Bidder	\$ <u>3,200-</u>	\$ <u>3,200-</u>
4 Pumping Equipment	EA	TBD by Bidder	\$ <u>2,900-</u>	\$ <u>2,900-</u>
5 Adhesive/Grout Material	EA	TBD by Bidder	\$ <u>670-</u>	\$ <u>670-</u>
6 Sealing of hatches	EA	2	\$ <u>950-</u>	\$ <u>1,900-</u>
7 Concrete repairs to Ceiling	FT	150	\$ <u>42-</u>	\$ <u>6,300-</u>
8 Concrete repairs to Walls	FT	15	\$ <u>184-</u>	\$ <u>2,760-</u>
9 Installation of Effluent header (inclusive of materials) * <i>No purchase of butterfly valve figured per Brian</i>	EA	1	\$ <u>64,000-</u>	\$ <u>64,000-</u>
10 Heating equipment	EA	TBD by Bidder	\$ <u>10,600-</u>	\$ <u>10,600-</u>
11 Post construction cleaning of clearwell	EA	TBD by Bidder	\$ <u>3,615-</u>	\$ <u>3,615-</u>
12 Disinfection of clearwell	EA	TBD by Bidder	\$ <u>2,615-</u>	\$ <u>2,615-</u>
13 De-mobilization	EA	TBD by Bidder	\$ <u>3,200-</u>	\$ <u>3,200-</u>
14 Performance Bond	EA	1	\$ <u>2,890-</u>	\$ <u>2,890-</u>

TOTAL CONTRACT PRICE (*write in numbers only*):

\$ 128,950.00

Note: Contractor to provide price for additional ceiling or wall repairs beyond original scope and identified by upon entry. All additional works to be approved by Owner.

<u>Unit Price Item</u>	<u>Unit</u>	<u>Approximate Number of Units</u>	<u>Price Per Unit</u>	<u>Extension</u>
15 Additional concrete repairs to Ceiling	FT	TBD	\$ <u>42.00</u>	\$ _____
16 Additional concrete repairs to Walls	FT	TBD	\$ <u>184.00</u>	\$ _____

B. Any items of Work not specifically listed or referred to in the Schedule of Prices, or not specifically included for payment under any Unit Price Item, shall be deemed incidental to the Contract Price, shall not be measured for payment, and shall not be paid for separately except as incidental to the Contract Price, including without limitation extraordinary equipment repair, the cost of transportation, packing, cartage, and containers, the cost of preparing schedules and submittals, the cost or rental of small tools or buildings, the cost of utilities and sanitary conveniences, and any portion of the time of Bidder, its superintendents, or its office and engineering staff.

**9. Progress Payments:**

A. General. Owner must pay to Contractor 90 percent of the Value of Work, determined in the manner set forth below, installed and complete in place up to the day before the Pay Request, less the aggregate of all previous Progress Payments. The total amount of Progress Payments made prior to Final Acceptance by Owner may not exceed 90 percent of the Contract Price.

B. Value of Work. The Value of the Work will be determined as follows:

- (1) Unit Price Items. For all Work to be paid on a unit price basis, the value of such Work will be determined by Owner on the basis of the actual number of acceptable units of Unit Price Items installed and

complete in place, multiplied by the applicable Unit Price set forth in the Schedule of Prices. The actual number of acceptable units installed and complete in place will be measured on the basis described in Attachment B to the Contract or, in the absence of such description, on the basis determined by Owner. The number of units of Unit Price Items stated in the Schedule of Prices are Owner's estimate only and may not be used in establishing the Progress or Final Payments due Contractor. The Contract Price will be adjusted to reflect the actual number of acceptable units of Unit Price Items installed and complete in place upon Final Acceptance.

- C. Application of Payments. All Progress and Final Payments made by Owner to Contractor will be applied to the payment or reimbursement of the costs with respect to which they were paid and will not be applied to or used for any pre-existing or unrelated debt between Contractor and Owner or between Contractor and any third party.

**10. Per Diem Administrative Charge:**

\$250.00 per day

**11. Standard Specifications:**

The Contract includes the following Illinois Department of Transportation standard specifications, each of which are incorporated into the Contract by reference:

"Standard Specifications for Water and Sewer Main Construction in Illinois" (SSWS)

The Contract also includes Owner's Village Code and Building Codes.

References to any of these manuals, codes, and specifications means the latest editions effective on the date of the bid opening.

**VILLAGE OF WINNETKA  
CONTRACT FOR THE CONSTRUCTION  
OF CONCRETE REPAIRS TO WATER PLANT CLEARWELLS**

**ATTACHMENT B**

**SPECIFICATIONS**

**REQUIRED DELIVERABLES**

1. Sealing clearwell hatches
  - a. Pressure wash and clean concrete surface
  - b. Seal inside seams (joint) of hatches
    - i. Drill ¼” diameter injection ports into joint at 45 degree angle.
    - ii. Injection of polyurethane grout (MasterInject 1230IUG) into joint.
  - c. Coat surface with Xypex Concentrate at the rate of 2lb per square yard.
  - d. Allow coating to set and harden for 12 to 24 hours with moist curing.
  
2. Concrete repairs to walls of Clearwell
  - a. Pressure wash and clean concrete surface to achieve an open pore, “tooth and suction” profile
  - b. Repair cracks;
    - i. Rout cracks to form a 1” deep by ¾” wide groove (*do not use a V-shaped groove*).
    - ii. Roughen sides of groove to achieve mechanical interlock of materials
    - iii. Saturate groove to a saturated surface dry condition.
    - iv. Coat surface with Xypex Concentrate at the rate of 2lb per square yard.
    - v. Allow coating to set and harden for 12 to 24 hours with moist curing.
    - vi. Mix Megamix I with Xycrylic Admixture.
    - vii. Dampen surface and apply a coat of Megamix I at 1/16” to 1/8” thickness.
    - viii. Fill the joint, compressing tightly
    - ix. Allow Megamix I to harden and cure for 2 to 3 days
  
3. Concrete repairs to Ceiling of Clearwell
  - a. Pressure wash and clean concrete surface
  - b. Repair crack
    - i. Drill ¼” diameter injection ports straight into crack.
    - ii. Injection of polyurethane grout (MasterInject 1230IUG) into crack.
  - c. Coat surface with Xypex Concentrate at the rate of 2lb per square yard.
  - d. Allow coating to set and harden for 12 to 24 hours with moist curing.

## ATTACHMENT A

4. Remove access ladder in Clearwell 2
  - a. Remove ladder from clearwell wall.
  - b. Grind mount to leave level surface.
  - c. Apply SikaRepair 224 to patch holes.
  
5. Installation of Effluent header
  - a. Constructed per “Effluent Header Improvements Technical Specifications”
  - b. As per “ATTACHMENT C”

**VILLAGE OF WINNETKA  
CONTRACT FOR THE CONSTRUCTION  
OF CONCRETE REPAIRS TO WATER PLANT CLEARWELLS**

**ATTACHMENT C**

LIST OF DOCUMENTS/DRAWINGS

<u>SHEET NOS.</u>	<u>SHEET TITLES</u>	<u>DATE LAST REVISED</u>
1	Clearwell No.1 & 2 Inspections Summary & Recommendations – RHMG Project No. 21526010	06/15/2015
2	Effluent Header Improvements Technical Specifications	10/11/2016

**VILLAGE OF WINNETKA  
CONTRACT FOR THE CONSTRUCTION  
OF CONCRETE REPAIRS TO WATER PLANT CLEARWELLS**

**APPENDIX 1**

**PREVAILING WAGE ORDINANCE**



## Agenda Item Executive Summary

**Title:** Village Council Meeting Schedule for 2017

**Presenter:** Megan E. Pierce, Assistant Village Manager

**Agenda Date:** 12/06/2016

**Consent:**  YES  NO

- Ordinance
- Resolution
- Bid Authorization/Award
- Policy Direction
- Informational Only

### Item History:

Section 2.04.020(A) of the Village Code provides that the Village Council "shall hold its regular meetings on the first and third Tuesday of each month at (7:00 p.m.), or as otherwise set forth in the annual meetings notice posted pursuant to the Illinois Open Meetings Act." For study sessions, the established practice is for the Council to meet for that purpose as a Committee of the Whole at 7:00 p.m. on the second Tuesday of each month. The Open Meetings Act requires an annual meeting notice be posted at the beginning of each year.

### Executive Summary:

The proposed 2017 Village Council meeting schedule is below. Additional special meetings may be convened as needed.

#### 2017 Village Council Regular Meetings:

January 3	May 2	September 5
January 17	May 16	September 19
February 7	June 6	October 3
February 21	June 20	October 17
March 7	July 6** (Thursday)	November 7
March 21	July 18	November 21
April 6* (Thursday)	August 1	December 5
April 18	August 15	December 19

\* Rescheduled from April 4 for the Consolidated Election.  
\*\* Rescheduled from July 4 for the Independence Day holiday.

#### 2017 Village Council Study Sessions:

January 10	April 11	July 11	October 10
February 14	May 9	August 8*	November 14
March 14	June 13	September 12	December 12

\* Traditionally cancelled, but held if necessary

### Recommendation:

Consider approving the 2017 Village Council regular meeting schedule for publication.

### Attachments:

None.



## Agenda Item Executive Summary

**Title:** Public Safety Pension Report

**Presenter:** Tim Sloth, Finance Director

**Agenda Date:** 12/06/2016

**Consent:**  YES  NO

Ordinance  
 Resolution  
 Bid Authorization/Award  
 Policy Direction  
 Informational Only

### Item History:

The Illinois legislature implemented public safety pension reforms in the fall of 2008. This law requires that an annual report from the Police and Fire Pension Boards to the Village Council on the health and performance of the pension plans prior to adoption of the annual property tax levy.

### Executive Summary:

The purpose of the law can be categorized into three broad areas, 1) improve dissemination of pension information, 2) encourage good business practices, and 3) strengthen ethics / increase enforcement. The materials presented here are designed to improve the dissemination of pension fund information as contemplated by the new law.

Both the Police and Fire Pension Boards have been made aware of this legislation and have directed the Village Treasurer to meet the annual reporting requirement on behalf of the Boards.

Attached are the Police and Fire Pension reports for 2016.

The attached Police and Fire Pension reports show that the Tax Levy Requirements for each Pension Fund are as follows:

Fire Pension - \$1,723,176 (Last Year - \$1,451,602)

Police Pension - \$1,446,664 (Last Year - \$1,308,146)

I will be attending the December 6, 2016 Council Meeting to answer any questions.

### Recommendation:

Informational only for Council review.

### Attachments:

- 1) Winnetka Police Pension Fund - Compliance Report for the calendar year ended 12/31/2015
- 2) Winnetka Police Pension Fund - Investment Policy dated 10/28/2016
- 3) Winnetka Police Pension Fund - 2016 Actuarial Valuation Report
- 4) Winnetka Fire Pension Fund - Compliance Report for the calendar year ended 12/31/2015
- 5) Winnetka Fire Pension Fund - Investment Policy dated 8/10/2016
- 6) Winnetka Fire Pension Fund - 2016 Actuarial Valuation Report

VILLAGE OF WINNETKA, ILLINOIS  
POLICE PENSION FUND

---

HOUSE BILL 5088 – MUNICIPAL  
COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2015

October 13, 2016

Members of the Pension Board of Trustees  
Winnetka Police Pension Fund  
Winnetka, Illinois

Enclosed please find a copy of your Municipal Compliance Report for the Winnetka Police Pension Fund for the year ended December 31, 2015. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

The President and Secretary of the Pension Fund are required to sign the report on page 3. If not already included with the enclosed report, please also include a copy of the Pension Fund's most recent investment policy.

The signed House Bill 5088 - Municipal Compliance Report must be provided to the Municipality before the tax levy is filed on the last Tuesday in December. We are sending the report via email to promote an environmentally-friendly work atmosphere.

If you have any questions regarding this report please contact Lia Lopez at (630) 362-6098 or [llopez@lauterbachamen.com](mailto:llopez@lauterbachamen.com).

Respectfully submitted,

A handwritten signature in blue ink that reads "Lauterbach & Amen LLP". The signature is written in a cursive, flowing style.

LAUTERBACH & AMEN, LLP

**VILLAGE OF WINNETKA, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

The Pension Board certifies to the Board of Trustees of the Village of Winnetka, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

- 1) The total cash and investments, including accrued interest, of the fund and their current market value of those assets:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments (including accrued interest)	<u>\$26,506,551</u>	<u>\$25,721,396</u>
Total Net Position	<u>\$25,257,502</u>	<u>\$25,512,191</u>

- 2) The estimated receipts during the next succeeding fiscal year from deductions from the salaries of police officers and from other sources:

Estimated Receipts - Employee Contributions	<u>\$261,400</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$1,656,700</u>
Municipal Contributions	<u>\$1,446,664</u>

- 3) The estimated amount required during the next succeeding fiscal year to (a) pay all pensions and other obligations provided in Article 3 of the Illinois Pension Code, and (b) to meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:

(a) Pay all Pensions and Other Obligations	<u>\$2,276,100</u>
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	<u>\$808,211</u>
Private Actuary - Lauterbach & Amen, LLP	
Recommended Municipal Contribution	<u>\$1,446,664</u>
Statutory Municipal Contribution	<u>\$1,037,109</u>

**VILLAGE OF WINNETKA, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

- 4) The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	<u>\$159,423</u>	<u>\$1,552,792</u>
Assumed Investment Return		
Illinois Department of Insurance	<u>6.75%</u>	<u>6.75%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>6.25%</u>	<u>6.25%</u>
Actual Investment Return	<u>0.61%</u>	<u>6.36%</u>

- 5) The total number of active employees who are financially contributing to the fund:

Number of Active Members	<u>27</u>
--------------------------	-----------

- 6) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	<u>23</u>	<u>\$1,593,497</u>
(ii) Disability Pension	<u>1</u>	<u>\$42,829</u>
(iii) Survivors and Child Benefits	<u>3</u>	<u>\$91,505</u>
Totals	<u>27</u>	<u>\$1,727,831</u>

**VILLAGE OF WINNETKA, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

7) The Funded Ratio of the Fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>73.67%</u>	<u>72.17%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>62.11%</u>	<u>67.46%</u>

8) The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:

Illinois Department of Insurance	<u>\$9,323,526</u>
Private Actuary - Lauterbach & Amen, LLP	<u>\$15,734,645</u>

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

9) The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

Investment Policy - See Attached.

Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL POLICE  
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §3-143 of the Illinois Pension Code 40 ILCS 5/3-143, that the preceding report is true and accurate.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2016

President \_\_\_\_\_ Date \_\_\_\_\_

Secretary \_\_\_\_\_ Date \_\_\_\_\_

**VILLAGE OF WINNETKA, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

---

---

INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended December 31, 2015 and 2014.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended December 31, 2015 and 2014.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended December 31, 2015 plus 3.5% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended December 31, 2015, times 6.25% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Municipal Contributions - Recommended Tax Levy Requirement as Reported by Lauterbach & Amen, LLP, Actuarial Valuation for the Year Ended December 31, 2015.

- 3) (a) Pay all Pensions and Other Obligations - Total Non-Investment Deductions as Reported in the Audited Financial Statements for the Year Ended December 31, 2015, plus a 25% Increase, Rounded to the Nearest \$100.

(b) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - Suggested Amount of Tax Levy as Reported in the December 31, 2015 Actuarial Valuation.

Private Actuary - Lauterbach & Amen, LLP

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the December 31, 2015 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the December 31, 2015 Actuarial Valuation.

**VILLAGE OF WINNETKA, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

---

---

INDEX OF ASSUMPTIONS - Continued

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended December 31, 2015 and 2014.

Assumed Investment Return

Illinois Department of Insurance - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the December 31, 2015 and 2014 Actuarial Valuations.

Private Actuary - Current Interest Rate Assumption as Reported in the Lauterbach & Amen, LLP, December 31, 2015 Actuarial Valuation. Preceding Fiscal Year Interest Rate Assumption as Reported in the Timothy W. Sharpe, Actuary, December 31, 2014 Actuarial Valuation.

Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning balance of the Cash and Investments and the Ending balance of the Cash and Investments, excluding the fiscal year net investment income, as Reported in the Audited Financial Statements for the Fiscal Years Ended December 31, 2015, 2014 and 2013.

- 5) Number of Active Members - Illinois Department of Insurance Annual Statement for December 31, 2015 - Schedule P.
- 6) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for December 31, 2015 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.
- (ii) Disability Pension - Same as above.
- (iii) Survivors and Child Benefits - Same as above.

**VILLAGE OF WINNETKA, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

---

---

INDEX OF ASSUMPTIONS - Continued

7) The Funded Ratio of the Fund:

Illinois Department of Insurance - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the December 31, 2015 and 2014 Actuarial Valuations.

Private Actuary - Current Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Lauterbach & Amen, LLP, December 31, 2015 Actuarial Valuation. Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Timothy W. Sharpe, Actuary, December 31, 2014 Actuarial Valuation.

8) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) as Reported in the December 31, 2015 Actuarial Valuation.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the December 31, 2015 Actuarial Valuation.

**Investment Policy Statement  
Village of Winnetka  
Police Pension Fund**

Approved October 2016

## TABLE OF CONTENTS

<b>Section</b>	<b>Page</b>
I. Introduction	3
II. Statement of Purpose	3
III. Roles and Responsibilities	5
IV. Asset Allocation	7
V. Investment Guidelines	8
VI. Reporting / Performance Monitoring	8
Appendices	
A. Ethics and Conflicts of Interest	10
B. Internal Control Procedures	11

## I. Introduction

The Village of Winnetka Police Pension Fund is a defined benefit, single employer pension plan. Although a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels are mandated by Illinois State Statutes and may be amended only by the Illinois State Legislature. The Plan provides retirement, death, and disability benefits for its participants.

## II. Statement of Purpose

**Mission statement** The fundamental goal of the Village of Winnetka Police Pension Fund is to provide pension benefits to plan participants. As such, the Board of Trustees will invest plan assets solely in the interests of plan participants and beneficiaries, for the exclusive purpose of providing pension benefits to plan participants and beneficiaries.

**Investment philosophy** The Board of Trustees believes that plan assets should be managed in a fashion that reflects the plan's unique liabilities and funding resources, incorporating accepted investment theory and reliable, empirical evidence. Specifically, the Board has adopted the following principles:

- That asset allocation is the key determinant of return and, therefore, commitments to asset allocation targets will be maintained through a disciplined rebalancing program.
- That diversification, both by and within asset classes, is a primary risk control element.
- That the investment program is ultimately for the purpose of meeting the pension plan's obligations for benefit payments.
- That the investment program must be cognizant of the total pension plan's cash flow obligations.

**Goals and objectives** For total plan assets, the goals and objectives are as follows:

- The foremost purpose of the Fund is to provide for the payment of pension benefits to current eligible beneficiaries and future beneficiaries over an infinite period of time.
- Over the long-term, the assets of the plan should be preserved thus the preservation of capital is a primary objective.
- To preserve and/or improve the actuarial soundness of the plan in order to meet benefit obligations.
- To prudently manage the inherent investment risks that are related to the achievement of investment goals.
- Overall level of risk (volatility) in the total plan is comparable to the risk associated with the target benchmarks specified below. Risk may be measured by the annualized standard deviation of returns.
- A long-term (one to two market cycles) rate of return, net of fees, of at least the actuarial earnings rate.
- A long-term (one to two market cycles) rate of return, net of fees, in excess of its policy benchmark and/or appropriate peer groups. The policy benchmark is a hypothetical portfolio of index funds weighted by asset allocation targets.

<b>Policy Benchmark</b>		
<b>Asset Class</b>	<b>Index</b>	<b>Target Weight</b>
US Equity – large cap value	Russell 1000 Value	17.5%
US Equity – large cap growth	Russell 1000 Growth	17.5%
US Equity – mid cap value	Russell Mid Cap Value	5%
US Equity – small cap value	Russell Small Cap Value	8%
Non-US Equity – developed	MSCI AC World ex USA	11%
Real Estate Equity	NCREIF ODCE	5%
US Fixed Income	Bloomberg Barclays Intermediate Aggregate	36%
		100%

### **III. Roles and Responsibilities**

**Board of Trustees** Within the parameters established under Illinois Statutes, the Board has the responsibility of establishing and maintaining broad policies and objectives for all aspects of the Fund's operation. In keeping with their obligation to serve as governing fiduciaries, changes to any of the following will require the Board's involvement and approval.

- The investment policy statement and appendices;
- The strategic asset allocation;
- Performance benchmarks for the strategic asset allocation; and
- All other issues of the investment policy statement not specifically enumerated here.

#### **Investment Consultant**

1. Assists the Board of Trustees in developing investment policy guidelines, including asset class choices, asset allocation targets, and risk diversification.
2. Conducts investment manager searches when requested by the Board of Trustees.
3. Provides the Board of Trustees with objective information on a broad spectrum of investment decisions, and assists in evaluating the merits of each particular investment product or investment manager, as to their track records, management styles, and quality.
4. Monitors the performance of the aggregate plan and the investment managers and provides regular quarterly reports to the Board of Trustees, which aids them in determining the progress toward the investment objectives.
5. Serves as a fiduciary to the Pension Fund.
6. Monitors investment managers to ensure compliance with the Illinois Pension Code.

#### **Investment Managers**

- Duties – Investment managers will select, buy, and sell specific securities pursuant Illinois Statutes or prospectus, and the investment policy and guidelines contained in contractual agreements, which may be amended from time to time. Discretion is delegated to the investment managers to carry out investment actions as directed by the Fund.
- Standard of care – The standard of prudence applied to investment managers shall be the prudent expert standard and shall be applied in the context of managing an overall portfolio.
- Acknowledgement of fiduciary obligations – Separately managed investment managers will acknowledge in writing that they are a fiduciary of the pension plan.

- Disclosure of fees – Separately managed investment managers must fully disclose on a quarterly basis any direct or indirect fees, commissions, and any other compensation that was received by them, including reimbursement for expenses paid by or on behalf of the investment manager in connection with its services to the Fund.
- Communication – Separately managed investment managers will provide the Board with reporting on, at least a quarterly basis, the market value of all holdings as well as the gross of fees and net of fees rates of return. Net of fees rates of return are to be calculated after the payment of investment fees, and any other compensation. Investment managers must also promptly communicate any major changes in policy, in the investment organization or investment team.
- Conflicts of interest – Investment managers are prohibited from knowingly causing or advising the Fund to engage in any investment transaction in which they have any direct interest in the income, gains or profits of the broker or other entity through which the investment transaction is made or has a business relationship with the broker or other entity that would result in a pecuniary benefit to the investment manager as a result of the transaction.

**Other external providers** The Fund shall retain custodians, actuaries, accounting professionals, investment consultants, depository/financial institutions, and attorneys to implement its investment program.

- The custodian(s) will hold cash and securities. The custodian will be responsible for providing a records maintenance system, fund accounting on a trade date basis, and other services as defined in the contract.
- A depository/financial institution(s) may be utilized to accept and hold cash prior to allocating it to the investment managers, and to invest such cash in liquid, interest-bearing instruments.
- The Fund will retain an actuary to prepare actuarial valuations and periodically analyze the actuarial assumptions and experience of the plan.
- The Fund will retain accounting professionals and ensure an independent audit of the financials is performed and review internal controls.
- The Fund may retain an investment consultant to independently prepare performance reports on the total plan and each investment manager, as well as conduct investment manager and custodial searches, prepare investment policy/asset allocation analysis, and assist in associated investment related issues.
- Standard of care – The standard of prudence applied to other external providers shall be the prudent expert standard.
- Acknowledgement of fiduciary obligations – The external providers will acknowledge in writing that they are fiduciaries of the pension plan.

#### IV. Asset Allocation

The purpose of Section IV is to manage risk associated with investment in an asset class (i.e., systematic risk). Risk associated with an investment in an individual security (non-systematic risk) is addressed in Section V.

**Role and importance of asset allocation** The asset allocation decision is generally regarded as the most important decision to be made in the investment management process. The purpose of a strategic asset allocation is to provide an optimal mix of investments that has the potential to produce the desired returns with the least amount of fluctuation in the overall value of the investment portfolio. By spreading funds among several styles or investment types, there is an increased probability that if one investment type is decreasing in value, another is increasing in value.

**Asset allocation range** To further the long-term goals and objectives of the Fund set forth in Section II, the following asset allocation guidelines are established.

Asset Allocation Range			
Asset Class	Minimum* %	Target %	Maximum* %
<b>Total Equity</b>	<b>45</b>	<b>65</b>	<b>65</b>
Total US Equity	43	48	53
US Equity – large cap	30	35	40
US Equity – mid cap	2	5	8
US Equity – small cap	4	8	12
Total Non-US Equity	6	11	16
Non-US Equity – developed	6	11	16
Total Real Estate Equity	0	5	10
Real Estate Equity	0	5	10
<b>Total Fixed Income and Cash</b>	<b>35</b>	<b>36</b>	<b>45</b>
US Fixed Income	30	36	50
Cash and Cash equivalents	0	0	10

\*Minimum and Maximum may not add up to 100%.

**Rebalancing policy** The primary purpose of rebalancing is to ensure that the Fund adheres to its strategic asset allocation, which is the Fund’s explicit statement of its investment approach.

The Fund will carry out rebalancing in a cost-effective manner. If feasible, cash flow, as well as indexed and mutual fund investment strategies, will be used to maintain target allocations. Securities may be liquidated from the over-funded investment managers until the desired allocations are met.

The Board and investment consultant will review the portfolio at least twice a year to determine if rebalancing is required.

## V. Investment Guidelines

The purpose of Section V is to limit the risk associated with an investment in an individual security (e.g., non-systematic risk). The selection of investments will be guided by the prudent person and prudent expert standards.

**Prohibited investments** As a unit of local government in the State of Illinois, the Village of Winnetka Police Pension Fund is regulated by 40 ILCS 5/1-113.1 through 5/1-113.10.

**Permissible investments** For separately managed investment managers, permissible investments include those investments permitted by Illinois Statutes and this policy. As a unit of local government in the State of Illinois, the Village of Winnetka Police Pension Fund is regulated by 40 ILCS 5/1-113.1 through 5/1-113.10.

## VI. Reporting / Performance Monitoring

The purpose of monitoring and reporting on investment performance is for the Board to be able to (a) ensure compliance with plan's policy and applicable law, (b) manage the risk of the portfolio, and (c) assess the performance of the total plan and investment managers retained by the Fund.

**Quarterly reporting by investment manager** On a quarterly basis, the Finance Director shall receive the following information:

- An outline of current strategy and investments;
- Investment managers' performance relative to the assigned benchmark index; and
- Separately managed investment managers' performance reported gross of fee and net of fee.

**Quarterly reporting by the investment consultant** On a quarterly basis the Board of Trustees shall receive the following information:

- Portfolio performance relative to the assigned benchmark/index and peer group; and
- Portfolio composition relative to the asset allocation policy.

Reports should contain the following:

- A review of performance relative to assigned benchmarks and peer groups for the most recent quarter end, for one-, three-, and five-year periods ending with the most recent quarter. Performance relative to assigned benchmarks will be reported for the total portfolio, for each asset class, and for each investment manager.
- Both gross of fee and net of fee performance calculations shall be presented for separately managed investment managers.

**Communications** Listed below are the reports required and the appropriate individuals who will receive copies of these reports:

- |   |  |
|---|--|
| A. Custodial Monthly Statements             | Village Finance Director and Investment Consultant |
| B. Consultant Quarterly Performance Reports | All Trustees and Village Finance Director          |
| C. Investment Manager Quarterly Reports     | Village Finance Director and Investment Consultant |
| D. Determination of Benefits                | Village Finance Director and all Trustees          |

The Board, at minimum, expects to meet with the investment consultant quarterly.

It is the Board's responsibility to relate to the investment consultant and investment managers any changes that might affect the investment of the Fund's assets.

## **Appendix A**

### **Ethics and Conflicts of Interest**

Trustees and staff 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. Trustees and staff shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Trustees and staff shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Fund.

