

VILLAGE WORK SESSION MEETING
January 10, 2017 – 7:30 p.m.

AGENDA (continued – Page 2)

9. Public Works Committee Items

- A. Discussion & Action – Leaf Loading, Transportation and Disposal – Payment of Invoice from Rainbow Farm Enterprises – *Motion: Increasing authorized spending for leaf removal from \$30,000.00 to \$31,590.00, and approving payment of Invoice 34428 to Rainbow Farm Enterprises in the amount of \$7,605.00.*
- B. Discussion – Authorization to Participate in Fuel Purchasing Program – *Motion: Authorizing participation in the WEX Government Fleet Card Program and authorizing the Village Manager or her designee to execute the necessary documents to participate in the program.*
- C. Discussion – Sale of Surplus Equipment – *Motion: Adopting an ordinance declaring 54 water meters which were replaced during the 2016 Commercial Water Meter Replacement Project and 17 Residential meters as surplus.*
- D. Discussion – 2016/17 Sewer Cleaning and Televising Program – *Motion: Accepting the bid from __ (TBD) in the amount of \$__(TBD), plus a twenty percent contingency should additional locations for cleaning/televising become identified this fiscal year; and authorize the Village Manager to execute the contract documents.*

10. Finance Committee Items

- A. Discussion – Water and Sewer Rate Study – *Motion: To engage Baxter and Woodman to perform a water and sewer rate study in the not to exceed amount of \$29,500 and authorize the Village Manager to execute an agreement.*
- B. Discussion – Local Government Travel Expense Control Act – *Motion: To approve a "Resolution Adopting a Travel Expense Reimbursement Policy in Accordance with the Local Government Travel Expense Control Act".*
- C. Discussion – Bank Services – *Motion:*
 - (1) *Approve a banking resolution for MB Financial Bank*
 - (2) *To approve a banking services agreement and collateral agreement with MB Financial Bank.*
- D. Discussion & Action – PayPal Payment Processing – *Motion: To approve the use of PayPal for payment processing.*

11. Other Reports

- A. Village Manager
- B. Village President
- C. Village Clerk

Public Works Committee Divider

Michael Sheehan, Chairman

Jamie Zaura

Scott Mesick

Village Board Agenda Memo

Date: 12/27/16

To: Village President and Board of Trustees

From: Brendan McLaughlin, Director of Public Works *BJM*
Julia Cedillo, Village Manager *JC*

Re: **2016 Leaf Loading, Transportation and Disposal**
Payment of Invoice from Rainbow Farm Enterprises

PURPOSE: Staff is seeking approval from the Board to increase the authorized spending amount from \$30,000.00 to \$31,590.00 for leaf loading, transportation and disposal.

GENERAL BACKGROUND:

At the Village Board meeting on September 27, 2016, the Board approved entering into a contract with Rainbow Farm Enterprises for an amount not to exceed \$30,000.00. To date, the Village has paid \$23,985.00 for leaf loading, transportation and disposal. The final invoice for leaf removal services, Invoice 34428 dated 12/26/16 is \$7,605.00, and will exceed the contract amount by \$1,590.00. 54 loads of leaves were removed, which is 3 more loads than anticipated.

In this fiscal year, the Village has budgeted in the Public Works Fund – Refuse Collection & Disposal (#01-44-3-324) \$30,000.00 for the Village’s annual leaf removal program. The added costs will be absorbed within the Public Works budget. The line item for Building & Landscape Maintenance Materials is projected to be under budget by at least \$1,590.00.

STAFF RECOMMENDATION:

Staff recommends increasing the authorized spending from \$30,000.00 to \$31,590.00.

MOTION/ACTION REQUESTED:

This item is being placed on the January 10th Village Work Session for discussion and action.

Motion increasing authorized spending for leaf removal from \$30,000.00 to \$31,590.00, and approving payment of Invoice 34428 to Rainbow Farm Enterprises in the amount of \$7,605.00.

DOCUMENTATION

- Rainbow Farm Enterprises, Inc. Invoice 34428 dated 12/26/16

Village Board Agenda Memo

Date: 09/02/2016
To: Village President and Board of Trustees
From: Brendan McLaughlin, Director of Public Works
Julia Cedillo, Village Manager
Re: 2016 Leaf Loading, Transportation and Disposal

COPY

PURPOSE: Staff is seeking the Board’s approval to accept the lowest bid for the 2016 Leaf Loading, Transportation and Disposal program from Rainbow Farm Enterprises.

GENERAL BACKGROUND:

The Village hires a contractor each year to dispose of the leaves that are removed from the streets and stockpiled by Public Works crews. Last year an estimated 3,000 cubic yards of leaves were removed and disposed of.

A Request for Proposal and Bid specifications were prepared, and a Legal Notice was published in the Suburban Life newspaper on August 3, 2016, soliciting bids. Bid packets were also mailed out to 10 contractors.

The following proposals were received:

<u>COMPANY</u>	<u>Cost Per Bucket</u>
Rainbow Farm Enterprises, Inc.	\$32.50
DisposAll Waste Services, Inc.	\$35.00
Homer Industries, LLC.	\$35.00
K.L.F. Enterprises, Inc.	\$42.00

Rainbow Farm’s pricing is based on eighteen buckets per truck load, and the Village will be invoiced per truck load.

In this fiscal year, the Village has budgeted in the Public Works Fund – Refuse Collection & Disposal (#01-44-3-324) \$30,000 for the Village’s annual leaf removal program.

STAFF RECOMMENDATION:

Staff recommends that the Board accept the proposal of Rainbow Farm Enterprises at the September 27th Board Meeting.

MOTION/ACTION REQUESTED:

Motion: (1) accepting the proposal of Rainbow Farm Enterprises, Inc. for the disposal of leaves in the amount of \$32.50 per bucket, based on 18 Buckets Invoiced per Truck Load, for a total contract amount not to exceed \$30,000, and (2) authorize the Village Manager to execute the necessary contract documents.

Purchase Approval Form

Village of La Grange Park

<u>For Finance Department Use</u>	Address Verified: <input type="checkbox"/>	W9 Received: <input type="checkbox"/>
Vendor #: _____	Check Date: _____	Check #: _____
Invoice # / Date: _____ / _____	PO #: _____	

Department: PUBLIC WORKS Date: 1/4/2017

Vendor Name: RAINBOW FARMS

Vendor Contact: _____ Vendor Phone #: 708/534-1070

Payment Address: 25715 S Ridgeland Ave, Monee IL 60449

Budget Account #	Description	Amount
01-44-3-324	2016 Leaf Removal/Hauling	\$ 7,605.00
	Invoice 34428 dated 12/26/16	
	Leaf Removal on 12/20, 12/21 & 12/22/16	
	(13 loads @\$585/load)	
	(Per Contract dated 9/27/16, not to exceed \$30,000)	
	Total:	\$ 7,605.00

Materials and/or services were received and accepted:

Received by Date Received

Purchase Approvals:

Purchased by Department Head

If purchase is over \$1,500 attach 3 price quotes or describe reason for not obtaining 3 quotes.

Purchases over \$1,500 require Village Manager approval:

Village Manager

If purchase is \$10,000 or over, date of Village Board approval:

9/27/2016
Board Approval Date

Rainbow Farm Enterprises, Inc

Invoice

25715 S. Ridgeland Ave
 Monee, IL 60449
 708/534-1070
 708/534-1138 FAX

DATE	INVOICE NO.	TICKET #
12/26/2016	34428	

BILL TO
 Village of LaGrange Park
 Attn: Accounts Payable
 937 Barnsdale Rd
 LaGrange Park IL 60526

SHIP TO
 Week of 12/19 - 12/23/16
 COMPLETE

SHIP DATE	TERMS	P.O. NO.
12/20/2016	Net 30	

DESCRIPTION	QTY	RATE	AMOUNT
Rick's Log Sheet #001480			
12/20 - Leaf Hauling per load	1	585.00	585.00
12/21 - Leaf Hauling per load	1	585.00	585.00
Ed's Log Sheet #001493			
12/20 - Leaf Hauling per load	4	585.00	2,340.00
12/21 - Leaf Hauling per load	3	585.00	1,755.00
12/22 - Leaf Hauling per load	2	585.00	1,170.00
Jimmy's Log Sheet #001500			
12/20 - Leaf Hauling per load	1	585.00	585.00
12/21 - Leaf Hauling per load	1	585.00	585.00

Total \$7,605.00



Village Board Agenda Memo

Date: 01/4/16

To: President and Board of Trustees

From: Brendan McLaughlin, Public Works Director *BSM*
Julia Cedillo, Village Manager *qu*

RE: **Authorization to Participate in Fuel Purchasing Program**

PURPOSE: To gain Village Board authorization to participate in the State of Illinois Joint Purchasing Program (WEX Government Fleet Card Program).

GENERAL BACKGROUND:

The Village had been procuring unleaded fuel through Citgo's Fleet Fuel Program. As of January 1, 2017 the Citgo at 31st and La Grange Road has changed to be a Mobil station. The signs have not been changed yet. As a result, a new method is needed to fuel the unleaded vehicles in the fleet. There are Citgo stations in La Grange and Brookfield and they are being used in the interim. However, it would be better to have employees fuel the vehicles in town.

The State of Illinois Joint Purchasing Program offers a program through WEX that allows our vehicles to fuel at a variety of gas stations including BP and Mobil – the two local stations. As the purchase of unleaded fuel runs close to \$50,000 per year, Village Board approval is needed to purchase fuel through this vendor.

STAFF RECOMMENDATION:

Authorize participation in the WEX Government Fleet Card Program and authorize the Village Manager or her designee to execute the necessary documents to participate in the program.

MOTION / ACTION REQUESTED:

Motion authorizing participation in the WEX Government Fleet Card Program and authorizing the Village Manager or her designee to execute the necessary documents to participate in the program..

DOCUMENTATION:

- January 4th email related to WEX – State of Illinois Fuel Card Program
- Promotional Material regarding The WEX Government Fleet Card Program

Becky Srejma

From: Becky Srejma
Sent: Wednesday, January 04, 2017 8:54 AM
To: Larry Noller
Subject: FW: Wex - State of Illinois Fuel Card Program
Attachments: Illinois Collaterals.pdf; FleetData New Customers.xls

Hi Larry,

I just got the information from Wex about their program. After researching Mobil (Exxon) and BP, this will ultimately be the most beneficial for the Village. *Yesterday when I spoke to the agent at Wex he wasn't sure what gas stations were available to the Village. After reviewing what came in this morning, the good news is that we will be able to use Mobil, BP and Citgo.*

Under a separate email I am sending you the Addendum that we need completed to start the process. I will fill in all the information which I can; if you could complete it and forward it back to Phil Kent at the email below – that would be great!

Thanks for your help. Please let me know if you have any questions/comments/concerns.
Becky

Becky Srejma
Administrative Assistant
Department of Public Works
VILLAGE OF LA GRANGE PARK
937 Barnsdale Road, La Grange Park IL 60526
708/352-2922 Ext. 102 Fax 708/354-9942
bsrejma@lagrangepark.org
Website: www.lagrangepark.org

From: Kent, Philip [mailto:Philip.Kent@wexinc.com]
Sent: Wednesday, January 04, 2017 8:12 AM
To: Becky Srejma <bsrejma@lagrangepark.org>
Subject: FW: Wex - State of Illinois Fuel Card Program

Thank you for your interest in learning more about the Wex State of Illinois fuel card program. I think you'll find our card an ideal solution for your entity's fueling needs!

Attached you will find the information for the Wex Fleet Program along with an application/addendum to the Fleet Card Contract between Wex and the State of Illinois.

Under this contract, the normal \$40 set-up fee and \$2 monthly card fees are waived for you.

Some of the other advantages of this agreement are:

- Earn 1.5% off all retail transactions charged to your account, (as long as you pay within the net-26 terms)
- Tax exemption at the time of billing and reporting for qualified fleets to significantly reduce administrative time.
- Online Account access to control and manage fleet purchases.
- Fuel Site Mapping Mobile Application allows your drivers to find the best priced convenient fuel station based on their current location.

Please see the website link below to identify the **fuel or service locations** our card can be used at:

<http://www.wexinc.com/accepting-locations>

If you are interested in our program, please **complete, sign and email or fax the attached application/addendum back to me at (207) 791-1661**

In the meantime, please don't hesitate to **contact me at (207) 523-6451** with any questions.

Thank you again for your interest in the Wex State of Illinois Fleet Program. I look forward to speaking with you again!

Thank you,
Phil Kent

Government Sales Executive
WEX Inc.
97 Darling Avenue, So. Portland, ME 04106
Office (207) 523-6451 Fax (207) 791-1661
www.wexinc.com



[Ask me about how our GPS Telematics Solution helps you manage & control your Fleet Costs](#)

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THE WEX[®] GOVERNMENT FLEET CARD PROGRAM



GOOD NEWS FOR YOUR BUDGET! YOU'RE ELIGIBLE TO PARTICIPATE IN THE STATE OF ILLINOIS FLEET MANAGEMENT PROGRAM.

The State has done all the homework and paperwork. As a state agency you can take advantage of the **State of Illinois Joint Purchasing Program** and **save as much as 15%* off** your overall fleet budget.

Sign up and take advantage of these unique benefits today:

- NO setup fees or card fees
- Valuable monthly rebates
- Tax exemption and reporting for qualified fleets
- Online account access and easy-to-read reports
- Fuel, service and parts all on one card
- Customer Service available 24 hours a day, 7 days a week

AND, THE WEX GOVERNMENT FLEET CARD IS ACCEPTED AT OVER 90% OF FUEL STATIONS NATIONWIDE.



Don't miss out on this FREE money-saving solution being offered by your state.

Simply complete and fax a Participation Addendum to 1-866-527-8873.

For more information, please call 1-866-527-8870 or visit www.wexinc.com/illinois.



*Actual savings may vary.

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ACCEPTED AT OVER 90% OF U.S. RETAIL FUELING LOCATIONS



ACCEPTING FUEL SITES



- | | | | | | | | | | |
|--------------|------------------|----------------|--------------|-----------------|--------------|--------------|-----------------|--------------|-----------------|
| AC & T | Crystal Flash | Express Stop | Giant | Johnson & Dixon | M & H | O'Connor | Road Ranger | Taylor Foods | Valley Dairy |
| Aloha | Cumberland Farms | Family Express | Git-n-Go | Xenyon | Macs Stores | OK Petroleum | Robinson Oil | TCI | Weigel Store |
| Aviation | D & D Oil | Farstad | Global | Xing Soopers | McClure Oil | Pantry | Rotten Robbie | Thornton Oil | Wesco |
| Bell Gas | Dairy Mart | Fast Track | Grow Mark | Koch | MFA Oil | Petro King | Royal Farms | TOTAL | Williams Travel |
| Bigfoot | Depot | Fauser Oil | Halley's | Kramer | Mr. Cut Rate | Petro Stop | Rutters | Town&Country | Xtra Fuels |
| Capital City | Drivers Traveler | FFP | Handy Andy's | Krause | Multi Serv | PRIDE | Rymes 24 | Trade Mart | Zip Mart |
| Carousel | Dynamic Mart | Flash Foods | Huck's | Kum & Go | NAPA | Pure | SC Fuels | Trade Oil | |
| Certified | Economy Mart | Food Chief | ICO | Kwik Pantry | Novus | Qik N EZ | Smokers Express | Tripar Oil | |
| City Garage | Eddins Walcher | Fuel Mart | Ideal | Lil Champ | NU-Way | Quality Oil | Sprint | US Oil | |
| Cogos | Enmark | Gas America | Inter City | Lucky Stop | Oasis | Quik Mart | Stewarts Shops | USCO | |

ACCEPTING SERVICE SITES



- | | | | | | | |
|-------------------|----------------------------|-------------------------|-------------------------|--------------------|------------------|--------------------------------------|
| American LubeFast | Daimler/Chrysler | Dodge BusinessLink™ | GM Goodwrench | Harmon Glass | Tire Centers Inc | ...and many regional and independent |
| Big O Tires | Diamond/Triumph Auto Glass | (LIMITED PARTICIPATION) | (LIMITED PARTICIPATION) | Netcost Auto Glass | Wash Depot | locations nationwide. |

FOR MORE INFORMATION, visit our website at www.wexinc.com/Illinois

PURCHASE CONTROLS

TIGHTER CONTROL OVER SPENDING

Enforce purchasing policies for piece of mind

The WEX fleet card offers a suite of control and alert tools that let you know **where, when, what,** and **how much** is being spent. Managed through our industry leading **WEX Online®** account management tool, these powerful tools provide actionable purchase policy enforcement capabilities.

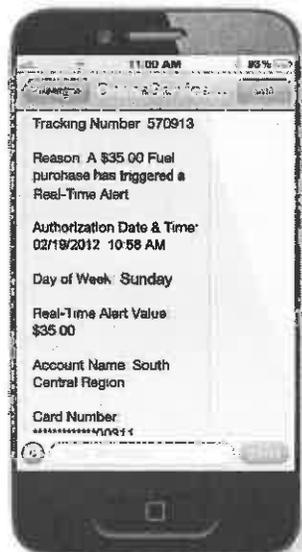
PRODUCT TYPE CONTROLS

When the card is swiped, merchant product codes automatically compare the purchase against pre-set card profile limits. If the product types are allowed, and the set limits have not been exceeded, we authorize the transaction, and the merchant completes the sale. If the card is beyond the limits, it will be declined.

You can set overall limits for all purchases for a specific time period — eg: daily, weekly, twice monthly, or monthly; and your fleet's total purchases for that period — transactions per period, dollars per period and gallons/units per period.

PUMP SHUT-OFF FEATURE

WEX now offers a powerful **pump shut-off feature*** to assist you with enforcement of policies. When a driver exceeds your pre-set limits, the pump will shut off. This feature is available at most major retail fuel brands.

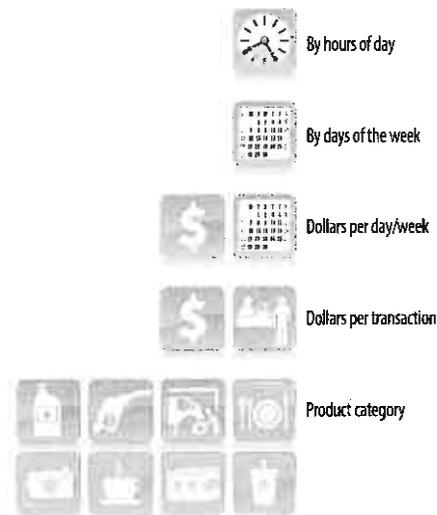


REAL TIME ALERTS

This control generates an alert detailing a purchase that is beyond your pre-set alert values. Choose to be notified by email or text, and make quick decisions on how best to deal with the situation at hand.

*Visit www.wexinc.com/pumpshutoff for list of accepting merchants.

WEX CONTROLS



For more information, visit
www.WEXinc.com/gov
866.527.8870

TAX PROGRAM PEACE OF MIND

Leverages tax exempt status to save time and money

WEX offers a comprehensive tax exemption, recovery and reporting program. This program is designed to meet the needs of state, local and federal government fleets. We help public sector customers leverage their tax-exempt status, thanks to our proprietary network and 99.8% Level III data capture.

TAX EXEMPTION

As the credit card issuer, WEX Financial Services Corporation is registered with the IRS and will net bill for Federal Excise Taxes, and in certain states State Excise Taxes. We will net bill qualified fleets for U.S. gasoline and diesel fuel purchases. We will also exempt state and local taxes on fuel purchases, depending on merchant participation. We report on exempted and reported taxes at the transaction level, and provide online and hard copy summaries.

BILLING PROGRAM

Most major fuel merchants participate in our **tax-exempt net billing program**, including ExxonMobil®, Shell, Sunoco, BP, Amoco, Phillips, Marathon. If the merchant has elected not to participate, or tax law prohibits participation, we calculate the tax and provide detailed reporting.

10 LEVELS OF TAX IDENTIFICATION, EXEMPTION, AND RECOVERY

WEX subscribes to **CCH and RIA Checkpoint**, leading providers of tax research (RIA is used by the IRS). Daily Tax Alerts include notifications of federal/state tax law, and rate changes. We have relationships with Departments of Revenue in each state, and regularly monitor state tax-related websites.

FAST FACTS

- Service for over **271,500 federal fleet cards**, plus **605,000 state and local vehicles**
- Process **48.9 million tax exempt transactions** (2012)
- Process **827 million gallons** of tax exempt fuel transactions (2012)
- More than **\$3.3 billion** in tax exempt transactions (2012)



For more information, visit
www.WEXinc.com/gov
866.527.3870

WEX ONLINE® REPORTING

Specialized reports put facts in your hands

WEX Online offers a suite of reporting capabilities. Our specialized fleet management reports give you the power to save money, cut administrative time, comply with tax regulations, and more.

STANDARD AND CUSTOM REPORTS

WEX Online offers both standard and custom reports, so you get the type of information you need.

EXAMPLES:

Purchase Activity Report (PAR) — compile information on all fueling and maintenance purchases made with the WEX Universal Fleet card — for hundreds of vehicles or just a few.

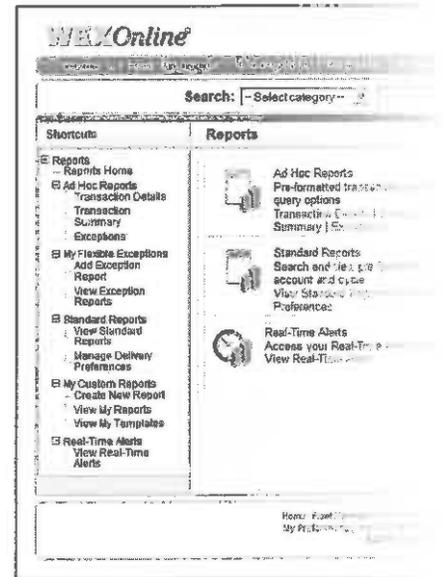
Premium Custom Reports — select your criteria to generate ad hoc, real-time reports: Exception, Transaction Summary, and Transaction Detail reports. Export these reports directly into your own spreadsheet, to easily analyze and share your data.

Summary Reports — use our Financial Summary, Site Summary and Exception Summary reports to manage your vehicle-related expenses and plan your fleet budget.

Tax Exemption Reports — for qualified tax-exempt fleets, monthly report packages provide tax information at both the transaction and summary level, and will include all tax exemptions that can be applied to your account under our program.

Minority and Women-Owned Businesses Report (MWOBE) — a quarterly report, summarizing by fleet account and month, transactions, gallons and dollars spent at MWOBE fuel and service locations.

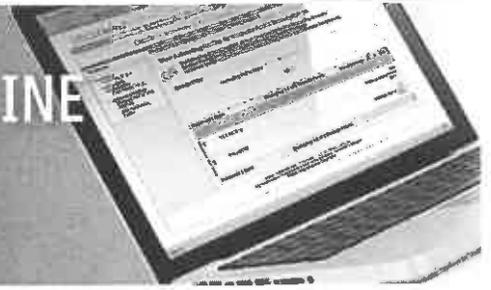
FAST FACTS



For more information, visit
www.WEXinc.com/gov
 866.527.8870

MANAGE YOUR ENTIRE FLEET ONLINE

WEX Online[®] is your fleet management portal



WEX Online[®] is a cutting-edge web-based tool that provides you access to view and manage every detail of your fleet card program. **It is Section 508 compliant.** We created the site to put information at your fingertips 24/7 so you can take action as needed.

PROFILE MANAGER

The profile manager allows you to establish purchase control profiles for individuals, groups of drivers, vehicles and more. Set rules for how the card can be used, how often, and when. Add spend limits for fuel, service, parts, and general merchandise. Your rules will be embedded in the respective cards — if a transaction exceeds your limits, the system will decline the purchase. You set the control limits. We enforce them.