In addition, the Board of Trustees or staff managing the investment manager contract should comply with the following ethical considerations:

- Adherence to all jurisdiction's and pension board's ethics laws, rules, and regulations related to procurement and involvement with contractors, including those related to political contributions; and
- Disclosure to Board of Trustees of any inherent or potential conflicts of interest in dealing with specific investment advisers prior to taking any official action.

## Appendix B

### Village of Winnetka Internal Control Procedures Promulgated by the Finance Director as of October 2016

#### **Authorized Persons:**

Persons authorized to purchase investments and release collateral:

Finance Director  
Assistant Finance Director  
Village Manager

#### **Investment Transactions and Security Measures:**

All investment transactions shall be processed, as delivery versus payment or DVP, to ensure that the Village ownership of securities purchased or sold is always clear. All Village investments shall be:

- 1) Held by a third party financial institution and evidenced by a safekeeping agreement in a form acceptable to the Village and the Village's independent auditors.
- 2) Purchased, sold, and held such that the lowest possible level of risk, as defined by the Governmental Accounting Standards Board (GASB), can be maintained for the investment.

The Village shall utilize security codes mutually agreed to by the Village and financial institutions to process investment transactions, collateral transactions, and wire transfers. At a minimum, these procedures shall include at least one of the following: passwords, taped phone conversations, call back on non-repetitive wire transfers, limiting authorized account numbers, and designation of repetitive transaction types.

#### **Internal Controls:**

The internal controls as stated in the policy will be performed monthly.

The Village Accountant or Assistant Finance Director shall prepare and initial monthly bank reconciliations within 60 days of the cut off statement date. The Finance Director shall approve of the monthly reconciliations by initialing and dating them.

The Village's investment consultant, who serves as a fiduciary of the Fund, shall prepare quarterly performance reports of the investment portfolio. The December investment performance reports shall be retained by the Pension Fund for a period of at least 5 years.

**List of Authorized Investment Advisors, Investment Money Managers, and Financial Institutions**

**As of October 2016**

- 1) Harris Bank
- 2) Any Federal Reserve Bank
- 3) Wells Fargo Bank
- 4) Wintrust Financial Corporation
- 5) The Bogdahn Group
- 6) J.P. Morgan Chase
- 7) Seizert Capital Partners, LLC
- 8) Holland Capital Management
- 9) T. Rowe Price Associates
- 10) Prudential Investment Management Services
- 11) Harbor Funds
- 12) CS McKee Investment Managers
- 13) Great Lakes Advisors
- 14) Principal Real Estate Investors

Approved this 28 day of October, 2016 by the  
Village of Winnetka Police Pension Board of Trustees

President

John O'Malley

Vice President

Malcolm Casper

Secretary

M. P. [Signature]

Assistant Secretary

[Signature]

Trustee

\_\_\_\_\_

Trustee

\_\_\_\_\_

Lauterbach & Amen, LLP  
27W457 Warrenville Road  
Warrenville, IL 60555-3902

Actuarial Valuation  
as of January 1, 2016



WINNETKA POLICE  
PENSION FUND

Utilizing Data as of December 31, 2015  
For the Contribution Year January 1, 2016 to December 31, 2016

***LAUTERBACH & AMEN, LLP***

# Actuarial Valuation – Funding Recommendation

---



Lauterbach & Amen, LLP

---

CERTIFIED PUBLIC ACCOUNTANTS

## WINNETKA POLICE PENSION FUND

**Contribution Year Ending: December 31, 2016**

Actuarial Valuation Date: January 1, 2016

Utilizing Data as of December 31, 2015

---

**Submitted by:**

Lauterbach & Amen, LLP  
630.393.1483 Phone  
[www.lauterbachamen.com](http://www.lauterbachamen.com)

**Contact:**

Todd A. Schroeder  
September 2, 2016

***LAUTERBACH & AMEN, LLP***



# TABLE OF CONTENTS

---

<b>ACTUARIAL CERTIFICATION</b> .....	<b>1</b>
<b>MANAGEMENT SUMMARY</b> .....	<b>2</b>
Contribution Recommendation .....	3
Funded Status.....	3
Management Summary – Comments and Analysis .....	4
Actuarial Contribution Recommendation - Reconciliation .....	8
<b>VALUATION OF FUND ASSETS</b> .....	<b>9</b>
Market Value of Assets.....	10
Market Value of Assets (Gain)/Loss.....	11
Development of the Actuarial Value of Assets .....	12
(Gain)/Loss on the Actuarial Value of Assets .....	12
Historical Asset Performance.....	13
<b>RECOMMENDED CONTRIBUTION DETAIL</b> .....	<b>14</b>
Actuarial Accrued Liability.....	15
Funded Status.....	15
Development of the Employer Normal Cost.....	16
Normal Cost as a Percentage of Expected Payroll .....	16
Contribution Recommendation .....	16
Actuarial Methods – Recommended Contribution.....	17
<b>ILLINOIS STATUTORY MINIMUM CONTRIBUTION</b> .....	<b>18</b>
Statutory Minimum Contribution .....	19
Funded Status – Statutory Minimum.....	19
Actuarial Methods – Illinois Statutory Minimum Contribution .....	21
<b>ACTUARIAL VALUATION DATA</b> .....	<b>22</b>
Active Employees .....	23
Inactive Employees.....	23
Summary Of Benefit Payments.....	23
<b>ACTUARIAL FUNDING POLICIES</b> .....	<b>24</b>
Actuarial Cost Method.....	25
Financing Unfunded Actuarial Accrued Liability .....	25
Actuarial Value of Assets .....	25
<b>ACTUARIAL ASSUMPTIONS</b> .....	<b>26</b>
Nature of Actuarial Calculations.....	27
Actuarial Assumptions in the Valuation Process .....	27
Actuarial Assumptions Utilized .....	28
<b>SUMMARY OF PRINCIPAL PLAN PROVISIONS</b> .....	<b>30</b>
Establishment of the Fund.....	31

---



# TABLE OF CONTENTS

---

Administration .....	31
Employee Contributions .....	31
Normal Retirement Pension Benefit .....	31
Normal Retirement Pension Benefit - Continued.....	32
Early Retirement Pension Benefit .....	32
Pension to Survivors .....	33
Termination Benefit.....	34
Disability Benefit.....	35
<b>GLOSSARY OF TERMS .....</b>	<b>36</b>
Glossary of Terms.....	37



## ACTUARIAL CERTIFICATION

This report documents the results of the Actuarial valuation of the Winnetka Police Pension Fund. The purpose is to report the actuarial contribution requirement for the contribution year January 1, 2016 to December 31, 2016. Determinations for purposes other than meeting the employer's actuarial contribution requirements may be significantly different from the results herein.

The results in this report are based on information and data submitted by the Winnetka Police Pension Fund including studies performed by prior actuaries. We did not prepare the actuarial valuations for the years prior to January 1, 2016. Those Valuations were prepared by other actuaries whose reports have been furnished to us, and our disclosures are based upon those reports. An audit of the information was not performed, but high-level reviews were performed for general reasonableness, as appropriate, based on the purpose of the valuation. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information. The results of the actuarial valuation and these supplemental disclosures rely on the information provided.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The Winnetka Police Pension Fund selected certain assumptions, while others were the result of guidance and/or judgment. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used.

To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. The undersigned of Lauterbach & Amen, LLP, with actuarial credentials, meets the Qualification Standards of the American Academy of Actuaries to render this Actuarial Opinion. There is no relationship between the Winnetka Police Pension Fund and Lauterbach & Amen, LLP that impairs our objectivity.

The information contained in this report was prepared for the use of the Winnetka Police Pension Fund and the Village of Winnetka, Illinois in connection with our actuarial valuation. It is not intended or necessarily suitable for other purposes. It is intended to be used in its entirety to avoid misrepresentations.

Respectfully Submitted,

LAUTERBACH & AMEN, LLP

Todd A. Schroeder, EA





## MANAGEMENT SUMMARY

Contribution Recommendation  
Funded Status  
Management Summary

---

## *MANAGEMENT SUMMARY*

---

### CONTRIBUTION RECOMMENDATION

	Prior Valuation*	Current Valuation
Contribution Requirement	\$1,308,146	\$1,446,664
Expected Payroll	\$2,440,019	\$2,594,524
Contribution Requirement as a Percent of Expected Payroll	53.61%	55.76%

*Recommended  
Contribution  
has Increased  
\$138,518 from  
Prior Year.*

---

### FUNDED STATUS

	Prior Valuation*	Current Valuation
Normal Cost	\$690,438	\$605,710
Market Value of Assets	\$25,512,191	\$25,238,201
Actuarial Value of Assets	\$24,547,266	\$25,794,490
Actuarial Accrued Liability	\$37,819,237	\$41,529,135
Unfunded Actuarial Accrued Liability	\$13,271,971	\$15,734,645
Percent Funded		
Actuarial Value of Assets	64.91%	62.11%
Market Value of Assets	67.46%	60.77%

*Funded  
Percentage has  
Decreased  
2.80 on an  
Actuarial  
Value of Assets  
Basis.*

\*Prior Valuation Completed by Timothy W. Sharpe, Enrolled Actuary.



## *MANAGEMENT SUMMARY*

---

### MANAGEMENT SUMMARY – COMMENTS AND ANALYSIS

#### Contribution Results

The contribution recommendation is based on the funding policies and procedures that are outlined in the “Actuarial Funding Policies” section of this report.

The State of Illinois statutes for pension funds contain parameters that should be used to determine the minimum amount of contribution to a public pension fund. Those parameters and the resulting minimum contribution can be found in the “Illinois Statutory Minimum Contribution” section of this report.

#### Defined Benefit Plan Risks

##### *Asset Growth*

Pension funding involves preparing plan assets to pay benefits for the members when they retire. During their working careers, assets need to build with contributions and investment earnings, and then the pension fund distributes assets during retirement. Based on the fund’s current mix of employees and funded status, the fund should be experiencing positive asset growth on average if requested contributions are made and expected investment earnings come in. In the current year the fund asset growth was negative by approximately \$274,000.

Asset growth is important long-term. Long-term cash flow out of the pension fund is primarily benefit payments. Expenses make up a smaller portion. The fund should monitor the impact of expected benefit payments and the impact on asset growth in the future. In the next 5 years, benefits payments are anticipated to increase 30-35%, or approximately \$542,000. In the next 10 years, the expected increase in benefit payments is 65-70%, or approximately \$1.2 million dollars.

##### *Unfunded Liability:*

Unfunded liability represents dollars we expect to be in the pension fund already for the fund members based on funding policy. To the extent dollars are not in the pension fund the fund is losing investment returns on those dollars going forward. Payments to unfunded liability pay for the lost investment earnings, as well as the outstanding unfunded amount. If payment is not made, the unfunded liability will grow.

In the early 1990s, many pension funds in Illinois adopted an increasing payment to handle unfunded liability due to a change in legislation. The initial payments decreased, and payments were anticipated to increase annually after that. In many situations, payments early on may be less than the interest on unfunded liability, which means unfunded liability is expected to *increase* even if contributions are at the recommended level.



## MANAGEMENT SUMMARY

---

The current contribution recommendation includes a payment to unfunded liability that is approximately \$77,000 more than interest on the unfunded liability. All else being equal and contributions being made, unfunded liability would still be expected to decrease. The employer and the fund should anticipate currently that improvement in the funded percent will be mitigated in the short-term. The employer and the fund should understand this impact as we progress forward to manage expectations.

### *Actuarial Value of Assets:*

The pension fund smooths asset returns that vary from expectations over a five-year period. The intention over time is that asset returns for purposes of funding recommendations are a combination of several years. The impact is intended to smooth out the volatility of contribution recommendations over time, but not necessarily increase or decrease the level of contributions over the long-term.

When asset returns are smoothed, there are always gains or losses on the Market Value of Assets that are going to be deferred for current funding purposes, and recognized in future years. Currently, the pension fund is deferring approximately \$556,000 in losses on the Market Value of Assets. These are asset losses that will be recognized in upcoming periods, independent of the future performance of the Market Value of Assets.

### Plan Assets

The results in this report are based on the Assets held in the pension fund. Assets consist of funds held for investment and for benefit payments as of the Valuation Date. In addition, Assets may be adjusted for other events representing dollars that are reasonably expected to be paid out from the pension fund or deposited into the pension fund after the Actuarial Valuation Date as well.

The current fund Assets are Audited.

The actuarial value of assets under the funding policy is equal to the fair market value of assets, with unexpected gains and losses smoothed over 5 years. More detail on the Actuarial Value of Assets can be found in the funding policy section of the report.

*The Plan  
Assets Used in  
this Report  
are Audited.*

### Demographic Data

Demographic factors can change from year to year within a pension fund. Changes in this category include hiring new employees, employees retiring or becoming disabled, retirees passing away, and other changes. Demographic changes can cause an actuarial gain (contribution that is less than expected compared to the prior year) or an actuarial loss (contribution that is greater than expected compared to the prior year).



## MANAGEMENT SUMMARY

---

Demographic gains and losses occur when the assumptions over the one-year period for employee changes do not meet our long-term expectation. For example, if no employees become disabled during the year, we would expect a liability gain. If more employees become disabled than anticipated last year, we would expect a liability loss. Generally, we expect short-term fluctuations in demographic experience to create 1%-3% gains or losses in any given year, but to balance out in the long-term.

In the current report, the key demographic changes were as follows:

*New hires:* The fund added 3 new active members in the current year through hiring. When a new member is admitted to the pension fund, the employer contribution will increase to reflect the new member. The increase in the recommended contribution in the current year for new fund members is approximately \$32,000.

*Termination:* There was 1 member of the fund who terminated employment during the year. The member took a refund. The fund is no longer obligated to pay a benefit to the member in the future. The decrease in the recommended contribution in the current year due to the termination experience is approximately \$18,000.

*Deferred Annuitant:* There was 1 vested member of the fund who terminated employment during the year. The member did not take a refund. The fund may be obligated to pay a benefit to the member in the future. The decrease in the recommended contribution in the current year due to the termination experience is approximately \$60,000.

*Mortality:* There was 1 retiree who passed away during the year, with no eligible surviving spouse. When a retiree passes away, the fund liability will decrease as the pension fund no longer will make future payments to the retiree. There was 1 surviving spouse who passed away during the year. The decrease in the recommended contribution in the current year due to the passing of the retiree and beneficiary is approximately \$14,000.

*Salary Increases:* Salary increases were less than anticipated in the current year. Most active members received an increase of 4.29%. This caused a decrease in the recommended contribution in the current year of approximately \$26,000.

### Assumption Changes

We performed a comprehensive study of Police pension funds in the State of Illinois. We reviewed the results of the study in addition to the experience in the current fund. The actuarial assumptions were changed in the current year. The changes were made to better reflect the future anticipated experience in the fund. See the table on the following page for the impact of these changes.



## *MANAGEMENT SUMMARY*

---

### Funding Policy Changes

The funding policy was changed from the prior year. The new funding policy represents a better fit for the goals of pension funding for all stakeholders. The change in the funding policy caused a decrease in the recommended contribution in the current year of approximately \$143,000.



## *MANAGEMENT SUMMARY*

---

### **ACTUARIAL CONTRIBUTION RECOMMENDATION - RECONCILIATION**

Actuarial liability is expected to increase each year for both interest for the year and as active employees earn additional service years towards retirement. Similarly actuarial liability is expected to decrease when the fund pays benefits to inactive employees.

Contributions are expected to increase as expected pay increases under the funding policy for the Fund.

Other increases or decreases in actuarial liability (key changes noted below) will increase or decrease the amount of unfunded liability in the plan. To the extent unfunded liability increases or decreases unexpectedly, the contribution towards unfunded liability will also change unexpectedly.

	Actuarial <u>Liability</u>	Contribution <u>Recommendation</u>
Salary Increase Less than Expected	(281,011)	(26,224)
Demographic Changes	(48,494)	98,549
Assumption Changes	1,429,187	162,622
Funding Policy	-	(142,792)
Asset Return Greater than Expected *	-	(7,887)
Contributions Less than Expected	-	9,651
Total Actuarial Experience	<u>\$ 1,099,682</u>	<u>\$ 93,918</u>

\*The impact on contribution due to asset performance is based on the Actuarial Value of Assets.

Key demographic changes were discussed in the prior section.





## VALUATION OF FUND ASSETS

Market Value of Assets  
Actuarial Value of Assets

---

## VALUATION OF FUND ASSETS

### MARKET VALUE OF ASSETS

#### Statement of Assets

	Prior Valuation	Current Valuation
Money Market	\$ 814,141	\$ 630,290
Fixed Income	9,097,587	10,234,939
Stock Equities	10,373,077	8,571,240
Mutual Funds	5,377,618	6,990,596
Receivables (Net of Payables)	(150,232)	(1,188,863)
Net Assets Available for Pensions	<u>\$ 25,512,191</u>	<u>\$ 25,238,201</u>

*The Total Value of Assets has Decreased \$273,990 from Prior Valuation.*

#### Statement of Changes in Assets

Total Market Value - Prior Valuation	\$ 25,512,191
Plus - Employer Contributions	1,134,875
Plus - Employee Contributions	252,560
Plus - Return on Investments	139,424
Less - Benefit and Related Payments	(1,779,229)
Less - Other Expenses	<u>(21,620)</u>
Total Market Value - Current Valuation	<u>\$ 25,238,201</u>

*The Return on Investment on the Market Value of Assets for the Fund was Approximately 0.5% Net of Administrative Expenses.*

The return on investments shown has been determined as the Return on Assets from the statement of changes in assets, as a percent of the average of the beginning and ending Market Value of Assets. Return on Investment is net of the Other Expenses as shown. The Return on Investments has been excluded from the Total Market Value of Assets at the end of the year for this calculation.



## VALUATION OF FUND ASSETS

---

### MARKET VALUE OF ASSETS (GAIN)/LOSS

#### Current Year (Gain)/Loss on Market Value of Assets

Total Market Value - Prior Valuation	\$ 25,512,191
Contributions	1,387,435
Benefit Payments	(1,779,229)
Expected Return on Investments	<u>1,582,268</u>
Expected Total Market Value - Current Valuation	26,702,665
Actual Total Market Value - Current Valuation	<u>25,238,201</u>
Current Market Value (Gain)/Loss	<u><u>\$ 1,464,464</u></u>
Expected Return on Investments	\$ 1,582,268
Actual Return on Investments (Net of Expenses)	<u>117,804</u>
Current Market Value (Gain)/Loss	<u><u>\$ 1,464,464</u></u>

*The Return on  
the Market  
Value of Assets  
was Lower than  
Expected Over  
the Most Recent  
Year.*

The (Gain)/Loss on the Market Value of Assets has been determined based on expected returns at the actuarial rate.



## VALUATION OF FUND ASSETS

### DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

Total Market Value - Current Valuation		\$ 25,238,201
Adjustment for Prior (Gains)/Losses		
	<u>Full Amount</u>	
First Preceding Year	\$ 1,464,464	1,171,571
Second Preceding Year	(40,132)	(24,079)
Third Preceding Year	(1,261,886)	(504,754)
Fourth Preceding Year	(432,246)	<u>(86,449)</u>
Total Deferred (Gain)/Loss		<u>556,289</u>
Initial Actuarial Value of Assets - Current Valuation		25,794,490
Less Contributions for the Current Year and Interest		-
Less Adjustment for the Corridor		<u>-</u>
Actuarial Value of Assets - Current Valuation		<u>\$ 25,794,490</u>

*The Actuarial Value of Assets is Equal to the Fair Market Value of Assets with Unanticipated Gains/Losses Recognized over 5 Years. The Actuarial Value of Assets is Currently 102% of the Market Value.*

### (GAIN)/LOSS ON THE ACTUARIAL VALUE OF ASSETS

Total Actuarial Value - Prior Valuation		\$ 24,547,266
Plus - Employer Contributions		1,134,875
Plus - Employee Contributions		252,560
Plus - Return on Investments		1,660,638
Less - Benefit and Related Payments		(1,779,229)
Less - Other Expenses		<u>(21,620)</u>
Total Actuarial Value - Current Valuation		<u>\$ 25,794,490</u>

*The Return on Investment on the Actuarial Value of Assets for the Fund was Approximately 6.7% Net of Administrative Expenses.*

The Actuarial Value of Assets incorporates portions of gains and losses over multiple years.



## *VALUATION OF FUND ASSETS*

---

### **HISTORICAL ASSET PERFORMANCE**

The chart below shows the historical rates of return on plan assets for both Market Value of Assets and Actuarial Value of Assets.

	<u>Market Value</u>	<u>Actuarial Value</u>
First Preceding Year	0.5%	6.7%

The returns on assets shown above were calculated based on the annual return on investment for the year, as a percentage of the average value of the assets for the year.

For purposes of determining the average value of assets during the year, the ending market value of assets has been adjusted to net out to the portion related to the investment returns themselves. All other cash flows are included.

For purposes of determining the annual return on investment we have adjusted the figures shown on the preceding pages. The figures shown on the preceding pages are net of investment expenses. We have made an additional adjustment to net out administrative expenses. Netting out administrative expenses allows us to capture returns for the year that can be used to make benefit payments as part of the ongoing actuarial process.

The adjustment we make is for actuarial reporting purposes only. By netting out administrative expenses and capturing return dollars that are available to pay benefits, it provides us a comparison to the estimated rate of return on assets, but does not provide a figure that would be consistent with the return rates that are determined by other parties. Therefore this calculated rate of return should not be used to analyze investment performance of the Fund or the performance of the investment professionals.





## RECOMMENDED CONTRIBUTION DETAIL

Actuarial Accrued Liability  
Funded Status  
Development of the Normal Cost  
Recommended Contribution  
Actuarial Methods – Recommended Contribution

---

## *RECOMMENDED CONTRIBUTION DETAIL*

---

### ACTUARIAL ACCRUED LIABILITY

	Current Valuation
Active Employees	\$ 15,273,581
Inactive Employees	
Terminated Employees - Vested	394,493
Retired Employees	24,483,584
Disabled Employees	732,528
Other Beneficiaries	644,949
Total Inactive Employees	26,255,554
Total Actuarial Accrued Liability	\$ 41,529,135

*The Total Actuarial Liability has Increased from Prior Valuation (See Management Summary).*

---

### FUNDED STATUS

	Current Valuation
Total Actuarial Accrued Liability	\$ 41,529,135
Total Actuarial Value of Assets	25,794,490
Unfunded Actuarial Accrued Liability	\$ 15,734,645
Total Market Value of Assets	\$ 25,238,201
Percent Funded	
Actuarial Value of Assets	<u>62.11%</u>
Market Value of Assets	<u>60.77%</u>

*Funded Percentage as of the Valuation Date is Subject to Volatility on Assets and Liability in the Short-Term.*



## *RECOMMENDED CONTRIBUTION DETAIL*

---

### DEVELOPMENT OF THE EMPLOYER NORMAL COST

	Current Valuation
Total Normal Cost	\$ 605,710
Estimated Employee Contributions	(257,117)
Employer Normal Cost	\$ 348,593

*At a 100%  
Funding Level,  
the Normal Cost  
Contribution is  
Still Required.*

### NORMAL COST AS A PERCENTAGE OF EXPECTED PAYROLL

	Current Valuation
Expected Payroll	\$ 2,594,524
Employee Normal Cost Rate	<u>9.910%</u>
Employer Normal Cost Rate	<u>13.44%</u>
Total Normal Cost Rate	<u>23.35%</u>

*Ideally, the  
Employer  
Normal Cost  
Rate will Remain  
Stable.*

### CONTRIBUTION RECOMMENDATION

	Current Valuation
Employer Normal Cost*	\$ 386,450
Amortization of Unfunded Accrued Liability/(Surplus)	1,060,214
Funding Requirement	\$ 1,446,664

*The Recommended  
Contribution has  
Increased from the  
Prior Valuation  
(See the  
Management  
Summary).*

\*Employer Normal Cost Contribution includes interest through the end of the year.



## ***RECOMMENDED CONTRIBUTION DETAIL***

---

### **ACTUARIAL METHODS – RECOMMENDED CONTRIBUTION**

Actuarial Valuation Date	January 1, 2016
Data Collection Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal (Level % of Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded over 20 years
Asset Valuation Method	5-Year Smoothed Market Value

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described. The actuarial cost and amortization method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

The recommended contribution amount shown in this report is based on the methods summarized above. The Actuarial Funding Policies section of the report will include a more detail description of the funding methods being used.

The Actuarial Funding Methods are meant to provide a systematic process for determining contributions on an annual basis. The methods do not impact the expectation of future benefit payments. The methods only impact the way dollars are contributed towards future benefit payments.

Different Actuarial Funding Methods may achieve funding goals with differing levels of success. Certain methods are more efficient and more stable on an annual basis.





# ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Minimum Contribution  
Methods and Assumptions

---

## *ILLINOIS STATUTORY MINIMUM CONTRIBUTION*

---

### STATUTORY MINIMUM CONTRIBUTION

	<u>Minimum Contribution</u>
Contribution Requirement	\$1,037,109
Expected Payroll	\$2,594,524
Contribution Requirement as a Percent of Expected Payroll	39.97%

---

---

### FUNDED STATUS – STATUTORY MINIMUM

	<u>Minimum Contribution</u>
Normal Cost	\$823,147
Market Value of Assets	\$25,238,201
Actuarial Value of Assets	\$25,794,490
Actuarial Accrued Liability	\$36,813,444
Unfunded Actuarial Accrued Liability	\$11,018,954
Percent Funded	
Actuarial Value of Assets	70.07%
Market Value of Assets	68.56%

---

---



## *ILLINOIS STATUTORY MINIMUM CONTRIBUTION*

---

The Statutory Minimum Contribution is based on funding methods and funding parameters in the Illinois statutes for pension funding. The resulting contribution is lower than the recommended contribution for the current plan year. The lower contribution amount is not recommended because it represents only a deferral of contributions when compared to the recommended contribution method.

Actuarial Funding methods for pensions are best applied to provide a balance between the long-term goals of a variety of stakeholders:

1. Beneficiaries – the fund participants are interested in benefit security and having the dollars there to pay benefits when retired.
2. Employers – cost control and cost stability over the long-term
3. Taxpayers – paying for the services they are receiving from active employees

The Statutory Minimum Contribution methods are not intended to provide a better system in any of the above categories long-term. The parameters are not recommended for a long-term funding strategy.

The Statutory Minimum methods put into place in 2011 were intended to provide short-term budget relief for Employer contributions. An employer using the Statutory Minimum parameters for current funding should view the contributions as short-term relief. Our recommendation in this situation is for a pension fund and an employer to work towards a long-term funding strategy that better achieves the long-term funding goals, over a period that does not exceed 3-5 years.

The Securities and Exchange Commission in 2013 used the phrase “Statutory Underfunding” to describe situations where contributions appear to be more manageable in the short-term, but set up future contribution requirements that are less likely to be manageable.



## *ILLINOIS STATUTORY MINIMUM CONTRIBUTION*

---

### **ACTUARIAL METHODS – ILLINOIS STATUTORY MINIMUM CONTRIBUTION**

---

Actuarial Valuation Date	January 1, 2016
Data Collection Date	December 31, 2015
Actuarial Cost Method	Projected Unit Credit (Level % of Pay)
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	90% Funded over 25 years
Asset Valuation Method	5-Year Smoothed Market Value

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described. The actuarial cost and amortization method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

The recommended contribution amount shown in this report is based on the methods summarized above. The Actuarial Funding Policies section of the report will include a more detail description of the funding methods being used.

The Actuarial Funding Methods are meant to provide a systematic process for determining contributions on an annual basis. The methods do not impact the expectation of future benefit payments. The methods only impact the way dollars are contributed towards future benefit payments.

Different Actuarial Funding Methods may achieve funding goals with differing levels of success. Certain methods are more efficient and more stable on an annual basis.