EXPENSE MANAGEMENT TOOLS

WEX Online[®] makes it easy to manage your fleet spend in one central place. Set up profiles, billing, and reporting functions, limits, and restrictions. Add custom fields and assign codes, such as General Ledger (GL). Run queries on purchase transactions, vehicles and drivers.

FUEL PRICE MAPPING

Our **Fuel Site Locator** combines fuel transaction data with Google Maps[™] to help drivers find current best prices by city, state, zip, fuel type, PPG, or brand. Find the lowest cost fuel stations with our fuel price mapping technology, which updates prices hourly. **WEX Connect** is a free mobile app, which gives drivers access on the road.



For more information, visit
www.WEXinc.com/gov
 866.527.8870

**ADDENDUM TO THE FUEL CARD SERVICES AGREEMENT BETWEEN
WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION ("WEX FSC")
AND THE STATE OF ILLINOIS (the "STATE")**

CREDIT INFORMATION

Participating Entity agrees that in the event the account is not paid as agreed, WEX FSC may report the undersigned's liability for and the status of the account to credit bureaus and others who may lawfully receive such information.

Participating Entity		Phone #		Fax#	
Headquarters Name and Physical Address (Do not include PO Box)				Applicant's Taxpayer ID # (TIN, FEIN or SSN)	
In Business Since (yyyy)	Year of Incorporation (yyyy)	Number of Vehicles	Avg Monthly Fuel Expenditures \$	Avg Monthly Service Expenditures \$	

ACCOUNT SETUP INFORMATION

Write Participating Entity name as you wish it to appear on cards. Limit of 20 characters & spaces. Unless specified, no company name will appear on cards.

<input type="text"/>																			
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Billing Contact		Billing Address		City	State	Zip+4
Designate the Fleet Contact authorized to receive all charge cards, reports, and other such information we provide from time to time and to take actions with respect to your account and account access. This is also the person designated by your company to provide all fleet vehicles, driver and other information we may request.						
Authorized Fleet Contact Name		Title	Phone #		Fax #	
Mailing Address (if different from billing address)			City	State	Zip+4	
Email address (required to take advantage of product type card controls)						
Card Controls: To help us estimate your credit needs, indicate the types of cards you anticipate using.						
If you provide a valid email address above, you can select from these product type options:						
<input type="checkbox"/> All Products <input type="checkbox"/> Fuel & Service <input type="checkbox"/> Fuel & Fluids with Roadside Assistance <input type="checkbox"/> Fuel with Roadside Assistance <input type="checkbox"/> Mix of card types						
<input type="checkbox"/> Check here if business is exempt from motor fuels tax						

TERMS

DEFINITIONS:

"Agreement" means: Contract No. CMS0375720 effective August 31, 2009 for Fuel Cards and Fuel Management Services (the "Agreement") between the (the State and WEX FSC.

"Participating Entity" shall mean the Participating Entity as defined in the Agreement permitted to purchase services under the Agreement, as specified in the Credit Information above.

All other capitalized terms used in this Addendum without definition have the meanings set forth in the Agreement.

AGREEMENTS OF WEX FSC AND PARTICIPATING ENTITY:

1. This Addendum is to allow the Participating Entity to participate under the Agreement between WEX FSC and the State. It does not modify, amend or change the Agreement in any way.
2. Participating Entity represents that it is authorized or allowed by the laws of its home state to enter into this Addendum and to participate under the Agreement.
3. Participating Entity hereby requests the services of WEX FSC described in the Agreement and agrees to perform all duties of a Participating Entity under the Agreement, including, without limitation, payment of all charges on its account(s) within the time periods provided under the Agreement, payment of any fees provided in the Agreement, and cooperation with respect to providing all necessary information for the administration of the Agreement. Participating Entity agrees to be bound by the terms and conditions of the Agreement, including, without limitation, rules for authorized and unauthorized use of cards, disputes of charges, reporting lost and stolen cards, and all other rules and provisions relating to use of Participating Entity's account.
4. Participating Entity acknowledges that its failure to make timely payment in accordance with the terms of the Agreement and/or the Addendum may result in suspension or cancellation of the account(s). The undersigned represents and warrants that he/she is duly authorized to execute this Addendum on behalf of the Participating Entity and this Addendum is the valid and binding obligation of the Participating Entity, enforceable in accordance with its terms.

INFORMATION SHARING DISCLOSURE: Information regarding your transactions may be provided to accepting merchants or their service providers to facilitate discounts or other promotional campaigns of interest to you.

U.S.A. PATRIOT ACT: Our bank complies with Section 326 of the USA PATRIOT Act which requires all financial institutions to obtain, verify, and record information that identifies each company or person who opens an account. What this means for you: when you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents for your business.

DISCLAIMER: THIS IS AN APPLICATION FOR SERVICES AND SHALL NOT BE BINDING UPON WEX FSC UNTIL FINAL CREDIT APPROVAL HAS BEEN GRANTED BY WEX FSC.

CONTRACTING AGENCY AUTHORIZED SIGNATURE REQUIRED

Any person signing on behalf of the Participating Entity has been duly authorized by all necessary action of Applicant's governing body, and that the undersigned is authorized to make this application on behalf of the Participating Entity.

Signature: _____	Printed Name: _____
Title: _____	Date: _____

Complete and sign addendum. Fax to 1-866-527-8873.

FOR OFFICE USE ONLY	Oppty Number	Sales Code	Plastic Type	Coupon Code IL5	Account Number 04
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Village Board Agenda Memo

Date: 1/4/2017

To: President and Board of Trustees

From: Brendan McLaughlin, Public Works Director
Julia Cedillo, Village Manager

BSM

JC

RE: Sale of Surplus Equipment

PURPOSE: To declare 54 water meters which were replaced during the 2016 Commercial Water Meter Replacement Project and an additional 17 residential meters as scrap.

GENERAL BACKGROUND:

On March 8, 2016, the Village Board authorized the purchase of 54 Census Omni meters as part of the 2016 Commercial Water Replacement Project, and over the past six months, those new water meters were installed. The Department of Public Works sold the obsolete meters along with 17 residential meters and some miscellaneous items to United Meter Buyers and received \$900.

This vendor purchases old water meters and comes to your site to pick them up. This process saves staff time from loading a truck and driving to another location and back. Also, area scrap metal buyers only want the metal portions and the stripping of the plastic from the meters is so time consuming that it would not be worth having employees spend their workday stripping meters.

Public Works was operating under the assumption that by the fact that these are replacement meters, it was obvious that the old meters were scrap. As such, we thought it was implied that the old meters were surplus. For accounting reasons, it was determined that Village Board approval of the old meters being surplus should be documented. As a result, this agenda item was prepared so that the Village Board can officially declare the 71 meters as surplus.

STAFF RECOMMENDATION:

Staff recommends the Board adopt an Ordinance declaring 54 water meters which were replaced during the 2016 Commercial Water Meter Replacement Project and 17 residential meters as surplus.

MOTION / ACTION REQUESTED:

Motion adopting an Ordinance declaring 54 water meters which were replaced during the 2016 Commercial Water Meter Replacement Project and 17 residential meters as surplus.

DOCUMENTATION:

- Board memo dated 3/5/16
- Ordinance Authorizing the Sale of Surplus Property Owned By the Village of La Grange Park, Illinois

VILLAGE BOARD AGENDA MEMO

COPY

DATE: 3/5/2016

TO: President and Board of Trustees

FROM: Brendan McLaughlin, Director of Public Works
Julia Cedillo, Village Manager

RE: 2016 Commercial Water Meter Replacement Project

PURPOSE: The purpose of this agenda item is to authorize the purchase and installation of 54 commercial water meters at identified locations throughout the Village, using funds budgeted in the FY15/16 Water Fund.

DISCUSSION:

The commercial water meter replacement project includes 54 water meters which have been identified in the Village's commercial, industrial, school and larger apartment complex areas. The meters were originally installed in 2000. Due to new EPA "low lead standards" replacement parts for these meters are no longer available and staff cannot repair the existing meters. Water meter technology has improved in the last fifteen years to allow better measurement of low flow usage on large commercial meters. The new meters are designed with floating ball technology, which makes the impellar weightless in water and which reduces the chances of problems going forward and increases the accuracy of the meters. The meters also have all electronic registers which eliminates rotating numbers which can under read.

The specifications for this project are for Census Omni Meters which are compatible with our existing meters. No new equipment or software are needed to integrate the new meters into our meter reading and utility billing systems. HD Waterworks is the authorized vendor for Census meters in the Chicagoland Region. A list of meter sizes, costs and appurtenances is attached. Total cost for equipment for the Commercial Meter Replacement Program is estimated at \$49,918. A ten percent contingency should field conditions be different is requested.

Bid Specifications were prepared by Village Staff for the installation portion of this project. A Request for Proposal was published in the Suburban Life Newspaper on February 10, 2016. The bid opening was held on March 1st, and the lowest responsible bidder was Done-Rite Plumbing, Inc. with a total bid of \$18,729.00. The following bids were received:

- Calumet City Plumbing & Heating Co. Inc. \$54,595.00
- United Meters, Inc. \$33,140.00
- Done-Rite Plumbing Inc. \$18,729.00

In this fiscal year, the Village has budgeted in the Water Fund – Supplies (03-44-5-576) \$109,682 for this program.

STAFF RECOMMENDATION

Staff is requesting that the Board authorize the meter purchase from HD Waterworks in the amount of \$49,918 plus a ten percent contingency and accept the bid proposal from Done-Rite Plumbing Inc. in the amount of \$18,729.00.

MOTION / ACTION REQUESTED

This item is being placed on the March 8, 2016, Work Session for discussion and action.

A motion to:

- (1) authorize the purchase of 54 Census Omni meters and appurtenances from HD Waterworks to be expensed to the FY16 Water Fund in an amount not to exceed \$49,918, plus a ten percent contingency; and
- (2) accept the proposal of Done-Rite Plumbing Inc. in the amount of \$18,729.00 for meter installation, plus a ten percent contingency to be expensed to the FY16 Water Fund; and
- (3) authorize the Village President to execute the contract documents.

ORDINANCE NO. _____
AN ORDINANCE AUTHORIZING THE SALE OF SURPLUS PROPERTY
OWNED BY THE VILLAGE OF LA GRANGE PARK, ILLINOIS

NOW THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LAGRANGE PARK, COOK COUNTY, ILLINOIS AS FOLLOWS:

SECTION 1: Pursuant to 65 ILCS 5/11-76-4, the President and Board of Trustees of the Village find that the following property of the Village of LaGrange Park, Illinois is surplus property and no longer necessary or useful, and find that it is in the best interest of the Village to sell the following property:

- 54 Commercial Water Meters
- 17 Residential Water Meters

SECTION 2: The Village Manager or her designee is authorized to sell the above described surplus property in accordance with the law.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4: This ordinance shall be in full force and effect from its passage, approval and publication as provided by law.

ADOPTED BY THE PRESIDENT AND THE BOARD OF TRUSTEES of the Village of La Grange Park, Cook County, Illinois this _____ day of June, 2016.

YES:

NOS:

ABSENT:

Approved this _____ day of January, 2017.

Dr. James L. Discipio, Village President

ATTEST:

Amanda G. Seidel
Village Clerk

APPROVED AS TO FORM-

C. Keating, Village Attorney

Brendan McLaughlin

From: Brendan McLaughlin
Sent: Wednesday, January 4, 2017 8:55 AM
To: 'unitedmeterbuyers@yahoo.com'
Subject: La Grange Park - Bill of Sale
Attachments: united meter receipt.pdf

UNITED METERS -

I spoke to Gary and am forwarding you the original receipt.
Thank you for typing up a bill of sale for us.
Our accounting department wants something more formal for the file.
An email confirming the sale will do for today and the formal bill of sale is needed sometime next week.

Thanks -

Brendan McLaughlin
Public Works Director
Village of La Grange Park

In case the PDF is not clear:

QUANTITY	SIZE	PRICE	TOTAL
9	1 ½	11.00	99.00
28	2	16.00	448.00
5	3	25.00	125.00
1	4	35.00	35.00
2	MILK CRATES STRIPPED	75 X 1.50	112.50
3	1	7.00	21.00
25	5/8	1.50	37.50
1	MISC ELECTRONICS	22.00	22.00
TOTAL	--	--	900.00

VILLAGE BOARD AGENDA MEMO

Date: 01/04/2017

To: President & Board of Trustees

From: Brendan McLaughlin, Public Works Director *BSM*
Julia Cedillo, Village Manager *JC*

Re: 2016/17 Sewer Cleaning and Televising Program

PURPOSE:

The purpose of this agenda item is to award a contract for the 2016/17 Sewer Cleaning and Televising Program.

GENERAL BACKGROUND

The 2016/17 Sewer Cleaning and Televising Program will accomplish the cleaning and inspection of designated sewer pipes according to contract specifications. This work will be performed by a contractor at various locations in the Village, who will be supervised by the Director of Public Works and the Village Engineer, Hancock Engineering. Sewer maintenance is mandated by the MWRD, and performed annually by the Village as a preventive maintenance measure. The locations selected for this year also include streets to be replaced in 2017 and 2018.

Bid specifications were prepared and a Notice to Bidders requesting bids was distributed. A bid opening will be held on January 17, 2017, and the results of this bid along with a recommendation from the Village Engineer will be presented to the Board at their meeting on January 24th.

In this fiscal year, there is available in the Sewer Fund – Services (05-44-3-326) \$27,000 for cleaning and televising of sewers. Additional funds are available in the Sewer Fund – Capital Outlay line item if needed.

STAFF RECOMMENDATION:

Staff is requesting that the Board accept the recommendation of the Village Engineer at the Board Meeting on January 24, 2017.

MOTION / ACTION REQUESTED:

Motion: (1) accepting the bid from ___(TBD)___ in the amount of \$___(TBD)___, plus a twenty percent contingency should additional locations for cleaning/televising become identified this fiscal year; and (2) authorize the Village Manager to execute the contract documents.

Finance Committee Divider

Patricia Rocco, Chairwoman

Scott Mesick

James Kucera

Village Board Work Session Memo

Date: January 3, 2017

To: Finance Committee Chair Patricia Rocco
President Discipio and Board of Trustees

From: Larry Noller, Finance Director 
Brendan McLaughlin, Public Works Director
Julia Cedillo, Village Manager 

Re: **Water and Sewer Rate Study**

PURPOSE

Review staff recommendation to engage Baxter & Woodman to perform a water and sewer rate study.

BACKGROUND

The current Water Fund and Sewer Fund budgets include a total of \$30,000 for a water and sewer rate study. The purpose of the study is to review the long term operational and infrastructure needs of the Village's water and sewer systems and provide alternative rate plans that will provide the necessary funding.

The Village issued a request for proposal in November and six firms responded. Staff evaluated the proposals based on each firm's experience, quality of sample studies, number of hours proposed and cost. A summary of the firms' fees and proposed hours is attached.

STAFF RECOMMENDATION

Staff recommends that the Village Board approve an agreement with Baxter and Woodman to perform a water and sewer rate study. Baxter and Woodman has local experience performing water and sewer rate studies and has broad engineering experience with water and sewer infrastructure. Their proposed not to exceed fee of \$29,500 is in the middle of the range of proposed fees and is within the amount budgeted.

ACTION REQUESTED

This item is for discussion only. If there is consensus from the Village Board, the following motion will be included on the January 24th consent agenda for approval.

Motion to engage Baxter and Woodman to perform a water and sewer rate study in the not to exceed amount of \$29,500 and authorize the Village Manger to execute an agreement.

DOCUMENTATION

- Water and sewer rate study request for proposals.
- Summary of proposals.
- Baxter and Woodman proposal.

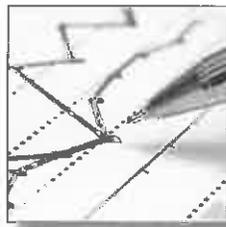
Village of La Grange Park
Water & Sewer Rate Study Summary of Proposals

Firm	Fee	Hours
Springsted	\$ 23,280	114
Ehlers	\$ 24,700	121
Baxter & Woodman	\$ 29,500	236
Trilogy	\$ 29,890	259
Municipal & Financial Services Group	\$ 36,800	224
Utility Financial Solutions	\$ 39,700	198

PROPOSAL TO

VILLAGE OF LA GRANGE PARK

Water & Sewer Rate Study



BAXTER & WOODMAN
Consulting Engineers

Submitted by:

Baxter & Woodman, Inc.

Consulting Engineers

Jim Sparber, PE

8430 W. Bryn Mawr Ave., Suite 400

Chicago, IL 60631

815.444.3385

www.baxterwoodman.com

December 09, 2016

Mr. Larry Noller
Finance Director
Village of La Grange Park
447 North Catherine Ave.
La Grange Park, Illinois 60526

December 09, 2016

Assisting the Village in Structuring Fair and Equitable Rates for Water/Sewer Services

Dear Mr. Noller:

During it's Village Board Strategic Planning, the Village of La Grange Park identified the following overarching principles as it's top three priorities:

- 1) Maintain Fiscal Responsibility with Sound Budget Practices
- 2) Improve and Maintain Infrastructure and Roads
- 3) Maintain and Communicate Good Government Practices and Services

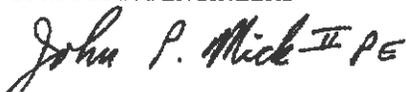
The methodology which Baxter & Woodman follows for developing rates studies and capital improvement plans will support all three of these priorities. In working with staff, our team will identify and prioritize the short term (5 year) capital needs of the water and sewer system, while also being mindful of the long term health of the overall system. The resultant plan will be one which balances the need to maintain quality services with the costs to rate payers. The detail provided in the Rate Study Report will serve as a communication tool detailing how user rates were developed. Why choose Baxter & Woodman to complete your study? Because you will benefit from a firm who...

- ◇ understands infrastructure system operations, capital improvement needs and ongoing maintenance costs, a definite advantage to hiring a municipal engineering firm;
- ◇ possesses the engineering knowledge of infrastructure systems and the life cycle of their maintenance, rehabilitation, and replacement, assuring you that projected expenses and their associated costs are based on practical knowledge and application; and
- ◇ has an established history of providing rate study recommendations that were successfully implemented in Lake Michigan water communities similar to La Grange Park, providing you confidence that this study will meet your goals.

Your proposed project team, specifically Jim Sparber, Lauren Schuld, and Kaitlin Kublank have completed system evaluations and rate studies that have resulted in rate structures that were implemented over a multi-year period and were acceptable to rate payers. Please find our Proposal and a copy of similar Study we prepared for the Village of Roselle enclosed. If you have any questions, feel free to contact me. We are ready to begin!

Sincerely,

BAXTER & WOODMAN, INC.
CONSULTING ENGINEERS


John P. Mick, II, PE

VILLAGE OF LA GRANGE PARK
Water & Sewer Rate Study • 161241.10

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Baxter & Woodman continues to be ranked on the Engineering News-Record's Top 500 Design Firms list. We are also recognized by Public Works Magazine as one of the Top 50 leading firms in public works projects in the nation.



FIRM QUALIFICATIONS



You will receive a successful rate study that includes a combination of engineering, financial, and utility management based evaluations, as well as a strong focus on stakeholder involvement and regular communication. Your Baxter & Woodman team will provide an objective analysis and recommendations based on industry standards, sound cost allocation principles, and a systematic approach to long-term infrastructure renewal funding.

SEWER RATE STUDY QUALIFICATIONS

Baxter & Woodman has prepared over 40 water and sewer rate studies over the last 11 years for these Illinois municipalities:

- ◇ Algonquin (2 studies)
- ◇ Bensenville (2 studies)
- ◇ Bourbonnais
- ◇ Carpentersville
- ◇ Cary
- ◇ Crystal Lake
- ◇ Des Plaines
- ◇ Elwood
- ◇ Elk Grove Village
- ◇ Elmhurst
- ◇ Glendale Heights
- ◇ Gurnee
- ◇ Hanover Park
- ◇ Hillcrest
- ◇ Hoffman Estates
- ◇ Huntley
- ◇ Itasca
- ◇ Kenilworth
- ◇ Lake Barrington
- ◇ Lakemoor
- ◇ Manteno (2 studies)
- ◇ Maple Park (2 studies)
- ◇ Morrison
- ◇ North Chicago
- ◇ Northbrook
- ◇ Park Ridge
- ◇ Plano (2 studies)
- ◇ River Forest
- ◇ Rochelle
- ◇ Roselle
- ◇ Round Lake
- ◇ South Elgin
- ◇ Stillman Valley
- ◇ Wheeling
- ◇ Winnebago
- ◇ Wood Dale



MUNICIPAL FOCUS

Baxter & Woodman, Inc. is licensed in the state of Illinois and has specialized in municipal engineering for 69 years. Over 95 percent of our business is from various forms of government - municipalities, counties, and state agencies. With this municipal sector focus, we have developed the staff, resources, and training to provide the full range of engineering services required by today's municipalities and public agencies.



COMPREHENSIVE ENGINEERING SERVICES

Baxter & Woodman's staff of 220 professionals includes sanitary, civil, transportation, mechanical, structural, electrical, and environmental engineers, wetland specialists, and water and wastewater operators. The engineering personnel is supported by technicians, surveyors, CAD operators, construction managers and inspectors, and

administrative assistants.
VILLAGE OF LA GRANGE PARK

Water & Sewer Rate Study * 161241.10

BAXTER & WOODMAN
Consulting Engineers

COMMITTED TO BUILDING COMMUNITY VALUE

Baxter & Woodman, Inc. provides engineering and consulting services to municipal, county, and state government agencies - we have since 1946. Our team offers expert services that stretch well-beyond typical engineering consulting. We are committed to building community value with each and every project we complete. We served the Village of La Grange Park well on the new emergency generator in Village Hall.

FIND & FUND

Finding funding to build your needed improvements.

CONNECT & COMMUNICATE

Helping build strong relationships and connecting with your community.

SAFE & SECURE

Keeping you safe and secure, count on us for reliable and responsive service.

Our expertise...

WATER

Master Planning
Rate Studies
Supply, Treatment, & Distribution Operations

WASTEWATER

Facilities Planning
Sanitary Sewer Evaluation & Rehabilitation
Conveyance & Treatment Operations
Pretreatment Programs

WATER RESOURCES

Master Planning & Modeling
Drainage Studies
Detention & Retention Basin
Storm Sewer Systems
Erosion Control
Groundwater Monitoring & Studies
Lust Investigations
Phase I & II Site Investigation
Wetlands Delineation

TECHNOLOGY

SCADA/Controls
Municipal IT
Security

GIS

Asset Management
Development/Training
Mapping
Data Collection/Conversion

TRANSPORTATION

Pavement Management Reports
Intersection Design Studies
Traffic Signal & Street Lighting
Streetscape
Bicycle/Pedestrian Paths
MFT Programs
Map-21 Study, Design & Construction
Bridge Engineering

GENERAL MUNICIPAL

Grant & Loan Funding
Plan Reviews
Comprehensive Land Use Plans
Capital Improvement Plans
Park/Recreational Development
Land Surveying
Public Relations



Rate Study Project Manager Jim Sparber, Water System Specialist Lauren Schuld and Sanitary Sewer Collection System Analyst Kaitlin Kublank will work hard to deliver a comprehensive Study that will help you plan and fund future maintenance needs.

UNDERSTANDING AND PROJECT APPROACH

The Village of La Grange Park's goal is to evaluate and update your rate structure to best reflect conditions and support system maintenance. Baxter & Woodman's approach to Water & Sewer Utility Rate studies is one of collaboration through an iterative process. Our approach is designed to accomplish the goals and objectives of your rate study and meet the Strategic Plan Goals of the Village in two components; (1) a water and sewer system capital plan (CIP) and (2) a rate study which incorporates the capital improvements identified in the CIP.

PHASE I: WATER AND SEWER SYSTEM CAPITAL IMPROVEMENT PLAN

Municipalities today are asked to meet more demands than ever. Aging infrastructure and new rules and regulations result in an ongoing juggling act with available capital budgets. The new Water and Sewer System CIP will provide the Village of La Grange Park with powerful information to help you efficiently and responsibly invest your capital.

Accurately Account for Water System Improvements

We propose a high level desktop process for the water and sewer system CIP. This evaluation will determine critical water system infrastructure and recommend detailed improvements for the next 5 year cycle with an eye toward the 20 year cycle. We will cross reference the proposed CIP with the Village's current street improvement plans to confirm the water system projects collaborate with planned street improvement projects, making the best use of your financial resources. The Water and Sewer System CIP process includes:

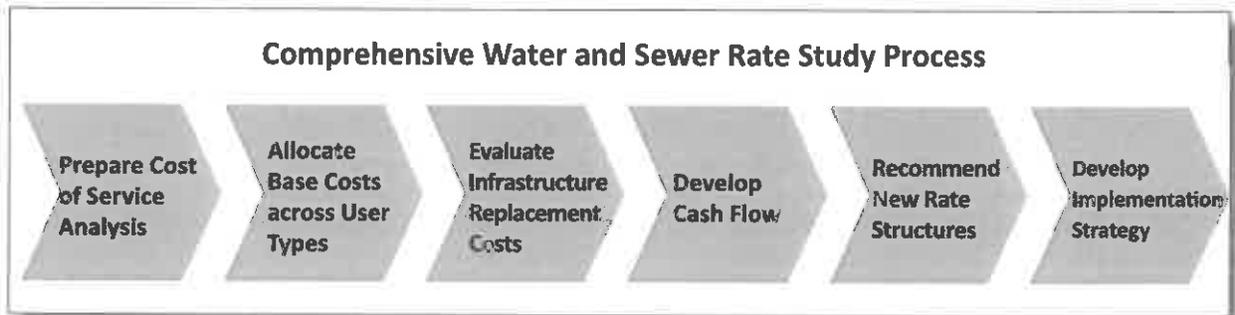
- Developing an inventory of your system from available data.
- Assessing the condition of system facilities and equipment and ranking needed improvements.
- Developing solutions and making recommendations for specific projects based on priority.
- Completing a 5-20 year CIP with planning cost estimates.

Once the CIP is complete, the Village can begin the Rate Study phase of the project.

LAKE MICHIGAN WATER EXPERIENCE

Lake Michigan water communities have been subject to significant rate increases from their water source suppliers over the last several years. Additionally, new IDNR regulations are now requiring further reductions in non-revenue water. Baxter & Woodman is familiar with La Grange Park's circumstances and has recently prepared studies for Lake Michigan water communities such as Hoffman Estates and Bensenville.





PHASE II: RATE STUDY

The second phase in this project will be to review and update the Village’s Water and Sewer Rate structure.

A Collaborative Process

Baxter & Woodman’s approach to Water & Sewer Utility Rate studies is one of collaboration through an iterative process. Developing a rate structure that is equitable to various classes of rate payers yet generates sufficient revenues to operate and maintain the needed infrastructure systems requires careful consideration of various alternative rate structures, as well as input from Village administrative, finance and public works staff and the Village’s elected officials. The perception of what is “fair” for various constituents is subjective. For this reason, we strongly encourage the involvement of one or more Trustees at key points of the rate development process.

Establishing a Fair and Equitable Rate Structure

Throughout the study process, Baxter & Woodman adheres to the guidelines established by the American Water Works Association (AWWA) and the Water Environment Federation (WEF) for developing cost of service analysis, distribution of costs across various user classes and general rate setting practices. Developing proposed rate structures within this framework of industry standards provides a solid basis for justifying rate increases to the public and Village Board.

Funding Capital Improvements

The recommended projects from the CIP will be used to develop and prioritize the capital investment needs for the Village. Our team will work with you to refine your capital



We are on top of the new I/I regulations recently adopted by Cook County and MWRDGC and have been proactively communicating important program information and requirements to our communities.

IEPA LOW INTEREST LOAN EXPERIENCE

Baxter & Woodman has assisted nearby communities in obtaining over \$150 Million in IEPA funding for water and wastewater improvements!

plan and rate structure in a way that balances the need for system maintenance and improvements with acceptable rates for users of the system.

Baxter & Woodman can assist the Village of La Grange Park in identifying projects where funding such as IEPA Low Interest Loan Funds (or other programs) may be appropriate.

Following is a detailed description of how we propose to work through the study process to accomplish the goal of maintaining a fiscally responsible, self-sustaining water and sewer fund.

Added Value - Public Communication

Development of the rate study will provide a sound foundation for elected officials to use as a basis for changes to the water rate structure. The next step is to effectively communicate to the public why a rate increase is necessary and how the changes will impact each individual.

While this task is not in the Village's scope of the project, please know that Baxter & Woodman has experience in public communication, and upon your request, can assist the Village in developing a strategy for communicating this information to the public through a variety of resources (mailings, websites, public open houses and other strategies).

PUBLIC COMMUNICATION

Baxter & Woodman is an active member of the ISAWWA, and our staff volunteer on the Water Efficiency Committee. One of their current tasks is to develop a Water Efficiency Toolbox, providing educational material emphasizing the value of water to be made available to municipalities for use in public education efforts.

SCOPE OF SERVICES AND WORK PLAN

Our Scope of Services and work plan are designed to accomplish the goals and objectives of your rate study and meet the Strategic Plan Goals of the Village. Our proposed scope of services breaks the project into two components; (1) a system capital improvement plan (CIP) and (2) a rate study which incorporates the capital improvements identified in the CIP.

PHASE I: SYSTEM CIP

- 1. Develop Inventory:** The first step in the Village's CIP project is to review the Village's utility inventory. This utility inventory process will utilize data created by the Village in your GIS (if available) or utility atlases as well as a site inspection of your pumping station and storage tanks. Critical information such as size, pipe type, and age will be included.

- *Deliverable: Spreadsheet summarizing major water and sewer system inventory.*



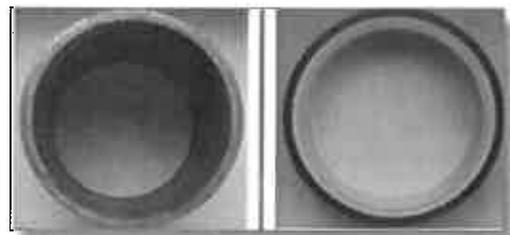
Water main break records can show trends in locations and pipe ages that need replacement or rehabilitation.

- 2. Assess Condition:** Condition assessment plays a critical role in the CIP process. We will work with Village staff to gain an understanding of the condition of your system assets. We need to understand the current condition of the utilities so that we can prepare an educated strategy for ongoing maintenance, rehabilitation or replacement.

Water system condition analysis includes gathering input from Village staff on areas with less than adequate pressure or fire flow, evaluation of main break history, and assessment of water quality complaints such as color or odor. Our field evaluation of the pumping and storage facilities will identify critical projects for budget and replacement. The sewer system evaluation will consist of input on any system backups, televising records or other system inspection records the Village may possess.

- *Deliverable: Spreadsheet summarizing condition assessment.*

- 3. Develop Solutions and Recommendations:** Once the areas of highest need have been prioritized, solutions to address those needs can be developed into specific projects. Alternate technologies and utility rehabilitation strategies will be considered such as water main lining. Pipe bursting and trenchless technologies



Replacement versus rehabilitation – thermoplastic lining or slip lining might be a more cost effective solution instead of new construction.

may be a great option for the Village's downtown areas. Rehabilitation versus replacement is a question that will be considered for each priority area.

- *Deliverable: PDF memo highlighting recommendations for infrastructure and pumping station improvements.*

4. Plan Projects: The final phase in the CIP project cycle is the development of the project plans. We will review previously planned and ongoing projects along with the system utility evaluation rankings and priority system improvements to help develop a 5-year CIP. Planning cost estimates will be developed to complete the CIP.

- *Deliverable: PDF of Water and Sewer System CIP.*

PHASE II: RATE STUDY SCOPE OF SERVICES

1. Project Kick-off Meeting: At this meeting we will review the project plan, provide a list of requested data and discuss the project schedule

- *Deliverable: PDF of Meeting Minutes*

2. Collect and Analyze Data: The rate study will be based on historical system information as well as projections for future system demands. In addition to historical financial records, we would like to collect the following information or data from which we can extract the following information:

- Overall population projections
- Overall water usage trends
- Usage trends by user classification
- Known/projected future system connections

If this information could be provided at or even before the kick-off meeting, it would help to jump start the evaluation.

3. Cost of Service Analysis: Baseline Financial Model of the Water & Sewer Fund: The foundation for the rate structure analysis is the development of a spreadsheet financial model which will be used to project the Water and Sewer Fund balance over the five year study period. We start with a Baseline Scenario, which outlines the fund outlook without any rate increases while still funding the necessary infrastructure improvements identified in the Capital Improvement Plan and retaining funds for infrastructure renewal.

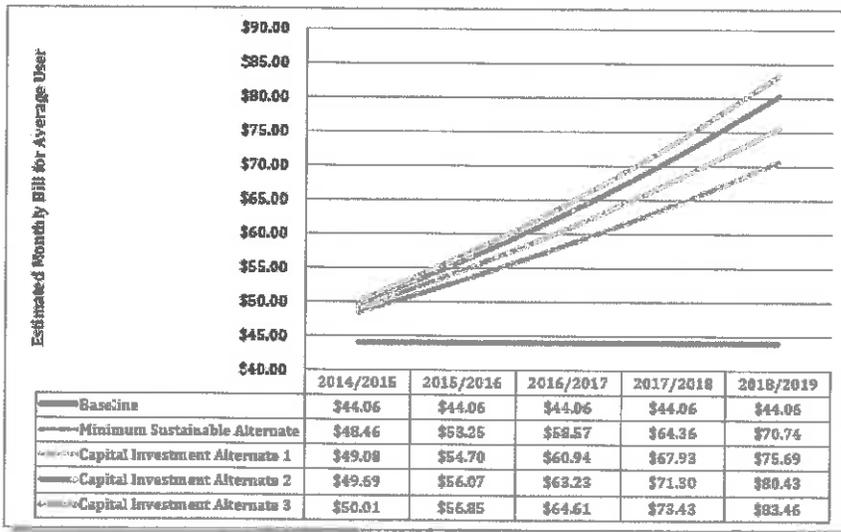
Information from this model, along with billing data collected in the previous step of the process, will be utilized to evaluate the current cost allocations within the water and sewer fund (operating, capital and debt service) as well as the allocation of costs between customer classes.

- *Deliverable: PDF of Baseline Scenario Financial Model spreadsheets, charts and graphs.*

4. Cost of Service Workshop Meeting with Village Staff: Baxter & Woodman will present the findings of the cost of service evaluation to Village staff at a working meeting. We recommend that, if at all possible, one or more elected officials attend this meeting as we will be discussing the current status of the funds and what changes are necessary going forward. At this time, adjustments to the capital plan and/or model can be discussed before beginning the rate scenario evaluation. At this meeting we will also present various rate structures, discuss the underlying policy implications for each, and identify which of the structures will be input to the spreadsheet forecast model for further consideration.

- *Deliverable: PDF of Workshop Meeting Minutes*

Summary of Average User Monthly Cost – All Scenarios



Graph representing monthly bills for an average user under various capital investment scenarios.

5. Rate Scenario Evaluation: Project Future Cash Flows for Various Rate Scenarios: Once completed, the financial model allows us to manipulate variables and test various rate structures and/or debt structures and quickly and easily see the impacts to the fund balance over the study period.

During this phase of the project, we will work with Village staff to identify projects appropriate for long term debt financing as well as those projects which are best funded from cash on hand. A forecast will be developed for each rate scenario identified in item 4 above. We often find this step is an iterative process where we will work with the Village to achieve the balance between the responsibility of the Village to invest in facilities to provide safe and reliable infrastructure systems and the responsibility to rate payers to provide services at an affordable rate.

- *Deliverable: Rate Scenario Financial Model spreadsheets, charts and graphs.*

6. Prepare Draft Report: Baxter & Woodman will prepare a detailed Draft Report. The report will outline the purpose of the study, the means and methods of developing various rate structures and recommended revisions. Tables within the report will identify where the Village’s rates currently rank in relation to peer communities as well as the impact of proposed rate modifications. Each of the elements identified in the request for proposal will be addressed in the report. Upon completion, the draft report will be provided to the Village for review and comment.

- *Deliverable: PDF version of Draft Rate Study Report and working spreadsheet models.*

Cost Comparison of Surrounding Communities Capital Investment – Alternate 2

Community	Average Water & Sewer Bill for 6,000 Gallons Usage per Month
Huntley	\$ 41.54
Woodstock	\$ 41.77
Cary	\$ 46.40
McHenry	\$ 47.44
Algonquin	\$ 49.73
West Dundee	\$ 54.99
Harvard	\$ 58.14
Crystal Lake	\$ 63.23
Johnsbury	\$ 63.67
Lake in the Hills	\$ 64.14
Fox River Grove	\$ 69.07
Wauconda	\$ 74.05
Round Lake Beach	\$ 76.43
Lakewood	\$103.41
Sleepy Hollow	\$128.98
Average	\$ 65.53

Table showing average user bill compared to surrounding communities.

7. Meet with Village Staff: After the Village has reviewed the Draft Report, we will meet with the staff to address any comments.

- *Deliverable: PDF of Workshop Meeting Minutes*

8. Finalize Report: Based on Item 7 comments and discussion, we will revise the draft report and submit the Final Water and Sewer Rate Study Report

- *Deliverable: PDF version Final Rate Study Report. Hard copies available upon request.*

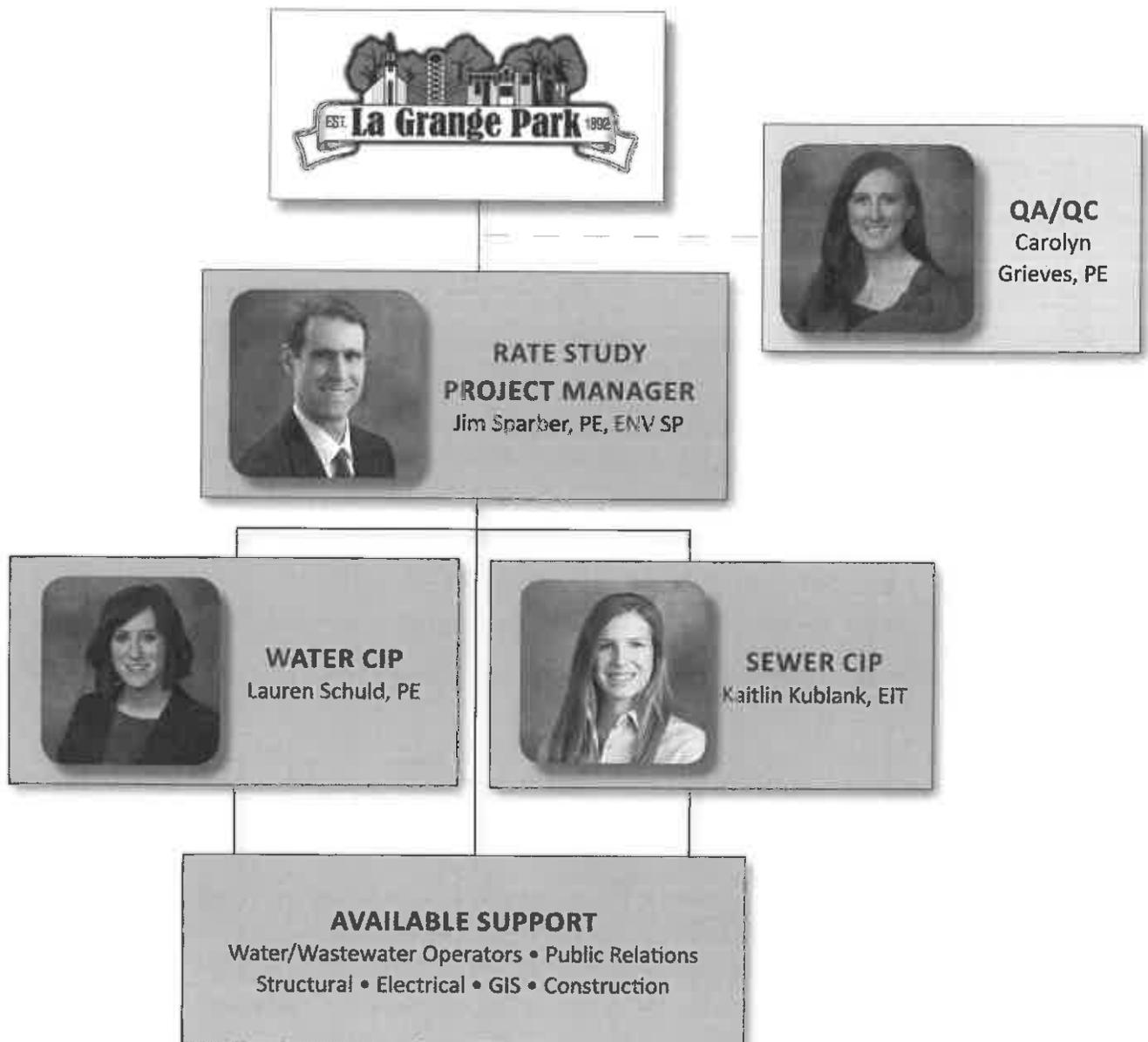
9. Presentation to Village Board: Prepare a PowerPoint presentation to outline the key results and recommendations of the study. The presentation will use primarily graphs and tables to clearly and concisely convey the recommendations to the Village Board, staff, and the public. If necessary, Baxter & Woodman will revise the plan based on input from the initial presentation to the Village Board and attend a second meeting to present the revised study.

- *Deliverable: PowerPoint presentation and required supporting materials.*

PROJECT TEAM

OUR PROJECT TEAM IS HIGHLY QUALIFIED TO DELIVER AN ACCURATE AND USEFUL RATE STUDY ON TIME AND WITHIN BUDGET

All work will be completed by staff from our Chicagoland offices. In particular, Jim Sparber is based out of our DeKalb office, Lauren Schuld is located in our Chicago office and Kaitlin Kublank is based out of our Crystal Lake office. Resumes for the team have been included in Appendix A.



PROJECT MANAGER - James Sparber, PE, ENV SP

Jim serves as the Regional Manager for Baxter & Woodman's DeKalb office and has over 22 years of experience in planning and design of municipal infrastructure projects and transportation facilities, hydraulic and hydrologic studies, and construction contract management. He has assisted several communities with the evaluation of water and sewer infrastructure and utility rates including Crystal Lake, Hoffman Estates, and Roselle. Jim earned his Envision Sustainability Professional designation through the Institute for Sustainable Infrastructure - an infrastructure rating system developed to help designers, builders, and infrastructure owners build and direct infrastructure projects toward increasing levels of sustainability.

WATER CIP - Lauren Schuld, PE Lauren is assisting with the completion of a five year capital improvement plan for the City of Joliet. The program recommendations include a total of \$37 million in water main replacements and rehabilitation. Lauren has assisted with the completion of capital improvement programs for the Village of Deerfield and City of Oak Forest. Lauren has also assisted with water and sewer rate studies and capital improvement plans for the Village of Roselle and City of Rolling Meadows.

SEWER CIP - Kaitlin Kublank, EIT Kaitlin is assisting with the completion of a sewer rehabilitation project for the Village of LaGrange based on a capital improvement plan developed from her review and recommendation of sewer televising videos. The recommendation included \$2.5 million in repairs over the next five years, with the current rehabilitation project completing over \$800,000 of the recommended repairs. Kaitlin has completed the Pipeline Assessment and Certification Program, Lateral Assessment and Certification Program and Manhole Assessment and Certification Program by the National Association of Sewer Service Companies and has completed multiple condition assessments of sewer systems. When completing the condition assessments, Kaitlin has developed a five to ten year capital improvement plan, detailing the various recommendations for each sewer segment and/or manhole.

QA/QC - Carolyn Grieves, PE Carolyn has 18 years of experience and specializes in the design of water supply, treatment, and distribution systems and wastewater conveyance and treatment. She serves as Project Manager on numerous large, complex new water treatment plants and improvements/modifications to existing facilities. She regularly assists communities with water system studies and modeling to proactively plan for capital improvements. She has also conducted many water sewer rate studies, which have included CIP and asset management components for communities such as Des Plaines, Kenilworth, Prospect Heights, Gurnee, and more.

INDUSTRY PRESENTATIONS

Baxter & Woodman has led educational seminars on water and sewer rate studies at several professional association conferences. These presentations focused on communicating the importance of rate studies for maintaining financial stability for water and sewer utilities, and using rate studies to address issues including declining revenues, inflation in operating costs, water conservation needs, and system replacement/rehabilitation backlog.

Two seminars on rate studies were presented: a webinar held in conjunction with the Illinois Section AWWA, and a panel discussion/seminar held in conjunction with the Chicago Metro Chapter American Public Works Association.

SIMILAR PROJECTS & EXPERIENCE

VILLAGE OF HOFFMAN ESTATES

Water & Sewer Rate Study

Baxter & Woodman completed an analysis of the Village's water and sewer user rates. The purpose of this study was to provide the Village with various feasible scenarios for setting water and sewer rates to cover operating, debt service, and capital improvement expenses while maintaining an appropriate cash balance in the Water & Sewer Fund.



This study looked at a “do nothing” or baseline scenario to quantify the impacts of maintaining water and sewer rates at current levels. Along with the baseline scenario, three scenarios for achieving a sustainable fund balance were evaluated:

- **Scenario 1** – Under this scenario a consistent rate increase is applied in each of the five years of the study period to reach the recommended fund balance by the end of the fifth year.
- **Scenario 2** - A 40.8% rate increase in 2015 with no additional increases for the remainder of the study period is presented as Scenario 2. This increase generates sufficient revenue to fund the budgeted operations, maintenance and capital improvements, while still building the Water & Sewer Fund balance up to the desired level by the end of the study period.
- **Scenario 3** - A 16% rate increase in 2015 followed by an annual 6% increase in years 2016 through 2019 was evaluated in Scenario 3. In addition, this analysis assumes the Village will issue bonds to fund capital improvements.

Of the three scenarios evaluated, Scenario 2 or 3 was recommended for implementation depending upon the preferences of the Village. Under these scenarios, the projected fund balance would remain positive and would grow to acceptable levels by the end of 2019. It is up to the Village as to which means of increasing rates is more acceptable to Village residents; a one-time large rate increase, or a more subtle, but continuous increase. The findings of the study were presented to the Village Board and a 16% rate increase was approved in January, 2015.

Team: Jim Sparber, PE
Completion Date: January, 2015
Completion Date: Rachel Musiala, Finance Director
 1900 Hassell Road,
 Hoffman Estates, IL 60169
 847-843-4802
 rachel.musiala@hoffmanestates.org

Baxter & Woodman provided a direct comparison of the billing rates and monthly user bills impacts between the proposed Scenarios 2 and 3.

CITY OF ROSELLE**Water & Sewer Rate Study**

Baxter & Woodman assisted the Village of Roselle with preparation of a water and sewer rate study in support of their proposed Capital Improvements Plan.

Project Components:

The Village operates two wastewater treatment plants and had identified significant capital improvements required to maintain the plants and remain compliant with upcoming regulatory requirements.

The Village selected Baxter & Woodman to assist in identifying the needed investments in their water system so that a comprehensive water and sewer capital plan could be developed and the needed rate increases to support the improvements could be identified.

Baxter & Woodman staff worked with Village staff from the finance and public works departments as well as the Village administration to develop alternate plans with varying levels of capital investment to present to the Village Board. Prior to presentation to the entire Board, two Village Trustees were in attendance at workshop meetings with Baxter & Woodman and Village staff. During these meetings, the pros and cons of various levels of investing in the Village's infrastructure were discussed and policy implications were evaluated. After the workshop sessions, the rate study was narrowed to two alternate levels of investment and detailed capital plans along with the necessary water and sewer rate adjustments were prepared. The plans were presented to the Board which elected to be pro-active and implement the more aggressive capital improvements plan.