## ACTUARIAL VALUATION DATA

Active Employees  
Retirees and Beneficiaries

---

## *ACTUARIAL VALUATION DATA*

---

### ACTIVE EMPLOYEES

	<u>Current Valuation</u>
Vested	16
Nonvested	<u>11</u>
Total Active Employees	<u>27</u>
Total Payroll	<u>\$ 2,549,901</u>

---

---

### INACTIVE EMPLOYEES

	<u>Current Valuation</u>
Terminated Employees - Vested	4
Retired Employees	23
Disabled Employees	1
Other Beneficiaries	<u>3</u>
Total Inactive Employees	<u>31</u>

---

---

### SUMMARY OF BENEFIT PAYMENTS

	<u>Current Valuation</u>
Terminated Employees - Vested	\$ 5,586
Retired Employees	131,167
Disabled Employees	3,569
Other Beneficiaries	<u>7,625</u>
Total Inactive Employees	<u>\$ 147,947</u>

Benefits shown for terminated employees under deferred retirement are not currently in pay status.

---

---





## ACTUARIAL FUNDING POLICIES

Actuarial Cost Method  
Financing Unfunded Accrued Liability  
Actuarial Value of Assets

---

## ***ACTUARIAL FUNDING POLICIES***

---

### **ACTUARIAL COST METHOD**

The actuarial cost method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

In accordance with the Pension Fund's Funding Policy the actuarial cost method for the recommended contribution basis is Entry Age Normal (Level Percent of Pay). The Entry Age Normal Cost Method is a method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of this actuarial present value allocated to a valuation year is called normal cost. The portion of the actuarial present value not provided at a valuation date by the actuarial present value of future normal costs is called the actuarial liability.

### **FINANCING UNFUNDED ACTUARIAL ACCRUED LIABILITY**

The Unfunded Actuarial Accrued Liability may be amortized over a period either in level dollar amounts or as a level percentage of projected payroll.

In accordance with the Pension Fund's Funding Policy for the recommended contribution the unfunded actuarial accrued liabilities are amortized by level percent of payroll contributions to 100% funding target over the remaining 20 future years.

### **ACTUARIAL VALUE OF ASSETS**

The pension fund is an ongoing plan. The employer wishes to smooth the effect of volatility in the market value of assets on the annual contribution. The Actuarial Value of Assets is equal to the Market Value of Assets with unanticipated gains/losses recognized over five years.

The asset valuation method is intended to create an Actuarial Value of Assets that remains reasonable in relation to the Market Value of Assets over time. The method produces results that can fall above and below the Market Value of Assets. The period of recognition is short.

It is intended that the period of recognition is short enough to keep the Actuarial Value of Assets within a decent range of the Market Value. The employer has not placed a specific corridor around the Market Value of Assets.





## ACTUARIAL ASSUMPTIONS

Nature of Actuarial Calculations  
Actuarial Assumptions in the Valuation Process  
Actuarial Assumptions Utilized

---

# **ACTUARIAL ASSUMPTIONS**

---

## **NATURE OF ACTUARIAL CALCULATIONS**

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed immaterial, and, therefore, are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that significant items in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

Actual future experience will differ from the assumptions used in the calculations. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect such actual experience.

A range of results different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision which is not inherent in actuarial calculations.

## **ACTUARIAL ASSUMPTIONS IN THE VALUATION PROCESS**

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described in the previous section.

The principal areas of financial risk which require assumptions about future experience are:

- Long-term Rates of Investment Return
- Patterns of Pay Increases for Members
- Rates of Mortality Among Members and Beneficiaries
- Rates of Withdrawal of Active Members
- Rates of Disability Among Members
- Age Patterns of Actual Retirement

Actual experience of the Pension Fund will not coincide exactly with assumed experience. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments to the computed contribution requirement.

From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations).

Details behind the selection of the actuarial assumptions can be found in the assumption document provided to the client. The client has reviewed and approved the assumptions as a reasonable expectation of the future anticipated experience under the plan.



## *ACTUARIAL ASSUMPTIONS*

---

### ACTUARIAL ASSUMPTIONS UTILIZED

<b>Expected Return on Investments</b>	6.25% net of administrative expenses.
<b>CPI-U</b>	2.50%
<b>Total Payroll Increases</b>	3.50%
<b>Individual Pay Increases</b>	2.50% - 10.37%

Individual salary increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Sample Rates as Follows:

Service	Rate	Service	Rate
0	8.34%	8	2.50%
1	5.42%	9	5.40%
2	10.37%	10	4.00%
3	7.46%	15	4.00%
4	2.50%	20	4.00%
5	2.50%	25	4.00%
6	2.50%	30	4.00%
7	2.50%	35	4.00%

### Retirement Rates

100% of the L&A Assumption Study Cap Age 65 for Police 2016.  
Sample Rates as Follows:

Age	Rate	Age	Rate
50	0.117	53	0.139
51	0.124	54	0.147
52	0.131	55	0.156



## *ACTUARIAL ASSUMPTIONS*

---

**Withdrawal Rates**

100% of the L&A Assumption Study for Police 2016. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.041	40	0.027
30	0.039	45	0.014
35	0.036	50	0.003

**Disability Rates**

100% of the L&A Assumption Study for Police 2016. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.0005	40	0.0028
30	0.0010	45	0.0043
35	0.0018	50	0.0064

**Mortality Rates**

L&A Assumption Study for Police 2016. Sample Male Rates as Follows:

Age	Rate	Age	Rate
25	0.00054	40	0.00071
30	0.00052	45	0.00108
35	0.00061	50	0.00187

L&A Assumption Study for Police 2016. Sample Female Rates as Follows:

Age	Rate	Age	Rate
25	0.00017	40	0.00040
30	0.00023	45	0.00065
35	0.00030	50	0.00111

Mortality improvement to 5 years past the valuation date using MP 2014 is assumed. Active mortality (pre-retirement) and disabled mortality follow RP 2014.

**Married Participants**

80% of Active Participants are Assumed to be Married. Female Spouses are Assumed to be 3 Years Younger than Male Spouses.





## SUMMARY OF PRINCIPAL PLAN PROVISIONS

Establishment of the Fund  
Administration  
Employee Contributions  
Normal Retirement Pension Benefits  
Pension to Survivors  
Termination Benefits  
Disability Benefits

---

## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

---

### **ESTABLISHMENT OF THE FUND**

The Police Pension Fund is established and administered as prescribed by “Article 3. Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

### **ADMINISTRATION**

The Police Pension Fund is administered by a Board of Trustees located in each municipality maintaining a pension fund for its police officers. Its duties are to control and manage the pension fund, to hear and determine applications for pensions, to authorize payment of pensions, to establish rules, to pay expenses, to invest funds, and to keep records.

### **EMPLOYEE CONTRIBUTIONS**

Employees contribute 9.910% of salary.

### **NORMAL RETIREMENT PENSION BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* Age 50 with at least 20 years of creditable service and no longer a police officer.

*Benefit:* 50% of final salary is payable commencing at retirement for 20 years of service. An additional 2.5% of final salary is added for each additional year of service in excess of 20 years of service (not to exceed 75% of final salary). “Final salary” is the salary attached to rank held on the last day of services or for 1 year prior to the last day, whichever is greater.

*Annual Increase in Benefit:* An officer will receive an initial increase of 1/12 of 3% for each month that has elapsed since retirement. The initial increase date will be the later of the first day of the month following the attainment of age 55, or the first anniversary of the date of retirement. Subsequent increases of 3% of the current pension amount (including prior increases) will be provided in each January thereafter.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

---

### **NORMAL RETIREMENT PENSION BENEFIT - CONTINUED**

#### Hired on or After January 1, 2011

*Eligibility:* Age 55 with at least 10 years of creditable service and no longer a police officer.

*Benefit:* 2.5% of final average salary for each year of service is payable at retirement (not to exceed 75% of final average salary). "Final average salary" is determined by dividing the highest total salary over 96 consecutive months of service in the last 120 months of service by the total number of months of service in the period. Annual salary for this purpose will not exceed \$106,800, indexed by the lesser of 3% or ½ of the CPI-U for the 12 months ending with the September preceding each November 1. The salary cap will not decrease.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the later of the attainment of age 60, or the first anniversary of the date of retirement. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original benefit.

### **EARLY RETIREMENT PENSION BENEFIT**

#### Hired Prior to January 1, 2011

None

#### Hired on or After January 1, 2011

*Eligibility:* Age 50 with at least 10 years of creditable service and no longer a police officer.

*Benefit:* The normal retirement pension benefit reduced by ½ of 1% for each month that the police officer's age is under age 55.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the later of the attainment of age 60, or the first anniversary of the date of retirement. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original benefit.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

---

### **PENSION TO SURVIVORS**

#### Hired Prior to January 1, 2011

##### Death - Line of Duty

Surviving spouse is entitled to 100% of the salary attached to the rank of the police officer on the last day of service, payable immediately.

##### Death - Non-Duty

*Current Pensioners (Including Disabled Pensioners):* Surviving spouse to receive continuation of the pension.

*Active Employee with 20+ Years of Service:* Surviving spouse is entitled to the full pension earned by the police officer at the time of death.

*Active Employee with 10-20 Years of service:* Surviving spouse is entitled to 50% of the salary attached to the rank of the police officer on the last day of service, payable immediately

*Annual Increase in Benefit:* None.

#### Hired on or After January 1, 2011

##### Death - Line of Duty

Surviving spouse is entitled to 100% of the salary attached to the rank of the police officer on the last day of service, payable immediately.

##### Death - Non-Duty

*Current Pensioners (Including Disabled Pensioners), Active Employee with 20+ Years of Service, and Active Employee with 10-20 Years of service:* Surviving spouse to receive 66 ⅔% of the police officer's earned pension at the date of death.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> after the attainment of age 60 by the recipient of the survivor's pension. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original survivor's benefit amount.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

---

### **TERMINATION BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* At least 8 years but less than 20 years of creditable service.

*Benefit:* 2.5% of final salary for each year of service is payable beginning at age 60. “Final salary” is based on the greater of salary during the last year of service prior to termination of employment or the pay rate for the police officer at termination of employment.

*Annual Increase in Benefit:* An officer will receive an initial increase of 3% on the first anniversary of the date of start of payments. Subsequent increases of 3% of the current pension amount will be provided in each January thereafter.

#### Hired on or After January 1, 2011

*Eligibility:* At least 10 years but less than 20 years of creditable service.

*Benefit:* 2.5% of final salary for each year of service is payable beginning at age 60. “Final salary” is based on the greater of salary during the last year of service prior to termination of employment or the pay rate for the police officer at termination of employment. Annual salary for this purpose will not exceed \$106,800, indexed by the lesser of 3% or ½ of the CPI-U for the 12 months ending with the September preceding each November 1. The salary cap will not decrease.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the first payment. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 mos. ending with the September preceding each November 1, applied to the original benefit amount.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

---

### **DISABILITY BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* Disability (duty or non-duty).

*Benefit:* A police officer who becomes disabled on duty is entitled to receive a pension equal to the greater of 65% of final salary or the pension they would have been entitled to upon retirement at the time of disability. For a non-duty disability, the police officer is entitled to 50% of final salary. “Final salary” is based on the pay rate for the police officer on the last day of service.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the attainment of age 60. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase is 3% of the original benefit for each full year that has passed since the pension began. Subsequent increases will be the 3% of the original pension benefit amount.

#### Hired on or after January 1, 2011

*Eligibility:* Disability (duty or non-duty).

*Benefit:* A police officer who becomes disabled on duty is entitled to receive a pension equal to the greater of 65% of final salary or the pension they would have been entitled to upon retirement at the time of disability. For a non-duty disability, the police officer is entitled to 50% of final salary. “Final salary” is based on the pay rate for the police officer on the last day of service.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the attainment of age 60. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original benefit amount.





## GLOSSARY OF TERMS

---

## ***GLOSSARY OF TERMS***

---

### **GLOSSARY OF TERMS**

***Actuarial Accrued Liability*** –The actuarial present value of future benefits based on employees’ service rendered to the measurement date using the selected actuarial cost method. It is that portion of the Actuarial Present Value of plan benefits and expenses allocated to prior years of employment. It is not provided for by future Normal Costs.

***Actuarial Cost Method*** – The method used to allocate the projected obligations of the plan over the working lifetimes of the plan participants.

***Actuarial Value of Asset*** – The value of the assets used in the determination of the Unfunded Actuarial Accrued Liability. The Actuarial Value of Assets is related to Market Value of Assets, with adjustments made to spread unanticipated gains and losses for a given year over a period of several years. Actuarial Value of Assets is generally equally likely to fall above or below the Market Value of Assets, and generally does not experience as much volatility over time as the Market Value of Assets.

***Asset Valuation Method*** – A valuation method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of employer contributions.

***Funding Policy*** – A set of procedures for a Pension Fund that outlines the “best practices” for funding the pension benefits based on the goals of the plan sponsor. A Funding Policy discusses items such as assumptions, Actuarial Cost Method, assets, and other parameters that will best help the sponsor meet their goal of working in the best interest of the plan participant.

***Market Value of Assets*** – The value of the cash, bonds, securities and other assets held in the pension trust as of the measurement date.

***Normal Cost*** –The present value of future benefits earned by employees during the current fiscal year. It is that portion of the Actuarial Present Value of benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

***Unfunded Actuarial Accrued Liability*** – The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. The Unfunded Actuarial Accrued Liability is amortized over a period either in level dollar amounts or as a level percentage of projected payroll



VILLAGE OF WINNETKA, ILLINOIS  
FIREFIGHTERS' PENSION FUND

---

HOUSE BILL 5088 – MUNICIPAL  
COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2015

October 13, 2016

Members of the Pension Board of Trustees  
Winnetka Firefighters' Pension Fund  
Winnetka, Illinois

Enclosed please find a copy of your Municipal Compliance Report for the Winnetka Firefighters' Pension Fund for the year ended December 31, 2015. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

The President and Secretary of the Pension Fund are required to sign the report on page 3. If not already included with the enclosed report, please also include a copy of the Pension Fund's most recent investment policy.

The signed House Bill 5088 - Municipal Compliance Report must be provided to the Municipality before the tax levy is filed on the last Tuesday in December. We are sending the report via email to promote an environmentally-friendly work atmosphere.

If you have any questions regarding this report please contact Lia Lopez at (630) 362-6098 or [llopez@lauterbachamen.com](mailto:llopez@lauterbachamen.com).

Respectfully submitted,

A handwritten signature in blue ink that reads "Lauterbach & Amen LLP". The signature is written in a cursive, flowing style.

LAUTERBACH & AMEN, LLP

**VILLAGE OF WINNETKA, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

The Pension Board certifies to the Board of Trustees of the Village of Winnetka, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

- 1) The total cash and investments, including accrued interest, of the fund and their current market value of those assets:

	Current Fiscal Year	Preceding Fiscal Year
Total Cash and Investments (including accrued interest)	\$24,209,770	\$24,094,470
Total Net Position	\$23,597,597	\$23,873,492

- 2) The estimated receipts during the next succeeding fiscal year from deductions from the salaries of firefighters' and from other sources:

Estimated Receipts - Employee Contributions	\$240,600
Estimated Receipts - All Other Sources	
Investment Earnings	\$1,513,100
Municipal Contributions	\$1,723,176

- 3) The estimated amount necessary during the fiscal year to meet the annual actuarial requirements of the pension fund as provided in Sections 4-118 and 4-120:

Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance	\$977,939
Private Actuary - Timothy W. Sharpe, Actuary	
Recommended Municipal Contribution	\$1,723,176
Statutory Municipal Contribution	\$1,190,096

**VILLAGE OF WINNETKA, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

- 4) The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year:

	Current Fiscal Year	Preceding Fiscal Year
Net Income Received from Investment of Assets	-\$15,892	\$1,494,221
Assumed Investment Return		
Illinois Department of Insurance	6.75%	6.75%
Private Actuary - Timothy W. Sharpe, Actuary	6.25%	6.25%
Actual Investment Return	(0.07%)	6.57%

- 5) The increase in employer pension contributions that results from the implementation of the provisions of P.A. 93-0689:

Illinois Department of Insurance	N/A
Private Actuary - Timothy W. Sharpe, Actuary	N/A

- 6) The total number of active employees who are financially contributing to the fund:

Number of Active Members	24
--------------------------	----

- 7) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	Number of	Total Amount Disbursed
(i) Regular Retirement Pension	22	\$1,477,445
(ii) Disability Pension	1	\$40,819
(iii) Survivors and Child Benefits	7	\$328,786
Totals	30	\$1,847,050

**VILLAGE OF WINNETKA, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

8) The Funded Ratio of the Fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>66.34%</u>	<u>65.33%</u>
Private Actuary - Timothy W. Sharpe, Actuary	<u>57.02%</u>	<u>64.16%</u>

9) The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:

Illinois Department of Insurance	<u>\$12,359,931</u>
Private Actuary - Timothy W. Sharpe, Actuary	<u>\$18,189,160</u>

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

10) The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

Investment Policy - See Attached.

Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL FIREFIGHTERS'  
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §4-134 of the Illinois Pension Code 40 ILCS 5/4-134, that the preceding report is true and accurate.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2016

President \_\_\_\_\_ Date \_\_\_\_\_

Secretary \_\_\_\_\_ Date \_\_\_\_\_

INDEX OF ASSUMPTIONS

**VILLAGE OF WINNETKA, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

---

---

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended December 31, 2015 and 2014.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended December 31, 2015 and 2014.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended December 31, 2015 plus 3.5% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended December 31, 2015, times 6.25% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Municipal Contributions - Recommended Tax Levy Requirement as Reported by Lauterbach & Amen, LLP, Actuarial Valuation for the Year Ended December 31, 2015.

- 3) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - Suggested Amount of Tax Levy as Reported in the December 31, 2015 Actuarial Valuation.

Private Actuary - Timothy W. Sharpe, Actuary

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the December 31, 2015 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the December 31, 2015 Actuarial Valuation.

**VILLAGE OF WINNETKA, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

---

---

INDEX OF ASSUMPTIONS - Continued

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended December 31, 2015 and 2014.

Assumed Investment Return

Illinois Department of Insurance - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the December 31, 2015 and 2014 Actuarial Valuations.

Private Actuary - Current Interest Rate Assumption as Reported in the Lauterbach & Amen, LLP, December 31, 2015 Actuarial Valuation. Preceding Fiscal Year Interest Rate Assumption as Reported in the Timothy W. Sharpe, Actuary, December 31, 2014 Actuarial Valuation.

Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning Balance of the Fiscal Year Cash and Investments and Ending Balance of the Fiscal Year Cash and Investments, excluding the fiscal year net investment income, as Reported in the Audited Financial Statements for the Fiscal Years Ended December 31, 2015, 2014 and 2013.

- 5) Illinois Department of Insurance - Amount of total suggested tax levy to be excluded from the property tax extension limitation law as contemplated by 35 ILCS 200/18-185.

Private Actuary - No Private Actuarial Valuation amount available at the time of this report.

- 6-7) Number of Active Members - Illinois Department of Insurance Annual Statement for December 31, 2015 - Schedule P.

(i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for December 31, 2015 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.

(ii) Disability Pension - Same as above.

(iii) Survivors and Child Benefits - Same as above.

**VILLAGE OF WINNETKA, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2015**

---

---

INDEX OF ASSUMPTIONS - Continued

8) The Funded Ratio of the Fund:

Illinois Department of Insurance - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the December 31, 2015 and 2014 Actuarial Valuations.

Private Actuary - Current Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Lauterbach & Amen, LLP, December 31, 2015 Actuarial Valuation. Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Timothy W. Sharpe, Actuary, December 31, 2014 Actuarial Valuation.

9) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) as Reported in the December 31, 2015 Actuarial Valuation.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the December 31, 2015 Actuarial Valuation.

**Investment Policy Statement  
Village of Winnetka Firefighters'  
Pension Fund**

Approved August 10, 2016

## TABLE OF CONTENTS

<b>Section</b>	<b>Page</b>
I. Introduction	3
II. Statement of Purpose	3
III. Roles and Responsibilities	5
IV. Asset Allocation	8
V. Investment Guidelines	9
VI. Reporting / Performance Monitoring	11
Appendices	
A. Ethics and Conflicts of Interest	12
B. Internal Control Procedures	13

## **I. Introduction**

The Village of Winnetka Firefighters' Pension Fund is a defined benefit, single employer pension plan. Although a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels are mandated by Illinois State Statutes and may be amended only by the Illinois State Legislature. The Plan provides retirement, death, and disability benefits for its participants.

## **II. Statement of Purpose**

**Mission statement** The fundamental goal of the Village of Winnetka Firefighters' Pension Fund is to provide pension benefits to plan participants. As such, the Board of Trustees will invest plan assets solely in the interests of plan participants and beneficiaries, for the exclusive purpose of providing pension benefits to plan participants and beneficiaries.

**Investment philosophy** The Board of Trustees believes that plan assets should be managed in a fashion that reflects the plan's unique liabilities and funding resources, incorporating accepted investment theory and reliable, empirical evidence. Specifically, the Board has adopted the following principles:

- That asset allocation is the key determinant of return and, therefore, commitments to asset allocation targets will be maintained through a disciplined rebalancing program.
- That diversification, both by and within asset classes, is a primary risk control element.
- That the investment program is ultimately for the purpose of meeting the pension plan's obligations for benefit payments.
- That the investment program must be cognizant of the total pension plan's cash flow obligations.

**Goals and objectives** For total plan assets, the goals and objectives are as follows:

- The foremost purpose of the Fund is to provide for the payment of pension benefits to current eligible beneficiaries and future beneficiaries over an infinite period of time.
- Over the long-term, the assets of the plan and their purchasing power should be preserved thus the preservation of capital is a primary objective.
- To preserve and/or improve the actuarial soundness of the plan in order to meet benefit obligations.
- To prudently manage the inherent investment risks that are related to the achievement of investment goals.
- Overall level of risk (volatility) in the total plan is comparable to the risk associated with the benchmarks specified below. Risk may be measured by the annualized standard deviation of returns.
- A long-term (one to two market cycles) rate of return, net of fees, of at least the actuarial earnings rate.
- A long-term (one to two market cycles) rate of return, net of fees, in excess of its policy benchmark and/or appropriate peer groups. The policy benchmark is a hypothetical portfolio of index funds weighted by asset allocation targets.

<b>Policy Benchmark</b>		
<b>Asset Class</b>	<b>Index</b>	<b>Weight</b>
US Equity – large cap value	Russell 1000 Value	17%
US Equity – large cap growth	Russell 1000 Growth	17%
US Equity – mid cap value	Russell Mid Cap Value	15%
Non-US Equity – developed	MSCI AC World ex USA	11%
Real Estate Equity	NCREIF ODCE	5%
US Fixed Income	Barclays Intermediate Aggregate	35%
		100%

### **III. Roles and Responsibilities**

**Board of Trustees** Within the parameters established under Illinois Statutes, the Board has the responsibility of establishing and maintaining broad policies and objectives for all aspects of the Fund's operation. In keeping with their obligation to serve as governing fiduciaries, changes to any of the following will require the Board's involvement and approval.

- The investment policy statement and appendices;
- The strategic asset allocation;
- Performance benchmarks for the strategic asset allocation; and
- All other issues of the investment policy statement not specifically enumerated here.

#### **Investment Consultant**

1. Assists the Board of Trustees in developing investment policy guidelines, including asset class choices, asset allocation targets, and risk diversification.
2. Conducts investment manager searches when requested by the Board of Trustees.
3. Provides the Board of Trustees with objective information on a broad spectrum of investment decisions, and assists in evaluating the merits of each particular investment product or investment manager, as to their track records, management styles, and quality.
4. Monitors the performance of the aggregate plan and the investment managers and provides regular quarterly reports to the Board of Trustees, which aids them in determining the progress toward the investment objectives.
5. Serves as a fiduciary to the Pension Fund.
6. Monitors investment managers to ensure compliance with the Illinois Pension Code.

#### **Investment Managers**

- Duties – Investment managers will select, buy, and sell specific securities pursuant Illinois Statutes or prospectus, and the investment policy and guidelines contained in contractual agreements, which may be amended from time to time. Discretion is delegated to the investment managers to carry out investment actions as directed by the Fund.
- Standard of care – The standard of prudence applied to investment managers shall be the prudent expert standard and shall be applied in the context of managing an overall portfolio.
- Acknowledgement of fiduciary obligations – Separately managed investment managers will acknowledge in writing that they are a fiduciary of the pension plan.

- Disclosure of fees – Separately managed investment managers must fully disclose on a quarterly basis any direct or indirect fees, commissions, and any other compensation that was received by them, including reimbursement for expenses paid by or on behalf of the investment manager in connection with its services to the Fund and must update any changes to those fees promptly after modification of those payments.
- Communication – Separately managed investment managers will provide the Board with reporting on, at least a quarterly basis, the market value of all holdings as well as the gross of fees and net of fees rates of return. Net of fees rates of return are to be calculated after the payment of investment fees, and any other compensation. Investment managers must also promptly communicate any major changes in policy, in the investment organization or investment team.
- Conflicts of interest – Investment managers are prohibited from knowingly causing or advising the Fund to engage in any investment transaction in which they have any direct interest in the income, gains or profits of the broker or other entity through which the investment transaction is made or has a business relationship with the broker or other entity that would result in a pecuniary benefit to the investment manager as a result of the transaction.

**Other external providers** The Fund shall retain custodians, actuaries, accounting professionals, investment consultants, depository/financial institutions, and attorneys to implement its investment program.

- The custodian(s) will hold cash and securities. The custodian will be responsible for providing a records maintenance system, fund accounting on a trade date basis, and other services as defined in the contract.
- A depository/financial institution(s) may be utilized to accept and hold cash prior to allocating it to the investment managers, and to invest such cash in liquid, interest-bearing instruments.
- The Fund will retain an actuary to prepare actuarial valuations and periodically analyze the actuarial assumptions and experience of the plan.
- The Fund will retain accounting professionals and ensure an independent audit of the financials is performed and review internal controls.
- The Fund may retain an investment consultant to independently prepare performance reports on the total plan and each investment manager, as well as conduct investment manager and custodial searches, prepare investment policy/asset allocation analysis, and assist in associated investment related issues.
- Standard of care – The standard of prudence applied to other external providers shall be the prudent expert standard.
- Acknowledgement of fiduciary obligations – The external providers will acknowledge in writing that they are fiduciaries of the pension plan.
- Fiduciaries are prohibited from knowingly causing or advising the Fund to engage in any investment transaction in which they have any direct interest in the income, gains or profits of the investment manager or other entity through which the investment transaction is made or has a business relationship with the investment manager or other entity that would result in a pecuniary benefit to the fiduciary as a result of the transaction.

#### IV. Asset Allocation

The purpose of Section IV is to manage risk associated with investment in an asset class (i.e., systematic risk). Risk associated with an investment in an individual security (non-systematic risk) is addressed in Section V.

**Role and importance of asset allocation** The asset allocation decision is generally regarded as the most important decision to be made in the investment management process. The purpose of a strategic asset allocation is to provide an optimal mix of investments that has the potential to produce the desired returns with the least amount of fluctuation in the overall value of the investment portfolio. By spreading funds among several styles or investment types, there is an increased probability that if one investment type is decreasing in value, another is increasing in value.

**Asset allocation range** To further the long-term goals and objectives of the Fund set forth in Section II, the following asset allocation guidelines are established.

Asset Allocation Range			
Asset Class	Minimum* %	Target %	Maximum* %
<b>Total Equity</b>	<b>45</b>	<b>65</b>	<b>65</b>
Total US Equity	40	48	55
US Equity – large cap	30	34	50
US Equity – mid cap	8	15	20
Total Non-US Equity	6	11	16
Non-US Equity – developed	6	11	16
Total Real Estate Equity	0	5	10
Real Estate Equity	0	5	10
<b>Total Fixed Income and Cash</b>	<b>35</b>	<b>35</b>	<b>55</b>
US Fixed Income	30	35	50
Cash and Cash equivalents	0	0	10

\*Minimum and Maximum may not add up to 100%.

**Rebalancing policy** The primary purpose of rebalancing is to ensure that the Fund adheres to its strategic asset allocation, which is the Fund’s explicit statement of its investment approach.

The Fund will carry out rebalancing in a cost-effective manner. If feasible, cash flow, as well as indexed and mutual fund investment strategies, will be used to maintain target allocations. Securities may be liquidated from the over-funded investment managers until the desired allocations are met.

The Board and investment consultant will review the portfolio at least twice a year to determine if rebalancing is required.