Team: Jim Sparber, PE
Completion Date: February, 2015
Reference: Jeffrey O'Dell, Village Administrator
31 South Prospect St., Roselle, IL 60172
630-980-2000
jodell@roselle.il.org

CITY OF CRYSTAL LAKE

Utility Rate and Connection Fee Study

The City hired Baxter & Woodman to conduct a Utility Rate and Connection Fee Study. The purpose of the study was to allow the City to identify a rate structure that would allow its water and sewer utilities to be self-sustaining.

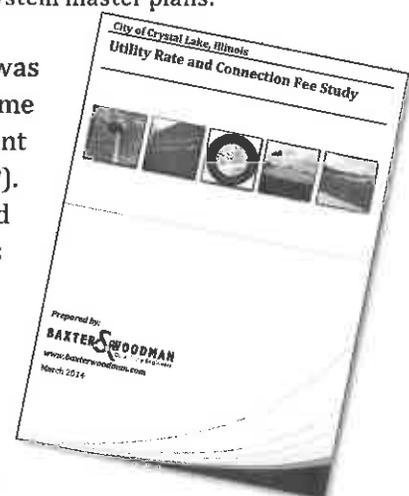
Baxter & Woodman provided an in-depth evaluation of present and projected revenues and expenses of the City's water and sewer utilities. After investigating the current rate structures and reviewing historical financial information, it was determined that revenues from connection fees which were slated for repayment of water and sewer revenue bonds were significantly below projected levels due to the recession. The impact of this slowdown in connection fee revenue was the need to increase user fees across all users to support the current debt load. In order to determine the rates necessary to make the utilities self-supporting, Baxter & Woodman conducted a cash flow analysis along with water and sewer revenue projections.

Five different scenarios were evaluated after completing a forecasting model utilizing the City's Annual Budget Reports:

- **Baseline** - Current rates remain in place and no investment in capital improvements.
- **Minimum Sustainable Alternative** - Evaluates the rates necessary to support the existing debt service and make the minimum capital investment required to avoid critical system failure.
- **Capital Investment - Alternate 1** - Proposed rates will support not only the minimum sustainable alternate, but also the infrastructure improvements necessary for maintaining the integrity of the water and sewer systems.
- **Capital Investment - Alternate 2** - Evaluates the rates required to support the minimum sustainable alternate as well as increase the robustness of the system and improve operational efficiencies.
- **Capital Investment - Alternate 3** - This scenario evaluates rates necessary to support the full complement of capital improvements identified in the water and sewer system master plans.

Working with City staff, a recommendation of adopting Alternate 1 was presented to the City Council and subsequently adopted. Since the time the City has adopted the proposed 5 year rate increase plan, significant adjustments have had to be made to the capital improvement plan (CIP). The City has worked with Baxter & Woodman to revisit the plan and provide information and analysis regarding the impacts of the changes to the CIP.

Team: Jim Sparber, PE
Completion Date: May, 2014
Reference: George Koczwara, Finance Director
 100 West Woodstock St., Crystal Lake, IL 60014
 815-459-2020
gkoczwara@crystallake.org



SANITARY COLLECTION SYSTEMS

Baxter & Woodman's capabilities and experience cover all phases of wastewater collection and treatment.

We are familiar with the applicable standards governing Sewer System Evaluation Study (SSES) field investigations and data analyses. We are also certified in the National Association of Sewer Service Companies (NASSCO) Pipeline Assessment and Certification Program (PACP) for CCTV inspection.

Below is a sampling of our recent experience. We will be happy to provide brief project explanations, should you wish to see additional experience.

COMMUNITY/PROJECT/REFERENCE	PROJECT DESCRIPTION	Sanitary System Evaluation	Capital Improvement Planning	Cost Estimations	Improvement Recommendations	Report
Village of Hoffman Estates Sewer Planning, SSES & Rehabilitation	Six basin study area. Included flow monitoring followed by dyed-water testing. Approximately 824 manholes were inspected and smoke tested. Approximately 500 exterior building inspections were conducted.	<input checked="" type="checkbox"/>				
City of Crystal Lake Sanitary Sewer Evaluation Study	Included manhole inspections, smoke testing, public sewer dyed-water testing, canvassing and private sump pump dyed-water testing. The field investigations identified approx. 800 gpm of I&I that could be removed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Village of Winnetka Sanitary Sewer Evaluation Study	Study included manhole inspections, smoke testing, and dyed-water testing. The field investigations identified approximately 1,450 gpm of I&I that can be cost-effectively removed.	<input checked="" type="checkbox"/>				
City of Oak Forest 152nd St. Trunk Sewer SSES	Comprehensive SSES project that included both public and private property inspections and improvements. 2,500 gpm of I&I was identified and improvements are underway.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village of Kenilworth 2023 Capital Infrastructure Program	Review of existing infrastructure and long term Capital Plans; development of consolidated 10-Year Capital Improvement Program incorporating sewer, water, and street improvements and maintenance.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village of Mount Prospect Ongoing SSES & System Planning	Sanitary sewer system investigation resulting in two phases of sewer lining and replacement. Included sewer capacity evaluation, CCTV inspection review, flow monitoring, canvassing, and smoke testing.	<input checked="" type="checkbox"/>				

RELATED WATER SYSTEM STUDIES/PLANNING

Baxter & Woodman has successfully completed water system master plans and/or computer water modeling for many Illinois communities:

Beecher	Gilberts	Oak Brook	Round Lake
Buffalo Grove	Highwood	Oak Forest	Shorewood
Carpentersville	Huntley	Park Forest	Somonauk
Cherry Valley	Island Lake	Palos Park	South Chicago Heights
Country Club Hills	Itasca	Palatine	South Elgin
Crystal Lake	Lakemoor	Plano	Western Springs
Deerfield	Lake in the Hills	Plainfield	Woodstock
DeKalb	Marengo	Sycamore	Wood Dale
Elwood	Maple Park	Richmond	
Frankfort	New Lenox	Richton Park	

IEPA FUNDING EXPERIENCE

Baxter & Woodman has assisted many communities in obtaining funding and low-interest loans through the IEPA to pay for needed water and wastewater system improvements. The table below shows our recent experience with IEPA funding.

Type of Improvements	Program	Community	Amount
WWTP/Collection System	IEPA/ARRA	Itasca	\$20 M
WWTP/Collection System	IEPA	Bloomingtondale	\$15 M
WWTP/Collection System	IEPA/ARRA	Downers Grove SD	\$9 M
WWTP	IEPA	Marseilles	\$6.1 M
WWTP	IEPA	Beecher	\$3.3 M
WWTP Consolidation	IEPA	Romeoville	\$27.6 M
Wastewater Collection System	IEPA/CDBG	McCullom Lake	\$3.9 M
WTP	IEPA	Highwood	\$1.2 M
Water Radium Compliance	IEPA	DeKalb	\$4 M
WWTP/Collection System	IEPA	Park Forest	\$1.6 M
WTP	IEPA	Park Forest	\$14 M
WWTP	IEPA	Fox River WRD	\$16 M
WWTP	IEPA	Crystal Lake	\$15.1 M
Water Distribution System	IEPA	Island Lake	\$4.6 M
WTP	IEPA/ARRA	South Elgin	\$5.5 M
Wastewater Collection System	IEPA/ARRA	Thorn Creek Basin SD	\$.8 M
Water Distribution System	IEPA/ARRA	Westmont	\$2.3 M
Water Distribution System	IEPA	Morrison	\$2.3 M
WWTP	IEPA	Elmhurst	\$7.5 M
Water Distribution System	IEPA	Shorewood	\$3.6 M

BE PREPARED FOR MWRD'S

EXCESSIVE INFLOW & INFILTRATION CONTROL PROGRAM

The Metropolitan Water Reclamation District of Greater Chicago (MWRD) has drafted a new Excessive Inflow and Infiltration Control Program **applicable to all tributary municipalities that own and/or operate a separate sanitary sewer system which discharges into MWRD facilities.** The goal of the program is to eliminate sanitary sewer overflows (SSOs) and basement backups (BBs) through a two-phased program. The new requirements are scheduled to take effect July 1, 2014.



MANDATORY ACTIONS

SHORT TERM 0-5 YEARS

(Beginning July 1, 2014)

1. Assess condition of high risk public sanitary sewers and begin rehabilitation by 2017.
2. Develop Private Sector Investigation Plan for implementation during the Long Term Program.
3. Develop a Long Term Operation and Maintenance (O&M) Program.

LONG TERM 5+ YEARS

1. Implement Private Property Rehabilitation Plan.
2. Utilize industry standard asset management tools such as GIS Mapping.
3. Continue ongoing sewer inspection, maintenance, cleaning and rehabilitation.
4. Develop BB and SSO Emergency Response Program.
5. Commit to annual system maintenance.

FUNDING & TIPS

TIP: IEPA and other agency application and approval processes may take valuable time, so start assessments as soon as possible to take advantage of available funding programs

Funding:

- IEPA – SRF funding is available to all communities within the MWRD corporate limits.
- MWRD may provide funding for assessment and rehabilitation subject to Public Act 90-0690.
- Municipalities can also use local funds from service fees and annual CIP budgets.

INFORMATION & RESOURCES

FAQ's: Review the Frequently Asked Questions listed on the reverse of this sheet.

VISIT MWRD.ORG

Program Requirements:

<http://www.mwrdd.org/irj/portal/anonymous/Infiltration>

Program Presentation:

<http://bit.ly/1JilCuT>

CONTACT OUR EXPERT:

SEAN O'DELL, PE

sodell@baxterwoodman.com

(815) 459-1260 Office

(815) 482-7853 Cell

FREQUENTLY ASKED QUESTIONS . . .

Q When will program requirements take effect?

A The new program is scheduled to take effect July 1, 2014.

Q We recently completed sewer inspections and/or sanitary system rehabilitation projects. Do we get credit for the work already completed by the Village?

A YES! Communities that have completed recent assessments will receive credit toward the "critical sewer assessment" requirement.

Q Will MWRD's annual reporting requirements change?

A YES! Your MWRD Annual Summary Report will mirror the new program requirements and will include SSO and BB data.

Q What actions do we need to budget for during Phase I of the program?

A Your municipality will be responsible for completing the following within the first 5 years:

1. Inspection of critical aspects of your sanitary system (sewer clean and tv, manhole inspection, smoke test, and flood test).
2. Rehabilitation of high priority defects (PACP 4 and 5) and roof drain disconnections.
3. Create a Private Property Investigation Plan and a Long Term O&M Plan.

Q How can we estimate what our potential budget should be for Phase I?

A We estimate the budgetary cost to analyze critical sewer to be approximately \$20,000 per mile. This cost can be spread over 3 to 5 years.

EXAMPLE: If your system includes 30 miles of sanitary sewer, you might estimate your "critical sewers" to be 10 miles or 1/3 of your system. The cost to properly analyze 10 miles would be approximately \$200,000. This cost can be spread out between now and 2019. Additionally, you need to budget for critical sewer repairs.

Q Are we required to complete private property work or inspections during Phase I?

A NO. You only need to prepare a "Plan" for addressing private property. Actual inspections and work does not need to take place until after year 5.

For more information on MWRD's Inflow & Infiltration Control Program, visit www.mwrdr.org/irj/portal/anonymous/Infiltration.

BAXTER & WOODMAN
Consulting Engineers

Baxter & Woodman is ready and available to answer your questions and assist your community in meeting program requirements. Contact us today!

www.baxterwoodman.com

PROJECT SCHEDULE

Our proposed schedule for your Water and Sewer Rate Study is as follows:

TASK	COMPLETION DATE
Notice to Proceed	January 24, 2017
Kick-off Meeting	Week of January 30, 2017
CIP Study	January 30 - March 3, 2017
Cost of Service Analysis	February 6-24, 2017
Cost of Service Workshop Meeting	Week of February 27, 2017
Rate Scenario Evaluation	March 6-17, 2017
Prepare Draft Report	March 13 - March 24, 2017
Village Review of Draft Report	March 27 - April 7, 2017
Prepare Final Report	April 10 - April 14, 2017
Presentation to Finance Committee and Village Board	April 25, 2017 and May 9, 2017

Note: If it is the desire of the Village to implement rate increases to coincide with the fiscal year, the schedule can be compressed to accommodate a study completion date such that the first presentation to the Board is made April 11th with a second presentation on the 25th.

PROOF OF INSURANCE

Our proof of professional and general liability insurance is shown below:

		CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 5/3/2016		
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).						
PRODUCER Risk Strategies Company 650 Dundee Road Suite 170 Northbrook IL 60062			CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL: ADDRESS:			
INSURED Baxter & Woodman, Inc. 8678 Ridgefield Road Crystal Lake IL 60012			INSURER(S) AFFORDING COVERAGE		NAIC #	
			INSURER A: Valley Forge Ins Co		20508	
			INSURER B: Continental Casualty Co		20443	
			INSURER C:			
			INSURER D:			
			INSURER E:			
			INSURER F:			
COVERAGES CERTIFICATE NUMBER: CL165212552 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 SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> primary/non contributory <input checked="" type="checkbox"/> subj to written contract GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		6018314414	5/1/2016	5/1/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		6018314364	5/1/2016	5/1/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		6018314381	5/1/2016	5/1/2017	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	6018314400	5/1/2016	5/1/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Professional Liability		AEH591900841	5/15/2016	5/01/2017	Per Claim \$5,000,000 Aggregate \$5,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) Re: All Projects of the named insured subject to policy terms & conditions.						
CERTIFICATE HOLDER			CANCELLATION			
Baxter & Woodman, Inc. 8678 Ridgefield Rd. Crystal Lake, IL 60012			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 Michael Christian/CID <i>M.C. Christian</i>			
© 1988-2014 ACORD CORPORATION. All rights reserved.						
ACORD 25 (2014/01)		The ACORD name and logo are registered marks of ACORD				

FEE FOR SERVICES

NOT-TO-EXCEED

Our engineering fee for the stated scope of services will not exceed **\$29,500**. This is based upon the number of expected man hours to complete the project and includes reimbursement for out-of-pocket expenses such as travel.

2017 BILLING RATES FOR SUPPLEMENTAL SERVICES

EMPLOYEE CLASSIFICATION	HOURLY BILLING RATES
Principal	\$180
Senior Engineer III to IV	\$150 to \$170
Senior Engineer I to II	\$130 to \$140
Engineer III to IV	\$105 to \$115
Engineer I to II	\$85 to \$95
Engineering Technician III to V	\$110 to \$140
Engineering Technician I to II	\$60 to \$100
Senior Geologist	\$135
CAD / GIS / Survey Technician III to IV	\$105 to \$140
CAD / GIS / Survey Technician I to II	\$90 to \$95
Clerical I to II	\$70
Support Manager	\$160

Hourly rates for inspection services do not include any overtime.

The Engineer may adjust the hourly billing rate and out-of-pocket expenses on or about January 1 of each subsequent year and will send the new schedule to the Owner.

Hourly Billing Rates include direct labor and indirect overhead expenses, readiness to serve, and profit, and are for 8 hours/day and 40 hours/week regularly scheduled work hours.

Personal-owned vehicle Mileage Charges will be reimbursed at the rate set by the U.S. Internal Revenue Service.

Company-owned/leased vehicle usage will be reimbursed at a rate of \$65.00 per diem or \$32.50 per half diem.

Traffic Counters \$50/day.

Miovision Traffic System usage will be reimbursed at a rate of \$600.00 per diem and \$24.00 per hour processing.

Sub-consultant costs will be reimbursed at their invoice costs plus 5%

FEE FOR SERVICES

PROJECT TEAM PROJECTED HOURS

The chart below shows the hours that each member of the project team are expected to work on the study.

Task	Sparber	Schuld	Kublanck	Grievess	Secretarial
Project Kick-off Meeting	4	4	4		
Data Collection	8	8	8		
CIP Development	4	16	16	2	
Baseline Financial Forecast	8				
Rate Scenario Development	6				
Meeting to Discuss Preliminary Findings	8	4	4		
Post Meeting Revisions to CIP and Rate Scenarios	8	8	8		
Prepare Draft Report	30	8	8	2	4
Meeting to Discuss Draft Report	4	4	4		
Finalize Report	8	4	4	2	2
Presentation to Board (2 Presentations Assumed)	8	8	8		
Total Hours	96	64	64	6	6

APPENDIX A - RESUMES



James E. Sparber, PE, ENV SP
Project Manager

Education

M.S., Environmental Management, Illinois Institute of Technology

B.S., Civil Engineering, Valparaiso University

Joined Firm in 2009

Years of Experience: 24

Registrations

Licensed Professional Engineer: Illinois

Certifications

Envision Sustainability Professional, Institute for Sustainable Infrastructure

Associations

American Public Works Association

Jim has 24 years of experience in the planning and design of municipal transportation facilities, hydraulic and hydrologic studies, and construction contract management. Jim's background also includes the planning and design of municipal infrastructure (water mains, sanitary and storm sewer) projects. He is skilled in the monitoring, pursuit, and administration of various funding programs, including IEPA State Revolving Loan Funds, DCEO Public Sector Energy Efficiency Program (PSEEP), Community Development Assistance Program (CDAP), Illinois Clean Energy Community Foundation (ICECF), and more.

Jim earned his Envision Sustainability Professional designation through the Institute for Sustainable Infrastructure - an infrastructure rating system developed to help designers, builders and infrastructure owners build and direct infrastructure projects toward increasing levels of sustainability.

Representative Projects

WATER AND SEWER RATE STUDIES

Crystal Lake, IL

Water and Sewer Rate Study

Project Manager/Engineer assisting the Crystal Lake with the evaluation of water and sewer infrastructure and utility rates, of which included capital improvement planning and asset management components.

Bensenville, IL

Water and Sewer Rate Study

Project Manager/Engineer assisting Bensenville (a Lake Michigan water community) with the evaluation of water and sewer infrastructure and utility rates, of which included capital improvement planning and asset management components.

Hoffman Estates, IL

Water and Sewer Rate Study

Project Manager/Engineer assisting Hoffman Estates with the evaluation of water and sewer infrastructure and utility rates, of which included capital improvement planning and asset management components.

Morrison, IL

Water and Sewer Rate Study

Project Manager/Engineer assisting Morrison with the evaluation of water and sewer infrastructure and utility rates, of which included capital improvement planning and asset management components.

Roselle, IL

Project Manager/Engineer assisting Roselle (a Lake Michigan water community) with the evaluation of water and sewer infrastructure and utility rates, of which included capital improvement planning and asset management components.

www.baxterwoodman.com

James E. Sparber, PE, ENV SP
Page 2 of 2

Illinois Fiber Resources Group**Northern Illinois Broadband Installation**

Provided engineering assistance for the construction of approximately 660 miles of high-speed iFiber optic cable installed in 9 northwest Illinois counties. Baxter & Woodman coordinated design engineering and permitting for the network. This work included preparation of construction drawings and permit applications for over 400 miles of fiber construction in two Districts of the Illinois Department of Transportation, approximately 100 railroad crossing locations, construction within approximately 60 municipalities and within the highway right of way of eight counties. Tasks included managing the scope of services, budget and staffing for Engineering, CAD, GIS and surveying personnel within Baxter & Woodman; as well as communication, coordination and consultations with the Client, IDOT, various railroads, and the Contractors.

City of DeKalb, Illinois**Hollister Avenue Water Main Replacement**

Project Manager for installation of a new 8-inch water main on Hollister Avenue, from the entrance to the wastewater treatment plant to Illinois Route 23. The work included crossing IL Route 23 to connect to the existing water main on the opposite side of the highway. The new water main replaced an existing 4-inch main that had a history of repeated breakage, and included new house services and fire hydrants. Baxter & Woodman also prepared the application for the City to receive funding from the American Recovery and Reinvestment Act - low interest rate loan from the Illinois Environmental Protection Agency. Baxter & Woodman is also provided construction administration and resident engineering services.

Village of Kirkland, Illinois**6th Street Water System Improvements**

Client representative for the design portion of this project consists of the replacement of water mains on South 6th Street from West Hortense Drive to Illinois Route 72, including replacement of water services, fire hydrants, and valves.

Illinois Department of Transportation**Various Drainage Studies**

Project Manager and Design Engineer for preparation of Location Drainage Studies and Hydraulic Reports at various locations throughout IDOT District 1. Sample projects include drainage studies for roadway widening projects, coordination of local street flooding investigations, and hydraulic reports for bridge and culvert replacement projects.

City of Joliet, Illinois**Kendall County Sub-area Comprehensive Plan**

Served as lead consultant for preparation of a comprehensive land planning document for a 35-square mile area located at the current western boundary of the City of Joliet. Components of the plan included identification of drainage and environmental issues; transportation planning; preparation of a future land use plan, open space, recreation and natural resources plan, community services and facilities plan; land use and design guidelines; and implementation guidelines. Duties as lead consultant included coordination of sub-consultants' work; presentations to City staff and stakeholder groups; presentations at public meetings; and preparation of the final plan.

www.baxterwoodman.com



Lauren Schuld, PE
Staff Engineer

Education

B.S., Civil Engineering
Bradley University 2012

Joined Firm in 2012

Years of Experience: 4

Certifications

Licensed Professional Engineer:
Illinois

Lauren earned her Bachelor of Science degree in Civil Engineering from Bradley University of Illinois. Her coursework included sustainability and public policy, introduction to environmental engineering, sustainable transportation systems, groundwater hydrology, geotechnical engineering, design of steel structures and sustainability and environmental regulations. Since joining Baxter & Woodman, Lauren has demonstrated her proficiency by providing design and construction observation services on a variety of water and wastewater engineering projects.

Representative Projects

City of Rolling Meadows, Illinois Water and Sewer Rate Study

Staff Engineer for the ongoing development of a new water and sewer rate structure for the City. Assessing City's revenue and expenses and developing water and sewer rates and rate scenarios to support the City's upcoming Capital Improvement Program (CIP). Study recommendations will include reorganizing the rate structure to more accurately allocate costs to expenses and develop fixed charges in order to stabilize annual cash flow. Also is providing a benchmarking analysis of the Village's water and sewer rates versus other communities.

Village of Winnetka, Illinois Stormwater Master Plan

Project Engineer for development of a Stormwater Master Plan. Tasks included gathering GIS data, modeling of current conditions, boundary delineations, and exhibit preparation. As a first step in the development of the Stormwater Master Plan, Baxter & Woodman conducted a Flood Risk Reduction Assessment of the areas within the Village that had yet to be assessed (the six "Additional Study Areas").

XP-SWMM models of the existing storm sewer systems were developed, including overland flow paths and storage areas, where appropriate. Recommended improvements for the six Additional Study Areas, totaling \$6.9M, were presented to the Village Council. Other aspects of the Stormwater Master Plan are ongoing.

City of DeKalb, Illinois Krpan Court Water Main Looping

Project Engineer for the design of an 8-inch water main to connect the Hollister Avenue water main project with the existing water main located in Krpan Court. The routing followed the east property line of the DeKalb Sanitary District property. At the location where the main leaves the Sanitary District property and connects to the existing Krpan Court water main, directional drilling was specified to limit disturbance to the existing residential properties.

City of Highwood, Illinois 2015 Capital Improvement Program

Infrastructure Engineer for this \$4M project, which included reconstructing North Avenue, Highwood Road, and Pleasant Avenue, including water main replacement or lining, sanitary sewer lining, and storm sewer repairs.

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Lauren Schuld, PE
Page 2 of 2

Village of Glenview, Illinois

ComEd Right-of-Way Crossing Water Main Improvements

Project Engineer for the design engineering services for preparing engineering plans, specifications, and estimate of cost; and obtaining IEPA water, ComEd, NW Commission, and Cook County permits for the water main improvements crossing the ComEd right-of-way.