## V. Investment Guidelines

The purpose of Section V is to limit the risk associated with an investment in an individual security (e.g., non-systematic risk). The selection of investments will be guided by the prudent person and prudent expert standards.

**Prohibited investments** As a unit of local government in the State of Illinois, the Village of Winnetka Firefighters' Pension Fund is regulated by 40 ILCS 5/1-113.1 through 5/1-113.10. For separately managed investment managers prohibited investments include, but are not limited to:

- investments precluded by law or regulation
- securities purchased on margin
- short selling
- derivatives

Under no circumstances will separately managed investment managers use any instruments to create financial leverage within a portfolio, except for mortgages in real estate portfolios.

**Permissible investments** For separately managed investment managers permissible investments include those investments permitted by Illinois Statutes and this policy. As a unit of local government in the State of Illinois, the Village of Winnetka Firefighters' Pension Fund is regulated by 40 ILCS 5/1-113.1 through 5/1-113.10.

**Diversification and credit quality** To limit the Fund's risk associated with holding individual securities (e.g., non-systematic risk), asset class diversification requirements and other risk management requirements are set forth. The pension plan will comply with Illinois Statute requirements that the market value of stock in any one corporation does not exceed 5% of the total assets of the pension plan, and the investments in the stock of any one corporation do not exceed 5% of the total outstanding stock of that corporation.

- Diversification relative to a single issuer – Any separately managed investment manager operating within any asset class should not hold more than 5% of the outstanding securities of any single issuer (for publicly traded securities), except for U.S. Treasury notes, bills or bonds.
- Diversification relative to plan assets – No more than 5% of Fund assets shall be invested in the securities of a single issuer, except for U.S. Treasury notes, bills or bonds. This will be measured on a market value basis.
- 5% of Fund assets in any one publicly traded U.S. stock.
- 5% of Fund assets in any one domestic bond (except U.S. Treasury notes, bills or bonds).
- 5% of Fund assets in any one cash equivalent security – (except money market/STIF funds and Illinois Funds).

- Credit risk – The fixed income assets will maintain an “A-” or better weighted average quality rating. Minimum quality rating for any fixed income issue is an investment grade rating as determined by at least one nationally recognized credit rating agency. In the event that a credit is downgraded below investment grade, the investment manager shall immediately notify Trustees and provide an evaluation and recommended course of action, but in no event shall the bond be held beyond 90 days from date of downgrade.
- Fixed Income Sector Risk – The maximum commitment to U.S. corporate bonds in a separately managed bond portfolio is 50%. No non-U.S. bonds shall be purchased and any acquired as a result of mergers, re-organization, etc. shall be sold within 90 days unless it is imprudent to do so.

## VI. Reporting / Performance Monitoring

The purpose of monitoring and reporting on investment performance is for the Board to be able to (a) ensure compliance with plan's policy and applicable law, (b) manage the risk of the portfolio, and (c) assess the performance of the total plan and investment managers retained by the Fund.

**Quarterly reporting by investment manager** On a quarterly basis, the Board of Trustees shall receive the following information:

- An outline of current strategy and investments;
- Investment managers' performance relative to the assigned benchmark index; and
- Separately managed investment managers' performance reported gross of fee and net of fee.

**Quarterly reporting by the investment consultant** On a quarterly basis the Board of Trustees shall receive the following information:

- Portfolio performance relative to the assigned benchmark/index and peer group; and
- Portfolio composition relative to the asset allocation policy.

Reports should contain the following:

- A review of performance relative to assigned benchmarks and peer groups for the most recent quarter end, for one-, three-, and five-year periods ending with the most recent quarter, and for the most recent period if not a quarter end. Performance relative to assigned benchmarks will be reported for the total portfolio, for each asset class, and for each investment manager.
- Both gross of fee and net of fee performance calculations shall be presented for separately managed investment managers.

**Communications** Listed below are the reports required and the appropriate individuals who will receive copies of these reports:

A. Custodial Monthly Statements	Village Finance Director and Investment Consultant
B. Consultant Quarterly Performance Reports	All Trustees
C. Investment Manager Quarterly Reports	Village Finance Director and Investment Consultant
D. Determination of Benefits	Village Finance Director and all Trustees

The Board, at minimum, expects to meet with the investment consultant quarterly.

It is the Board's responsibility to relate to the investment consultant and investment managers any changes that might affect the investment of the Fund's assets.

## **Appendix A**

### **Ethics and Conflicts of Interest**

Trustees and staff 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. Trustees and staff shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Trustees and staff shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Fund.

In addition, the Board of Trustees or staff managing the investment manager contract should comply with the following ethical considerations:

- Adherence to all jurisdiction's and pension board's ethics laws, rules, and regulations related to procurement and involvement with contractors, including those related to political contributions; and
- Disclosure to Board of Trustees of any inherent or potential conflicts of interest in dealing with specific investment advisers prior to taking any official action.

## **Appendix B**

### **Village of Winnetka Internal Control Procedures Promulgated by the Finance Director as of August 2016**

#### **Authorized Persons:**

Persons authorized to purchase investments and release collateral:

Finance Director  
Assistant Finance Director  
Village Manager

#### **Investment Transactions and Security Measures:**

All investment transactions shall be processed, as delivery versus payment or DVP, to ensure that the Village ownership of securities purchased or sold is always clear. All Village investments shall be:

- 1) Held by a third party financial institution and evidenced by a safekeeping agreement in a form acceptable to the Village and the Village's independent auditors.
- 2) Purchased, sold, and held such that the lowest possible level of risk, as defined by the Governmental Accounting Standards Board (GASB), can be maintained for the investment.

The Village shall utilize security codes mutually agreed to by the Village and financial institutions to process investment transactions, collateral transactions, and wire transfers. At a minimum, these procedures shall include at least one of the following: passwords, taped phone conversations, call back on non-repetitive wire transfers, limiting authorized account numbers, and designation of repetitive transaction types.

#### **Internal Controls:**

The internal controls as stated in the policy will be performed monthly.

The Village Accountant or Assistant Finance Director shall prepare and initial monthly bank reconciliations within 60 days of the cut off statement date. The Finance Director shall approve of the monthly reconciliations by initialing and dating them.

The Village's investment consultant, who serves as a fiduciary of the Fund, shall prepare quarterly reports of the investment portfolio. The December investment performance reports shall be retained by the Pension Fund for a period of at least 5 years.

**List of Authorized Investment Advisors, Investment Money Managers, and Financial Institutions**

**As of August 2016**

- 1) Harris Bank
- 2) Any Federal Reserve Bank
- 3) Wells Fargo Bank
- 4) T. Rowe Price Associates
- 5) Wintrust Financial Corporation
- 6) The Bogdahn Group
- 7) J.P. Morgan Chase
- 8) Seizert Capital Partners, LLC
- 9) Holland Capital Management
- 10) Harbor Funds
- 11) CS McKee Investment Managers
- 12) Great Lakes Advisors
- 13) Principal Real Estate Investors
- 14) Prudential Investment Management Services

Approved this 10 day of August, 2016 by the  
Village of Winnetka Firefighters' Pension Board of Trustees

President 

Vice President \_\_\_\_\_

Secretary 

Assistant Secretary \_\_\_\_\_

Trustee 

Trustee 

Lauterbach & Amen, LLP  
27W457 Warrenville Road  
Warrenville, IL 60555-3902

Actuarial Valuation  
as of January 1, 2016



WINNETKA FIREFIGHTERS'  
PENSION FUND

Utilizing Data as of December 31, 2015  
For the Contribution Year January 1, 2016 to December 31, 2016

***LAUTERBACH & AMEN, LLP***

# Actuarial Valuation – Funding Recommendation

---



**Lauterbach & Amen, LLP**

---

CERTIFIED PUBLIC ACCOUNTANTS

## WINNETKA FIREFIGHTERS' PENSION FUND

**Contribution Year Ending: December 31, 2016**

Actuarial Valuation Date: January 1, 2016

Utilizing Data as of December 31, 2015

---

**Submitted by:**

Lauterbach & Amen, LLP  
630.393.1483 Phone  
[www.lauterbachamen.com](http://www.lauterbachamen.com)

**Contact:**

Todd A. Schroeder  
September 2, 2016

***LAUTERBACH & AMEN, LLP***



# TABLE OF CONTENTS

---

<b>ACTUARIAL CERTIFICATION</b> .....	<b>1</b>
<b>MANAGEMENT SUMMARY</b> .....	<b>2</b>
Contribution Recommendation .....	3
Funded Status.....	3
Management Summary – Comments and Analysis .....	4
Actuarial Contribution Recommendation - Reconciliation .....	7
<b>VALUATION OF FUND ASSETS</b> .....	<b>8</b>
Market Value of Assets.....	9
Market Value of Assets (Gain)/Loss.....	10
Development of the Actuarial Value of Assets .....	11
(Gain)/Loss on the Actuarial Value of Assets .....	11
Historical Asset Performance.....	12
<b>RECOMMENDED CONTRIBUTION DETAIL</b> .....	<b>13</b>
Actuarial Accrued Liability.....	14
Funded Status.....	14
Development of the Employer Normal Cost.....	15
Normal Cost as a Percentage of Expected Payroll .....	15
Contribution Recommendation .....	15
Actuarial Methods – Recommended Contribution.....	16
<b>ILLINOIS STATUTORY MINIMUM CONTRIBUTION</b> .....	<b>17</b>
Statutory Minimum Contribution .....	18
Funded Status – Statutory Minimum.....	18
Actuarial Methods – Illinois Statutory Minimum Contribution .....	20
<b>ACTUARIAL VALUATION DATA</b> .....	<b>21</b>
Active Employees .....	22
Inactive Employees.....	22
Summary Of Benefit Payments.....	22
<b>ACTUARIAL FUNDING POLICIES</b> .....	<b>23</b>
Actuarial Cost Method.....	24
Financing Unfunded Actuarial Accrued Liability .....	24
Actuarial Value of Assets .....	24
<b>ACTUARIAL ASSUMPTIONS</b> .....	<b>25</b>
Nature of Actuarial Calculations.....	26
Actuarial Assumptions in the Valuation Process .....	26
Actuarial Assumptions Utilized .....	27
<b>SUMMARY OF PRINCIPAL PLAN PROVISIONS</b> .....	<b>29</b>
Establishment of the Fund.....	30

---



## TABLE OF CONTENTS

---

Administration .....	30
Employee Contributions .....	30
Normal Retirement Pension Benefit .....	30
Normal Retirement Pension Benefit - Continued.....	31
Early Retirement Pension Benefit .....	31
Pension to Survivors .....	32
Termination Benefit.....	33
Disability Benefit.....	34
<b>GLOSSARY OF TERMS .....</b>	<b>35</b>
Glossary of Terms.....	36



## ACTUARIAL CERTIFICATION

This report documents the results of the Actuarial valuation of the Winnetka Firefighters' Pension Fund. The purpose is to report the actuarial contribution requirement for the contribution year January 1, 2016 to December 31, 2016. Determinations for purposes other than meeting the employer's actuarial contribution requirements may be significantly different from the results herein.

The results in this report are based on information and data submitted by the Winnetka Firefighters' Pension Fund including studies performed by prior actuaries. We did not prepare the actuarial valuations for the years prior to January 1, 2016. Those Valuations were prepared by other actuaries whose reports have been furnished to us, and our disclosures are based upon those reports. An audit of the information was not performed, but high-level reviews were performed for general reasonableness, as appropriate, based on the purpose of the valuation. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information. The results of the actuarial valuation and these supplemental disclosures rely on the information provided.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The Winnetka Firefighters' Pension Fund selected certain assumptions, while others were the result of guidance and/or judgment. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used.

To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. The undersigned of Lauterbach & Amen, LLP, with actuarial credentials, meets the Qualification Standards of the American Academy of Actuaries to render this Actuarial Opinion. There is no relationship between the Winnetka Firefighters' Pension Fund and Lauterbach & Amen, LLP that impairs our objectivity.

The information contained in this report was prepared for the use of the Winnetka Firefighters' Pension Fund and the Village of Winnetka, Illinois in connection with our actuarial valuation. It is not intended or necessarily suitable for other purposes. It is intended to be used in its entirety to avoid misrepresentations.

Respectfully Submitted,

LAUTERBACH & AMEN, LLP

Todd A. Schroeder, EA





## MANAGEMENT SUMMARY

Contribution Recommendation  
Funded Status  
Management Summary

---

## MANAGEMENT SUMMARY

### CONTRIBUTION RECOMMENDATION

	Prior Valuation*	Current Valuation
Contribution Requirement	\$1,451,602	\$1,723,176
Expected Payroll	\$2,409,734	\$2,485,209
Contribution Requirement as a Percent of Expected Payroll	60.24%	69.34%

*Recommended  
Contribution  
has Increased  
\$271,574 from  
Prior Year.*

### FUNDED STATUS

	Prior Valuation*	Current Valuation
Normal Cost	\$745,562	\$689,460
Market Value of Assets	\$23,873,494	\$23,575,768
Actuarial Value of Assets	\$22,818,953	\$24,131,072
Actuarial Accrued Liability	\$37,209,033	\$42,320,232
Unfunded Actuarial Accrued Liability	\$14,390,080	\$18,189,160
Percent Funded		
Actuarial Value of Assets	61.33%	57.02%
Market Value of Assets	64.16%	55.71%

*Funded  
Percentage has  
Decreased  
4.31 on an  
Actuarial  
Value of Assets  
Basis.*

\*Prior Valuation Completed by Timothy W. Sharpe, Enrolled Actuary



## *MANAGEMENT SUMMARY*

---

### MANAGEMENT SUMMARY – COMMENTS AND ANALYSIS

#### Contribution Results

The contribution recommendation is based on the funding policies and procedures that are outlined in the “Actuarial Funding Policies” section of this report.

The State of Illinois statutes for pension funds contain parameters that should be used to determine the minimum amount of contribution to a public pension fund. Those parameters and the resulting minimum contribution can be found in the “Illinois Statutory Minimum Contribution” section of this report.

#### Defined Benefit Plan Risks

##### *Asset Growth*

Pension funding involves preparing plan assets to pay benefits for the members when they retire. During their working careers, assets need to build with contributions and investment earnings, and then the pension fund distributes assets during retirement. Based on the fund’s current mix of employees and funded status, the fund should be experiencing positive asset growth on average if requested contributions are made and expected investment earnings come in. In the current year the fund asset growth was negative by approximately \$298,000.

Asset growth is important long-term. Long-term cash flow out of the pension fund is primarily benefit payments. Expenses make up a smaller portion. The fund should monitor the impact of expected benefit payments and the impact on asset growth in the future. In the next 5 years, benefits payments are anticipated to increase 30-35%, or approximately \$575,000. In the next 10 years, the expected increase in benefit payments is 55-60%, or approximately \$1.1 million dollars.

##### *Unfunded Liability:*

Unfunded liability represents dollars we expect to be in the pension fund already for the fund members based on funding policy. To the extent dollars are not in the pension fund the fund is losing investment returns on those dollars going forward. Payments to unfunded liability pay for the lost investment earnings, as well as the outstanding unfunded amount. If payment is not made, the unfunded liability will grow.

In the early 1990s, many pension funds in Illinois adopted an increasing payment to handle unfunded liability due to a change in legislation. The initial payments decreased, and payments were anticipated to increase annually after that. In many situations, payments early on may be less than the interest on unfunded liability, which means unfunded liability is expected to *increase* even if contributions are at the recommended level.



## MANAGEMENT SUMMARY

---

The current contribution recommendation includes a payment to unfunded liability that is approximately \$88,500 more than interest on the unfunded liability. All else being equal and contributions being made, unfunded liability would still be expected to decrease. The employer and the fund should anticipate currently that improvement in the funded percent will be mitigated in the short-term. The employer and the fund should understand this impact as we progress forward to manage expectations.

### *Actuarial Value of Assets:*

The pension fund smooths asset returns that vary from expectations over a five-year period. The intention over time is that asset returns for purposes of funding recommendations are a combination of several years. The impact is intended to smooth out the volatility of contribution recommendations over time, but not necessarily increase or decrease the level of contributions over the long-term.

When asset returns are smoothed, there are always gains or losses on the Market Value of Assets that are going to be deferred for current funding purposes, and recognized in future years. Currently, the pension fund is deferring approximately \$555,000 in losses on the Market Value of Assets. These are asset losses that will be recognized in upcoming periods, independent of the future performance of the Market Value of Assets.

### Plan Assets

The results in this report are based on the Assets held in the pension fund. Assets consist of funds held for investment and for benefit payments as of the Valuation Date. In addition, Assets may be adjusted for other events representing dollars that are reasonably expected to be paid out from the pension fund or deposited into the pension fund after the Actuarial Valuation Date as well.

The current fund Assets are Audited.

The actuarial value of assets under the funding policy is equal to the fair market value of assets, with unexpected gains and losses smoothed over 5 years. More detail on the Actuarial Value of Assets can be found in the funding policy section of the report.

*The Plan  
Assets Used in  
this Report  
are Audited.*

### Demographic Data

Demographic factors can change from year to year within a pension fund. Changes in this category include hiring new employees, employees retiring or becoming disabled, retirees passing away, and other changes. Demographic changes can cause an actuarial gain (contribution that is less than expected compared to the prior year) or an actuarial loss (contribution that is greater than expected compared to the prior year).



## MANAGEMENT SUMMARY

---

Demographic gains and losses occur when the assumptions over the one-year period for employee changes do not meet our long-term expectation. For example, if no employees become disabled during the year, we would expect a liability gain. If more employees become disabled than anticipated last year, we would expect a liability loss. Generally, we expect short-term fluctuations in demographic experience to create 1%-3% gains or losses in any given year, but to balance out in the long-term.

In the current report, the key demographic changes were as follows:

*Retirement:* There was 1 member of the fund who retired during the year. When a fund member retires the normal cost will decrease. Any change in the actuarial liability will be considered when determining the amount to pay towards unfunded liability each year. The decrease in the recommended contribution in the current year due to the retirement experience is approximately \$16,000.

*Mortality:* There was 1 surviving spouse who passed away during the year. When a beneficiary passes away, the fund liability will decrease as the pension fund no longer will make future payments to the beneficiary. The decrease in the recommended contribution in the current year due to the mortality experience is approximately \$3,500.

*Salary Increases:* Salary increases were less than anticipated in the current year. Most active members received an increase of 4.29%. This caused a decrease in the recommended contribution in the current year of approximately \$11,500.

### Assumption Changes

We performed a comprehensive study of Firefighter pension funds in the State of Illinois. We reviewed the results of the study in addition to the experience in the current fund. The actuarial assumptions were changed in the current year. The changes were made to better reflect the future anticipated experience in the fund. See the table on the following page for the impact of these changes.

### Funding Policy Changes

The funding policy was changed from the prior year. The new funding policy represents a better fit for the goals of pension funding for all stakeholders. The change in the funding policy decreased the recommended contribution in the current year by approximately \$165,000.



## *MANAGEMENT SUMMARY*

---

### **ACTUARIAL CONTRIBUTION RECOMMENDATION - RECONCILIATION**

Actuarial liability is expected to increase each year for both interest for the year and as active employees earn additional service years towards retirement. Similarly actuarial liability is expected to decrease when the fund pays benefits to inactive employees.

Contributions are expected to increase as expected pay increases under the funding policy for the Fund.

Other increases or decreases in actuarial liability (key changes noted below) will increase or decrease the amount of unfunded liability in the plan. To the extent unfunded liability increases or decreases unexpectedly, the contribution towards unfunded liability will also change unexpectedly.

	Actuarial <u>Liability</u>	Contribution <u>Recommendation</u>
Salary Increase Less than Expected	(133,438)	(11,509)
Demographic Changes	533,153	360
Assumption Changes	3,413,518	332,542
Funding Policy	-	(165,066)
Asset Return Greater than Expected *	-	(9,727)
Contributions Less than Expected	-	8,019
Total Actuarial Experience	<u>\$ 3,813,233</u>	<u>\$ 154,620</u>

\*The impact on contribution due to asset performance is based on the Actuarial Value of Assets.

Key demographic changes were discussed in the prior section.





## VALUATION OF FUND ASSETS

Market Value of Assets  
Actuarial Value of Assets

---

## VALUATION OF FUND ASSETS

### MARKET VALUE OF ASSETS

#### Statement of Assets

	Prior Valuation	Current Valuation
Money Market	\$ 413,612	\$ 797,914
Certificates of Deposit	781,370	930,019
State and Local Obligations	3,658,438	3,228,162
US Govt and Agency Obligations	4,443,956	4,713,060
Stock Equities	10,167,282	8,892,547
Mutual Funds	4,571,455	5,566,421
Receivables (Net of Payables)	(162,619)	(552,355)
Net Assets Available for Pensions	<u>\$ 23,873,492</u>	<u>\$ 23,575,768</u>

*The Total Value of Assets has Decreased \$297,725 from Prior Valuation.*

#### Statement of Changes in Assets

Total Market Value - Prior Valuation	\$ 23,873,492
Plus - Employer Contributions	1,369,438
Plus - Employee Contributions	232,443
Plus - Return on Investments	(35,894)
Less - Benefit and Related Payments	(1,852,468)
Less - Other Expenses	<u>(11,244)</u>
Total Market Value - Current Valuation	<u>\$ 23,575,768</u>

*The Return on Investment on the Market Value of Assets for the Fund was Approximately (0.2%) Net of Administrative Expenses.*

The return on investments shown has been determined as the Return on Assets from the statement of changes in assets, as a percent of the average of the beginning and ending Market Value of Assets. Return on Investment is net of the Other Expenses as shown. The Return on Investments has been excluded from the Total Market Value of Assets at the end of the year for this calculation.



## VALUATION OF FUND ASSETS

---

### MARKET VALUE OF ASSETS (GAIN)/LOSS

#### Current Year (Gain)/Loss on Market Value of Assets

Total Market Value - Prior Valuation	\$ 23,873,492
Contributions	1,601,882
Benefit Payments	(1,852,468)
Expected Return on Investments	<u>1,484,262</u>
Expected Total Market Value - Current Valuation	25,107,169
Actual Total Market Value - Current Valuation	<u>23,575,768</u>
Current Market Value (Gain)/Loss	<u><u>\$ 1,531,401</u></u>
Expected Return on Investments	\$ 1,484,262
Actual Return on Investments (Net of Expenses)	<u>(47,138)</u>
Current Market Value (Gain)/Loss	<u><u>\$ 1,531,401</u></u>

*The Return on  
the Market  
Value of Assets  
was Lower than  
Expected Over  
the Most Recent  
Year.*

The (Gain)/Loss on the Market Value of Assets has been determined based on expected returns at the actuarial rate.



## VALUATION OF FUND ASSETS

### DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

Total Market Value - Current Valuation		\$ 23,575,768
Adjustment for Prior (Gains)/Losses		
	<u>Full Amount</u>	
First Preceding Year	\$ 1,531,401	1,225,121
Second Preceding Year	(86,852)	(52,111)
Third Preceding Year	(1,292,071)	(516,828)
Fourth Preceding Year	(504,392)	<u>(100,878)</u>
Total Deferred (Gain)/Loss		<u>555,304</u>
Initial Actuarial Value of Assets - Current Valuation		24,131,072
Less Contributions for the Current Year and Interest		-
Less Adjustment for the Corridor		<u>-</u>
Actuarial Value of Assets - Current Valuation		<u>\$ 24,131,072</u>

*The Actuarial Value of Assets is Equal to the Fair Market Value of Assets with Unanticipated Gains/Losses Recognized over 5 Years. The Actuarial Value of Assets is Currently 102% of the Market Value.*

### (GAIN)/LOSS ON THE ACTUARIAL VALUE OF ASSETS

Total Actuarial Value - Prior Valuation		\$ 22,818,953
Plus - Employer Contributions		1,369,438
Plus - Employee Contributions		232,443
Plus - Return on Investments		1,573,949
Less - Benefit and Related Payments		(1,852,468)
Less - Other Expenses		<u>(11,244)</u>
Total Actuarial Value - Current Valuation		<u>\$ 24,131,072</u>

*The Return on Investment on the Actuarial Value of Assets for the Fund was Approximately 6.9% Net of Administrative Expenses.*

The Actuarial Value of Assets incorporates portions of gains and losses over multiple years.



## *VALUATION OF FUND ASSETS*

---

### **HISTORICAL ASSET PERFORMANCE**

The chart below shows the historical rates of return on plan assets for both Market Value of Assets and Actuarial Value of Assets.

	<u>Market Value</u>	<u>Actuarial Value</u>
First Preceding Year	-0.2%	6.9%

The returns on assets shown above were calculated based on the annual return on investment for the year, as a percentage of the average value of the assets for the year.

For purposes of determining the average value of assets during the year, the ending market value of assets has been adjusted to net out to the portion related to the investment returns themselves. All other cash flows are included.

For purposes of determining the annual return on investment we have adjusted the figures shown on the preceding pages. The figures shown on the preceding pages are net of investment expenses. We have made an additional adjustment to net out administrative expenses. Netting out administrative expenses allows us to capture returns for the year that can be used to make benefit payments as part of the ongoing actuarial process.

The adjustment we make is for actuarial reporting purposes only. By netting out administrative expenses and capturing return dollars that are available to pay benefits, it provides us a comparison to the estimated rate of return on assets, but does not provide a figure that would be consistent with the return rates that are determined by other parties. Therefore this calculated rate of return should not be used to analyze investment performance of the Fund or the performance of the investment professionals.





## RECOMMENDED CONTRIBUTION DETAIL

Actuarial Accrued Liability  
Funded Status  
Development of the Normal Cost  
Recommended Contribution  
Actuarial Methods – Recommended Contribution

---

## *RECOMMENDED CONTRIBUTION DETAIL*

---

### ACTUARIAL ACCRUED LIABILITY

	Current Valuation
Active Employees	\$ 14,182,593
Inactive Employees	
Terminated Employees - Vested	-
Retired Employees	24,537,698
Disabled Employees	571,142
Other Beneficiaries	3,028,799
Total Inactive Employees	28,137,639
Total Actuarial Accrued Liability	\$ 42,320,232

*The Total Actuarial Liability has Increased from Prior Valuation (See Management Summary).*

---

### FUNDED STATUS

	Current Valuation
Total Actuarial Accrued Liability	\$ 42,320,232
Total Actuarial Value of Assets	24,131,072
Unfunded Actuarial Accrued Liability	\$ 18,189,160
Total Market Value of Assets	\$ 23,575,768
Percent Funded	
Actuarial Value of Assets	<u>57.02%</u>
Market Value of Assets	<u>55.71%</u>

*Funded Percentage as of the Valuation Date is Subject to Volatility on Assets and Liability in the Short-Term.*



## *RECOMMENDED CONTRIBUTION DETAIL*

---

### DEVELOPMENT OF THE EMPLOYER NORMAL COST

	Current Valuation
Total Normal Cost	\$ 689,460
Estimated Employee Contributions	(234,977)
Employer Normal Cost	\$ 454,483

*At a 100%  
Funding Level,  
the Normal Cost  
Contribution is  
Still Required.*

### NORMAL COST AS A PERCENTAGE OF EXPECTED PAYROLL

	Current Valuation
Expected Payroll	\$ 2,485,209
Employee Normal Cost Rate	<u>9.455%</u>
Employer Normal Cost Rate	<u>18.29%</u>
Total Normal Cost Rate	<u>27.74%</u>

*Ideally, the  
Employer  
Normal Cost  
Rate will Remain  
Stable.*

### CONTRIBUTION RECOMMENDATION

	Current Valuation
Employer Normal Cost*	\$ 497,574
Amortization of Unfunded Accrued Liability/(Surplus)	1,225,602
Funding Requirement	\$ 1,723,176

*The Recommended  
Contribution has  
Increased from  
the Prior  
Valuation (See the  
Management  
Summary).*

\*Employer Normal Cost Contribution includes interest through the end of the year.



## ***RECOMMENDED CONTRIBUTION DETAIL***

---

### **ACTUARIAL METHODS – RECOMMENDED CONTRIBUTION**

Actuarial Valuation Date	January 1, 2016
Data Collection Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal (Level % of Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded over 20 years
Asset Valuation Method	5-Year Smoothed Market Value

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described. The actuarial cost and amortization method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

The recommended contribution amount shown in this report is based on the methods summarized above. The Actuarial Funding Policies section of the report will include a more detail description of the funding methods being used.