Village of LaGrange, Illinois

Sanitary Sewer Televising Program

Project Engineer assisting team on annual sewer televising program.

Village of Westmont, Illinois

Water Main Replacement

Project Engineer for the design engineering services for water main replacement on North Grant Street and North Adams Street. Approximately 4,100 lineal feet of existing 6-inch water main was replaced with new 8-inch water main which included new valves, hydrants, fittings, water services, and complete surface restoration.

Village of Carpentersville, Illinois

LW Besinger Drive Roadway & Water Main Replacement

Infrastructure Engineer for design of improvements including roadway reconstruction; placement of curb and gutter; sidewalk; storm sewer; water main; street lighting; and other miscellaneous items.

Village of Kenilworth, Illinois

Roger, Melrose and Brier Water Main System Improvements

Infrastructure design engineer for preparation of construction plans, specifications, probable cost estimates, and bidding assistance for water system improvements.

Cumberland Avenue, Roslyn Road, and Melrose Avenue Water Main

Project Engineer for the design of installing 1,700 lineal feet of 8-inch PVC Water main installed by Horizontal Directional Drilling, 500 lineal feet of ductile iron water main install by open cut trench, and the lining of 2,500 feet of 10-inch and 12-inch water main with cured-in-place-pipe liner.

City of Lake Forest, Illinois

Stormwater Drainage Study

Assisted with storm sewer system analysis for comprehensive Stormwater Drainage Study using XP-SWMM. The scope of services also includes a ravine analysis and a roadside ditch analysis with recommendations for drainage improvements in areas not served by storm sewers.

City of Oak Forest, Illinois

2012 Sanitary Sewer System Evaluation

Assisted with smoke testing for creation of a computer model of the City's sanitary trunk sewer system. This allowed an analysis of the sewer hydraulics, identification of bottlenecks in the system, evaluation of alternative improvements, and determination of impact of additional flow from new development.

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Kaitlin A. Kublank, EIT
Staff Engineer

Education

B.S., Civil Engineering, Bradley University, 2014

Joined Firm in 2014

Years of Experience: 3

Certifications

Engineer-in-Training, Illinois

Manhole Assessment Certification Program, NASSCO, Inc.

Lateral Assessment Certification Program, NASSCO, Inc.

Pipeline Assessment Certification Program NASSCO, Inc.

Papers/Presentations

Pipeline Assessment & Certification Program (PACP)

- WATERCON, March 2016 (Springfield, IL)

Kaitlin recently graduated from Bradley University with a degree in Civil Engineering. Her work as an intern with Baxter & Woodman included assistance on two multi-million dollar road reconstruction projects. She served as a field inspector on roadway projects and was responsible for documentation and field quantities calculations.

Kaitlin's relevant coursework included Transportation Engineering, Pavement Design, Groundwater Hydrology, Reinforced Concrete, Structural Analysis, Construction Graphics, Geotechnical Engineering, Advance Water Treatment, and Intro to Environmental Engineering.

Representative Projects

Village of LaGrange, Illinois

2014 Sewer Televising Program

Project Engineer - Performed a condition assessment of sanitary and combined sewers televised in 2014. Provided the Village with prioritized recommendations and associated rehabilitation costs.

Village of LaGrange, Illinois

2016 Sewer Rehabilitation Program

Project Engineer - Design and construction management of sanitary and combined sewer repairs based on the 2014 Sewer Televising recommendations.

Wheaton Sanitary District, Illinois

Northside Interceptor Sewer Routing Study & Design

Project Engineer assisting with alternative route investigation, permitting coordination, and preparation of GIS exhibits for the installation of a 5.3 mile sewer transmission pipe, ranging in size from 24-inches to 54-inches.

Village of Grayslake, Illinois

Center Street Water Main Rehabilitation

Project Engineer for the preparation of the Phase I Documentation for Center Street from Lake Street to IL Route 83 and Phase II plans for Center Street from the railroad tracks east of Seymour Avenue to IL Route 83 to receive Bids for an IDOT letting. The improvement included asphalt surface removal, re-profiling of the roadway, water main replacement, and spot curb repair.

Village of Winnetka, Illinois

Sanitary Sewer Evaluation Study/Pilot Rehabilitation Program

Project Engineer for flow monitoring program to identify the areas with the largest amounts of Inflow/Infiltration to be targeted for a sanitary sewer evaluation study. The study included manhole inspections, smoke testing, and dyed-water testing. The field investigations identified approximately 1,450 gpm of I/I that can be cost-effectively removed.

Village of Barrington, Illinois

2014 Fall Flow Monitoring

Assisted with weekly upload and meter removal for flow monitoring services at 5 key locations in the sanitary sewer system.

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Carolyn A. Grieves, PE
QA/QC

Education

M.S., Environmental
Engineering
University of Iowa, 1996

B.S., Civil Engineering
University of Illinois at
Champaign-Urbana, 1994

Joined Firm in 1996

Years of Experience: 20

Registrations

Licensed Professional Engineer:
Illinois

Professional Associations

American Water Works
Association - Member of the
AWWA Safety and Emergency
Management Committee,
Water Efficiency Committee,
and Water for People
Committee

American Water Works
Association – Illinois Section,
Trustee at Large

Water Environment Federation

American Council of Engineering
Companies – Environmental
Committee

Continuing Education

Hazardous Site Worker Course

“Security Planning for Drinking
Water Systems: An Operational
Approach”, AWWA

“Vulnerability Assessment
Reporting (VSAT™)”, AWWA

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Carolyn specializes in the design of water supply, treatment, and distribution systems and wastewater conveyance and treatment. She serves as project manager on numerous large, complex new water treatment plants and improvements/modifications to existing facilities. She has also studied and designed water distribution systems, as well as wastewater conveyance and treatment.

Representative Projects

Water/Sewer Rate Studies

Carolyn provided engineering services for the following Water/Sewer Rate Studies:

- Carpentersville, IL
- Des Plaines, IL
- Gurnee, IL
- Park Ridge, IL
- Kenilworth, IL
- Shorewood, IL
- Prospect Heights, IL
- Bensenville, IL

Water System Models & Master Plans

Buffalo Grove, Illinois - Water System Model and Master Plan

Project Manager for the evaluation of the system's available capacity and lifespan of the each of the existing facilities.

Carpentersville, Illinois - Water System Model

Project Manager for the development and update of a WaterCAD model used to analyze new subdivisions, propose existing system improvements and evaluate the impact emergency water main shutdowns on the system.

Crystal Lake, Illinois - Water System Master Plan Update

Project Advisor for the water system master plan update for the City to determine the improvements necessary to provide service for the projected growth occurring over the next 20 years and to meet current regulatory requirements that impact the water treatment plant processes. The Master Plan also focuses on chemical, energy, capital and operational efficiency.

DeKalb, Illinois - Water System Master Plan Update

Project Manager for the creation of a water system master plan update for the City to determine the improvements necessary to provide service for the projected growth occurring over the next 20 years.

Elmhurst, Illinois - Water Model Update

Project Advisor for calibration of water model and update in WaterCAD. Also included review of existing DBRP sampling sites and selection of new sites.

Glenview, Illinois

Water System Strategic Planning

Carolyn A. Grieves, PE
Page 2 of 2

"Bioterrorism Preparedness Bill: Protecting Your Assessment", AWWA

"The Bioterrorism Preparedness Bill: What's Next?", AWWA

"Counter Terrorism and Security in the Water Industry", AWWA

"Water Security and Emergency Operations", AWWA

Project Manager for the development of a systematic approach for making capital improvements and operational modifications intended to meet the Village's water supply needs and optimize operations. The Village's primary concerns included meeting or exceeding water quality standards; ensuring reliable supply and service to its residents, businesses and potential new bulk customers; maintaining adequate pressures and fire flows; and improving the system efficiency and cost effectiveness.

Itasca, Illinois -Water System Model

Project Manager for the creation of a water system model and report for the Village, which included hydrant testing, creating the model from GIS plans and the Village assistance, and model calibration.

Lake in the Hills, Illinois -Water System Study

Project Manager for the evaluation of the existing water system model and determination of recommended improvements

Palatine, Illinois - Water System Model/Study

Project Advisor for a distribution system review to develop a water model for the Village.

Palos Park, Illinois - Water Distribution Model & Study

Client Manager and Project Manager for evaluation of the Village's water utility system and development of a water distribution model.

Wood Dale, Illinois - Water System Model

Project Manager for a distribution system review to develop a water model for the City.

Oak Brook, Illinois -Water System Model

Project Manager for a distribution system review to develop a water model for the Village.

Sycamore, Illinois - Water System Study

Project Manager for the evaluation of the City's existing water distribution system, analysis of future needs and preparation of a Water System Master Plan Report.

Lake Michigan Allocation Review Assistance

Carolyn has assisted many clients with projecting their future water requirements and formulating an allocation review response to the IDNR based on those projections:

Lockport
Olympia Fields
Plainfield
Shorewood
Bensenville
Buffalo Grove
Grayslake
Itasca
Round Lake
Northbrook
Oak Forest
Western Springs

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Village of Roselle, Illinois

2016 Water and Sewer Rate Study



Prepared by:

BAXTER & WOODMAN
Consulting Engineers

www.baxterwoodman.com

February 2016

Village of Roselle, Illinois 2016 Water and Sewer Rate Study

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- C Engineer's Opinion of Probable Cost
- D Operating Fund Projections – Baseline Scenario
- E Equipment Replacement Schedule
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- H Operating Fund Projections – Alternate 1
- I Capital Plan – Alternate 2
- J Capital Fund Projections – Alternate 2
- K Operating Fund Projection – Alternate 2

EXECUTIVE SUMMARY

Baxter & Woodman has completed an analysis of the Village of Roselle's water and sewer rates. The purpose of this study is to provide the Village with feasible alternatives for setting utilities rates to cover operating, debt service and capital improvement expenses while maintaining appropriate cash balances in the various Water and Sewer Funds. The scope of this report includes:

- Analyzing the current water usage trends;
- Preparing a 5-year projection of water and sewer expenses, including incorporation of the Village's 5-year capital improvement plan;
- Preparing a 5-year projection of revenues necessary to meet water and sewer utility expenses; and
- Identifying systems of equitable water and sewer rates to meet revenue requirements for the next 5 years.

In 2015, the Village had a comprehensive Wastewater Facilities Master Plan completed by RHMG Engineers, Inc. This plan identified significant capital improvements to the wastewater collection and treatment systems within the Village. In the 2016 to 2020 time frame, the plan identified over \$18.9 million in needed improvements. As part of this study, Baxter & Woodman completed a review of the Village's water system and identified \$1.3 million in water system improvements needed over the 5-year planning period. The study also recommends \$1 million in annual spending on distribution water main replacements to keep pace with the Village's aging water distribution system.

In addition to the significant capital investments needed to maintain reliable water and wastewater treatment facilities, the Village is also facing a decline in the volume of water purchased (and consequently revenues generated) by its customers. Although the exact cause is unknown, anecdotal evidence suggests that the prevalence of water efficient appliances and fixtures along with increased awareness of the population as it relates to water usage are the primary drivers of declining water sales.

Under the current rate structure, the projected revenues are insufficient to support the projected operating and capital expenses; resulting in a deficit budget and negative fund balances are projected to occur in less than two years.

Multiple rate scenarios were developed and reviewed by the project team. This report presents the two most favorable alternates for changes to the water, sewer and capital improvements surcharge rates.

1. Alternate 1 – This alternate proposes moderate increases to the rates charged for water and sewer service to keep pace with the inflationary costs of running the systems plus an amount

Village of Roselle, Illinois

above inflation which is sufficient to overcome the projected decline in water sales. The proposed average annual rate increase for the water and sewer rate is 3.36%. It should be noted that in order to match projected expenses, the proposed rate increase is not uniform across all five years of the study and 3.36% is the average annual increase. The total projected rate increase over the five year period is \$1.34 per 1,000 gallons of water and \$0.90 per \$1,000 gallons for sewer or \$2.24 per 1,000 gallons to support the ongoing operations of the system.

The proposed capital improvement surcharge (CIS) rate is increased significantly to provide the needed revenues to support the capital improvements identified in the wastewater master plan and the water system capital plan conducted as part of this study. These improvements include \$1 million in annual water main replacement to keep pace with replacement of the aging water system as portions of the system reach the end of service life. Under this alternate, the proposed CIS rate would increase from the current rate of \$1.95 per 1,000 gallons to \$6.65 per 1,000 gallons. This is a net increase of \$4.70 per 1,000 gallons to support the capital improvement needs of the system.

2. Alternate 2 – Similar to Alternate 1, moderate water and sewer rate increases are planned to keep pace with inflation and overcome downward trending water sales. As there are no changes in the plan for operations between Alternate 1 and 2, the proposed increase discussed under Alternate 1 and the same for Alternate 2.

The capital improvement surcharge is also significantly increased under this Alternate; however, the investment in water main renewal is reduced from \$1 million to \$500,000 annually. This is equivalent to reducing the length of annual water main replacement from 3,000 feet to 1,500 feet. To support the capital investments identified in this Alternate, CIS rates would need to increase from the current rate of \$1.95 per 1,000 gallons to \$5.25. This is a net increase of \$3.30 per 1,000 gallons to support the capital improvement needs of the system.

Figure 1 demonstrates the net impact on user rates per 1,000 gallons of water purchased under Alternates 1 and 2.

FIGURE 1

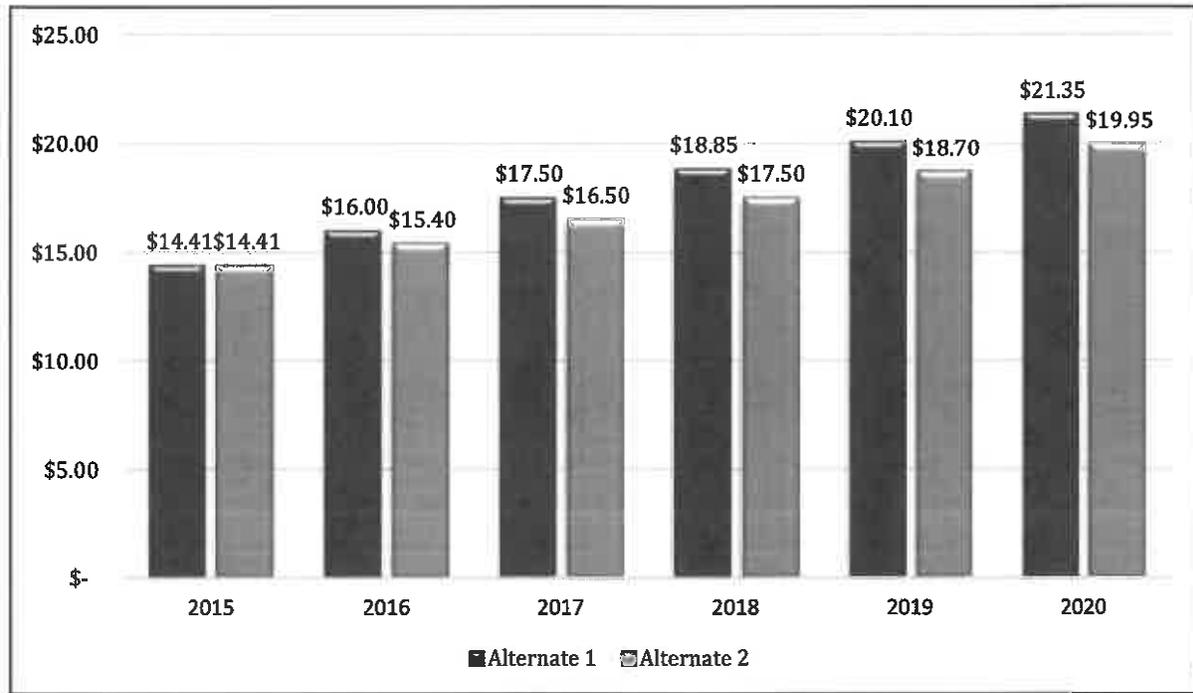
Summary of Proposed Rate Increases per 1,000 Gallons

Table 1 shows the impact of each alternate on the monthly bills of low, average and high volume users. Low volume users are typically one or two person households; the average use value is indicative of households with four or more residents, and the large volume amount is representative of accounts for multi-dwelling unit complexes and institutional users. Approximately 50% of all system accounts fall between the low and average usage volume.

TABLE 1

Typical Monthly Bills - Alternates 1 and 2

Year	Typical Monthly Bill for Low, Average and High Volume Users					
	3,000 gal/month		5,400 gal/month		50,000 gal/month	
	Alt 1	Alt 2	Alt 1	Alt 2	Alt 1	Alt 2
2015	\$43.23	\$43.23	\$ 77.81	\$ 77.81	\$ 720.50	\$720.50
2016	\$48.00	\$46.20	\$ 86.40	\$ 83.16	\$ 800.00	\$770.00
2017	\$50.70	\$47.70	\$ 91.26	\$ 85.86	\$ 845.00	\$795.00
2018	\$53.55	\$49.50	\$ 96.39	\$ 89.10	\$ 892.50	\$825.00
2019	\$60.30	\$56.10	\$108.54	\$100.98	\$1,005.00	\$935.00
2020	\$64.05	\$59.85	\$115.29	\$107.73	\$1,067.50	\$997.50
Net 5-Year Increase	\$20.82	\$16.62	\$ 37.48	\$ 29.92	\$ 347.00	\$277.00

As Table 1 demonstrates, over the next 5 years, the typical low volume user would see an increase of \$20.82 in their monthly bill under Alternate 1 or \$16.62 under Alternate 2. An average volume user will see an increase of \$37.48 under Alternate 1 and \$29.92 under Alternate 2.

Table 2 provides a comparison of the impacts of the proposed rate increase for 2016 against neighboring communities water and sewer rates.

TABLE 2
Monthly Bill Comparison with Nearby Communities

Alternate 1		Alternate 2	
Community	Water & Sewer Bill per 5,400 Gallons	Community	Water & Sewer Bill per 5,400 Gallons
Carol Stream	\$ 53.19	Carol Stream	\$ 53.19
Bloomingtondale	\$ 66.85	Bloomingtondale	\$ 66.85
Roselle (2015)	\$ 77.81	Roselle (2015)	\$ 77.81
Roselle (2016 Proposed)	\$ 86.40	Roselle (2016 Proposed)	\$ 83.16
Hanover Park	\$ 93.07	Hanover Park	\$ 93.07
Wood Dale	\$ 95.49	Wood Dale	\$ 95.49
Itasca	\$108.81	Itasca	\$108.81

It is Baxter & Woodman's recommendation that the Village move forward with Alternate 1, which more aggressively pursues water main replacement. Based on estimated life cycles, the Village of Roselle is at the beginning of an upward trend in needed replacement of water mains. While the current frequency of main breaks is within industry norms, an upward trend in the number of breaks is evident when reviewing break history data. A more aggressive campaign for replacement of water mains today means a reduction in the future service disruptions as well as spreading the replacement costs over a longer time period.

While it is our recommendation to proceed with Alternate 1, both Alternates 1 and 2 provide sufficient revenues to undertake the most critical repairs and will result in a stable and sustainable water system. Ultimately, the choice between Alternates 1 and 2 is a policy decision of the Board which must weigh the impacts to rate payers against the benefit of a more robust water distribution system.

The Village of Roselle should discuss any information and material contained in this report with any and all internal or external advisors and experts that the Village deems appropriate before acting on this information. Baxter & Woodman is not acting as a financial advisor to the Village and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the Village of Roselle with respect to the information and material contained in this report.

1. EXISTING WATER AND SEWER SYSTEMS

The Village of Roselle operates a public water distribution system, a sanitary sewer collection system and two wastewater treatment plants. The systems are operated and maintained by the Village's Public Works Department. The water system consists of 1.75 million gallons of water storage, 117 miles of main, three pressure adjusting stations and one booster station. Water is supplied to the Village's water distribution system by the DuPage Water Commission (DWC) which, in turn, purchases water from the City of Chicago.

The sanitary sewage collection system consists of 11 lift stations and 88 miles of gravity sewers. Two wastewater treatment plants serve the DuPage County section of the Village. Sewage from properties in Cook County flows to Metropolitan Water Reclamation District of Greater Chicago (MWRDGC) facilities for treatment. The Village's Botterman treatment plant has an average daily flow of 0.69 MGD while the Devlin plant has an average daily flow of 1.28 MGD.

The Village has a mixture of residential, commercial, industrial and institutional land uses. These areas are largely developed, with little land available for new development.

1.1 Wastewater Facilities Capital Improvements

The Village had a Wastewater Facilities Master Plan completed by RHMG Engineers, Inc. in April of 2015. This plan identified many major capital improvement projects to be funded through the water and sewer rates paid by system customers. The plan recommends improvements for the 2016-2020 time period totaling \$18.9 million. A listing of the improvements and associated costs which are planned during the 5-year timeframe of this rate study are included as Appendix A.

1.2 Water System Capital Improvements

Baxter & Woodman completed a review of the Village's Water System to help develop a 5-year Water System Capital Improvement Plan (CIP). Our review included meetings with Village staff; a facility walkthrough of the Village's pumping stations and storage facilities; review of the Village's GIS and evaluation of water main needs. The next five year's recommended projects for the water system are included in this study's rate calculations.

1.2.1 Pumping Facilities

The Village's four pumping facilities are all well maintained and in good working order. Appendix B summarizes major water pumping station equipment and current condition. Based on the age of the facilities and the pumps, the Village should start planning to replace one pump per facility within five years.

1.2.2 Water Storage Facilities

The Village's water storage facilities consist of two elevated tanks and one ground storage tank. Both of the elevated tanks are in good condition, with some minor concrete repair work necessary at the base of Tank No. 1 (near the railroad station).

Dixon Engineering inspected the ground storage tank in May 2015 and recommended the following improvements:

- High Pressure Clean/Recoat Exterior
- Wet Interior Recoating
- Weld Plates over Cathodic Lift Holes
- Coat foundation to prevent deterioration
- Install Screened flap gate on end of overflow
- Replace roof vent
- Install fall prevention device on exterior ladder
- Relocate cathodic protection

In addition, Water Division staff reports difficulties maintaining chlorine residual once the water leaves the ground storage tank and enters the distribution system. This is a typical occurrence with large volumes of stored water. Installation of a mixing system, such as a Tideflex® system, is recommended when the tank is out of service for maintenance. A summary of the storage facilities is located in Appendix B.

1.2.3 Water Distribution System

As part of the rate study, a review of the water system was conducted to identify needed system improvements and quantify the associated costs. As part of this analysis, the water distribution system was reviewed to determine a recommended level of investment in water main replacement or renewal. The system age is described in Table 3 and the types of breaks occurring by pipe age is described in Table 4.