The Actuarial Funding Methods are meant to provide a systematic process for determining contributions on an annual basis. The methods do not impact the expectation of future benefit payments. The methods only impact the way dollars are contributed towards future benefit payments.

Different Actuarial Funding Methods may achieve funding goals with differing levels of success. Certain methods are more efficient and more stable on an annual basis.





# ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Minimum Contribution  
Methods and Assumptions

---

## *ILLINOIS STATUTORY MINIMUM CONTRIBUTION*

---

### STATUTORY MINIMUM CONTRIBUTION

	<u>Minimum Contribution</u>
Contribution Requirement	\$1,190,096
Expected Payroll	\$2,485,209
Contribution Requirement as a Percent of Expected Payroll	47.89%

---

### FUNDED STATUS – STATUTORY MINIMUM

	<u>Minimum Contribution</u>
Normal Cost	\$800,563
Market Value of Assets	\$23,575,768
Actuarial Value of Assets	\$24,131,072
Actuarial Accrued Liability	\$37,973,578
Unfunded Actuarial Accrued Liability	\$13,842,506
Percent Funded	
Actuarial Value of Assets	63.55%
Market Value of Assets	62.08%

---



## *ILLINOIS STATUTORY MINIMUM CONTRIBUTION*

---

The Statutory Minimum Contribution is based on funding methods and funding parameters in the Illinois statutes for pension funding. The resulting contribution is lower than the recommended contribution for the current plan year. The lower contribution amount is not recommended because it represents a deferral of contributions when compared to the recommended contribution method.

Actuarial Funding methods for pensions are best applied to provide a balance between the long-term goals of a variety of stakeholders:

1. Beneficiaries – the fund participants are interested in benefit security and having the dollars there to pay benefits when retired.
2. Employers – cost control and cost stability over the long-term
3. Taxpayers – paying for the services they are receiving from active employees

The Statutory Minimum Contribution methods are not intended to provide a better system in any of the above categories long-term. The parameters are not recommended for a long-term funding strategy.

The Statutory Minimum methods put into place in 2011 were intended to provide short-term budget relief for Employer contributions. An employer using the Statutory Minimum parameters for current funding should view the contributions as short-term relief. Our recommendation in this situation is for a pension fund and an employer to work towards a long-term funding strategy that better achieves the long-term funding goals, over a period that does not exceed 3-5 years.

The Securities and Exchange Commission in 2013 used the phrase “Statutory Underfunding” to describe situations where contributions appear to be more manageable in the short-term, but set up future contribution requirements that are less likely to be manageable.



## ***ILLINOIS STATUTORY MINIMUM CONTRIBUTION***

---

### **ACTUARIAL METHODS – ILLINOIS STATUTORY MINIMUM CONTRIBUTION**

Actuarial Valuation Date	January 1, 2016
Data Collection Date	December 31, 2015
Actuarial Cost Method	Projected Unit Credit (Level % of Pay)
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	90% Funded over 25 years
Asset Valuation Method	5-Year Smoothed Market Value

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described. The actuarial cost and amortization method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

The recommended contribution amount shown in this report is based on the methods summarized above. The Actuarial Funding Policies section of the report will include a more detail description of the funding methods being used.

The Actuarial Funding Methods are meant to provide a systematic process for determining contributions on an annual basis. The methods do not impact the expectation of future benefit payments. The methods only impact the way dollars are contributed towards future benefit payments.

Different Actuarial Funding Methods may achieve funding goals with differing levels of success. Certain methods are more efficient and more stable on an annual basis.





## ACTUARIAL VALUATION DATA

Active Employees  
Retirees and Beneficiaries

---

## *ACTUARIAL VALUATION DATA*

---

### ACTIVE EMPLOYEES

	<u>Current Valuation</u>
Vested	14
Nonvested	<u>10</u>
Total Active Employees	<u>24</u>
Total Payroll	<u>\$ 2,442,466</u>

---

---

### INACTIVE EMPLOYEES

	<u>Current Valuation</u>
Terminated Employees - Vested	0
Retired Employees	21
Disabled Employees	1
Other Beneficiaries	<u>8</u>
Total Inactive Employees	<u>30</u>

---

---

### SUMMARY OF BENEFIT PAYMENTS

	<u>Current Valuation</u>
Terminated Employees - Vested	\$ -
Retired Employees	124,204
Disabled Employees	3,402
Other Beneficiaries	<u>27,399</u>
Total Inactive Employees	<u>\$ 155,005</u>

Benefits shown for terminated employees under deferred retirement are not currently in pay status.

---

---





## ACTUARIAL FUNDING POLICIES

Actuarial Cost Method  
Financing Unfunded Accrued Liability  
Actuarial Value of Assets

---

## ***ACTUARIAL FUNDING POLICIES***

---

### **ACTUARIAL COST METHOD**

The actuarial cost method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

In accordance with the Pension Fund's Funding Policy the actuarial cost method for the recommended contribution basis is Entry Age Normal (Level Percent of Pay). The Entry Age Normal Cost Method is a method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of this actuarial present value allocated to a valuation year is called normal cost. The portion of the actuarial present value not provided at a valuation date by the actuarial present value of future normal costs is called the actuarial liability.

### **FINANCING UNFUNDED ACTUARIAL ACCRUED LIABILITY**

The Unfunded Actuarial Accrued Liability may be amortized over a period either in level dollar amounts or as a level percentage of projected payroll.

In accordance with the Pension Fund's Funding Policy for the recommended contribution the unfunded actuarial accrued liabilities are amortized by level percent of payroll contributions to 100% funding target over the remaining 20 future years.

### **ACTUARIAL VALUE OF ASSETS**

The pension fund is an ongoing plan. The employer wishes to smooth the effect of volatility in the market value of assets on the annual contribution. The Actuarial Value of Assets is equal to the Market Value of Assets with unanticipated gains/losses recognized over five years.

The asset valuation method is intended to create an Actuarial Value of Assets that remains reasonable in relation to the Market Value of Assets over time. The method produces results that can fall above and below the Market Value of Assets. The period of recognition is short.

It is intended that the period of recognition is short enough to keep the Actuarial Value of Assets within a decent range of the Market Value. The employer has not placed a specific corridor around the Market Value of Assets.





## ACTUARIAL ASSUMPTIONS

Nature of Actuarial Calculations  
Actuarial Assumptions in the Valuation Process  
Actuarial Assumptions Utilized

---

# **ACTUARIAL ASSUMPTIONS**

---

## **NATURE OF ACTUARIAL CALCULATIONS**

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed immaterial, and, therefore, are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that significant items in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

Actual future experience will differ from the assumptions used in the calculations. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect such actual experience.

A range of results different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision which is not inherent in actuarial calculations.

## **ACTUARIAL ASSUMPTIONS IN THE VALUATION PROCESS**

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described in the previous section.

The principal areas of financial risk which require assumptions about future experience are:

- Long-term Rates of Investment Return
- Patterns of Pay Increases for Members
- Rates of Mortality Among Members and Beneficiaries
- Rates of Withdrawal of Active Members
- Rates of Disability Among Members
- Age Patterns of Actual Retirement

Actual experience of the Pension Fund will not coincide exactly with assumed experience. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments to the computed contribution requirement.

From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations).

Details behind the selection of the actuarial assumptions can be found in the assumption document provided to the client. The client has reviewed and approved the assumptions as a reasonable expectation of the future anticipated experience under the plan.



## *ACTUARIAL ASSUMPTIONS*

---

### ACTUARIAL ASSUMPTIONS UTILIZED

<b>Expected Return on Investments</b>	6.25% net of administrative expenses.
<b>CPI-U</b>	2.50%
<b>Total Payroll Increases</b>	3.50%
<b>Individual Pay Increases</b>	2.50% - 9.61%

Individual salary increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Sample Rates as Follows:

Service	Rate	Service	Rate
0	4.89%	8	2.50%
1	5.61%	9	5.40%
2	9.61%	10	4.00%
3	8.53%	15	4.00%
4	7.83%	20	4.00%
5	2.50%	25	4.00%
6	2.50%	30	4.00%
7	7.56%	35	4.00%

### Retirement Rates

100% of the L&A Assumption Study Cap Age 65 for Firefighters 2016. Sample Rates as Follows:

Age	Rate	Age	Rate
50	0.068	53	0.111
51	0.080	54	0.132
52	0.094	55	0.155



## *ACTUARIAL ASSUMPTIONS*

---

**Withdrawal Rates**

100% of the L&A Assumption Study for Firefighters 2016. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.046	40	0.010
30	0.034	45	0.002
35	0.022	50	0.000

**Disability Rates**

100% of the L&A Assumption Study for Firefighters 2016. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.0001	40	0.0030
30	0.0003	45	0.0055
35	0.0013	50	0.0092

**Mortality Rates**

L&A Assumption Study for Firefighters 2016. Sample Male Rates as Follows:

Age	Rate	Age	Rate
25	0.00054	40	0.00071
30	0.00052	45	0.00108
35	0.00061	50	0.00187

L&A Assumption Study for Firefighters 2016. Sample Female Rates as Follows:

Age	Rate	Age	Rate
25	0.00017	40	0.00040
30	0.00023	45	0.00065
35	0.00030	50	0.00111

Mortality improvement to 5 years past the valuation date using MP 2014 is assumed. Active mortality (pre-retirement) and disabled mortality follow RP 2014.

**Married Participants**

80% of Active Participants are Assumed to be Married. Female Spouses are Assumed to be 3 Years Younger than Male Spouses.





## SUMMARY OF PRINCIPAL PLAN PROVISIONS

Establishment of the Fund  
Administration  
Employee Contributions  
Normal Retirement Pension Benefits  
Pension to Survivors  
Termination Benefits  
Disability Benefits

---

## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

---

### **ESTABLISHMENT OF THE FUND**

The Firefighters' Pension Fund is established and administered as prescribed by "Article 4. Firefighters' Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.

### **ADMINISTRATION**

The Firefighters' Pension Fund is administered by a Board of Trustees located in each municipality maintaining a pension fund for its firefighters. Its duties are to control and manage the pension fund, to hear and determine applications for pensions, to authorize payment of pensions, to establish rules, to pay expenses, to invest funds, and to keep records.

### **EMPLOYEE CONTRIBUTIONS**

Employees contribute 9.455% of salary.

### **NORMAL RETIREMENT PENSION BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* Age 50 with at least 20 years of creditable service and no longer a firefighter.

*Benefit:* 50% of final salary is payable commencing at retirement for 20 years of service. An additional 2.5% of final salary is added for each additional year of service (prorated monthly) in excess of 20 years of service (not to exceed 75% of final salary). "Final salary" is based on the pay rate for the firefighter at retirement.

*Annual Increase in Benefit:* A firefighter is entitled to an initial pension increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the later of the first day of the month following the attainment of age 55, or the first anniversary of the date of retirement. Subsequent increases of 3% of the current pension amount will be provided in each January thereafter.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

---

### **NORMAL RETIREMENT PENSION BENEFIT - CONTINUED**

#### Hired on or After January 1, 2011

*Eligibility:* Age 55 with at least 10 years of creditable service and no longer a firefighter.

*Benefit:* 2.5% of final average salary for each year of service is payable at retirement (not to exceed 75% of final average salary). “Final average salary” is determined by dividing the highest total salary over 96 consecutive months of service in the last 120 months of service by the total number of months of service in the period. Annual salary for this purpose will not exceed \$106,800, indexed by the lesser of 3% or ½ of the CPI-U for the 12 months ending with the September preceding each November 1. The salary cap will not decrease.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the attainment of age 60, or the first anniversary of the date of retirement. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original pension amount.

### **EARLY RETIREMENT PENSION BENEFIT**

#### Hired Prior to January 1, 2011

None

#### Hired on or After January 1, 2011

*Eligibility:* Age 50 with at least 10 years of creditable service and no longer a firefighter.

*Benefit:* The normal retirement pension benefit reduced by ½ of 1% for each month that the firefighter’s age is under age 55.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the attainment of age 60, or the first anniversary of the date of retirement. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original pension amount.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

---

### **PENSION TO SURVIVORS**

#### Hired Prior to January 1, 2011

##### Death - Line of Duty

Surviving spouse is entitled to 100% of the salary attached to the rank of the firefighter on the last day of service, payable immediately.

##### Death - Non-Duty

*Current Pensioners (Including Disabled Pensioners):* Surviving spouse to receive continuation of the pension at the time of death or 54% of pensionable salary at the time pension began, if greater.

*Active Employee with 20+ Years of Service:* Surviving spouse is entitled to the full pension earned by the firefighter at the time of death, or 54% of the pensionable salary at death if greater.

*Active Employee with 10-20 Years of service:* Surviving spouse is entitled to 54% of the salary attached to the rank of the firefighter on the last day of service, payable immediately

*Annual Increase in Benefit:* None.

#### Hired on or After January 1, 2011

##### Death - Line of Duty

Surviving spouse is entitled to 100% of the salary attached to the rank of the firefighter on the last day of service, payable immediately.

##### Death - Non-Duty

*Current Pensioners (Including Disabled Pensioners), Active Employee with 20+ Years of Service, and Active Employee with 10-20 Years of service:* Surviving spouse to receive 66 ⅔% of the firefighter's earned pension at the date of death.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> after the attainment of age 60 by the recipient of the survivor's pension. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original survivor's pension amount.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

---

### **TERMINATION BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* At least 10 years but less than 20 years of creditable service.

*Benefit:* An accrual factor times final salary for each year of service is payable beginning at age 60. “Accrual Factor” is a factor of 1.5% at 10 years of service, increasing ratably up to 2.4% at 19 years of service. “Final salary” is based on the pay rate for the firefighter on the date of separation.

*Annual Increase in Benefit:* A firefighter will receive an initial increase of 3% on the first anniversary of the date of start of payments. Subsequent increases of 3% of the current pension amount will be provided in each January thereafter.

#### Hired on or After January 1, 2011

*Eligibility:* At least 10 years but less than 20 years of creditable service.

*Benefit:* An accrual factor times final salary for each year of service is payable beginning at age 60. “Accrual Factor” is a factor of 1.5% at 10 years of service, increasing ratably up to 2.4% at 19 years of service. “Final salary” is based on the greater of salary during the last year of service prior to termination of employment or the pay rate for the firefighter at termination of employment. Annual salary for this purpose will not exceed \$106,800, indexed by the lesser of 3% or ½ of the CPI-U for the 12 months ending with the September preceding each November 1. The salary cap will not decrease.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the first payment. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original pension amount.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

---

### **DISABILITY BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* Disability (duty; or non-duty with 7 years of service).

*Benefit:* A firefighter who becomes disabled on duty is entitled to receive a pension equal to the greatest of 65% of final salary or the pension they would have been entitled to upon retirement at the time of disability. For a non-duty disability, the firefighter is entitled to 50% of final salary. “Final salary” is based on the pay rate for the firefighter at retirement.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the attainment of age 60. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase is 3% of the original benefit for each full year that has passed since the pension began. Subsequent increases are 3% of the original pension benefit amount.

#### Hired on or after January 1, 2011

*Eligibility:* Disability (duty; or non-duty with 7 years of service).

*Benefit:* A firefighter who becomes disabled on duty is entitled to receive a pension equal to the greater of 65% of final salary or the pension they would have been entitled to upon retirement at the time of disability. For a non-duty disability, the firefighter is entitled to 50% of final salary. “Final salary” is based on the pay rate for the firefighter at last day of service.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the attainment of age 60. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original pension amount.





## GLOSSARY OF TERMS

---

## **GLOSSARY OF TERMS**

---

### **GLOSSARY OF TERMS**

**Actuarial Accrued Liability** –The actuarial present value of future benefits based on employees’ service rendered to the measurement date using the selected actuarial cost method. It is that portion of the Actuarial Present Value of plan benefits and expenses allocated to prior years of employment. It is not provided for by future Normal Costs.

**Actuarial Cost Method** – The method used to allocate the projected obligations of the plan over the working lifetimes of the plan participants.

**Actuarial Value of Asset** – The value of the assets used in the determination of the Unfunded Actuarial Accrued Liability. The Actuarial Value of Assets is related to Market Value of Assets, with adjustments made to spread unanticipated gains and losses for a given year over a period of several years. Actuarial Value of Assets is generally equally likely to fall above or below the Market Value of Assets, and generally does not experience as much volatility over time as the Market Value of Assets.

**Asset Valuation Method** – A valuation method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of employer contributions.

**Funding Policy** – A set of procedures for a Pension Fund that outlines the “best practices” for funding the pension benefits based on the goals of the plan sponsor. A Funding Policy discusses items such as assumptions, Actuarial Cost Method, assets, and other parameters that will best help the sponsor meet their goal of working in the best interest of the plan participant.

**Market Value of Assets** – The value of the cash, bonds, securities and other assets held in the pension trust as of the measurement date.

**Normal Cost** –The present value of future benefits earned by employees during the current fiscal year. It is that portion of the Actuarial Present Value of benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

**Unfunded Actuarial Accrued Liability** – The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. The Unfunded Actuarial Accrued Liability is amortized over a period either in level dollar amounts or as a level percentage of projected payroll





## Agenda Item Executive Summary

**Title:** Resolution No. R-57-2016: Village Budget - Resolution (Adoption)

**Presenter:** Timothy J. Sloth, Director of Finance

**Agenda Date:** 12/06/2016

**Consent:**  YES  NO

- |                                     |                         |
|-------------------------------------|-------------------------|
| <input type="checkbox"/>            | Ordinance               |
| <input checked="" type="checkbox"/> | Resolution              |
| <input type="checkbox"/>            | Bid Authorization/Award |
| <input type="checkbox"/>            | Policy Direction        |
| <input type="checkbox"/>            | Informational Only      |

### Item History:

The Village Council held meetings on October 20, 27, and November 3, 2016 to review the proposed fiscal year 2017 budget.

A Public Hearing was held and Resolution No. R-57-2016 was introduced at the November 15, 2016 Regular Village Council Meeting.

### Executive Summary:

A Public Hearing on the budget was advertised in the November 3, 2016 edition of the Winnetka Talk for November 15, 2016 at 7:00 p.m. The budget will result in an approximately 3.6% increase in costs for municipal services for a typical homeowner consisting of a:

No increase in property taxes (13.05% Village portion of tax bills received in 2016)

4.0% increase in water rates (\$36 annual cost increase on a \$895 annual bill)

5.0% increase in sanitary sewer rates (\$17 annual cost increase on a \$333 annual bill)

4.0% bandwidth increase in electric costs (\$98 annual cost increase on a \$2,460 annual bill)

Various refuse fee increases, including a 10% increase in commercial collection rates, a 10% increase in refuse sticker prices, and a \$10.00 per month residential refuse service fee.

Vehicle license fees, and most other fees and taxes remain unchanged.

### Recommendation:

Consider adoption of Resolution No. R-57-2016.

### Attachments:

- 1) Resolution No. R-57-2016, Adopting the Annual Budget for the Fiscal Year beginning January 1, 2017 and ending December 31, 2017
- 2) Village of Winnetka Budget Summary - 2017

**RESOLUTION NO. R-57-2016**

**A RESOLUTION  
ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR  
BEGINNING JANUARY 1, 2017  
AND ENDING DECEMBER 31, 2017**

**WHEREAS**, the corporate authorities of the Village of Winnetka (“Village Council”) have previously adopted Sections 8-2-9.1 through 8-2-9.10 of the Illinois Municipal Code, establishing the office of budget officer and authorizing the adoption of the annual budget in lieu of an annual appropriation ordinance; and

**WHEREAS**, on October 14, 2016, the Village Council placed the proposed, tentative annual budget for the fiscal year beginning January 1, 2017, and ending December 31, 2017, on file at the office of the Village Manager, at the Winnetka Public Library, and on the Village of Winnetka web site (www.villageofwinnetka.org), and has made the proposed, tentative annual budget available for public inspection since that date; and

**WHEREAS**, on November 15, 2016, pursuant to notice published on Thursday, November 3, 2016 in the Winnetka Talk, a newspaper published and in general circulation in the Village of Winnetka, the Village Council held a public hearing on the proposed tentative annual budget; and

**WHEREAS**, the Village of Winnetka is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970, pursuant to which it has the authority, except as limited by said Section 6 of Article VII, to exercise any power and perform any function pertaining to the government and affairs of the Village, including, but not limited to, the powers (i) to regulate for the protection of the public health, safety, morals and welfare, (ii) to license, (iii) to tax, and (iv) to incur debt; and

**WHEREAS**, the Village Council finds that establishing an annual budget for the Village, including estimating revenues and recommending expenditures, is a matter pertaining to the affairs of the Village.

**NOW, THEREFORE**, be it resolved by the Council of the Village of Winnetka as follows:

**SECTION 1:** The Annual Budget for the Village of Winnetka, which is attached hereto as Exhibit A and is incorporated by reference as if fully set forth herein, is hereby adopted as the Annual Budget for the Village of Winnetka for the Fiscal Year beginning January 1, 2017 and ending December 31, 2017.

**SECTION 2:** The adoption of the foregoing annual budget shall be in lieu of the appropriation ordinance required in Section 8-2-9 of the Illinois Municipal Code.

**SECTION 3:** **Home Rule.** This Resolution is adopted by the Council of the Village of Winnetka in the exercise of its home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970.

**SECTION 4:** **Effective Date.** This resolution shall be in full force and effect immediately upon its adoption.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2016, pursuant to the following roll call vote:

AYES:

NAYS:

ABSENT: .

Signed:

Village President

Countersigned:

Village Clerk

Introduced: November 15, 2016

Adopted: December 6, 2016

**NOTE:**

**EXHIBIT A IS THE COMPLETE BUDGET DOCUMENT, WHICH, DUE TO ITS SIZE, CANNOT BE REPRODUCED IN FULL IN THESE AGENDA MATERIALS.**

**THE FOLLOWING PAGE PROVIDES A SUMMARY OF THE BUDGETED REVENUES AND EXPENDITURES BY FUND CATEGORY, AND IS PROVIDED HERE FOR EASE OF REFERENCE.**

**THE COMPLETE BUDGET REMAINS AVAILABLE FOR INSPECTION IN THE VILLAGE MANAGER'S OFFICE, THE WINNETKA PUBLIC LIBRARY, AND ON THE VILLAGE OF WINNETKA WEBSITE ([WWW.VILLAGEOFWINNETKA.ORG](http://WWW.VILLAGEOFWINNETKA.ORG)). THE COMPLETE, FINAL BUDGET WILL BE APPROPRIATELY LABELED AND WILL BE ATTACHED TO AND MAINTAINED WITH THE ORIGINAL BUDGET RESOLUTION FOLLOWING ITS ADOPTION.**

# Exhibit A

## VILLAGE OF WINNETKA FUND BALANCE COMPARISON (ALL FUNDS, WITH CAPITAL)

<u>FUND</u>	<u>12/31/2015</u> <u>Audited</u> <u>Fund Balance</u>	<u>2016</u> <u>Estimated</u> <u>Revenue</u>	<u>2016</u> <u>Estimated</u> <u>Expense*</u>	<u>12/31/2016</u> <u>Estimated</u> <u>Fund Balance</u>	<u>2017</u> <u>Budgeted</u> <u>Revenue</u>	<u>2017</u> <u>Budgeted</u> <u>Expense*</u>	<u>12/31/2017</u> <u>Projected</u> <u>Fund Balance</u>	<u>FY 2017</u> <u>Policy Amount</u>	<u>Surplus /</u> <u>(Deficiency)</u>	<u>Explanation of Target Amount</u>
General Fund	19,033,277	24,704,472	23,933,171	19,804,578	25,229,961	25,448,449	19,586,090	11,434,225	8,151,866	Six (6) months of operating expenses
Motor Fuel Tax Fund	2,250,157	312,000	170,000	2,392,157	632,000	700,000	2,324,157	316,000	2,008,157	Fifty percent (50%) of annual revenue
Foreign Fire Tax Fund	88,205	78,275	55,000	111,480	78,275	100,000	89,755	-	89,755	None, current balance is policy amount
Special Service Areas	(86,485)	39,708	-	(46,777)	30,600	-	(16,177)	-	(16,177)	None, current balance is policy amount
Village Facilities Fund	341,234	4,963	29,000	317,197	2,575	275,000	44,772	-	44,772	None, current balance is policy amount
Downtown Revitalization Fund	437,883	153,278	125,000	466,161	78,558	500,000	44,719	-	44,719	None, current balance is policy amount
Electric Fund**	7,478,173	15,409,732	16,510,143	6,377,762	16,046,477	17,337,928	5,086,311	4,916,183	170,128	Four (4) months of operating expenses
Water Fund**	1,533,138	3,791,715	3,539,188	1,785,665	4,678,337	4,635,560	1,828,442	1,164,281	664,161	Four (4) months of operating expenses
Sanitary Sewer Fund**	1,017,522	1,110,500	1,209,242	918,780	1,100,329	1,549,917	469,192	333,306	135,886	Four (4) months of operating expenses
Refuse Fund**	1,519,035	2,192,545	2,352,404	1,359,176	2,694,047	2,369,361	1,683,862	789,787	894,075	Four (4) months of operating expenses
Stormwater Sewer Fund**	15,082,172	2,030,000	2,433,754	14,678,418	2,061,551	6,126,387	10,613,582	2,841,046	7,772,536	Four (4) months of operating expenses + two (2) years of debt service
W.C. Insurance Fund**	1,225,497	559,992	448,000	1,337,489	552,463	698,000	1,191,952	832,667	359,285	Four (4) months of operating expenses + \$600,000 deductible
Liability Insurance Fund**	2,237,214	15,500	255,000	1,997,714	27,965	396,450	1,629,229	1,632,150	(2,921)	Four (4) months of operating expenses + \$1,500,000 claim
Health Insurance Fund**	1,298,157	3,315,725	3,330,972	1,282,910	3,823,603	3,801,434	1,305,079	1,267,145	37,934	Four (4) months of operating expenses
Data Processing Fund**	816,384	333,542	437,068	712,858	334,185	470,715	576,328	156,905	419,423	Four (4) months of operating expenses
Fleet Services Fund**	399,011	919,496	950,584	367,923	942,983	894,107	416,799	298,036	118,763	Four (4) months of operating expenses
Police Pension Fund	25,257,502	3,204,285	2,374,458	26,087,329	3,386,376	2,224,244	27,249,461	41,529,135	(14,279,674)	Funding pension at 100% in 20 years (2017)
Fire Pension Fund	23,597,597	3,168,812	2,490,215	24,276,194	3,483,016	2,351,836	25,407,374	42,320,232	(16,912,858)	Funding pension at 100% in 20 years (2017)
<b>TOTAL</b>	<b>\$ 103,525,673</b>	<b>\$ 61,344,540</b>	<b>\$ 60,643,199</b>	<b>\$ 104,227,014</b>	<b>\$ 65,183,301</b>	<b>\$ 69,879,388</b>	<b>\$ 99,530,927</b>	<b>\$ 109,831,096</b>	<b>\$ (10,300,169)</b>	

\* - Expense totals omit Village contingency and depreciation

\*\* - Fund Balance is Current Assets less Current Liabilities

NOTE: The purpose of this spreadsheet is to show the effects of budgeted revenues and expenditures / expenses on Fund Balances / Net Assets and to show progress towards meeting targets set for the individual funds. Final Fund Balance is determined annually as part of the Village's audit and completion of the Comprehensive Annual Financial Report.



## Agenda Item Executive Summary

**Title:** Resolution No. R-58-2016: Utility Rates and Fees (Adoption)

**Presenter:** Timothy J. Sloth, Director of Finance

**Agenda Date:** 12/06/2016

- Ordinance
- Resolution
- Bid Authorization/Award
- Policy Direction
- Informational Only

**Consent:**  YES  NO

### Item History:

The Village Council held meetings on October 20, 27, and November 3, 2016 to review the proposed fiscal year 2017 budget.

The Council previously set utility fees under a separate resolution for each utility. These resolutions have been combined into a single utility rate and fee resolution.