TABLE 3
Pipe Length by Date of Installation

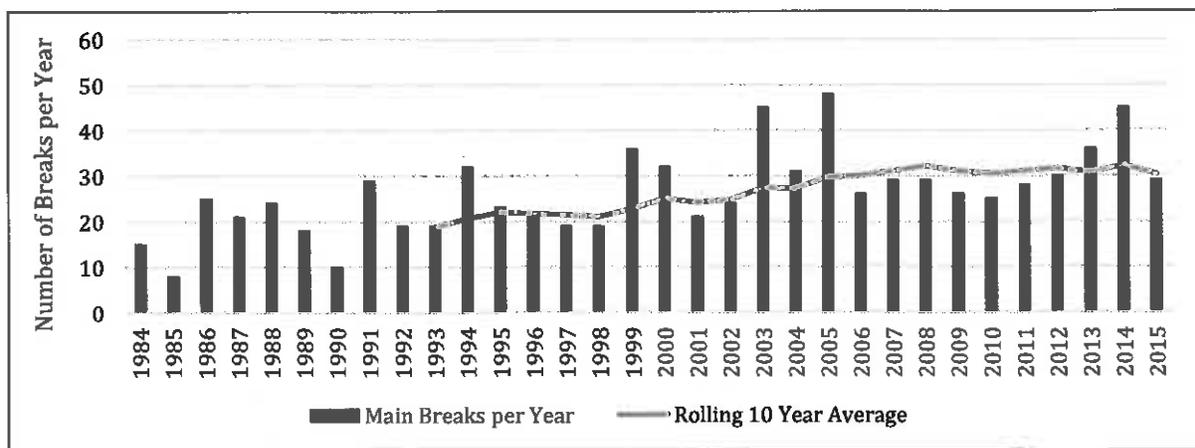
Pipe Age	Total Length (FT)	Total Length (MI)
Unknown	34,265	6.49
Before 1940	31,631	5.99
1940-1949	171	0.03
1950-1959	45,422	8.60
1960-1969	41,461	7.85
1970-1974	98,727	18.70
1975-1979	138,377	26.21
1980-1989	98,730	18.70
1990-Present	129,302	24.49
	618,086	117

TABLE 4
Pipe Breaks by Date of Installation

Pipe Age	No. of breaks due to Corrosion		No. of breaks due to Settlement		Total No.	Total %
Unknown	18	5%	26	5%	44	5%
Before 1940	16	5%	81	15%	97	11%
1940-1949	0	0%	0	0%	0	0%
1950-1959	65	20%	139	26%	204	24%
1960-1969	65	20%	89	17%	154	18%
1970-1974	57	17%	140	27%	197	23%
1975-1979	54	16%	8	2%	62	7%
1980-1989	18	5%	11	2%	29	3%
1990-Present	36	11%	34	6%	70	8%

The basic assumptions for the renewal analysis are that cast iron pipes will need to be replaced after 60 to 80 years of service. Ductile iron pipe is assumed to have a lifespan of 80 to 100 years. Based on a national study conducted by the Utah State University, the average annual break rate for cast iron pipes was found to be 24 breaks per year per 100 miles. The average annual break rate for ductile iron pipes was found to be 5 breaks per year per 100 miles and the average break rate for polyvinyl chloride (PVC) pipe is around 3 per 100 miles. The Village maintains 117 miles of water main; of which, approximately 40% is cast iron and 60% is ductile iron or PVC. Given these percentages, the expected break rate for the Village would be around 15 breaks per year. A review of the break history shows that, over the past decade, an average of around 30 breaks per year has been observed (see Figure 2). Many factors influence the number of breaks in any given year. However, looking at the rolling 10-year average, the trend is rising and has increased by an average of over 10 breaks per year in the past 20 years. It should be noted that 25 to 30 breaks per year for a system of this size is considered acceptable by American Water Works Association (AWWA) standards.

FIGURE 2
History of Main Breaks



In order to estimate the appropriate amount of investment for renewal of the water distribution system, the Village pipes were grouped together by the decade in which they were installed. It is assumed that all pipes installed in any given decade would be replaced over a 20-year period. When this replacement scenario is evaluated, the approximate value of the annual water main replacement necessary to keep pace with the rate at which pipes are reaching their end of life is \$1,000,000.

The main break history shows a majority of the breaks occur in pipes constructed in the period from the 1950s through 1974 which are approaching the end of their useful life. Therefore, the Village should continue to be dedicated to investing in infrastructure replacement on an annual basis. The focus of these investments should be on areas that have had a concentrated occurrence of water main breaks and, when possible, coordinating with the Village's street improvement program.

The Village is annually upgrading and replacing the water meters, hydrants and valve vaults. Several years remain on this improvement program and are included in the water system CIP. In addition, the Village plans to upgrade the Supervisory Control and Data Acquisition (SCADA) system for the water system. An estimated cost for a new SCADA system upgrade is included in the CIP.

A summary of the Water System CIP projects and associated costs for the next 5 years, including some long term projects and costs, is included in Appendix C.

2. CURRENT WATER AND SEWER RATES

The Village bills system users each month for water and sewer services with the intent of collecting sufficient revenue to allow these utilities to be self-sustaining and self-renewing. The Village bills all metered customers for the volume of water utilized within the billing period. All other fees, such as late fees, turn on fees, red tag fees and meter sales are billed when specific services are rendered. Table 5 summarizes the billing rates under the current rate ordinance.

TABLE 5
Existing Billing Rates

	DuPage County	Cook County
Water Usage per 1,000 gallons	\$ 7.11	\$ 7.11
Sewer Usage per 1,000 gallons	\$ 5.35	\$ 2.85
Capital Improvement Surcharge per 1,000 gallons	\$ 1.95	\$ 1.95
Total	\$14.41	\$11.91

It should be noted that the Cook County residents' sanitary sewage flows to the MWRDGC and these residents are assessed additional property taxes by the MWRDGC. No such property tax is levied by the Village on residents in DuPage County which are tributary to Village owned and operated treatment plants.

Revenues from the Water and Sewer Usage fees are placed in the Water and Sewer Operating Fund. The Capital Improvement Surcharge fees are allocated to the Water & Sewer Capital Projects Fund. The Water & Sewer Equipment Replacement Fund does not have a direct revenue source, but rather receives revenue from the Operating Fund via an annual fund transfer.

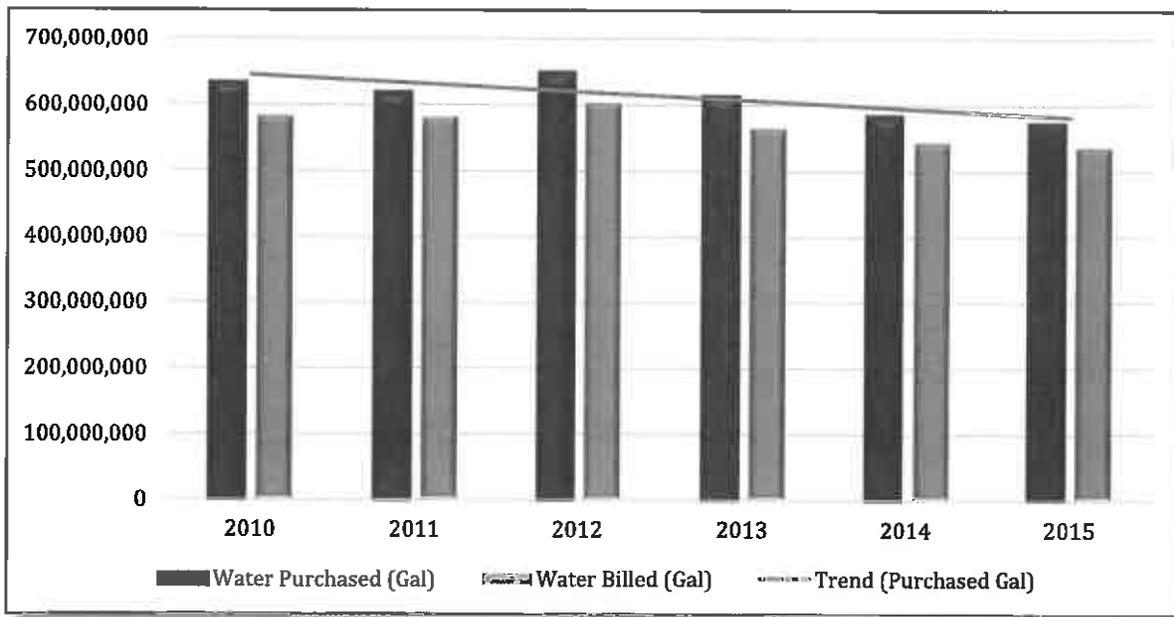
3. PROJECTED WATER AND SEWER USAGE

Revenues for water and sewer services are largely based on water usage. Roughly 98% of the fund revenue comes from water usage with the remainder of the revenue from late and other miscellaneous fees. Because the fund revenue is almost completely reliant on water sales, a thorough analysis of water usage trends is warranted. As a basis for projecting the future water usage and, thus, the system revenues, Baxter & Woodman reviewed data related to the volume of water purchased from DWC as well as the amount of water sold to customers and utilized by the Village over the past six years. Table 6 and Figure 3 summarize this information.

TABLE 6
Summary of Water Purchased and Water Sold

Billing Period	Water Purchased (Gal)	Water Billed (Gal)	Unaccounted For Water (%)
2010	634,040,000	584,203,806	7.9%
2011	619,874,000	582,646,515	6.0%
2012	650,665,000	604,302,823	7.1%
2013	614,428,000	567,299,194	7.7%
2014	585,579,000	545,869,302	6.8%
2015	573,477,000	538,246,200	6.1%

FIGURE 3
Water Purchased vs. Water Billed

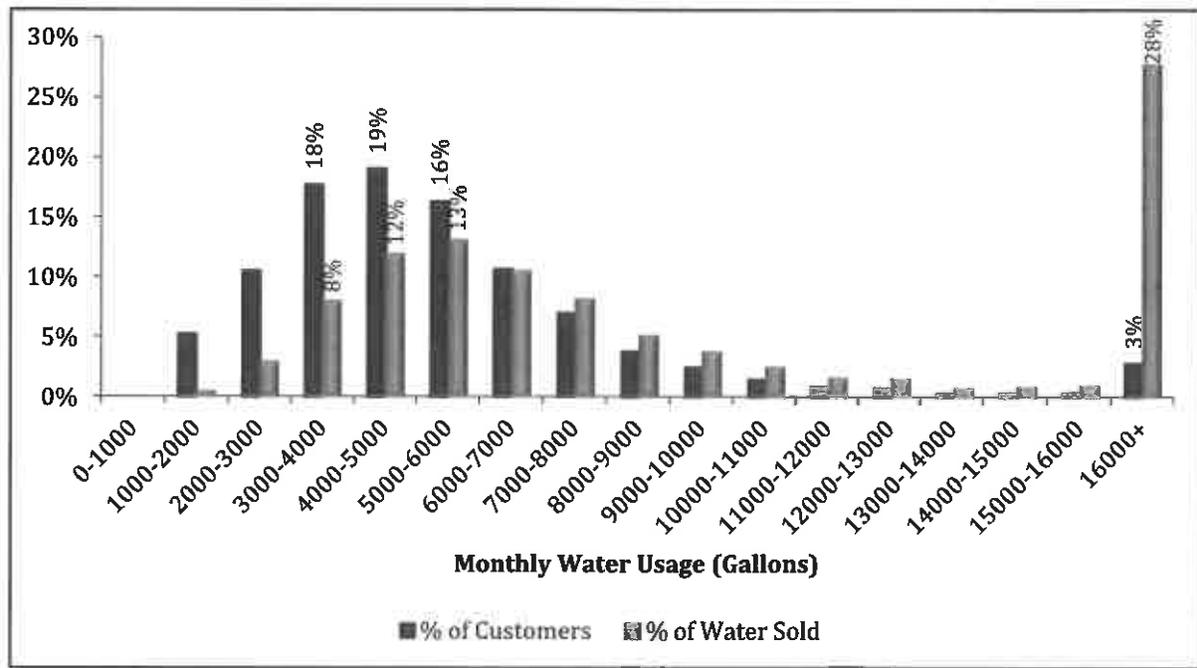


Note the overall declining trend in water usage over the last few years. This trend is typical for northern Illinois communities. While there has not been any definitive research regarding the cause of the decline in water usage, anecdotal evidence suggests that the increase in high efficiency plumbing fixtures along with public awareness campaigns related to the conservation of water are, in part, tributary to the declining per capita water usage rates. It should be noted that the water usage in the summer of 2012 was abnormally high due to drought conditions.

As the Village is not anticipating significant population growth and water usage is trending downward, the revenue projections in this analysis have been made utilizing the average water usage from 2015 as a starting point with an annual decline of 1% in projected water usage over the term of the study. These assumptions are intended to avoid over-estimating revenue.

Baxter & Woodman also conducted a review of the customer usage trends. Figure 4 shows roughly half of the system users consume only one third of the water volume sold while 3% of the users consume 28% of the water. Over 100 accounts fall into this high volume user category, with no single account exceeding 1% of the total volume sold by the Village. Therefore, the risk of significant revenue impacts due to the loss of one or more of these high volume users is low. A review of the high volume users also indicates that most of these accounts are relatively stable institutions.

FIGURE 4
Customer Usage Distribution



4. PROJECTED WATER AND SEWER REVENUES

The water and sewer rates charged to the system users comprise the majority of the revenues supporting the following funds:

1. Operating Fund (Operating)
2. Capital Projects Fund (Capital)
3. Equipment Replacement Fund (ERF)

Revenues generated by the Water Usage fee and the Sewer Usage fee are allocated to the Operating fund. Monies generated by the Capital Improvements Surcharge fee are allocated to the Capital fund. The ERF monies are transferred from Operating on an annual basis in an amount equal to the annual depreciation of assets which are to be paid from the ERF.

4.1 Rate Structure

Various types of rate structures are used by municipalities in developing their user charge system. Each method has positive and negative implications. Following is a brief review of alternative rate structures which can be employed.

Declining Block Rate – Under this structure, the cost of water decreases as usage increases. For example, the rate per 1,000 gallons for the first 9,000 gallons of usage per month is higher than the rate per 1,000 gallons for usage between 10,000 and 20,000 gallons, which is higher than the rate per 1,000 gallons for usage above 20,000 gallons. This type of rate structure is typically utilized in communities where there are significant industrial users who require large quantities of water.

Inclining Block Rate – This structure is similar to the declining block rate except rates increase with increased usage. This type of system is designed to encourage a conservation mindset to consumers.

Seasonal Rates – The seasonal structure is designed to encourage water conservation during the summer months when water usage tends to peak. The structure is similar to that of the inclining block rate except that the higher rates are only in effect during the summer month where usage peaks.

Meter Charge – In addition to the usage rates, each customer pays a separate fixed fee on a monthly basis. The amount of the fee is based on the size of the meter. Those with larger meters pay a higher fee. The rationale behind this type of fee is that the higher capacity users require larger infrastructure and, therefore, should bear a higher proportion of the costs.

Fixed Fee/Usage Fee – Under this type of fee structure, all system users pay a minimum monthly fee for the prescribed amount of water (typically around 3,000 gallons). This fee is paid regardless of whether or not 3,000 gallons of water is used. Any water usage above this amount is paid for at the price per 1,000 gallons used. A typical drawback to this type of fee structure is that those with a fixed income are typically the lower water users. This fee structure requires that these accounts pay for more water than they actually use. The upside for this type of structure is that it provides a certain amount of stability to the revenue stream.

Usage Fee – A usage based fee is the type of structure which the Village currently employs. Under this structure, each user pays for each 1,000 gallons of water utilized. This type of structure is easy to understand and equitable to all water users.

The Village currently employs a Usage Fee which charges each user based solely on the amount of water used in the billing period.

In looking at potentially changing the rate structure, the project team reviewed the above potential rate structures. The Village does not currently have any large volume industrial water users where a Declining Block Rate would make business retention more attractive. The per capita water usage rate has been declining under the current rate structure, so rate structures which promote conservation (Inclining Block Rate and Seasonal Rates) do not seem necessary to change consumer behavior. Both the Meter Charge and Fixed Fee/Usage Fee structures have the potential to place a higher proportion of the financial burden on those in the system who utilize the least amount of water. Because of these reasons and the familiarity of system users with the current fee structure, we recommend that the Village maintain its current Usage Fee based rate structure.

5. PROJECTED UTILITIES FUNDS EXPENSES

A thorough and detailed review of expenses associated with each of the three funds which are dependent on revenues from the water and sewer user charge system was conducted.

5.1 Operating Fund Expenses

The Operating Fund expenses consist of those items necessary for ongoing operations of the water and sewer system. These expenses include such things as personnel, chemicals, electricity, utilities, routine equipment and facilities maintenance, programmatic replacement of water system hydrants and valves, and an annual contribution to the ERF. A summary of these expenses is found as part of Appendix D.

In developing the expense projections for the 5-year study period, Baxter & Woodman reviewed each budgeted line item expense and worked with Village staff to assign an inflation factor where appropriate. Expenses were then generated for each of the five years based on the prior year budget and the inflation factor. There are no major operational changes anticipated at this time, therefore, current manpower and routine maintenance and material needs are not anticipated to change significantly. Budget line items in these areas are adjusted only for inflation.

Approximately 65% of the cost associated with providing water service to Village customers is the expense of purchasing water from the DWC. The DWC, in turn, purchases their water from the City of Chicago. Over the past several years, the City of Chicago has increased the price of water by 15% to 25% per year amounting in a total cost increase of 90% over the four year period. Going forward, annual rate increases are limited to the lesser of the Consumer Price Index or 5%. For the purposes of this study, an annual rate increase of 3% has been assumed. Table 7 shows the projected rate schedule for the purchase of water from the DWC over the course of the study period.

TABLE 7

Projected DuPage Water Commission Rates

Year	DWC Rate Charge per 1,000 gallons
2016	\$4.85
2017	\$5.00
2018	\$5.15
2019	\$5.30
2020	\$5.46

Based on the assumptions as stated above, the operating expenses are slated to grow from \$7.1 million in 2016 to \$7.3 million in 2020.

5.2 Equipment Replacement Fund

The Village maintains a list of short lived assets which require replacement within a 5- to 20-year timeframe. Computers, vehicles and water tank repainting comprise the majority of these assets. Each of the assets is depreciated on a straight-line basis over the life of the asset. It is the current policy of the Village to value the asset at the purchase price and contribute monies equal to the amount of the annual depreciation into the ERF. For the purposes of this study, Baxter & Woodman has taken a more conservative approach and values the asset at the anticipated replacement cost, rather than at the purchase cost. The replacement cost is based on an annual 3% inflation of cost over the life of the asset. The equipment lists, replacement costs, and estimated life for each of the current assets over the 5-year study period is provided as Appendix E.

5.3 Capital Projects Fund

The Capital Fund is dedicated to large scale capital infrastructure expenditures which typically have a life expectancy of 20+ years. Often times these projects are of sufficient magnitude to warrant debt funding. Debt service payments, along with the capital expenditures, flow through this fund. Project costs are based on the Engineer's Opinion of Probable Construction Cost prepared as part of the capital planning studies and capital improvement plans for the water and sewer systems.

6. BASELINE REVENUE AND EXPENSE ANALYSIS

Under the Baseline scenario, it is assumed that the Village will not increase water and sewer rates above current levels, nor will there be any transfers of cash into the water and sewer funds from outside sources such as the General Fund. Given these parameters and the revenue and expense projections discussed above, the water and sewer funds will be operating at an annual deficit and will consume existing cash reserves within two years. Figure 5 shows the projected fund balance for the operating fund and Figure 6 shows the projected balance for the Capital Fund. It should be noted that for the operating fund, two "Target Fund Balance" lines are shown. These lines represent the recommended minimum operating fund balance. The higher of the two is 25% of the operating expense and is the balance recommended by AWWA. The lower line is 17% of the operating expense and is the current policy of the Village.

FIGURE 5

Projected Operating Fund Balance - Baseline Scenario

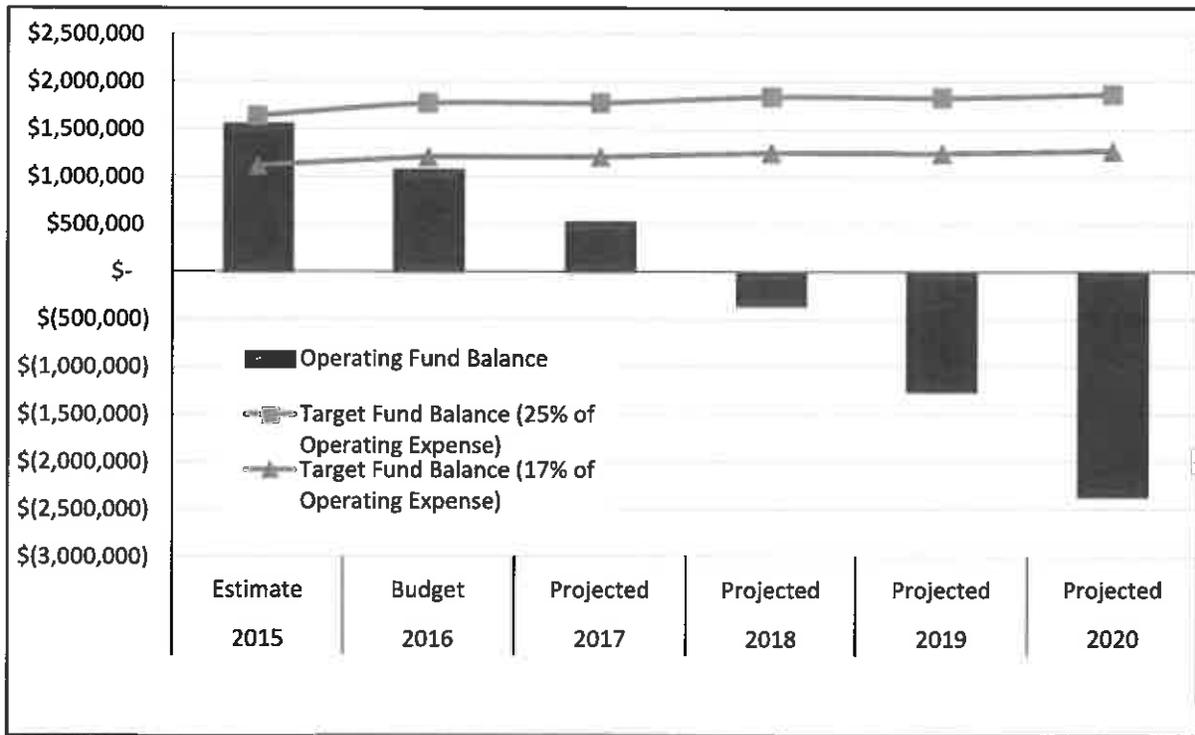
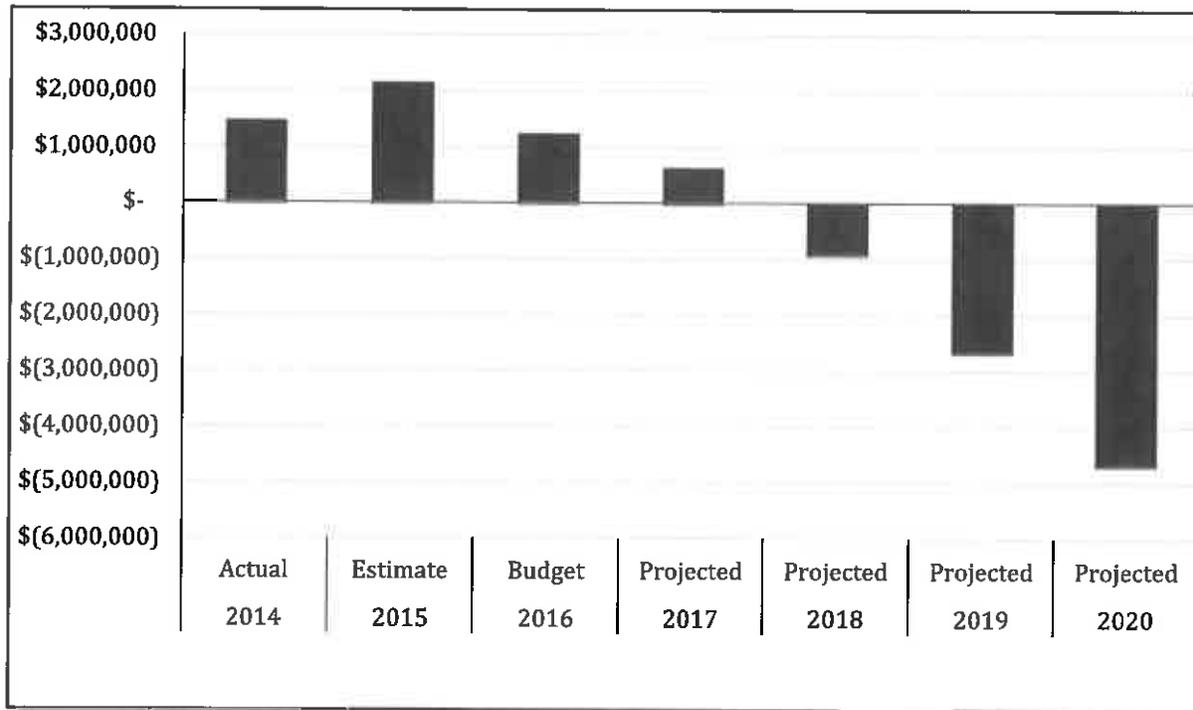


FIGURE 6
Projected Capital Fund Balance - Baseline Scenario



As the figures show, if no action is taken and the planned capital projects are moved forward, the fund balances for both the operating and capital funds will quickly become negative. In order to maintain positive balances, the Village needs to increase system revenue to levels which are adequate to support the system expenses. The increases must be sufficient to not only fund the needed capital improvements, but also to overcome the loss of revenue due to declining water consumption and keep pace with the inflationary increases in material and labor costs.