Resolution No. R-58-2016 was introduced at the November 15, 2016 Regular Village Council Meeting.

### Executive Summary:

Because of the projected capital needs of the electric, water, refuse, and sanitary sewer system, rate increases for each are proposed and incorporated in the FY 2017 budget.

Electric rates will increase by 4%, subject to a +/- 2.0% bandwidth. Some customers will see higher or lower than the base 4%. For regular residential class customers, the increase in the energy charge will be 3.7%. All customers will see an increase in the monthly customer charge of \$2.00 (single phase, \$11.46 and three phase, \$17.76).

Water rates will increase by 4% for incorporated, unincorporated, and special service customers in order to offset the cost of water main replacements and other capital improvements. The Northfield wholesale rate is set by contract and is subject to rate revisions outside the budget process.

Sanitary sewer rates will increase by 5% for all customers in order to offset capital improvements such as I/I repair, trenchless lining, follow-up flow monitoring, and continued funding for the sanitary sewer backup reimbursement program.

Refuse fees for commercial properties and refuse stickers will increase by 10%. Residential customers will also be charged a \$10 monthly customer charge for refuse service beginning in 2017. These increases are necessary to stabilize the cash balance of the Refuse Fund, which has historically operated with an operational deficit. Staff will be presenting additional options to promote the future health of the Refuse Fund at a future Village Council meeting.

### Recommendation:

Consider adoption of Resolution No. R-58-2016.

### Attachments:

- 1) Resolution No. R-58-2016, a Resolution Establishing Rates and Fees Related to Utility Services.

**RESOLUTION NO. R-58-2016**

**A RESOLUTION ESTABLISHING RATES AND FEES**

**RELATED TO UTILITY SERVICES**

**WHEREAS**, the Village of Winnetka is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970, pursuant to which it has the authority, except as limited by Section 6 of Article VII of such Constitution, to exercise any power and perform any function pertaining to the government and affairs of the Village, including, but not limited to, the powers (i) to regulate for the protection of the public health, safety, morals and welfare, (ii) to license, (iii) to tax, and (iv) to incur debt; and

**WHEREAS**, the Village of Winnetka (“Village”) owns, operates, and provides the following services in the Village (collectively, “*Utility Services*”): (i) a water utility that provides water service; (ii) an electric utility that provides electric service; (iii) a public sewer system; (iv) a municipal waste system that provides for the collection, transportation and disposal of refuse and yard waste; and (v) a public stormwater utility to provide stormwater management services; and

**WHEREAS**, pursuant to its home rule authority and the Illinois Municipal Code, the Village is permitted to charge fees for Utility Services; and

**WHEREAS**, the President and Village Council have determined that adoption of this Resolution will serve and be in the best interest of the Village of Winnetka;

**NOW, THEREFORE**, be it resolved by the Council of the Village of Winnetka as follows:

**SECTION 1: RECITALS.** The Village Council hereby adopts the foregoing recitals as its findings, as if fully set forth herein.

**SECTION 2: FEES FOR WATER.**

A. Water Rates. Each customer using water furnished by the Village of Winnetka Water and Electric Department shall be charged for such service in accordance with the following Schedule of Water Rates, as provided in Section 13.04.040 of the Winnetka Village Code:

[Remainder of this page intentionally left blank.]

**SCHEDULE OF WATER RATES**

<u>Type of Customer</u>	<u>Rate</u>
Service within corporate limits	\$35.53 per 1,000 cubic feet, as metered
Service outside of corporate limits	\$63.52 per 1,000 cubic feet, as metered
Service to Village of Northfield:	Rate shall be as established by agreement approved by resolution of the Village Council
Special Service	\$26.63 per 1,000 cubic feet, as metered

B. Disconnection/Reconnection Fees. The following fees shall be charged and collected for service calls to either disconnect or reconnect service as the result of nonpayment, as provided in Section 13.04.060 of the Winnetka Village Code:

**SERVICE DISCONNECTION OR RECONNECTION FEE**

<u>Time of Service Call</u>	<u>Fee</u>
During regular business hours (Monday through Friday, except for holidays, from 7:30 a.m. to 3:00 p.m.)	\$95.00 per service dispatch
All other times (evenings, nights, weekends and holidays)	\$265.00 per service dispatch

C. Water Service Tap Fees. The following fees shall be charged for the installation of water connections, as provided in Section 13.04.100 of the Winnetka Village Code:

**WATER SERVICE TAP FEES**

<u>Water Tap Size</u>	<u>Water Main Size</u>	<u>Fee</u>	<u>Service Included in Fee</u>
1 1/2" or less	All	\$852	Making tap, tapping sleeve, corp. stop, curb stop and box, and inspection
2"	All	\$960	Making tap, tapping sleeve, corp. stop, curb stop and box, and inspection
4"	4"	\$1,535	Making tap, tapping sleeve and valve, and inspection
4"	6"	\$1,775	Making tap, tapping sleeve and valve, and inspection
6"	6"	\$1,880	Making tap, tapping sleeve and valve, and inspection
4"	8"	\$1,880	Making tap, tapping sleeve and valve, and inspection
6"	8"	\$1,985	Making tap, tapping sleeve and valve, and inspection
8"	8"	\$2,300	Making tap, tapping sleeve and valve, and inspection
4"	10"	\$2,400	Making tap, tapping sleeve and valve, and inspection
6"	10"	\$2,500	Making tap, tapping sleeve and valve, and inspection
8"	10"	\$2,900	Making tap, tapping sleeve and valve, and inspection
4"	12"	\$2,400	Making tap, tapping sleeve and valve, and inspection
6"	12"	\$2,500	Making tap, tapping sleeve and valve, and inspection
8"	12"	\$2,925	Making tap, tapping sleeve and valve, and inspection

For all taps 4" and larger, valve vaults meeting Water and Electric Department specifications must be furnished by the customer's plumber, at the customer's cost.

Other size taps may be made only with the consent of the Water and Electric Department, at the customer's cost.

D. Water Meter Fees. The following fees shall be charged for the water meters provided by the Village, as provided in Sections 13.04.030 and 13.04.100 of the Winnetka Village Code:

**WATER METER FEES**

<u>Meter Size</u>	<u>Cost</u>
5/8"	\$475
3/4"	\$525
1"	\$625
1 1/2"	\$890
2"	\$990

Spreader and valves on both sides of meter must be installed by the customer's plumber, at the customer's cost. Other sizes of meters may be required or permitted, as determined by the Water and Electric Department, based on the characteristics of the proposed service. Such other installations shall require the written approval of the Water and Electric Department and the entire cost of the purchase and installation shall be borne by the customer.

E. Replacement of Touchpad Fees. The following fees shall be charged for replacement of removed touchpads and replacement of the touchpad wiring:

Replacement of Touchpad	\$95.00
Replacement of Touchpad Wiring	\$265.00

F. Temporary Water Service Fees. Pursuant to Section 13.04.150 of the Winnetka Village Code, temporary water service provided during building construction shall be billed at the rate applicable to the use specified in the building permit.

G. Construction Temporary Water Service Fees. Bulk water provided from the fire hydrant located at the Village's Public Works Facility for construction projects will be billed at the unincorporated water rate. The minimum daily charge will be \$50. At the discretion of the Water and Electric Director, the water rate can be waived for contractors performing Village work.

[Remainder of this page intentionally left blank.]

### **SECTION 3: FEES FOR ELECTRICITY.**

A. Definitions. As used in this Section 3, the following terms, phrases and words and their derivations shall have the meanings given in this section, unless the context or use clearly indicates another or different meaning is intended:

*Customer Charge:* A fixed charge based on the type of service rather than the amount of electricity used.

*Demand Charge:* A charge based on the rate at which electric energy is delivered, expressed in kilowatts (kW), averaged over a 30-minute period.

*Energy Charge:* A volume based charge for energy used.

*Load Factor:* The ratio of energy used to the maximum energy consumption for a given monthly peak demand.

*On-peak Demand:* A peak demand that occurs between the hours of 3:00 p.m. and 9:00 p.m.

*Off-peak Demand:* A peak demand that occurs between after 9:00 p.m. and before 3:00 p.m.

*Primary Lines:* High voltage power lines

*Secondary Lines:* Low voltage power lines that extend from the high voltage Primary Lines and distribute electricity to individual property lines.

*Service Lines:* The power lines that extend from the Secondary Lines to the individual meter connections located on each parcel of property that receives electric service.

B. Season Rates. Separate summer and winter rates shall be established for demand charges and energy charges. Pursuant to Section 13.08.150 of the Winnetka Village Code, summer rates shall be in effect for each of the four consecutive months with ending metered dates on or after June 1 of each year.

C. Electric Rates. Each customer using electricity furnished by the Village of Winnetka Water and Electric Department shall be charged for such service in accordance with the following schedule of electric rates, as provided in Section 13.08.040 of the Winnetka Village Code:

1. Customer Charge: Each customer shall be charged a monthly customer charge of \$11.46 for Single Phase Service or \$17.76 for Three Phase Service, except that this Customer Charge does not apply to customers subject to Energy and Demand Charges under Rate 18.

2. Energy and Demand Charges: In addition to the Customer Charge, each customer shall pay energy and demand charges at the rates set forth in the following Schedule of Energy and Demand Charges:

**SCHEDULE OF ENERGY AND DEMAND CHARGES**

**Rate 1 - Residential**: (Section 13.08.080 of the Winnetka Village Code)

Energy Charge

Summer Rate	\$0.1296 per kWh
Winter Rate	\$0.1157 per kWh

**Rate 2 - Space Heating Customers**: (Section 13.08.090 of the Winnetka Village Code)

Energy Charge

Summer Rate	\$0.1297 per kWh
Winter Rate	
First 750 kWh	\$0.1171 per kWh
All over 750 kWh	\$0.0795 per kWh

**Rate 3 - Commercial**: (Section 13.08.100 of the Winnetka Village Code)

Demand Charge

Summer Rate	
First 50 kW	\$0.00 per kW
All over 50 kW	\$12.27 per kW
Winter Rate	
First 50 kW	\$0.00 per kW
All over 50 kW	\$10.91 per kW

Energy Charge

Summer Rate	
First 15,000 kWh	\$0.1288 per kWh
All over 15,000 kWh	\$0.0982 per kWh
Winter Rate	
First 15,000 kWh	\$0.1143 per kWh
All over 15,000 kWh	\$0.0874 per kWh

**Rate 4 - School and Government**: (Section 13.08.110 of the Winnetka Village Code)

**(a) With an annual peak demand of up to 1,000 kW:**

Demand Charge

Summer Rate	\$11.80 per kW
Winter Rate	\$10.00 per kW

Energy Charge

Summer Rate	
First 100,000 kWh	\$0.0790 per kWh

Over 100,000 kWh	\$0.0721 per kWh
Winter Rate	
First 100,000 kWh	\$0.0732 per kWh
Over 100,000 kWh	\$0.0675 per kWh

**(b) With an annual peak demand exceeding 1,000 kW:**

Demand Charge	
Summer Rate	
On Peak	\$11.80 per kW
Off Peak	\$7.62 per kW in excess of On Peak Demand
Winter Rate	
On Peak	\$10.00 per kW
Off Peak	\$7.76 per kW in excess of On Peak Demand
Energy Charge	
Summer Rate	
First 100,000 kWh	\$0.0790 per kWh
Over 100,000 kWh	\$0.0721 per kWh
Winter Rate	
First 100,000 kWh	\$0.0732 per kWh
Over 100,000 kWh	\$0.0675 per kWh
Load Factor Credit	(\$0.005) per kWh for kWh in excess of 50% based upon the on peak demand

**Rate 6 - Water Heating:** (Section 13.08.120 of the Winnetka Village Code)

Energy Charge	
Summer Rate	\$0.1095 per kWh
Winter Rate	\$0.1095 per kWh

**Rate 7 - Large Residential:** (Section 13.08.130 of the Winnetka Village Code)

Demand Charge	
Summer Rate	\$10.91 per kW
Winter Rate	\$9.33 per kW
Energy Charge	
Summer Rate	\$0.0977 per kWh
Winter Rate	\$0.0862 per kWh

**Rate 18 - Street Lights:** (Section 13.08.140 of the Winnetka Village Code)

Energy Charge	
Summer Rate	\$0.1124 per kWh
Winter Rate	\$0.1124 per kWh

**D. Wholesale Power Purchase Cost Adjustment.**

1. Wholesale Power Purchase Cost Adjustment formula: The electric system's cost of purchasing power shall be estimated at least once per year. Pursuant to Section 13.08.160 of the Winnetka Village Code, the Wholesale Power Purchase Cost Adjustment shall be calculated as the difference between the estimated annual cost per kWh of purchasing power and the 12 month rolling average cost of power calculated bimonthly. If the actual 12 month rolling average cost of power calculated bimonthly on a per kWh basis exceeds the estimated cost, the shortage shall be recovered by billing all customers at the same amount per kWh in the next bimonthly cycle. If the estimated annual cost per kWh of purchasing power exceeds the actual 12 month rolling average cost of power calculated bimonthly on a per kWh basis, the excess shall be credited to all customers at the same amount per kWh in the next bimonthly cycle.

E. Renewable Energy Production Credit.

1. Terms:

- a. Eligible Customer. A customer of the Village's Electric Utility who satisfies all of the requirements of Section 13.08.260 of the Winnetka Village Code.
- b. Renewable Energy Production Credit, or REPC, means the actual credit as calculated pursuant to the formula in subsection B, below.
- c. Renewable Energy, or RE, means the amount of energy, measured in kWh, delivered to the Village by an Eligible Customer.
- d. Wholesale Purchase Power Cost, or WPPC, means the allocation on a per kilowatt hour basis of the total annual cost of purchasing power shown in the annual budget line item for "Purchased Power – Contractual Services."

2. Calculation of REPC:

$$\text{REPC} = (\text{RE} \times \text{WPPC})$$

3. REPC Carry-forward: If the REPC exceeds the cost of the power and energy billed to the Eligible Customer by the Village in a billing period, the excess REPC will be carried forward from one billing period to the next, except that no amount shall be carried forward past the end of the calendar year and that any amount of energy in kWh reflected in carry-forward credits remaining at the end of the calendar year shall be deemed to have been provided to the Village at no charge.
4. No Refunds or Transfers: No Eligible Customer whose electric service is terminated shall be entitled to a refund of any REPC balance, regardless of

the reason for the termination of service. Nor shall any Eligible Customer be entitled to transfer any REPC balance to a succeeding customer upon the termination of the Eligible Customer's electrical service, regardless of the reason for the termination of service. Upon the termination of an Eligible Customer's electric service, the Eligible Customer's account shall be closed and any amount of kWh reflected in any REPC balance in existence at the time the account is closed will be deemed to have been provided to the Village, at no charge.

F. Undergrounding Surcharge. Pursuant to Section 13.08.240 of the Winnetka Village Code, the following surcharges are hereby established for the undergrounding of transmission and distribution lines:

**RATE U - UNDERGROUNDING SURCHARGE**

1. **Surcharge:** Except as provided in subsection (c), each customer located in a Project Area within which the Primary Lines and Secondary Lines are placed underground pursuant to Section 13.08.230 of the Winnetka Village Code shall be subject to an undergrounding surcharge. The surcharge shall be charged monthly until the Applicable Project Cost, plus interest on the unpaid balance at a rate of 7% per annum, is fully paid. The surcharge shall not be charged for more than 60 consecutive months. The surcharge amount shall be as follows:

Surcharge UA Monthly surcharge of \$100 if Applicable Project Cost equals \$5,000 or less.

Surcharge UB Monthly surcharge of \$150 if Applicable Project Cost is greater than \$5,000 but does not exceed \$7,500.

Surcharge UC Monthly surcharge of \$200 if Applicable Project Cost is greater than \$7,500 but does not exceed \$10,000.

Surcharge UD Monthly surcharge of \$250 if Applicable Project Cost is greater than \$10,000 but does not exceed \$12,500.

2. **Definitions:** The following definitions shall be used in determining the undergrounding surcharge:

*Project Area:* The service area covered by a petition for undergrounding, as determined by the Director of Water and Electric, and shall include the Primary Lines, Secondary Lines and Service Lines within that service area.

*Project Costs:* All direct costs of undergrounding the Primary Lines and Secondary Lines in the Project Area (“Cost 1”). For customers with overhead Service Lines, the direct costs of undergrounding overhead Service Lines in the Project Area (“Cost 2”) shall be included in the Project Costs in addition to Cost 1. Direct costs shall include, but not be limited to, labor, materials, recording of easements and the cost of relocating all related electric utility facilities and equipment, such as pad mount transformers and switch gear.

*Project Cost<sub>UG</sub>:* The Project Cost per customer with underground Service Lines, which shall be determined by dividing Cost 1 by the number of customers in the Project Area.

*Project Cost<sub>OH</sub>:* The Project Cost per customer with overhead electric service, which shall be determined by dividing Cost 2 by the number of customers in the Project Area with overhead electric service and adding the resulting amount to Project Cost<sub>UG</sub>.

*Applicable Project Cost:* The Project Costs as allocated to the individual customers in the Project Area. The Applicable Project Cost for each customer with underground Service Lines shall be Project Cost<sub>UG</sub>. The Applicable Project Cost for each customer with overhead Service Lines shall be Project Cost<sub>OH</sub>.

3. **Exceptions to Surcharge:** The undergrounding surcharge shall not be charged to any customer in the Project Area who pays the Applicable Project Costs in full before the project begins.

G. **Disconnection or Reconnection Fee.** The following fees shall be charged and collected for service calls to disconnect or reconnect service as the result of nonpayment, as provided in Section 13.08.060 of the Winnetka Village Code:

**SERVICE DISCONNECTION OR RECONNECTION FEE**

<b><u>Time of Service Call</u></b>	<b><u>Fee</u></b>
During regular business hours (Monday through Friday, except for holidays, from 7:30 a.m. to 3:00 p.m.)	\$95.00 per service dispatch
All other times (Evenings, nights, weekends and holidays)	\$265.00 per service dispatch

H. **Replacement Touchpad.** The following fees shall be charged for replacement of removed touchpads and replacement of the touchpad wiring:

Replacement of Touchpad	\$95.00
Replacement of Touchpad Wiring	\$265.00

I. Removal and Reinstallation of Overhead Service Connection. The following fee shall be charged and collected for costs to disconnect, remove and reconnect an overhead service conductor for construction activities:

<u>Time of Service Call</u>	<u>Fee</u>
During regular business hours (Monday through Friday, except for holidays, from 7:30 a.m. to 3:00 p.m.)	\$300.00
All other times (Evenings, nights, weekends and holidays)	\$771.00

J. Cost of Adding, Upgrading and Underground Electric Services. The costs of installing new electric service, upgrading electric service to increase capacity and converting overhead service to underground service shall be allocated as follows:

**Installation and Ownership of Facilities:** All existing facilities and equipment, and all facilities and equipment related to new service, upgraded service and underground conversions, up to the meter, shall be owned, operated and maintained by the Village of Winnetka Water and Electric Department. The meter pedestal or meter enclosure shall be provided by the customer, at the customer's expense, and shall be owned and maintained by the customer.

The Water and Electric Department shall install all new electrical service lines, all meters, all service upgrades and all conversions of overhead service to underground service, regardless of the party initiating the conversion, except that the Water and Electric Department shall not perform any work on the customer's side of the meter.

**New Service or Increased Load:** The following fees shall be charged for installing new or larger electric services:

Installation of a 200 Amp service (Includes conduits for communication conductors)	\$ 9,800
Installation of a 400 Amp service (Includes conduits for communication conductors)	\$19,500

Installation of three phase service

The costs of providing three phase electric service, including the cost of any necessary relocation, replacement or extension of the primary, secondary lines and transformers to which the service line is connected, shall be paid for by the customer requesting the new or increased three phase service.

If a primary or secondary line must be relocated, replaced or extended in order to install a new service or to increase the load capacity of an existing service, any customer who connects to such primary or secondary line within five years after the its installation may be required to pay that customer's pro rata share of such costs. The Village Manager, in the exercise of his discretion, may enter into a written agreement with the initial requesting customer and establish terms for the payment of such costs, which may include a recapture provision that provides for the Village to refund such pro rata costs, less administrative costs in the amount of 10% of the recaptured amount, to the initial requesting customer.

**Service Lines – Scheduled Conversion to Underground Service:** A customer may choose either to maintain overhead service or to convert his service line from overhead service to underground service in conjunction with the Water and Electric Department's planned conversion undergrounding of the primary and secondary lines to which the customer's service line is connected. If the customer elects to maintain overhead service, the Water and Electric Department will install, at no additional cost to the customer, a new pole as close to the service connection as the Department deems possible, placing the service line underground to the pole, installing a service riser to the top of the pole, and connecting an overhead line to the existing service connection.

If the customer elects to place the service line underground, the Water and Electric Department will do so, at no additional cost to the customer, provided the customer purchases the meter enclosure or meter pedestal and makes, at the customer's expense, all alterations necessary to relocate the meter and building service so as to connect to the underground service line in the location specified by the Water and Electric Department.

**Underground Service – Customer Requested Conversion:** All costs of converting overhead electrical service to underground electrical service, including the cost of any necessary relocation of the primary and secondary lines to which the service line is connected, shall be paid by the customer if it is requested by the customer and the conversion is not done as part of the Water and Electric Department's undergrounding program. If the customer is increasing the size of the service entrance equipment, the customer shall be charged in accordance with rates for New Service or Increased Load for the service connection work. Existing rear lot residential services will be relocated to the front of the building and the service connection shall be at a location specified by the Water & Electric Department. As part of the conversion, an electric meter located within the structure shall be relocated to the outside.

K. Temporary Electric Service. Pursuant to Section 13.08.210 of the Winnetka Village Code, temporary electric service provided during building construction shall be billed at the rate applicable to the use specified in the building permit.

**SECTION 4: SANITARY SEWER FEES.**

A. Sewer Service Rates. Any person owning or occupying premises which are connected to the public sewers within the Village of Winnetka shall pay for such services, as provided in Section 13.12.010 of the Winnetka Village Code, at the rate of \$15.23 per 1,000 cubic feet of water supplied to those premises.

B. Fee for Returned Payment. A fee of \$30.00 shall be charged for any payment that is returned to the Village for any reason, including, but not limited to, insufficient funds, account closed, or referred to maker.

**SECTION 5: REFUSE FEES.**

A. Definitions. All terms defined in Section 8.16.010 of Chapter 8.16 of the Winnetka Village Code, “Garbage and Refuse,” shall have the same meaning when used in this Section 5.

B. Commercial Refuse Service Fees. Pursuant to Section 8.16.050 of the Winnetka Village Code, the following monthly fees are hereby established for commercial refuse service, including apartments in commercial buildings:

**SCHEDULE OF MONTHLY COMMERCIAL REFUSE SERVICE FEES**

<i>Container</i> <b>Volume per Pick-up</b>	<b>Number of Pickups Per Week</b>						
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1 Cu.Yd.	\$36	\$65	\$90	\$118	\$141	\$168	\$197
1.5 Cu.Yd.	\$45	\$81	\$120	\$155	\$194	\$229	\$265
2 Cu.Yd.	\$54	\$100	\$149	\$196	\$242	\$289	\$334
3 Cu.Yd.	\$73	\$135	\$199	\$262	\$326	\$388	\$453
4 Cu.Yd.	\$94	\$163	\$249	\$326	\$405	\$481	\$558
5 Cu.Yd.	\$114	\$206	\$298	\$388	\$481	\$573	\$663
6 Cu.Yd.	\$135	\$242	\$348	\$453	\$558	\$663	\$770
1-99 Gal.	\$17	\$23	\$29	\$36	\$42	\$48	\$55
100-180 Gal.	\$23	\$36	\$48	\$65	\$77	\$91	\$105

[**Note:** Individual accounts will be charged a share of the monthly fees charged based upon the account’s proportionate use of the container(s), as determined by the Winnetka Public Works Department.]

C. Residential Refuse Service Fees. Pursuant to Section 8.16.050 of the Winnetka Village Code, the following fees and charges are hereby established for residential refuse service:

**SCHEDULE OF RESIDENTIAL REFUSE SERVICE FEES**

<u>Service</u>	<u>Charge</u>
One pick-up per week of no more than two garbage cans of household rubbish	\$10.00 per month
Collection of household rubbish or garbage in excess of two garbage cans per pick-up	\$2.20 per sticker (one sticker required for each container)
Subscription service for one additional pick-up each week	\$25.00 per month

D. Charges for Special Refuse Collections. Pursuant to Section 8.16.050 of the Winnetka Village Code, the following rates are hereby established for special refuse collections:

**SCHEDULE OF FEES FOR SPECIAL REFUSE COLLECTIONS**

<u>Service</u>	<u>Charge</u>
Base Fee for special collections	\$30.00
Bulk pick-ups [ <i>Note:</i> Bulk pick-ups are for light refuse other than liquids and yard waste.]	
Up to 1.0 cubic yards	Base Fee
Over 1.0 cubic yards	Base Fee plus \$11.00 for each additional cubic yard or fraction thereof
White goods and other large items [ <i>Note:</i> Includes appliances, sofas, etc.]	Base Fee plus \$10.00 for each item
Hard-to-handle refuse [ <i>Note:</i> Hard-to-handle refuse includes such miscellaneous rubbish as wood, fencing, carpeting, multiple pieces of furniture and cabinets, and construction materials such as wallboard, plaster and flooring, but shall not include liquids, soil, concrete and asphalt.]	Base Fee plus \$15.00 per cubic yard
Tires and/or tire rims	Base Rate plus Charge per Tire
Charge per tire	
Tire without rim	Base Rate plus \$10.00
Tire with rim	Base Rate plus \$15.00
Truck tire without rim	Base Rate plus \$20.00
Truck tire with rim	Base Rate plus \$25.00

<u>Service</u>	<u>Charge</u>
Carts and roll-off boxes	
[ <i>Note:</i> Charge is based on container size. Contents shall not include concrete, soil, asphalt or liquids]	
1.0 cubic yard	\$40.00
1.5 cubic yard	\$50.00
2.0 cubic yard	\$60.00
6.0 cubic yard	\$165.00

E. Yard Waste. Pursuant to Section 8.16.050 of the Winnetka Village Code, the following rates are hereby established for the removal of certain yard waste:

**SCHEDULE OF YARD WASTE REMOVAL FEES**

<u>Service</u>	<u>Charge</u>
Removal of yard waste	
Village yard waste bag	\$2.20 per bag
Other bags (one sticker required per bag)	\$2.20 per sticker
Removal of brush, trees, logs and limbs	
Diameter of 4 inches or less	
First 10 minutes	\$30.00
Each additional minute	\$1.00
Diameter over 4 inches	Charged as hard-to-handle item (See Section 4)

F. Charges for Miscellaneous Refuse Services. Pursuant to Section 8.16.050 of the Winnetka Village Code, the following rates are hereby established for miscellaneous refuse services and for the purchase of miscellaneous items for use in disposing of refuse:

**SCHEDULE OF MISCELLANEOUS FEES**

<u>Service or Item</u>	<u>Charge</u>
Small Recycling Carts	\$50.00 each
Large Recycling Carts	\$67.00 each

**SECTION 6: STORMWATER SEWER FEES.** The fee for stormwater utility service provided in the Village of Winnetka pursuant to Chapter 13.16 of the Winnetka Village Code is hereby established at \$21.83 per month per Equivalent Runoff Unit (ERU), as defined in Section 13.16.04 of the Winnetka Village Code.

**SECTION 7: FEE FOR RETURNED PAYMENT.** A fee of \$30.00 shall be charged for any payment of fees charged pursuant to this Resolution that is returned to the Village for any reason, including, but not limited to, insufficient funds, account closed, or referred to maker.

**SECTION 8: PAYMENT PERIOD; LATE FEES.** All bills issued for Utility Services shall be paid in full within the payment period specified in the bill. The payment period shall be established by the Director of Finance, and shall be no less than 21 nor more than 30 days from the date of the issuance of the bill. Pursuant to Sections 13.04.040.B, 13.08.040.B, 13.12.010.B, and 13.16.090.B of the Winnetka Village Code, if any bill for utility service is not paid within the specified payment period, a late payment penalty of 5% of the amount due shall be added to the bill and collected from the user.

**SECTION 9: EFFECT OF RESOLUTION.** The rates established in this Resolution shall apply to all Utility Service usage that will be billed by the Village on bills issued on or after January 1, 2017.

**SECTION 10: REPEALER.** Resolutions R-35-2015, R-36-2016, R-37-2016, R-38-2016, and R-39-2016 shall be repealed and shall no longer be in force and effect for all Utility Service usage that will be billed by the Village on bills issued on or after January 1, 2017.

**SECTION 11: EFFECTIVE DATE.** This Resolution shall be in full force and effect from and after its passage and approval according to law.

**ADOPTED** this \_\_\_ day of \_\_\_\_\_, 2016, pursuant to the following roll call vote:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Signed:

\_\_\_\_\_  
Village President

Countersigned:

\_\_\_\_\_  
Village Clerk

Introduced: November 15, 2016

Adopted: December 6, 2016



## Agenda Item Executive Summary

**Title:** Resolution R-59-2016: General Fees (Adoption)

**Presenter:** Timothy J. Sloth, Director of Finance

**Agenda Date:** 12/06/2016

**Consent:**  YES  NO

- |                                     |                         |
|-------------------------------------|-------------------------|
| <input type="checkbox"/>            | Ordinance               |
| <input checked="" type="checkbox"/> | Resolution              |
| <input type="checkbox"/>            | Bid Authorization/Award |
| <input type="checkbox"/>            | Policy Direction        |
| <input type="checkbox"/>            | Informational Only      |

### Item History:

The Village Council held meetings on October 20, 27, and November 3, 2016 to review the proposed fiscal year 2017 budget.

The Council previously set general and building permit fees under a separate resolution for each class. These resolutions have been combined into a single general fee resolution.

Resolution No. R-59-2016 was introduced at the November 15, 2016 Regular Village Council Meeting.

### Executive Summary:

Other than slight adjustments to terminology to match current operational practices in the attached resolution, there are no fee changes contemplated in the proposed FY 2017 for general or building permit fees.

### Recommendation:

Consider adoption of Resolution No. R-59-2016.

### Attachments:

1) Resolution No. R-59-2016, a Resolution Amending General, Building, and Miscellaneous Service Fees.

**RESOLUTION NO. R-59-2016**

**A RESOLUTION  
AMENDING GENERAL, BUILDING, AND  
MISCELLANEOUS SERVICE FEES**

**WHEREAS**, the Village of Winnetka (“Village”) is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970, pursuant to which it has the authority, except as limited by Section 6 of Article VII of such Constitution, to exercise any power and perform any function pertaining to the government and affairs of the Village, including, but not limited to, the powers (i) to regulate for the protection of the public health, safety, morals and welfare, (ii) to license, (iii) to tax, and (iv) to incur debt; and

**WHEREAS**, pursuant to its home rule authority and the Illinois Municipal Code, the Village is permitted to set rates and charge fees for various permits, licenses and services; and

**WHEREAS**, the President and Village Council have determined that adoption of this Resolution will serve and be in the best interest of the Village of Winnetka;

**NOW, THEREFORE**, be it resolved by the Council of the Village of Winnetka as follows:

**SECTION 1: RECITALS.** The Village Council hereby adopts the foregoing recitals as its findings, as if fully set forth herein.

**SECTION 2: GENERAL PERMIT, LICENSE AND REGISTRATION FEES.** Fees are hereby established for certain permits, licenses and registrations, in the amounts and for the purposes set forth in the following Schedule of General Permit, License and Registration Fees, pursuant to the sections of the Winnetka Village Code (“Code”) referred to therein:

**SCHEDULE OF GENERAL PERMIT, LICENSE AND REGISTRATION FEES**

**Note:** Unless otherwise specifically provided in the following Schedule of General Permit, License and Registration Fees (“Schedule”), all annual permits, licenses and registrations provided for in this Schedule are due and payable on or before the beginning of the fiscal year (January 1) of each year, and remain in effect until the end of the fiscal year (December 31).

<b><u>Type of Permit, License or Registration</u></b>	<b><u>Amount of Fee</u></b>	<b><u>Code Section</u></b>
<i>Amusement Devices</i>		5.12.010
Daily	\$15.00	
Annual	\$25.00	
<i>Animals</i>		6.08.010
Dog License (Annual)		
Unspayed Female	\$15.00	
All Other Dogs	\$10.00	

<b><u>Type of Permit, License or Registration</u></b>	<b><u>Amount of Fee</u></b>	<b><u>Code Section</u></b>
<i>Animals (cont'd)</i>		6.08.010
Replacement License	\$2.00	
Taking up or Impounding Dog	\$55.00	
<i>Bicycle Registration</i>	No Fee	10.32.060
<i>Billiard Rooms &amp; Pool Rooms</i>		5.52.020
Annual License (per table)	\$10.00	
<i>Bowling Alleys</i>		5.52.030
Annual License (per alley)	\$10.00	
<i>Coin Operated Musical Devices</i>		5.16.010
Annual License (per device)	\$25.00	
<i>Charitable and Political Solicitation</i>	None	5.48.010
<i>Circuses and Carnivals (Daily)</i>	\$100.00	5.52.040
<i>Drug Paraphernalia Sales</i>		9.04.070
Annual Registration Fee	\$25.00	
<i>Film Production Application Fees</i>		
Basic Application Processing Fee	\$1,000.00	5.20.070
Additional Application Processing Fee (Per Hour)	\$250.00	5.20.070
<i>Food Dealers</i>		
Restaurant Permit: (Annual, based on seating capacity)		5.24.010
1-20	\$35.00	
21-50	\$45.00	
51-100	\$50.00	
More than 100	\$75.00	
Fast Food/Drive-In	\$75.00	
Food Store Permit (Annual, per cash register)	\$25.00	5.24.010
Itinerant Food Vendor Permit (Annual)	\$15.00	5.24.010
Vending Machine Operator Permit (Annual, per machine)	\$15.00	5.24.010
<i>Foresters, Tree Surgeons</i>		5.72.010
Annual License	\$15.00	

<b><u>Type of Permit, License or Registration</u></b>	<b><u>Amount of Fee</u></b>	<b><u>Code Section</u></b>
<i>Garbage and Refuse Scavenger</i>		8.16.040
Annual License	\$500.00	
<i>Junk Dealers (Annual)</i>		5.32.010
License, Base Fee	\$50.00	
Vehicle Fee (per vehicle)	\$25.00	
<i>Laundries</i>		5.36.010
Annual Fee	\$15.00	
<i>Liquor Licenses</i>		5.09.100
Class A-1 Restaurant (Annual)	\$1,000.00	
Class A Restaurant (Annual)	\$750.00	
Packaged Meal Rider (Take-out; Annual)	\$150.00	
Class B - Grocery Store (Annual)	\$750.00	
Class C - Special Event (Daily)	\$25.00	
Maximum per event more than 2 days	\$75.00	
Class D – Package delivery service/mail	\$150.00	
Class E - Limited Food Products Store (Wine)	\$500.00	
Class E-1 - Limited Food Products Store (Wine or Beer)	\$500.00	
Class P - Park District (Annual)	\$500.00	
Sidewalk Restaurant Rider	\$150.00	
<i>Money Changers</i>		5.40.010
Annual Fee, per location	\$25.00	
<i>Parades and Processions</i>	None	10.08.060
<i>Pawnbrokers</i>		5.44.010
Annual Fee, per location	\$100.00	
<i>Peddlers</i>		5.48.010
License, if NO vehicle used		
Per year	\$25.00	
Per month	\$10.00	
Per day	\$3.00	
License, if vehicle used		
Per year, per vehicle	\$50.00	
Per month, per vehicle	\$15.00	
Per day, per vehicle	\$5.00	
<i>Public Dance Halls</i>		5.56.010
Per year	\$100.00	
Per Day	\$20.00	



**Remote Lot Parking Permits (Public Works Yards)**

Semi-annual charge per vehicle

\$120.00

**Note:** The Village Manager may issue permits to allow parking on a limited basis at the Village’s landfill site, 1390 Willow Road, by businesses located in the Village of Winnetka, including but not limited to the United States Postal Service, for parking of their fleet vehicles, and by businesses located in the Village of Winnetka that are engaged in the retail sale of automobiles, for parking of their sales inventory. The Village Manager shall determine the number and location of such spaces that may be made available on the site may vary from time to time. Such space shall be limited to areas of the site that the Village Manager determines will not interfere with the Village’s use of the site. Requests for such parking shall be made directly to the Village Manager. Remote parking spaces shall not be available for the general public.

**SECTION 4: FEES FOR VEHICLE IMPOUNDMENT AND TOWING.** Fees and charges are hereby established for the impoundment, towing and storage of vehicles upon the issuance of a final notice for unpaid parking tickets, as set forth in the following Impoundment and Towing Fee Schedule, pursuant to the sections of the Winnetka Village Code (“Code”) referred to therein:

**IMPOUNDMENT AND TOWING FEES**

<b><u>Type of Fee</u></b>	<b><u>Fee Amount</u></b>	<b><u>Conditions for Payment or Refund</u></b>
<i>Impoundment</i>	\$200.00	Payment is required prior to release of vehicle. Payment will be refunded if the hearing officer determines that the impoundment was not conducted in accordance with the procedural requirements of Village Code Section 10.24.130.
<i>Towing and/or Storage - Private Contractor</i>	Actual cost as billed by the towing or impounding facility	Payment is required prior to release of towed, removed, relocated and/or stored vehicle. Payment will be refunded if the hearing officer determines that the towing, removal, relocation and/or storage was not conducted in accordance with the procedural requirements of Village Code Section 10.24.130.
<i>Storage on Village Property</i>	\$10.00 per day, per vehicle	Payment is required prior to release of stored vehicle. Payment will be refunded if the hearing officer determines that the storage was not conducted in accordance with the procedural requirements of Village Code Section 10.24.130.

<u>Type of Fee</u>	<u>Fee Amount</u>	<u>Conditions for Payment or Refund</u>
<i>Collateral</i>	100% of the amount of all outstanding fines due, as stated in the final notice.	Payment is required prior to release of impounded, towed, removed, relocated and/or stored vehicle. Payment is also required before a request for a judicial proceeding made pursuant to a "final notice" is processed. Payment will be refunded if, as the result of the dismissal of outstanding or unsettled traffic violation notices, judgments and/or warrants by a court of competent jurisdiction, the impounded or removed vehicle is subject to fewer than five unsatisfied fines for violation of any parking ordinance of the Village.

**SECTION 5: MISCELLANEOUS SERVICE FEES.** Fees are hereby established for the following certain miscellaneous services and purchase items in the amounts and for the purposes set forth in the following Schedule of General Permit, License and Registration Fees, pursuant to the sections of the Winnetka Village Code ("Code") referred to therein:

**SCHEDULE OF GENERAL PERMIT, LICENSE AND REGISTRATION FEES**

<u>Miscellaneous Service Fees</u>	<u>Amount of Fee</u>	<u>Code Section</u>
<i>Ambulance Services - Residents</i>		2.52.040
Advanced Life Support	\$675.00	
Basic Life Support	\$525.00	
Mileage Charge (per loaded patient mile)	\$12.00	
<i>Ambulance Services – Non-Residents</i>		
Advanced Life Support	\$850.00	
Basic Life Support	\$650.00	
Mileage Charge (per loaded patient mile)	\$12.00	
<i>Audit (Print copy)</i>	\$35.00	
<i>Annual Budget (Print copy)</i>	\$35.00	
<i>Certified copies (per certification)</i>	\$1.00	
<i>Comprehensive Plan</i>		
With Maps	\$35.00	
Without Maps	\$8.50	
<i>Copying, Scanning and Printing Charges</i>		
In-house copying		
Black & White, 8½" x 11" (per side)	\$0.15	
Black & White, 8½" x 14" (per side)	\$0.15	
Black & White, 11" x 17" (per side)	\$0.50	
Color, 8½" x 11" (per side)	\$0.50	

<u>Miscellaneous Service Fees</u>	<u>Amount of Fee</u>	<u>Code Section</u>
Color, 8½" x 14" (per side)	\$1.00	
Color, 11" x 17" (per side)	\$1.00	
Out-sourced copying	Actual Cost	
Oversize documents (plats, etc.)	Actual Cost	
CD-ROM (per disk)	\$5.00	
DVD recordings of meetings (per DVD)	\$20.00	
<i>Fire Alarm Monitoring Services</i> (direct connections to Village's fire alarm monitoring system only)	\$55.00 per month	
<i>Other, Unspecified Services</i>	Actual Cost	
<i>Street Cleaning</i>	\$550.00	
<i>Unincorporated Fire Service</i>	(See Resolution R-42-2015)	13.040.120
<i>Winnetka Village Code</i>	\$200.00	
<i>Winnetka Zoning Ordinance</i>	\$10.00	

**SECTION 7: FEES FOR SPECIAL SERVICES, FILM PRODUCTION AND SPECIAL EVENTS.** Services provided or performed in conjunction with film production permits issued pursuant to Chapter 5.20 of the Winnetka Village Code and in conjunction with special event permits issued pursuant to Chapter 5.66 of the Winnetka Village Code shall be subject to the following fee schedule:

**SCHEDULE OF SPECIAL SERVICE FEES**

**Note:** The following hourly rates shall be assessed for: (i) all services provided in conjunction with film production and film production permits issued pursuant to Chapter 5.20 of the Village Code; (ii) all services provided in conjunction with film special events and events subject to special events permits issued pursuant to Chapter 5.66 of the Village Code; and (iii) all other non-standard services provided by Village personnel and all other uses of Village equipment not subject to specific fees set out in either this resolution R-36-2013 or resolution R-37-2013.

<u>Department</u>	<u>Hourly Rate</u>
<i>Village Administration &amp; Finance Departments</i>	
Village Manager	\$350
Assistant Village Manager	\$290
Village Attorney	\$350
Department Head	\$290
Supervisory Personnel	\$190
Clerical/Support Staff	\$190

*Police Department*

<u>Department</u>	<u>Hourly Rate</u>
Command Staff (Deputy Chief, Commanders)	\$240
Sergeants	\$190
Patrol Officers	\$160
Support Staff	\$140
Vehicles	\$50
 <i>Fire Department</i>	
Command Staff (Deputy Chief, Captains)	\$240
Lieutenants	\$190
Fire Medics	\$160
Support Staff	\$140
Light Vehicles	\$60
 <i>Fire Department</i>	
Ambulance	\$110
Fire Truck / Engine	\$460
 <i>Public Works</i>	
Supervisory	\$190
Engineers	\$190
Maintenance Workers	\$140
Light Trucks	\$60
Medium Trucks	\$90
Heavy Trucks, Refuse Trucks, Street Sweepers	\$130
 <i>Community Development</i>	
Assistant Director	\$240
Planners, Architect	\$190
Inspectors	\$160
Clerical / Support Staff	\$140
Vehicles	\$50
 <i>Water &amp; Electric</i>	
Deputy Director, Chief Engineer	\$240
Supervisory	\$190
Plant Operators	\$160
Linesmen	\$160
Clerical / Support Staff	\$130
Light Trucks	\$60
Medium Trucks	\$90
Heavy Trucks, Boom Trucks	\$130

**SECTION 8: BUILDING PERMIT, LICENSE AND REGISTRATION FEES.**

Pursuant to the sections of the Winnetka Village Code (“Code”) referred to in the following Schedule Building, Zoning and Construction Activity Fees (“Fee Schedule”), there are hereby established certain permit, license and registration fees, in the amounts and for the purposes set forth in said Fee Schedule:

**SCHEDULE OF BUILDING, ZONING AND CONSTRUCTION ACTIVITY FEES**

**WORK PERFORMED WITHOUT PERMITS**

**All permit fees for work performed without a required permit shall be double the amount of the fees for the required permits.**

**PERMIT DEPOSITS (SECTION 15.32.020)**

[Note: Deposits must be submitted with permit applications. The Village's costs, including plan review and reinspections, will be deducted from deposits. Deposit balances will be retained by the Village until a final certification of occupancy is approved.]

<b>FOR BUILDING DEMOLITION PERMITS WITH SITE RESTORATION PLANS</b>	<b>\$3,000</b>
<b>FOR TEMPORARY CERTIFICATE OF OCCUPANCY</b>	<b>\$3,000</b>
<b>FOR TREE REPLACEMENT (FOR EACH INCH OF DBH)</b>	<b>\$250</b>

**PLAN REVIEW FEES (SEC. 15.32.020)**

**For all Building Permits, other than restrictive building permits:**

- 15% of building permit fee, \$70 minimum.

**For review of Construction Document Revisions**

- \$15 FOR EACH REVIEW WHERE ORIGINAL BUILDING PERMIT WAS SUBJECT TO MINIMUM FEE, BUILDING PERMIT IS NOT REQUIRED, OR REVISION IS FOR A RESTRICTIVE BUILDING PERMIT.
- \$100 for all reviews of any revision to building permit construction documents that do **not** require zoning, engineering, and/or forestry reviews.
- \$130 for all reviews of any revision to building permit construction documents that require zoning, engineering, and/or forestry reviews for minor revisions (as determined by the Director of Community Development).
  - 25% of original plan review fee for all reviews of any major revision to building permit construction documents (as determined by the Director of Community Development).

**For engineering review required for building in the flood plain:**

- |                                  |          |
|----------------------------------|----------|
| • Flood plain development review | \$500.00 |
| • LOMR review                    | \$500.00 |

**For plan reviews required for fire and life safety systems (Sec. 15.16.070) (deducted from any deposits)**

- |                             |             |
|-----------------------------|-------------|
| • Fire Department review    | \$130.00    |
| • Technical review services | Actual cost |
- [Note: Variable fee, based on actual costs charged to Village.]

**CONTRACTOR PERMIT BOND (Sec. 15.32.060) \$20,000**

[Note: Bond to be payable to the Village of Winnetka; required of all contractors. Pursuant to the Contractor Unified License and

Permit Bond Act of 1998, contractor may provide a certified copy of his/its current unified contractor bond in amount of no less than \$50,000, as on file with Cook County Clerk.]

**BUILDING PERMIT FEES (Sec. 15.32.020)**

**Renovations, including remodeling and additions, to Existing Structures and for other construction activity not specified by Resolution of the Council**

- \$30.00 per \$1,000.00 or fraction thereof of the estimated total project cost, \$70.00 minimum.

**BUILDING PERMIT FEES (cont'd)**

**Construction** [as defined in Title 17, for all primary structures and additions thereto, including basement and attic areas, whether finished or unfinished, crawl space, attached garages and detached accessory structures, all without deducting for zoning allowances, bonuses or other exceptions]

- \$1.30 per horizontal square foot, but not less than \$70.00

**Below Grade Parking Facilities**

- \$0.80 per Gross Floor Area square foot.

**RESTRICTIVE PERMITS**

[**Note:** Includes initial plan review fee.]

**Canopy/Awning (Sec. 15.44.030)** \$70 each

[**Note:** Certificate of Appropriateness of Design may be required.]

**Construction Trailers (Sec. 15.32.020)** \$220 each

**Demolition (Sec. 15.52.010)**

- For each accessory structure \$45
- For demolition with building permit application and complete construction documents. \$16,070
- For demolition with site restoration plan and schedule. \$16,070
- Reimbursement of payment made by Village of Winnetka to Winnetka Historical Society for research related to demolition of a primary structure \$600

**Fences (Sec. 15.44.060)** \$65 each

**Roofing (Sec. 15.32.020 and 15.44.100)** \$65 each

**Signs (Sec. 15.60.140)**

[**Note:** Signs may require Certificate of Appropriateness of Design.]

- For each non-illuminated signs \$60
- For each illuminated sign (includes electrical permit fee) \$195

**Swimming Pools (Sec. 15.56.020)** \$515

[**Note:** Includes electrical, plumbing and fence permits]

**Tree Enhancement/Tree Protection Plan Review (Sec. 15.28.070)**

- For each review per lot in development site \$90

<b>Landscape/Tree Replacement Plan Review</b> (Sec. 15.28.050 and 15.28.060)	
• For each review per lot in development site	\$90
<b>Tree Removal Permit Fee</b> (Sec. 15.28.040)	
• For each tree	\$60
<b>ELECTRICAL PERMITS</b> (Sec. 15.32.020 and 15.44.050)	
[ <b>Note:</b> Includes initial plan review fee.]	
<b>Base Fee for All Permits</b>	\$70
<b>Electrical Fixtures-outlets, receptacles and switches</b>	\$1.10
<b>Heating/Air Conditioning/Ventilation (HVAC), per unit</b>	\$25
[ <b>Note:</b> Requires HVAC permit.]	
<b>Motors over 0.5 hp, per motor</b>	\$25
<b>NEW SERVICE OR MODIFICATIONS TO EXISTING SERVICE ENTRANCE EQUIPMENT</b>	
[ <b>Note:</b> Permit fees are waived if modifications result from Water & Electric Department's scheduled undergrounding program.]	
• LESS THAN 200 AMPS, PER NEW SERVICE OR MODIFICATION	\$50
• 200 AMPS OR MORE, PER NEW SERVICE OR MODIFICATION	\$60
<b>Temporary Service, per service</b>	\$340
<b>PLUMBING AND MECHANICAL (HVAC) PERMITS</b> (Sec. 15.32.020 and 15.44.050)	
[ <b>Note:</b> Includes initial plan review fee.]	
<b><u>Plumbing</u></b>	
• Base Fee for All Plumbing Permits (includes 5 fixtures)	\$70
• Plumbing Fixtures (beginning with the sixth fixture), per fixture	\$10
• Process Piping for Heating System, per unit	\$100
<i>Lawn Sprinklers</i>	
▪ Base Fee	\$80
▪ Per Sprinkler Head	\$0.90
<b>HVAC</b>	
[ <b>Note:</b> Exterior installations require zoning approval.]	
• Base Fee for all HVAC Permits	\$70
• For replacement of duct work only, per unit	\$45
• For totally new system, per unit	\$90
• For each roof-top unit, new or replacement	\$100
• For each new or replacement AC unit, if total capacity on the property is 8 tons or more.	\$100

[Remainder of this page intentionally left blank.]

**MISCELLANEOUS FEES**

<b>Development Agreement — Base Fee</b> (Sec. 15.32.080(K))	\$1,500
[Note: Base Fee includes standard staff review time and 3 hours of Village Attorney time.]	
<b>Development Agreement — Supplemental Fee</b> (Sec.15.32.080(K))	Variable,
All Village costs in excess of those included in the Base Fee shall be based upon the actual time spent by the Village, plus costs incurred, and shall be incorporated into the Development Agreement.	based on Staff time spent and rates set by R-36-2013
<b>Fire Prevention Permit</b> (Sec. 15.16.040)	\$130
<b>Partial Permits</b> (Sec. 15.32.110)	\$150
<b>Permit Renewal</b> (Sec. 15.32.200)	50% of total original building permit fees
<b>Stop Work Order</b> (Sec. 15.04.080)	
• 1 <sup>st</sup> Stop Work Order	\$250
• 2 <sup>nd</sup> Stop Work Order	\$500
• 3 <sup>rd</sup> Stop work Order	\$750
<b>Temporary Certificate of Occupancy</b> (Sec. 15.36.010)	\$275
<b>Village Attorney Services</b> (Sec. 5.66.040)	\$350 per hour,
For non-standard services related to post-approval implementation or amendment of development agreements, subdivisions and planned developments	½ hour increments

**PETITION FILING FEES**

<b>Administrative Appeals</b>	
• Building Code Appeals (Sec. 15.72.010)	\$350
• Zoning Appeals (Sec. 17.72.010)	\$450
<b>Certificate of Appropriateness of Design</b> (Sec. 15.40.010)	
• For each new primary structure or addition thereto	\$450
• For each application for signs, canopies, or awnings	\$55
• All other requests	\$110
<b>Consolidation of Land into single parcel</b> (Sec. 16.08.010)	\$550
<b>Driveway Variation</b> (Sec. 12.12.010 and 15.44.040)	\$265
<b>Flood Plain Variation</b> (Sec. 15.68.100)	\$715
<b>Sign Variation</b> (Sec. 15.60.250)	\$220
<b>Special Use Permit</b> (Sec. 17.56.010)	\$935

**PETITION FILING FEES (cont'd)**

<b>Subdivision of Land</b> – Base Fee (Sec. 16.04.040)	\$935
[Note: Base Fee includes standard staff review time and 3 hours of Village Attorney time.]	
<b>Subdivision of Land – Supplemental Fee</b> (Sec. 15.32.080(K))	Variable,
All Village costs in excess of those included in the Base Fee shall be based upon the actual time spent by the Village, plus costs incurred. For projects requiring a Development Agreement, the supplemental fee shall be incorporated into the Development Agreement.	based on Staff time spent and rates set by R-36-2013
<b>Zoning Map Amendment</b> (Sec. 17.72.040)	\$800
<b>Zoning Planned Development</b> (Chapter 17.58)	\$935
<b>Zoning Special Use</b> (Chapter 17.56)	\$935
<b>Zoning Text Amendment</b> (Sec. 17.72.040)	\$800
<b>Zoning Variation by Zoning Administrator</b> (Minor Variation) (Sec. 17.60.015)	\$250
<b>Zoning Variation by Ordinance</b> (Major Variation)(Sec. 17.60.030)	\$800
<b>Zoning Variation by Zoning Board of Appeals</b> (Standard Variation) (Sec. 17.60.020)	\$400

**STREETS, SIDEWALKS, DRIVEWAYS AND OTHER IMPERMEABLE SURFACES**  
(Sec. 12.04.110)

<b>Driveway curb cut, new or enlarged</b> (Sec. 12.12.010)	\$75
[Note: Requires street excavation/occupancy permit and right-of-way deposit]	
<b>Right-of-way Excavation and/or Occupation</b> (Sec. 12.16.010)	\$125
<b>Sewer</b> (Sec. 15.24.090)	\$150
<b>Impermeable Surfaces (including driveways, sidewalks, patios, etc.)</b> (Sec. 12.08.010)	\$75
<b>Street Replacement</b> (Sec. 12.04.20)	
• Base fee - Streets resurfaced 5 or fewer years prior to the date of permit application	\$2,000
• Base Fee - Streets resurfaced more than 5 years prior to the date of permit application	\$1,000
• Per square yard of base (any type of base)	\$125

**SECTION 9: DETERMINATION OF CONSTRUCTION COSTS.** In setting any fee based on the cost of construction, the Director of Community Development may use any of the following methods:

- A. an estimate furnished by the permit applicant;
- B. a certification of the cost of construction from a licensed architect or a registered structural or professional engineer;
- C. an affidavit from the owner or the owner’s agent setting forth the estimated cost of the proposed work; or
- D. a calculation to be made by the Director of Community Development, based on the most current edition of the RS Means Square Foot Costs Book.

**SECTION 10: FEE FOR RETURNED PAYMENTS.** A fee of \$30.00 shall be charged for any payment of fees charged pursuant to this Resolution that is returned to the Village for any reason (excluding building permits), including, but not limited to, insufficient funds, account closed, or referred to maker.

**SECTION 11: FEE FOR RETURNED BUILDING PERMIT PAYMENTS.** A fee in the amount of \$150.00 or 5% of the building permit fee, whichever is greater, shall be charged for any payment that is returned to the Village for any reason, including, but not limited to, insufficient funds, account closed, or referred to maker.

**SECTION 12: REPEALER.** Resolutions R-40-2015 and R-41-2015 shall be, and are hereby, repealed and shall no longer be in force and effect from and after the passage of this Resolution and approval according to law.

**SECTION 13: EFFECTIVE DATE.** This Resolution shall be in full force and effect from and after its passage and approval according to law.