7. WATER AND SEWER RATE ALTERNATES OVERVIEW

In working with Village staff, several rate increase options to meet the projected system expenses were evaluated. The two alternates deemed most viable are discussed in this report. Rate increases are assumed to take place on April 1 for 2016 and January 1 for all years after that, which coincides with the Village's fiscal year. The basic assumptions discussed above (declining water usage and inflationary increases for expenses) are held in each of the following analysis. The wastewater capital plan remains constant in both alternates with only variations in the funding sources and construction timing within the 5-year period. The level of water system improvements funded is modified between alternates. The financial goal of each analysis is to set rates at a level which provides sufficient revenues to meet expenses and provide adequate reserves for unforeseen circumstances while minimizing impacts to rate payers.

7.1 Alternate 1

Alternate 1 is the most aggressive in the extent of capital improvements. This alternate assumes that the Village will seek funding from the Illinois Environmental Protection Agency (IEPA) low interest loan program for the \$18.9 million in wastewater system improvements.

In addition to the wastewater improvements, this alternate budgets \$1 million in annual water main replacement which is equal to the amount suggested by the water main renewal analysis discussed in subsection 1.2 of this report. A full capital plan for this alternate is provided as Appendix F.

Table 9 shows the proposed rates under this option. The rates for water usage by users within the Village limits increases annually between \$0.15 and \$0.35 per 1,000 gallons used. Sewer charges for users within the Village increase between \$0.10 and \$0.25 annually per 1,000 gallons used. And, the capital improvements surcharge for system users increases between \$0.95 and \$1.00 annually for each 1,000 gallons used. Table 8 provides a summary of the impact of the proposed rate increase on various types of users. The cost impact analysis was conducted for the following types of users:

- Low volume user – 3,000 gallons per month. This group represents small households of one or two people.
- Average user – 5,400 gallons per month. This is the average volume per account across all accounts in the Village and was determined by dividing the total gallons of water billed in a year by the number of accounts in the Village.
- High volume user – 50,000 gallons was assumed for a high volume user. This value is roughly the median value of all users who exceed 16,000 gallons of water per month.

Figure 7 shows the projected revenues, expenses and fund balances for the Capital Fund under Alternate 1. The 5-year projections for this fund are provided as Appendix G. At the top of Figure 7 is a graph of the debt service coverage ratio (DSCR) for the 5-year study period. The 2016 fund balance is relatively high at around \$2 million. Projected expenditures in 2017 will deplete a portion

Village of Roselle, Illinois

of the fund reserves. From 2017 forward, expenditures and revenues are roughly equal resulting in a relatively stable fund balance of around \$600,000. One of the key metrics related to the capital fund is the debt service coverage ratio. This is the ratio of monies available to pay off debt to the debt payment required. A ratio of 2 is often cited as favorable. As the graph at the top of Figure 7 shows, the projected DSCR is relatively high at over 6 at the start of the study period and then dips down and levels out at around 2 toward the end of the period.

TABLE 8
Monthly Bill - Alternate 1

Year	Usage Rate (Gallons per Month)					
	3,000		5,400		50,000	
	Bill	Increase	Bill	Increase	Bill	Increase
2015	\$43.23		\$ 77.81		\$ 720.50	
2016	\$48.00	\$ 4.77	\$ 86.40	\$ 8.59	\$ 800.00	\$ 79.50
2017	\$50.70	\$ 2.70	\$ 91.26	\$ 4.86	\$ 845.00	\$ 45.00
2018	\$53.55	\$ 2.85	\$ 96.39	\$ 5.13	\$ 892.50	\$ 47.50
2019	\$60.30	\$ 6.75	\$108.54	\$12.15	\$1,005.00	\$112.50
2020	\$64.05	\$ 3.75	\$115.29	\$ 6.75	\$1,067.50	\$ 62.50
Total over 5 years		\$20.82		\$37.48		\$347.00

TABLE 9
Proposed Rates - Alternate 1

	2015		2016		2017		2018		2019		2020	
	Rate	Increase	Rate									
Water Rate per 1,000 Gallons Used												
Water - In Village	\$ 7.11	\$0.34	\$ 7.45	\$0.35	\$ 7.80	\$0.25	\$ 8.05	\$0.20	\$ 8.25	\$0.20	\$ 8.45	
Water - Outside Village	\$10.67	\$0.51	\$11.18	\$0.52	\$11.70	\$0.38	\$12.08	\$0.30	\$12.38	\$0.30	\$12.68	
Sewer Rate per 1,000 Gallons Used												
Sewer - DuPage County	\$ 5.35	\$0.25	\$ 5.60	\$0.25	\$ 5.85	\$0.15	\$ 6.00	\$0.10	\$ 6.10	\$0.15	\$ 6.25	
Sewer - Cook County	\$ 2.85	\$0.15	\$ 3.00	\$0.10	\$ 3.10	\$0.10	\$ 3.20	\$0.05	\$ 3.25	\$0.10	\$ 3.35	
Sewer - Cook County Flows to DuPage	\$ 5.35	\$0.25	\$ 5.60	\$0.25	\$ 5.85	\$0.15	\$ 6.00	\$0.10	\$ 6.10	\$0.15	\$ 6.25	
Sewer Rate - Flat Fee												
Sewer Service Only - Cook County*	\$17.10	\$0.85	\$17.95	\$0.90	\$18.85	\$0.60	\$19.45	\$0.35	\$19.80	\$0.50	\$20.30	
Sewer Service Only - DuPage County*	\$32.10	\$1.50	\$33.60	\$1.55	\$35.15	\$1.20	\$36.35	\$0.65	\$37.00	\$0.85	\$37.85	
Capital Improvement Surcharge Rate per 1,000 Gallons Used												
Capital Improvements Surcharge	\$ 1.95	\$1.00	\$ 2.95	\$0.90	\$ 3.85	\$0.95	\$ 4.80	\$0.95	\$ 5.75	\$0.90	\$ 6.65	
Capital Improvements Surcharge - Flat Fee												
Capital Improvements Surcharge - Sewer Service Only*	\$11.70	\$6.00	\$17.70	\$5.45	\$23.15	\$5.75	\$28.90	\$5.75	\$34.65	\$5.45	\$40.10	

FIGURE 7
Projected Capital Fund Balance - Alternate 1

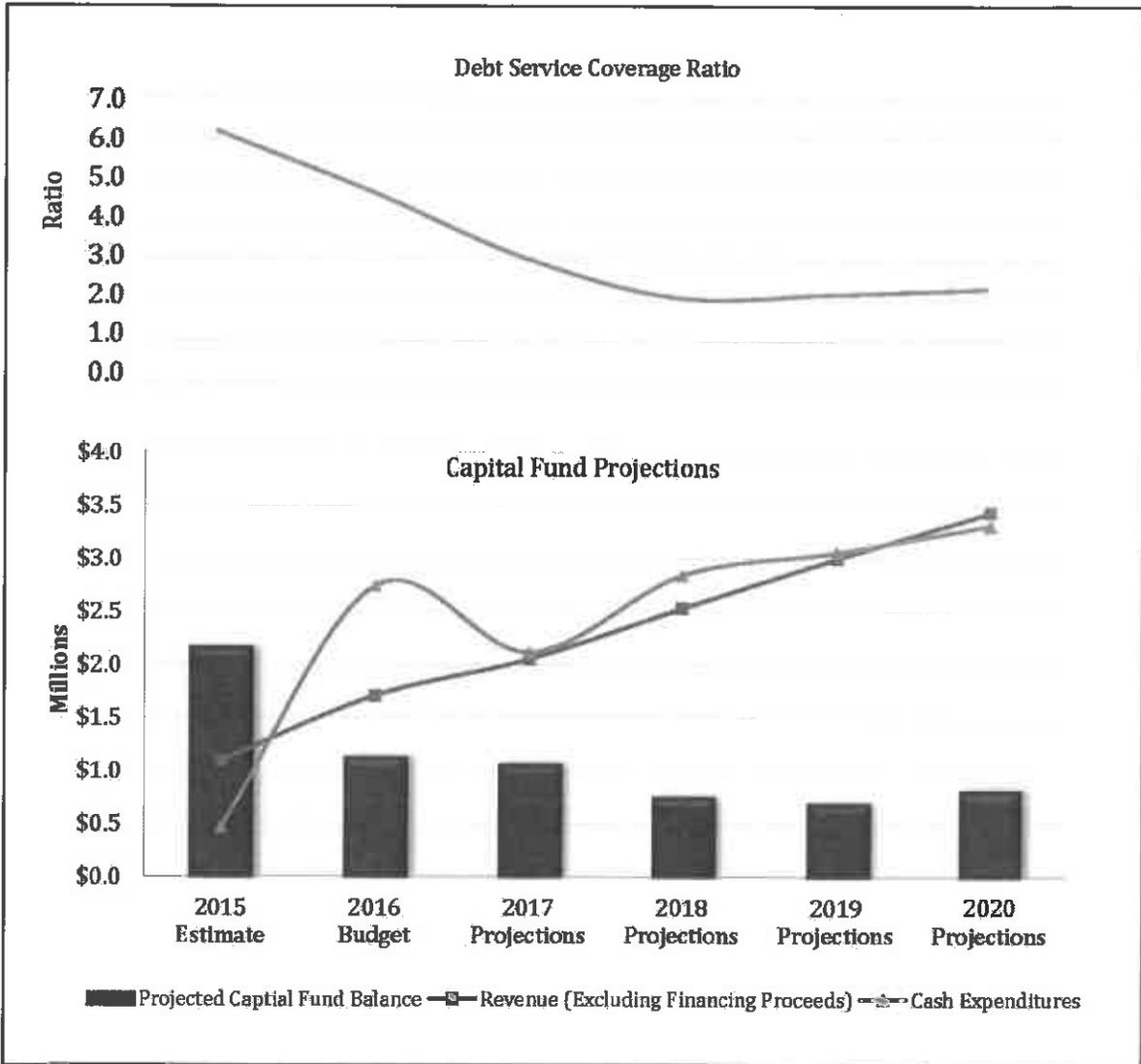
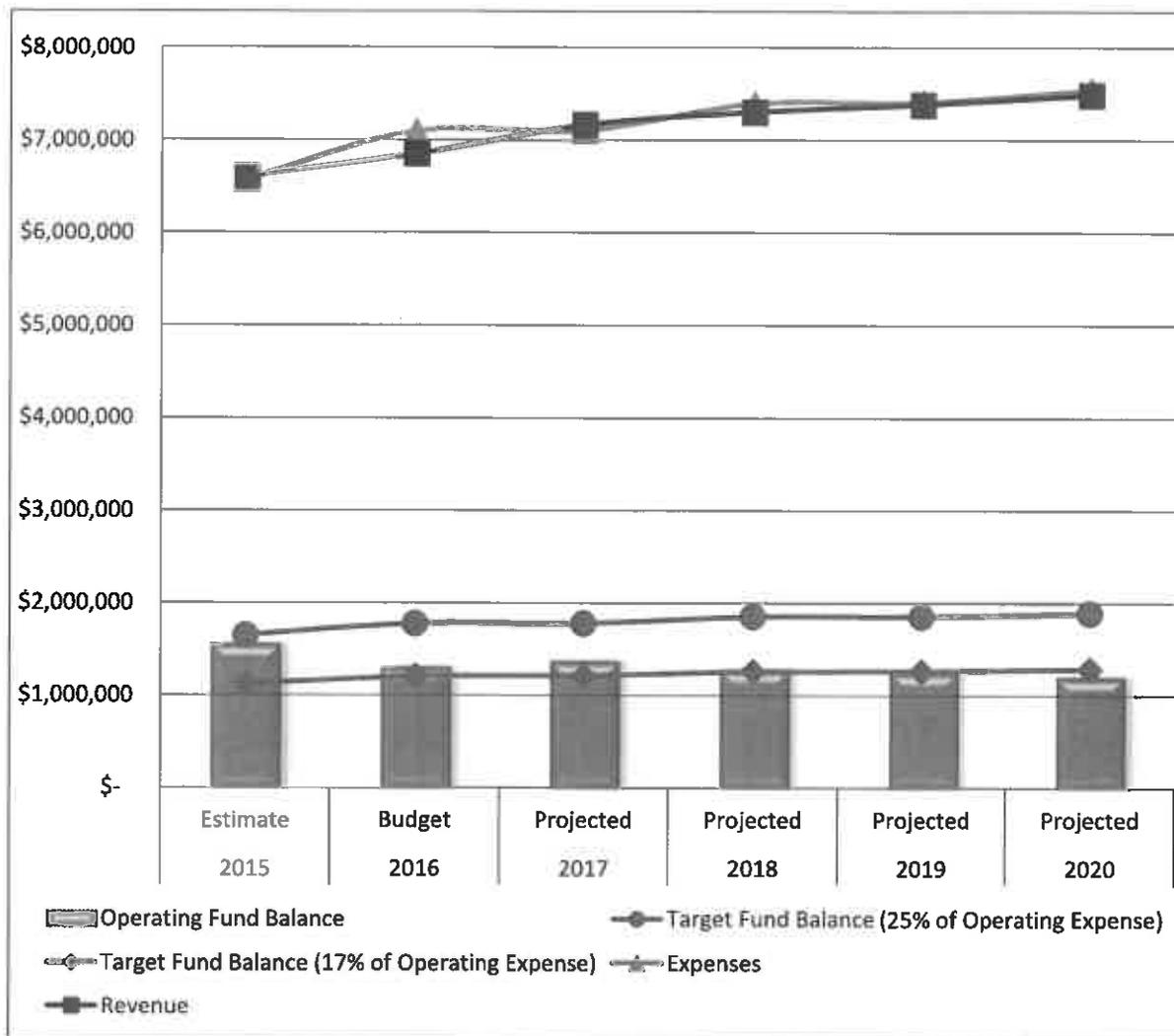


Figure 8 shows the projected impacts of the rate increase on the operating fund. As the graphic demonstrates, the operating revenues and expenses are roughly equal throughout the study period and, therefore, the fund balance remains relatively steady at around \$1.2 million. This fund balance is right at the Village’s policy for a minimum fund balance of 17% of the operating expense. It is, however, below the AWWA recommended value of 25% of the operating expense. The full operating fund projections are provided as Appendix H.

FIGURE 8
Operating Fund Projections - Alternate 1



In reviewing the proposed rate increase, a point of comparison often used is to determine how Village costs for water and sewer compare to surrounding communities. These comparisons must be used cautiously as each system is unique and rates are subject to many influences. For example, the Village of Roselle is unique in that it maintains two wastewater treatment facilities whereas the comparable communities may only need to maintain one facility or may split flows between a locally owned facility and more regional facilities such as MWRDGC. Another significant factor is where the community is within their major equipment replacement cycle. For example, a neighboring community may be 2 to 3 years away from undertaking a major capital improvement program which will require the issuance of new debt and, subsequently, require a significant increase in rates. When

comparing Roselle rates to this neighboring community in 2016, the rates may be significantly higher; however, in 2 to 3 years, the rates may be much more comparable. Bearing these issues in mind, Table 10 shows how the current rate compares to comparable neighboring communities as well as how the proposed rate will compare in 2016.

TABLE 10

Bill Comparison with Neighboring Communities - Alternate 1

Community	Water & Sewer Bill per 5,400 Gallons
Carol Stream	\$ 53.19
Bloomington	\$ 66.85
Roselle (2015)	\$ 77.81
Roselle (2016 Proposed)	\$ 86.40
Hanover Park	\$ 93.07
Wood Dale	\$ 95.49
Itasca	\$108.81

7.2 Alternate 2

Under Alternate 2, the proposed 2016-2020 wastewater improvements would still be funded by IEPA loans. However, the scope of the water main replacement is reduced by half from \$1 million per year to \$500,000 per year. The capital plan for this alternate is provided as Appendix I.

Table 12 shows the projected rates under this option. The rates for water usage by users within the Village limits increases annually between \$0.20 and \$0.35 per 1,000 gallons used. Sewer charges for users within the Village increase between \$0.15 and \$0.25 annually per 1,000 gallons used. And, the capital improvements surcharge for system users increases between \$0.40 and \$0.90 annually for each 1,000 gallons used. Table 11 provides a summary of the impact of the proposed rate increase on various types of users.

Figure 9 shows the projected revenues, expenses and fund balances for the Capital Fund under Alternate 2. At the top of Figure 9 is a graph of the DSCR for the 5-year study period. As the figure demonstrates, the cash balance in 2016 is relatively high at over \$2 million. However, projected expenses exceed revenues until 2020, resulting in a drop in cash balances. In 2020 when expenses and revenues are in balance, the projected fund balance is about \$600,000. One of the key metrics related to the capital fund is the debt service coverage ratio. This is the ratio of monies available to pay off debt to the debt payment required. A ratio of 2 is often cited as favorable. As the graph at the top of Figure 9 shows, the projected DSCR is relatively high at over 6 at the start of the study period and then dips down and levels out at below 2 toward the end of the period. The full 5-year projections for the capital fund are provided as Appendix J.

TABLE 11
Monthly Bill - Alternate 2

Year	Usage Rate (Gallons per Month)					
	3,000		5,400		50,000	
	Bill	Increase	Bill	Increase	Bill	Increase
2015	\$43.23		\$ 77.81		\$720.50	
2016	\$46.20	\$ 2.97	\$ 83.16	\$ 5.35	\$770.00	\$ 49.50
2017	\$47.70	\$ 1.50	\$ 85.86	\$ 2.70	\$795.00	\$ 25.00
2018	\$49.50	\$ 1.80	\$ 89.10	\$ 3.24	\$825.00	\$ 30.00
2019	\$56.10	\$ 6.60	\$100.98	\$11.88	\$935.00	\$110.00
2020	\$59.85	\$ 3.75	\$107.73	\$ 6.75	\$997.50	\$ 62.50
Total over 5 years		\$16.62		\$29.92		\$277.00

TABLE 12
Proposed Rates - Alternate 2

	2015		2016		2017		2018		2019		2020	
	Rate	Increase	Rate									
Water Rate per 1,000 Gallons Used												
Water - In Village	\$ 7.11	\$0.34	\$ 7.45	\$0.35	\$ 7.80	\$0.25	\$ 8.05	\$0.20	\$ 8.25	\$0.20	\$ 8.45	
Water - Outside Village	\$10.67	\$0.51	\$11.18	\$0.52	\$11.70	\$0.38	\$12.08	\$0.30	\$12.38	\$0.30	\$12.68	
Sewer Rate per 1,000 Gallons Used												
Sewer - DuPage County	\$ 5.35	\$0.25	\$ 5.60	\$0.25	\$ 5.85	\$0.15	\$ 6.00	\$0.10	\$ 6.10	\$0.15	\$ 6.25	
Sewer - Cook County	\$ 2.85	\$0.15	\$ 3.00	\$0.10	\$ 3.10	\$0.10	\$ 3.20	\$0.05	\$ 3.25	\$0.10	\$ 3.35	
Sewer - Cook County Flows to DuPage	\$ 5.35	\$0.25	\$ 5.60	\$0.25	\$ 5.85	\$0.15	\$ 6.00	\$0.10	\$ 6.10	\$0.15	\$ 6.25	
Sewer Rate - Flat Fee												
Sewer Service Only - Cook County*	\$17.10	\$0.85	\$17.95	\$0.90	\$18.85	\$0.60	\$19.45	\$0.35	\$19.80	\$0.50	\$20.30	
Sewer Service Only - DuPage County*	\$32.10	\$1.50	\$33.60	\$1.55	\$35.15	\$1.20	\$36.35	\$0.65	\$37.00	\$0.85	\$37.85	
Capital Improvement Surcharge Rate per 1,000 Gallons Used												
Capital Improvements Surcharge	\$ 1.95	\$0.40	\$ 2.35	\$0.50	\$ 2.85	\$0.60	\$ 3.45	\$0.90	\$ 4.35	\$0.90	\$ 5.25	
Capital Improvements Surcharge - Flat Fee												
Capital Improvements Surcharge - Sewer Service Only*	\$11.70	\$2.40	\$14.10	\$3.00	\$17.10	\$3.60	\$20.70	\$5.40	\$26.10	\$5.40	\$31.50	