**ADOPTED** this \_\_\_ day of \_\_\_\_\_, 2016, pursuant to the following roll call vote:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Signed:

\_\_\_\_\_  
Village President

Countersigned:

\_\_\_\_\_  
Village Clerk

Introduced: November 15, 2016

Adopted: December 6, 2016



## Agenda Item Executive Summary

**Title:** Property Tax Levy and Abatement Ordinances (Adoption)

**Presenter:** Timothy J. Sloth, Director of Finance

**Agenda Date:**

12/06/2016

**Consent:**

YES

NO

Ordinance

Resolution

Bid Authorization/Award

Policy Direction

Informational Only

**Item History:**

The general property tax levy (Ordinance No. M-13-2016), one special service area tax levy (Ordinance No. M-14-2016), two ordinances to close special service areas (Ordinance Nos. M-15-2016 and M-16-2016), and two tax abatement ordinances (Ordinance Nos. M-17-2016 and M-18-2016) were introduced at the November 15, 2016 Regular Village Council Meeting.

**Executive Summary:**

The Council has reviewed the proposed 2017 calendar year budget and the funding provided by property taxes to balance the budget. The proposed 2016 property tax levy will generate \$14,589,906 million for Village operations, an increase of \$173,003 or 1.2%. Because new development is estimated at 1.2%, most residents will see no increase in Village property taxes.

The 2016 property tax levy sets the amount of revenue to be raised from property taxes to fund Village operations. In Illinois, property taxes are paid a year in arrears. This means that the amount of money requested for the 2016 property tax levy will be received by the Village in calendar 2017.

In addition to the tax levy ordinance for general operations, the Village has one special service area with a separate tax levy paid only by persons in the special service area. Staff recommends that two previously levied special service areas are closed, as their repayment to the Village was completed with the 2015 levy.

The Village issued General Obligation bonds in the amount of \$9.0 million in 2013 and \$7.5 million in 2014 to fund stormwater improvements. It is the current intention of the Village to abate the property tax levy each year for these bonds and to pay the principal and interest from stormwater utility fees collected by the Village. There are adequate funds on hand to allow for the abatement of the property tax levy for 2016 related to these General Obligation bond issues.

**Recommendation:**

Consider adoption of the general property tax levy (Ordinance No. M-13-2016), one special service area tax levy (Ordinance No. M-14-2016), two ordinances to close special service areas (Ordinance Nos. M-15-2016 and M-16-2016), and two tax abatement ordinances (Ordinance Nos. M-17-2016 and M-18-2016).

**Attachments:**

Property Tax Levy Calculations Spreadsheet

Schedule of Special Service Area Financing

Ordinance No. M-13-2016 2016 Tax Levy Ordinance

Ordinance No. M-14-2016 SSA No. 3 Tax Levy Ordinance

Ordinance No. M-15-2016 SSA No. 4 Closure Ordinance

Ordinance No. M-16-2016 SSA No. 5 Closure Ordinance

Ordinance No. M-17-2016 2014 Tax Abatement Ordinance (2013 - \$9.0 million bond issue)

Ordinance No. M-18-2016 2014 Tax Abatement Ordinance (2014 - \$7.5 million bond issue)

## Village of Winnetka Schedule of Property Tax Levy Calculations

Tax Levy Category	Column A <b>2015 Actual Tax Levy</b>	Column B <b>2016 Proposed Tax Levy</b>	Column C (Column B - A) <b>Dollar Change</b>	C/A*100 <b>Percent Change</b>
<u>General Fund:</u>				
Corporate	\$10,557,155	\$10,320,066	(\$237,089)	-2.2%
<u>Other Funds:</u>				
Police Pension	\$1,308,146	\$1,446,664	\$138,518	10.6%
Fire Pension	\$1,451,602	\$1,723,176	\$271,574	18.7%
Refuse Utility	\$1,100,000	\$1,100,000	\$0	0.0%
Debt Service	\$0		\$0	---
<b>Total Village-wide Tax Levy</b>	<b>\$14,416,903</b>	<b>\$14,589,906</b>	<b>\$173,003</b>	<b>1.2%</b>
Less: Projected New Development				
@ 1.2%		(\$173,003)	(\$173,003)	-1.2%
<b>Existing Tax Payer Increase</b>	<b>\$14,416,903</b>	<b>\$14,416,903</b>	<b>\$0</b>	<b>0.0%</b>

<b>Increase (Decrease) Based on Total Property Tax Bill</b>
---

Total Property Taxes Paid 100.00%	Other Taxing Distr. 86.95%	Village 13.05%	0.0% Change / Village
\$10,000	\$8,695	\$1,305	\$0
\$15,000	\$13,042	\$1,958	\$0
\$20,000	\$17,390	\$2,610	\$0
\$25,000	\$21,737	\$3,263	\$0
\$30,000	\$26,085	\$3,915	\$0
\$35,000	\$30,432	\$4,568	\$0
\$40,000	\$34,780	\$5,220	\$0
\$50,000	\$43,475	\$6,525	\$0
\$60,000	\$52,170	\$7,830	\$0

**Village of Winnetka**  
**Schedule of Special Service Area Financing**  
**Interest Rate**

4.00%

2015.08.05

	SSA #3 Trapp Lane	SSA # 4 Elm, Oak, Locust, Rosewood	SSA # 5 Elm, Oak Rosewood, Glendale
	est cost	final cost	final cost
SSA Principal Amount for Homeowners	\$ 255,000.00	\$ 20,795.00	\$ 17,664.00
Limit in Ordinances Approving SSA	\$ 315,947.50	\$ 37,000.00	\$ 40,312.50
Term of Repayments in Years	10	5	5
<b>Debt Retirement Schedule</b>			
<b>2011 Tax Levy</b>			
Beginning Principal	\$ 255,000.00	\$ 20,795.00	\$ 17,664.00
Interest @ 4%	\$ 10,200.00	\$ 832.00	\$ 707.00
Principal repaid	\$ 25,500.00	\$ 4,159.00	\$ 3,533.00
Interest and Principal for YR	\$ 35,700.00	\$ 4,991.00	\$ 4,240.00
Ending Principal	\$ 229,500.00	\$ 16,636.00	\$ 14,131.00
<b>2012 Tax Levy</b>			
Beginning Principal	\$ 229,500.00	\$ 16,636.00	\$ 14,131.00
Interest @ 4%	\$ 9,180.00	\$ 665.00	\$ 565.00
Principal repaid	\$ 25,500.00	\$ 4,159.00	\$ 3,533.00
<b>Interest and Principal for YR</b>	<b>\$ 34,680.00</b>	<b>\$ 4,824.00</b>	<b>\$ 4,098.00</b>
Ending Principal	\$ 204,000.00	\$ 12,477.00	\$ 10,598.00
<b>2013 Tax Levy</b>			
Beginning Principal	\$ 204,000.00	\$ 12,477.00	\$ 10,598.00
Interest @ 4%	\$ 8,160.00	\$ 499.00	\$ 424.00
Principal repaid	\$ 25,500.00	\$ 4,159.00	\$ 3,533.00
<b>Interest and Principal for YR</b>	<b>\$ 33,660.00</b>	<b>\$ 4,658.00</b>	<b>\$ 3,957.00</b>
Ending Principal	\$ 178,500.00	\$ 8,318.00	\$ 7,065.00
<b>2014 Tax Levy</b>			
Beginning Principal	\$ 178,500.00	\$ 8,318.00	\$ 7,065.00
Interest @ 4%	\$ 7,140.00	\$ 333.00	\$ 283.00
Principal repaid	\$ 25,500.00	\$ 4,159.00	\$ 3,533.00
Interest and Principal for YR	\$ 32,640.00	\$ 4,492.00	\$ 3,816.00
Ending Principal	\$ 153,000.00	\$ 4,159.00	\$ 3,532.00
<b>2015 Tax Levy</b>			
Beginning Principal	\$ 153,000.00	\$ 4,159.00	\$ 3,532.00
Interest @ 4%	\$ 6,120.00	\$ 166.00	\$ 141.00
Principal repaid	\$ 25,500.00	\$ 4,159.00	\$ 3,532.00
Interest and Principal for YR	\$ 31,620.00	\$ 4,325.00	\$ 3,673.00
Ending Principal	\$ 127,500.00	\$ -	\$ -
<b>2016 Tax Levy</b>			
Beginning Principal	\$ 127,500.00		
Interest @ 4%	\$ 5,100.00		
Principal repaid	\$ 25,500.00		
Interest and Principal for YR	\$ 30,600.00		
Ending Principal	\$ 102,000.00		

**AN ORDINANCE LEVYING TAXES FOR THE YEAR 2016**

**WHEREAS**, the Village of Winnetka (“Village”) is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970 and, pursuant thereto, has the authority, except as limited by said Section 6 of Article VII, to exercise any power and perform any function pertaining to the government and affairs of the Village, including the power to tax; and

**WHEREAS**, on December 1, 2015, the Council of the Village of Winnetka (“Village Council”) adopted Resolution No. R-34-2015, which budgeted \$31,912,968 to meet the expenses and liabilities of the Village for general corporate purposes, refuse collection and disposal, and retirement fund contributions for the fiscal year beginning January 1, 2016, and ending December 31, 2016; and

**WHEREAS**, pursuant to page 255 of the budget approved on December 1, 2015, the Village Council has made its preliminary estimate of the 2016 levy, estimating that it is necessary to raise Fourteen Million Five Hundred Thirty-Two Thousand Two Hundred Thirty-Eight Dollars (\$14,532,238) by taxation of taxable property within the Village for general corporate purposes, for refuse collection and disposal, and for retirement fund contributions for the fiscal year beginning January 1, 2016, and ending December 31, 2016; and

**WHEREAS**, at its October 20, 2016 meeting, the Village Council, upon evaluation of the proposed fiscal year 2017 annual budget, directed the staff to present a 2016 property tax levy for consideration at the December 6, 2016, Village Council meeting, said property tax levy to be in the amount of Fourteen Million Five Hundred Eighty-Nine Thousand Nine Hundred Six Dollars (\$14,589,906), Fifty-Seven Thousand Six Hundred Sixty Eight Dollars (\$57,668) more than was estimated to be necessary to be raised by taxation of taxable property within the Village for general corporate purposes, for refuse collection and disposal, and for retirement fund contributions for the fiscal year beginning January 1, 2016, and ending December 31, 2016; and

**NOW, THEREFORE**, be it ordained by the President and Board of Trustees of the Village of Winnetka, as follows:

**SECTION 1:** That the foregoing recitals are hereby adopted as the findings of the Council of the Village of Winnetka, as fully set forth herein.

**SECTION 2:** That in order to meet the expenses and liabilities of the Village of Winnetka for the fiscal year beginning January 1, 2016, and ending December 31, 2016, for general corporate purposes, for refuse collection and disposal, and for retirement fund contributions, there is hereby levied upon all of the taxable property within the corporate limits of the Village of Winnetka subject to taxation for the current year, as assessed and equalized for the year 2016, the sum of Fourteen Million Five Hundred Eighty-Nine Thousand Nine Hundred Six Dollars (\$14,589,906), which is to be collected from the levy of the Village of Winnetka for the year 2016 for all purposes heretofore budgeted.

**2016 TAX LEVY SUMMARY**

	<b>Amount Budgeted</b>	<b>Amount To Be Raised By Tax Levy</b>
<b>General Fund</b>		
<b>For General Corporate Purposes</b>		
Public Affairs	\$ 211,811	\$ 89,226
Manager's Office	\$ 955,433	\$ 289,226
Finance Department	\$ 1,877,405	\$ 688,226
Police	\$ 7,076,529	\$ 3,824,226
Fire	\$ 5,544,047	\$ 2,424,226
Community Development	\$ 1,547,298	\$ -
Public Works	\$ 4,046,320	\$ 2,178,709
Capital Expenses	\$ 2,983,002	\$ 826,227
General Fund Transfers	\$ 700,196	\$ -
<b>Totals for General Fund</b>	<b>\$ 24,942,041</b>	<b>\$ 10,320,066</b>
<b>For Refuse Collection and Disposal</b>	<b>\$ 2,525,923</b>	<b>\$ 1,100,000</b>
<b>Totals for Refuse Fund</b>	<b>\$ 2,525,923</b>	<b>\$ 1,100,000</b>
<b>For Retirement Fund Contributions</b>		
For Police Pension Fund	\$ 2,160,504	\$ 1,446,664
For Fire Pension Fund	\$ 2,284,500	\$ 1,723,176
<b>Totals for Retirement Fund Contributions</b>	<b>\$ 4,445,004</b>	<b>\$ 3,169,840</b>
<b>Total Amount Budgeted</b>	<b>\$ 31,912,968</b>	
<b>Total Amount of Levy</b>		<b>\$ 14,589,906</b>

**SECTION 3:** That there is hereby certified to the County Clerk of Cook County, Illinois, the several sums above, constituting said total amount, and the total amount of Fourteen Million Five Hundred Eighty-Nine Thousand Nine Hundred Six Dollars (\$14,589,906), which is the total amount the Village of Winnetka requires to be raised by taxation for the current fiscal year of the Village, and that, on or before the time required by law, the Village Clerk shall file a certified copy of this Ordinance with the County Clerk of Cook County, Illinois, whereupon it shall be the duty of said County Clerk to levy taxes for the year 2016 on all properties subject to taxation within the Village of Winnetka, in accordance with the provisions of this Ordinance.

**SECTION 4:** This Ordinance is adopted by the Council of the Village of Winnetka in the exercise of its home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970.

**SECTION 5:** This Ordinance shall take effect immediately upon its passage, approval and posting as provided by law.

**PASSED** this \_\_\_ day of \_\_\_\_\_, 2016, pursuant to the following roll call vote:

**AYES:**

**NAYS:**

**ABSENT:**

**APPROVED** this \_\_\_ day of \_\_\_\_\_, 2016.

Signed:

Village President

Countersigned:

Village Clerk

[Seal]

Published by authority of the  
President and Board of Trustees  
of the Village of Winnetka,  
Illinois, this \_\_\_ day of \_\_\_\_\_,  
2016.

Introduced: November 15, 2016

Passed and Approved: December 6, 2016

**AN ORDINANCE  
LEVYING TAXES FOR THE YEAR 2016  
FOR VILLAGE OF WINNETKA, COOK COUNTY, ILLINOIS  
SPECIAL SERVICE AREA NO. 3**

**WHEREAS**, the Village of Winnetka (“Village”) is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970 and, pursuant thereto, has the authority, except as limited by said Section 6 of Article VII, to exercise any power and perform any function pertaining to the government and affairs of the Village, including the power to tax; and

**WHEREAS**, Village of Winnetka Special Service Area No. 3 has been established pursuant to Ordinance M-6-2010, adopted by the Council of the Village of Winnetka (“Village Council”) on April 20, 2010, and Ordinance M-13-2010, adopted by the Village Council on July 20, 2010, to provide for certain special services within the territory described in said ordinances, such special services consisting of the construction of a storm sewer, the reconstruction and repaving of Trapp Lane, the construction of a cul-de-sac at the terminus of Trapp Lane and the construction of related appurtenances (“Special Services”), all in conjunction with the dedication of Trapp Lane as a public right of way; and

**WHEREAS**, the Village Council have determined that, in the interest of the health, safety and welfare of the Village and its residents, it is appropriate to adopt an ordinance levying taxes within Special Service Area No. 3; and

**WHEREAS**, the construction of the improvements in Special Service Area No. 3 were in excess of Two Hundred Fifty-Five Thousand Dollars (\$255,000.00); and

**WHEREAS**, the total term of repayment of the project costs for Special Service Area No. 3 is 10 years and the 2016 Tax Levy is for Year Six of Ten; and

**WHEREAS**, the Village Council have determined that the total amount to be raised by the levy of taxes on taxable property within Special Service Area No. 3 for the cost of providing such Special Services for the fiscal year beginning January 1, 2016, and ending December 31, 2016 is Thirty Thousand Six Hundred Dollars (\$30,600).

**NOW, THEREFORE**, be it ordained by the President and Board of Trustees of the Village of Winnetka, as follows:

**SECTION 1:** That the foregoing recitals are hereby adopted as the findings of the Council of the Village of Winnetka, as fully set forth herein.

**SECTION 2:** That in order to meet the cost of providing the above-described Special Services within Special Service Area No. 3 for the fiscal year beginning January 1, 2016, and ending December 31, 2016, there is hereby levied upon all of the taxable property within Village of Winnetka Special Service Area No. 3 subject to taxation for the current year, as assessed and equalized for the year 2016, the sum of Thirty Thousand Six Hundred Dollars (\$30,600), which is to be collected from the levy of the Village of Winnetka for the year 2016 for the purposes heretofore budgeted.

**SECTION 3:** That there is hereby certified to the County Clerk of Cook County, Illinois, the several sums above, constituting said total amount, and the total amount of Thirty-Thousand Six Hundred Dollars (\$30,600), which is the total amount the Village of Winnetka requires to be raised by taxation to meet the costs of Special Service Area No. 3 for the current fiscal year of the Village, and that, on or before the time required by law, the Village Clerk shall file a certified copy of this Ordinance with the County Clerk of Cook County, Illinois, whereupon it shall be the duty of said County Clerk to levy taxes for the year 2016 on all properties subject to taxation within Village of Winnetka Special Service Area No. 3, in accordance with the provisions of this Ordinance.

**SECTION 4:** Each provision of this Ordinance is severable. If any provision of this Ordinance or the application of any provision of this Ordinance to any person or circumstance is held invalid, then the remainder of this Ordinance and the application of the provisions of this Ordinance to other persons or circumstances shall not be affected thereby and shall remain valid, enforceable and otherwise in full force and effect.

**SECTION 5:** This Ordinance is adopted by the Council of the Village of Winnetka in the exercise of its home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970.

**SECTION 6:** This Ordinance shall take effect immediately upon its passage, approval and posting as provided by law.

**PASSED** this \_\_\_ day of \_\_\_\_\_, 2016, pursuant to the following roll call vote:

AYES:

NAYS:

ABSENT:

**APPROVED** this \_\_\_ day of \_\_\_\_\_, 2016.

Signed:

Village President

Countersigned:

Village Clerk

[Seal]

Published by authority of the President and Board of Trustees of the Village of Winnetka, Illinois, this \_\_\_ day of \_\_\_\_\_, 2016.

Introduced: November 15, 2016

Passed and Approved: December 6, 2016

**AN ORDINANCE  
TERMINATING SPECIAL SERVICE AREA NUMBER FOUR  
OF THE VILLAGE OF WINNETKA**

**WHEREAS**, on April 26, 2011 and September 6, 2011, the Council of the Village of Winnetka (“*Village Council*”) adopted Ordinances No. M-2-2011 and M-13-2011, which established a special service area designated as “Special Service Area Number Four” (“*SSA No. 4*”), for the purpose of construction and maintenance of certain capital improvements; and

**WHEREAS**, Ordinance No. M-2-2011 and Ordinance No. M-13-2011 (collectively, the “*SSA Ordinances*”) also authorized the Village to finance improvements in SSA No. 4; and

**WHEREAS**, all improvements contemplated by the SSA Ordinances have been completed, and the Village has not issued a tax levy over SSA No. 4 since the 2015 tax year and there are no excess funds in the SSA No. 4 fund; and

**WHEREAS**, the Village Council has determined that terminating SSA No. 4 is in the best interest of the Village;

**NOW, THEREFORE**, be it ordained by the President and Board of Trustees of the Village of Winnetka as follows:

**SECTION 1: RECITALS.** The foregoing recitals are hereby incorporated as the findings of the Council of the Village of Winnetka, as if fully set forth in this Section.

**SECTION 2: TERMINATION.** The following special service areas are hereby terminated:

<b>Agency Name</b>	<b>Agency No.</b>
Village of Winnetka Special Service Area 4	03-1340-103

**SECTION 3: FILING WITH COUNTY CLERK.** After the effective date of this Ordinance, the Village Clerk is authorized and directed to file a certified copy of this Ordinance in the Office of the Cook County Clerk.

**SECTION 4: EFFECTIVE DATE.** This Ordinance shall take effect immediately upon its passage, approval, and publication as provided by law.

**PASSED** this \_\_\_\_ day of \_\_\_\_\_, 2016, pursuant to the following roll call vote:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2016.

Signed:

\_\_\_\_\_  
Village President

Countersigned:

\_\_\_\_\_  
Village Clerk

Published by authority of the  
President and Board of Trustees  
of the Village of Winnetka,  
Illinois, this \_\_\_\_ day of \_\_\_\_\_,  
2016.

Introduced: November 15, 2016

Passed and Approved: December 6, 2016

**ORDINANCE NO. M-16-2016**

**AN ORDINANCE  
TERMINATING SPECIAL SERVICE AREA NUMBER FIVE  
OF THE VILLAGE OF WINNETKA**

**WHEREAS**, on April 26, 2011 and September 6, 2011, the Council of the Village of Winnetka (“*Village Council*”) adopted Ordinances No. M-3-2011 and M-14-2011, which established a special service area designated as “Special Service Area Number Five” (“*SSA No. 5*”), for the purpose of construction and maintenance of certain capital improvements; and

**WHEREAS**, Ordinance No. M-3-2011 and Ordinance No. M-14-2011 (collectively, the “*SSA Ordinances*”) also authorized the Village to finance improvements in SSA No. 5; and

**WHEREAS**, all improvements contemplated by the SSA Ordinances have been completed, and the Village has not issued a tax levy over SSA No. 5 since the 2015 tax year and there are no excess funds in the SSA No. 5 fund; and

**WHEREAS**, the Village Council has determined that terminating SSA No. 5 is in the best interest of the Village;

**NOW, THEREFORE**, be it ordained by the President and Board of Trustees of the Village of Winnetka as follows:

**SECTION 1: RECITALS.** The foregoing recitals are hereby incorporated as the findings of the Council of the Village of Winnetka, as if fully set forth in this Section.

**SECTION 2: TERMINATION.** The following special service areas are hereby terminated:

Agency Name	Agency No.
Village of Winnetka Special Service Area 5	03-1340-104

**SECTION 3: FILING WITH COUNTY CLERK.** After the effective date of this Ordinance, the Village Clerk is authorized and directed to file a certified copy of this Ordinance in the Office of the Cook County Clerk.

**SECTION 4: EFFECTIVE DATE.** This Ordinance shall take effect immediately upon its passage, approval, and publication as provided by law.

**PASSED** this \_\_\_\_ day of \_\_\_\_\_, 2016, pursuant to the following roll call vote:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2016.

Signed:

\_\_\_\_\_  
Village President

Countersigned:

\_\_\_\_\_  
Village Clerk

Published by authority of the  
President and Board of Trustees  
of the Village of Winnetka,  
Illinois, this \_\_\_\_ day of \_\_\_\_\_,  
2016.

Introduced: November 15, 2016

Passed and Approved: December 6, 2016

**AN ORDINANCE  
ABATING THE TAX HERETOFORE LEVIED  
FOR THE YEAR 2016  
TO PAY THE PRINCIPAL OF AND INTEREST ON  
\$9,000,000 GENERAL OBLIGATION BONDS, SERIES 2013,  
OF THE VILLAGE OF WINNETKA, COOK COUNTY, ILLINOIS**

**WHEREAS**, the Village of Winnetka (“Village”) is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970 and, pursuant thereto, has the authority, except as limited by said Section 6 of Article VII, to exercise any power and perform any function pertaining to the government and affairs of the Village, including the power to tax; and

**WHEREAS**, the Council of the Village of Winnetka, Cook County, Illinois (the “Village Council”), by Ordinance Number M-15-2013, adopted on the 5<sup>th</sup> day of November, 2013 (the “Ordinance”), did provide for the issue of \$9,000,000 General Obligation Bonds, Series 2013 (the “Bonds”), for the financing of certain improvements to the stormwater system of the Village and for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Bonds; and

**WHEREAS**, the Village has deposited sufficient funds in the appropriate fund pursuant to the Ordinance, for the purpose of paying the principal of and interest on the Bonds up to and including December 15, 2016; and

**WHEREAS**, it is necessary and in the best interests of the Village that the tax heretofore levied for the year 2016 to pay the principal of and interest on the Bonds be abated.

**NOW, THEREFORE**, be it ordained by the President and Board of Trustees of the Village of Winnetka, as follows:

**SECTION 1: Abatement of Tax.** The tax heretofore levied for the year 2016 of Nine Hundred Sixty-Nine Thousand Nine-Hundred Fifty Dollars (\$969,950.00) in Ordinance Number M-15-2013 to pay the principal of and interest on \$9,000,000 General Obligation Bonds, Series 2013, of the Village of Winnetka, Cook County, Illinois, is hereby abated in its entirety.

**SECTION 2: Filing of Ordinance.** Forthwith upon the adoption of this Ordinance, the Village Clerk shall file a certified copy hereof with the County Clerk of the County of Cook, Illinois, and it shall be the duty of said County Clerk to abate said tax levied for the year 2016 in accordance with the provisions hereof.

**SECTION 3: Home Rule.** This Ordinance is adopted by the Council of the Village of Winnetka in the exercise of its home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970.

[Remainder of this page intentionally left blank.]

**SECTION 4: Effective Date.** That this Ordinance shall be in full force and effect from and its passage, approval, and posting as provided by law.

**PASSED** this \_\_\_ day of \_\_\_\_\_, 2016, pursuant to the following roll call vote:

AYES:

NAYS:

ABSENT:

**APPROVED** this \_\_\_ day of \_\_\_\_\_, 2016.

Signed:

Village President

Countersigned:

Village Clerk

[Seal]

Published by authority of the President and Board of Trustees of the Village of Winnetka, Illinois, this \_\_\_ day of \_\_\_\_\_, 2016.

Introduced: November 15, 2016

Passed and Approved: December 6, 2016

**AN ORDINANCE  
ABATING THE TAX HERETOFORE LEVIED  
FOR THE YEAR 2016  
TO PAY THE PRINCIPAL OF AND INTEREST ON  
\$7,500,000 GENERAL OBLIGATION BONDS, SERIES 2014,  
OF THE VILLAGE OF WINNETKA, COOK COUNTY, ILLINOIS**

**WHEREAS**, the Village of Winnetka (“Village”) is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970 and, pursuant thereto, has the authority, except as limited by said Section 6 of Article VII, to exercise any power and perform any function pertaining to the government and affairs of the Village, including the power to tax; and

**WHEREAS**, the Council of the Village of Winnetka, Cook County, Illinois (the “Village Council”), by Ordinance Number M-16-2013, adopted on the 3<sup>rd</sup> day of December, 2013 (the “Ordinance”), did provide for the issue of \$7,500,000 General Obligation Bonds, Series 2014 (the “Bonds”), for the financing of certain improvements to the stormwater system of the Village and for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Bonds; and

**WHEREAS**, the Village has deposited sufficient funds in the appropriate fund pursuant to the Ordinance, for the purpose of paying the principal of and interest on the Bonds up to and including December 15, 2016; and

**WHEREAS**, it is necessary and in the best interests of the Village that the tax heretofore levied for the year 2016 to pay the principal of and interest on the Bonds be abated.

**NOW, THEREFORE**, be it ordained by the President and Board of Trustees of the Village of Winnetka, as follows:

**SECTION 1: Abatement of Tax.** The tax heretofore levied for the year 2016 of Three Hundred Forty-Five Thousand One-Hundred Dollars (\$345,100.00) in Ordinance Number M-16-2013 to pay the interest on \$7,500,000 General Obligation Bonds, Series 2014, of the Village of Winnetka, Cook County, Illinois, is hereby abated in its entirety.

**SECTION 2: Filing of Ordinance.** Forthwith upon the adoption of this Ordinance, the Village Clerk shall file a certified copy hereof with the County Clerk of the County of Cook, Illinois, and it shall be the duty of said County Clerk to abate said tax levied for the year 2016 in accordance with the provisions hereof.

**SECTION 3: Home Rule.** This Ordinance is adopted by the Council of the Village of Winnetka in the exercise of its home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970.

[Remainder of this page intentionally left blank.]

**SECTION 4: Effective Date.** This Ordinance shall be in full force and effect from and its passage, approval, and posting as provided by law.

**PASSED** this \_\_\_ day of \_\_\_\_\_, 2016, pursuant to the following roll call vote:

AYES:

NAYS:

ABSENT:

**APPROVED** this \_\_\_ day of \_\_\_\_\_, 2016.

Signed:

---

Village President

Countersigned:

---

Village Clerk

[Seal]

Published by authority of the President and Board of Trustees of the Village of Winnetka, Illinois, this \_\_\_ day of \_\_\_\_\_, 2016.

Introduced: November 15, 2016

Passed and Approved: December 6, 2016