FIGURE 9
Projected Capital Fund Balance - Alternate 2

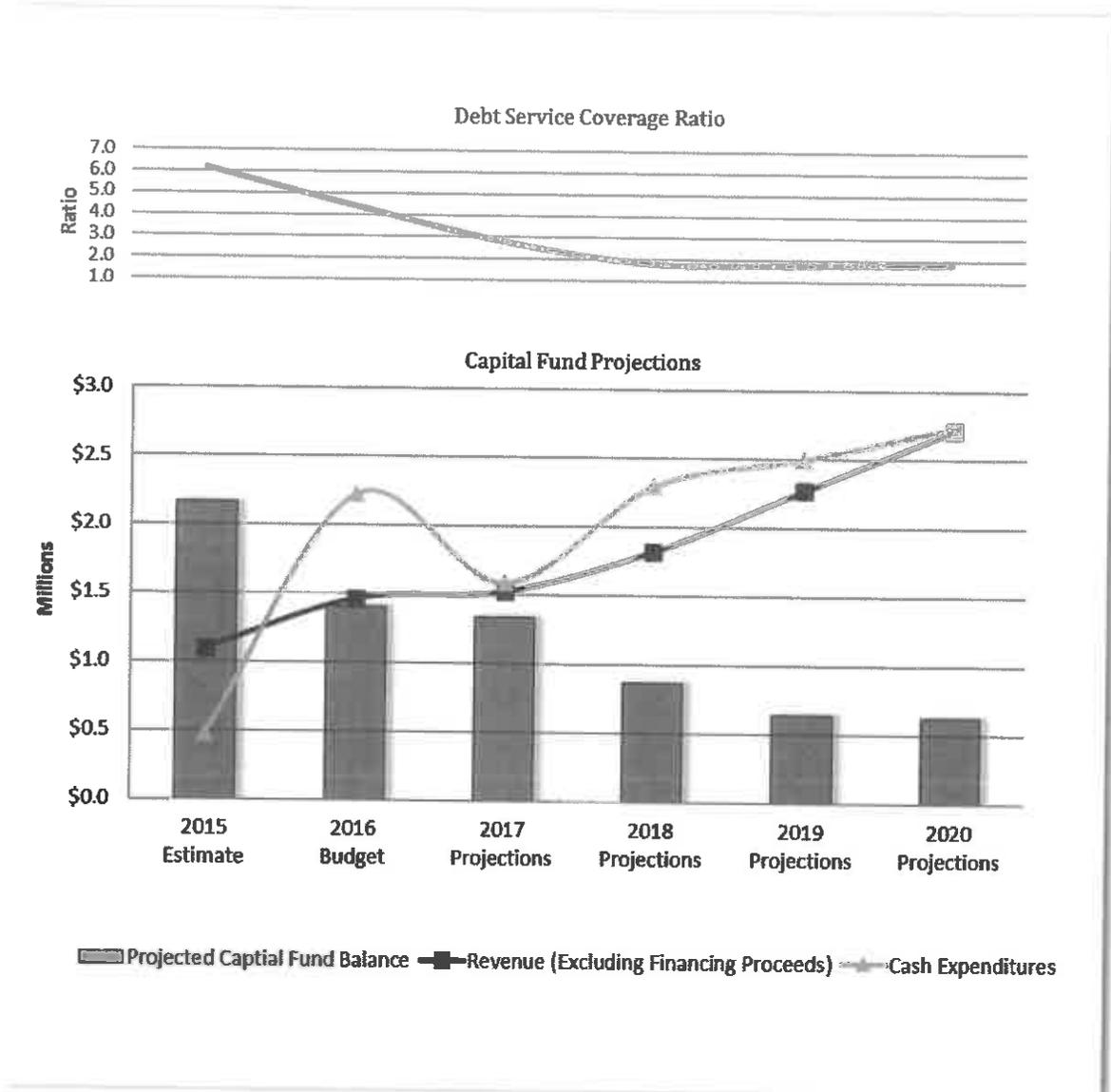
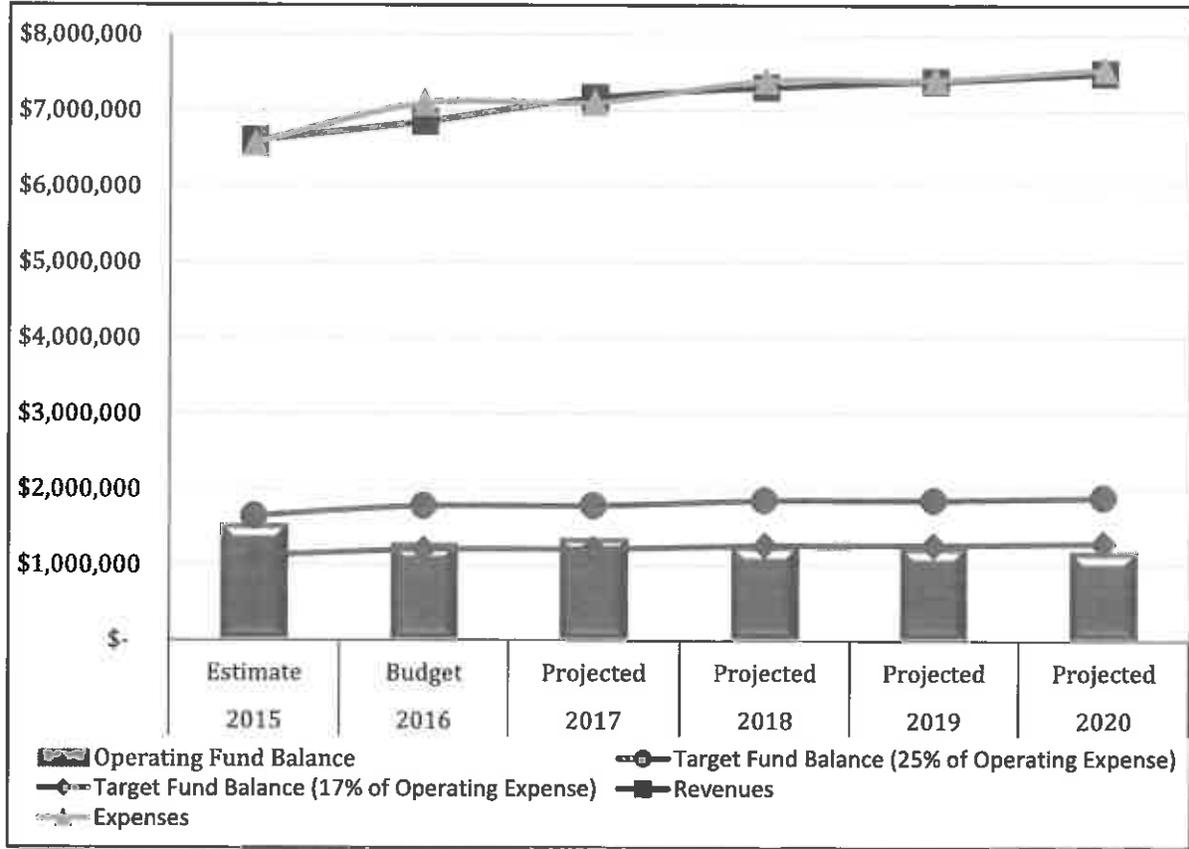


FIGURE 10
Projected Operating Fund Balance - Alternate 2



A summary of the impact of this alternate's proposed rates when compared to neighboring communities is presented as Table 13. Five year projections for the operating fund are presented as Appendix K.

TABLE 13
Bill Comparison with Neighboring Communities - Alternate 2

Community	Water & Sewer Bill per 5,400 Gallons
Carol Stream	\$ 53.19
Bloomington	\$ 66.85
Roselle (2015)	\$ 77.81
Roselle (2016 Proposed)	\$ 83.16
Hanover Park	\$ 93.07
Wood Dale	\$ 95.49
Itasca	\$108.81

8. CONCLUSION AND RECOMMENDATIONS

Alternates 1 and 2 will each achieve the goals of supporting projected operating expenses and capital improvements over the 5-year study period while maintaining fund balances at or above the minimum values. Both options require modest increases to the water and sewer usage rates to keep pace with inflation and overcome the loss of revenue due to a projected decrease in per capita water consumption.

Alternate 1 assumes a more aggressive approach to water main replacement in addition to supporting the needed capital improvements identified in the wastewater and water planning studies. Approximately \$1 million in annual water main replacement is budgeted under this alternate. The average user will see an \$8.59 increase in their monthly water and sewer bill in 2016 and a \$37.48 total increase by 2020. The average user bill in 2015 is about \$78 per month. Under this alternate, by 2020 the average users monthly bill will be \$115. At the end of 2020, the Water & Sewer Operating Fund balance is projected to be at the Village's minimum balance requirement, and revenues are expected to be equal to expenses. The Capital Fund is projected to meet a debt service coverage ratio metric of 2.

In Alternate 2, the budgeted water main improvements are reduced to \$500,000 annually rather than the \$1 million in Alternate 1. Monthly bills for the average user will increase \$5.35 in 2016 with a total increase of \$29.92 per month by 2020. For the average user, this means an increase in monthly water and sewer bills from \$78 to \$108. Like Alternate 1, at the end of the 5-year study period, the operating fund balance is projected to be at the Village minimum balance requirements and the debt service coverage ratio for the capital fund is projected to be just below 2.

8.1 Recommendation

We recommend the Village implement Rate Alternate 1 to ensure that water and sewer usage rates appropriately reflect the current cost of service to operate the water and sewer utilities. This option provides the needed revenue and cash flow to support the anticipated expenditures for operation, maintenance and capital investment along with an aggressive water main replacement plan. Beginning with a more proactive approach will more evenly spread the replacement costs while providing a more reliable level of service.

While it is our recommendation to proceed with Alternate 1, both Alternates 1 and 2 provide sufficient revenues to undertake the most critical repairs and will result in a stable and sustainable water system. Ultimately, the choice between Alternates 1 and 2 is a policy decision of the Board which must weigh the impacts to rate payers against the benefit of a more robust water distribution system.

8.2 Recommended Action Plan

Baxter & Woodman recommends that the Village thoroughly review this report and consult with Village staff and any financial advisors which are familiar with all aspects of the Village's finances. Our review focused on the funds impacted by water and sewer rates, however, those familiar with the overall finances of the Village should also be consulted. Provided the Village financial advisors are in agreement with the information contained in this report, the Village should select and implement Alternate 1 by adopting an ordinance revising the current rate structure to reflect the selected option. The proposed rate increases should become effective April 1, 2016.

Once rate increases are in place, the Village should monitor fund values against the projected balances and identify any significant discrepancies. The plan should be monitored on at least an annual basis and adjustments made to the plan in the event there are material differences from the forecast.

APPENDIX A - CAPITAL EQUIPMENT COSTS - WASTEWATER FACILITIES

CAPITAL NEEDS AND EQUIPMENT REPLACEMENT	FACILITY GROUP	FUNDING SOURCE	2015 COST	CONSTRUCTION YEAR	FUTURE COST
Botterman Fats, Oils & Grease Removal at Influent Pump Station (Design)	Botterman	Capital Fund - Debt	\$ 56,650	2016	\$ 58,350
Botterman Fats, Oils & Grease Removal at Influent Pump Station (Engineering)	Botterman	Capital Fund - Debt	\$ 495,000	2017	\$ 525,146
Botterman Dechlorination Equipment	Botterman	Operating Fund	\$ 15,000	2016	\$ 15,450
Botterman Liquid Chlorine Disinfection Conversion	Botterman	Capital Fund - Cash	\$ 83,000	2016	\$ 85,490
Botterman Digester Addition (Design)	Botterman	Capital Fund - Debt	\$ 160,680	2017	\$ 170,465
Botterman Digester Addition (Construction)	Botterman	Capital Fund - Debt	\$ 1,404,000	2018	\$ 1,534,189
Botterman Influent Pump Replacement (1 Pump)	Botterman	Operating Fund	\$ 10,000	2016	\$ 10,300
Botterman Polymer Feed System	Botterman	Operating Fund	\$ 35,000	2016	\$ 36,050
Botterman Belt Filter Press (Design)	Botterman	Capital Fund - Debt	\$ 61,800	2017	\$ 65,564
Botterman Belt Filter Press (Construction)	Botterman	Capital Fund - Debt	\$ 540,000	2018	\$ 590,073
Botterman Belt Filter Press Feed Pumps	Botterman	Operating Fund	\$ 55,000	2018	\$ 60,100
Botterman Return Activated Sludge (RAS) Pumps (3 pumps)	Botterman	Operating Fund	\$ 60,000	2018	\$ 65,564
Botterman Sludge Transfer Pumps (2 pumps)	Botterman	Operating Fund	\$ 55,000	2018	\$ 60,100
Botterman Digester Blowers (Design)	Botterman	Capital Fund - Debt	\$ 32,445	2017	\$ 34,421
Botterman Digester Blowers (Construction)	Botterman	Capital Fund - Debt	\$ 283,500	2018	\$ 309,788
Botterman Effluent Pumps (3 pumps)	Botterman	Operating Fund	\$ 75,000	2020	\$ 86,946
Botterman Oxidation Ditch Aerators (Design)	Botterman	Capital Fund - Cash	\$ 32,960	2019	\$ 37,097
Botterman Oxidation Ditch Aerators (Construction)	Botterman	Capital Fund - Cash	\$ 288,000	2020	\$ 333,871
Botterman Entrance Gate	Botterman	Operating Fund	\$ 19,000	2017	\$ 20,157
Devlin Primary Sludge Flow Meter Replacement	Devlin	Operating Fund	\$ 25,000	2016	\$ 25,750
Devlin Excess Flow Meter	Devlin	Operating Fund	\$ 20,000	2016	\$ 20,600
Devlin Primary Sludge Collection Equipment (Design)	Devlin	Capital Fund - Debt	\$ 14,420	2016	\$ 14,853
Devlin Primary Sludge Collection Equipment (Construction)	Devlin	Capital Fund - Debt	\$ 126,000	2017	\$ 133,673
Devlin Fence Replacement	Devlin	Operating Fund	\$ 25,000	2016	\$ 25,750
Devlin Belt Filter Press Feed Pumps (2 pumps)	Devlin	Operating Fund	\$ 55,000	2017	\$ 58,350
Devlin Influent Pump Station and Screening (Design)	Devlin	Capital Fund - Debt	\$ 844,600	2017	\$ 896,036
Devlin Influent Pump Station and Screening (Construction)	Devlin	Capital Fund - Debt	\$ 7,380,000	2018	\$ 8,064,325

CAPITAL NEEDS AND EQUIPMENT REPLACEMENT	FACILITY GROUP	FUNDING SOURCE	2015 COST	CONSTRUCTION YEAR	FUTURE COST
Devlin Sludge Conveyor (Design)	Devlin	Operating Fund	\$ 5,665	2018	\$ 6,190
Devlin Sludge Conveyor (Construction)	Devlin	Operating Fund	\$ 49,500	2019	\$ 55,713
Devlin Digester Addition, Covers and Electrical Repair (Design)	Devlin	Capital Fund - Debt	\$ 50,883	2016	\$ 52,409
Devlin Digester Addition, Covers and Electrical Repair (Construction)	Devlin	Capital Fund - Debt	\$ 444,600	2017	\$ 471,676
Devlin Primary Sludge Pump No 1	Devlin	Operating Fund	\$ 15,000	2018	\$ 16,391
Devlin Primary Sludge Pump No 2	Devlin	Operating Fund	\$ 15,000	2020	\$ 17,389
Devlin Primary Sludge Grinder	Devlin	Operating Fund	\$ 25,000	2020	\$ 28,982
Annual Miscellaneous Lift Station Repairs/Maintenance Items	Misc	Operating Fund	\$ 10,000	2016	\$ 10,300
Annual Miscellaneous Lift Station Repairs/Maintenance Items	Misc	Operating Fund	\$ 10,000	2017	\$ 10,609
Annual Miscellaneous Lift Station Repairs/Maintenance Items	Misc	Operating Fund	\$ 10,000	2018	\$ 10,927
Annual Miscellaneous Lift Station Repairs/Maintenance Items	Misc	Operating Fund	\$ 10,000	2019	\$ 11,255
Annual Miscellaneous Lift Station Repairs/Maintenance Items	Misc	Operating Fund	\$ 10,000	2020	\$ 11,593
Phosphorous Removal Feasibility Studies	Misc	Operating Fund	\$ 20,000	2016	\$ 20,600
Phosphorous Removal Feasibility Studies	Misc	Operating Fund	\$ 40,000	2017	\$ 42,436
Phosphorous Removal Feasibility Studies	Misc	Operating Fund	\$ 20,000	2018	\$ 21,855
Capacity, Management, Operations and Maintenance (CMOM) Plan	Misc	Operating Fund	\$ 10,000	2016	\$ 10,300
Sycamore Lift Station Forcemain Replacement	San Sewer	Capital Fund - Cash	\$ 185,000	2016	\$ 190,550
Lake Park Lift Station Forcemain Replacement	San Sewer	Capital Fund - Cash	\$ 466,000	2016	\$ 479,980
Acadia Court Gravity Sewer Replacement	San Sewer	Capital Fund - Cash	\$ 114,000	2016	\$ 117,420
MWRDGC Basin Infiltration and Inflow (I/I) Study Area 1 Trails Area	San Sewer	Operating Fund	\$ 100,000	2016	\$ 103,000
Combine Jewel and Ventura Lift Stations (Design)	San Sewer	Capital Fund - Debt	\$ 125,660	2016	\$ 129,430
Combine Jewel and Ventura Lift Stations (Construction)	San Sewer	Capital Fund - Debt	\$ 1,098,000	2017	\$ 1,164,868
Flow Meter for Kennedy Lift Station	San Sewer	Operating Fund	\$ 10,000	2016	\$ 10,300
Convert Kennedy to Submersible Lift Station (Design)	San Sewer	Capital Fund - Debt	\$ 96,820	2019	\$ 108,972
Convert Kennedy to Submersible Lift Station (Construction)	San Sewer	Capital Fund - Debt	\$ 846,000	2020	\$ 980,746
Collection Sewer Lining	San Sewer	Operating Fund	\$ 150,000	2016	\$ 154,500

CAPITAL NEEDS AND EQUIPMENT REPLACEMENT	FACILITY GROUP	FUNDING SOURCE	2015 COST	CONSTRUCTION YEAR	FUTURE COST
Collection Sewer Lining	San Sewer	Operating Fund	\$ 150,000	2017	\$ 159,135
Collection Sewer Lining	San Sewer	Operating Fund	\$ 150,000	2018	\$ 163,909
Collection Sewer Lining	San Sewer	Operating Fund	\$ 150,000	2019	\$ 168,826
Collection Sewer Lining	San Sewer	Operating Fund	\$ 150,000	2020	\$ 173,891
Collection Sewer Repairs	San Sewer	Operating Fund	\$ 20,000	2016	\$ 20,600
Collection Sewer Repairs	San Sewer	Operating Fund	\$ 20,000	2017	\$ 21,218
Collection Sewer Repairs	San Sewer	Operating Fund	\$ 20,000	2018	\$ 21,855
Collection Sewer Repairs	San Sewer	Operating Fund	\$ 20,000	2019	\$ 22,510
Collection Sewer Repairs	San Sewer	Operating Fund	\$ 20,000	2020	\$ 23,185
Lincoln Lift Station Pump Replacement/Upgrade	San Sewer	Capital Fund - Cash	\$ 125,000	2019	\$ 140,689
Relocation of Ventura Generator to Spring Street LS (Design)	San Sewer	Capital Fund - Debt	\$ 3,090	2016	\$ 3,183
Relocation of Ventura Generator to Spring Street LS (Construction)	San Sewer	Capital Fund - Debt	\$ 27,000	2017	\$ 28,644
MWRDGC Basin I/I Study Area 2 East of Plum Grove Road	San Sewer	Operating Fund	\$ 100,000	2017	\$ 106,090
MWRDGC Basin I/I Study Area 3 West of Woodfield Trail Road	San Sewer	Operating Fund	\$ 100,000	2018	\$ 109,273
MWRDGC Basin I/I Study Area 4 Basins M01 and M02	San Sewer	Operating Fund	\$ 100,000	2019	\$ 112,551
Roselle Center Lift Station Pump Rail and Support Replacement	San Sewer	Operating Fund	\$ 15,000	2016	\$ 15,450
Lincoln Lift Station Pump Rail and Piping Replacement	San Sewer	Operating Fund	\$ 15,000	2016	\$ 15,450
			\$ 17,374,273		\$ 18,883,305

APPENDIX B – FACILITY INVENTORY

Village of Roselle
 Water System CIP
 Last Updated 2-11-16



Facility Name	Model No.	HP	Model No.	HP	V / Ph / Hz	RPM	Const. Year	Condition / Comments
Booster PS	BP-2	Byron Jackson	12MQL-2STG. VTP	30	230/460 / 3 / 60	1770	1986	Good, well maintained
	BP-2	Byron Jackson	12MQL-2STG. VTP	30	230/460 / 3 / 60	1770	1986	Good, well maintained
	BP-3	Byron Jackson	12MQL-2STG. VTP	30	230/460 / 3 / 60	1770	1986	Good, well maintained
PAS East	BP-101	Aurora Pump	413	7 1/2	460 / 3 / 60	1150	1990	Good, well maintained
	BP-102	Aurora Pump	413	7 1/2	460 / 3 / 60	1150	1990	Good, well maintained
	BP-103	Aurora Pump	413	7 1/2	460 / 3 / 60	1150	1990	Good, well maintained
PAS Central	BP-201	Aurora Pump	413	7 1/2	460 / 3 / 60	1150	1990	Good, well maintained
	BP-202	Aurora Pump	413	7 1/2	460 / 3 / 60	1150	1990	Good, well maintained
	BP-203	Aurora Pump	413	7 1/2	460 / 3 / 60	1150	1990	Good, well maintained
PAS West	BP-301	Aurora Pump	413	10	460 / 3 / 60	1150	1990	Good, well maintained
	BP-302	Aurora Pump	413	10	460 / 3 / 60	1150	1990	Good, well maintained
	BP-303	Aurora Pump	413	10	460 / 3 / 60	1150	1990	Good, well maintained

Village of Roselle
Water System CIP
 Last Updated 2-11-16



Water Storage Unit	Physical Location	Volume Gallons	Comments / Condition	Construction Date	Maintenance
Elevated Tank 1	Irving Park Road near Metra Station	250,000	Concrete foundation in fair condition , spalling needsrepair. Village considering moving tower.	1986	Painted 2000
Elevated Tank 2	6525 Muirfield Drive	500,000	Corrosion of elbow fitting at base of standpipe, paint OK	1986	Painted 2001
Ground Level Reservoir	West corner of Mensching Road and Summerfield Road	1,000,000	Paint in fair condition and cathodic protection controls moved to inside Booster Pump Station. Inspection completed by Dixon. Recommendation included in CIP.	1990	Inspection completed May, 2015

Village of Roselle
Water System CIP



Water System CIP DRAFT
Last Updated 2-10-16

Item	Description	Fund	Quantity	Unit	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
1 MG Reservoir	High Pressure Clean/Recoat Exterior	Equip Replacement Fund	1	LS	\$ 75,000	\$ 75,000		\$ 75,000											\$ 82,000		
	Wet Interior Recoating		1	LS	\$ 160,000	\$ 160,000		\$ 160,000												\$ 174,800	
	Weld Plates over Cathodic Lift Holes		1	LS	\$ 3,000	\$ 3,000		\$ 3,000												\$ 3,300	
	Cost foundation to prevent deterioration		1	LS	incl. above	\$ -	\$ -		\$ -											\$ -	
	Install Screened flap gate on end of overflow		1	LS	\$ 2,000	\$ 2,000		\$ 2,000												\$ 2,200	
	Replace roof vent		1	LS	\$ 5,500	\$ 5,500		\$ 5,500												\$ 6,000	
	Install fall prevention device on exterior ladder		1	LS	\$ 1,500	\$ 1,500		\$ 1,500												\$ 1,600	
	Relocate cathodic protection		1	LS	\$ 30,000	\$ 30,000		\$ 30,000												\$ 32,800	
	Tidellex Mixing system		1	LS	\$ 65,000	\$ 65,000	\$ 5,000	\$ 70,000												\$ 76,500	
Elevated Tank No 1 - Alternate 1	Paint interior and exterior of 250,000 gallon tank	Equip Replacement Fund	1	LS	\$ 230,000	\$ 230,000		\$ 230,000												\$ 230,000	
	Repair concrete base		1	LS	\$ 150,000	\$ 150,000		\$ 150,000												\$ 150,000	
Elevated Tank No 1 - Alternate 2	New Tank relocated to school property (500,000 gal, 170 ft tall)	Capital	1	LS	\$ 1,500,000	\$ 1,500,000	\$ 225,000	\$ 1,725,000												\$ 2,059,700	
	Site work and watermain extension		1	LS	\$ 250,000	\$ 250,000	\$ 37,500	\$ 287,500												\$ 343,300	
Elevated Tank No. 2	Paint interior and exterior of 500,000 gallon tank	Equip Replacement Fund	1	LS	\$ 350,000	\$ 350,000		\$ 350,000												\$ 417,900	
SCADA Upgrades	Upgrade SCADA System	Operating	1	LS	\$ 300,000	\$ 300,000	\$ 30,000	\$ 330,000												\$ 394,000	
Pump Replacement	1 High Service Pump / Pumping Station	Operating	4	Ea	\$ 30,000	\$ 120,000		\$ 120,000												\$ 143,300	
Building Maintenance	Miscellaneous Needs	Operating	1	LS	\$ 5,000	\$ 5,000		\$ 5,000	\$ 5,000	\$ 5,150	\$ 5,300	\$ 5,500	\$ 5,700	\$ 5,871						\$ 5,871	
Water Meters	Meter data management software activation and training (see note 5)		1	LS	\$ 28,100	\$ 28,100		\$ 28,100	\$ 48,000	\$ 21,100	\$ 21,700	\$ 22,400	\$ 23,100	\$ 23,800						\$ 23,800	
	Meter Replacement	830 replacements 2016, 270 replacements 2017	1	EA	\$ 100	\$ 100		\$ 100	\$ 83,000	\$ 27,800										\$ -	
Hydrants	Replace two-port hydrants and aux valves	Average 10 per year	29	EA	\$ 5,000	\$ 145,000		\$ 145,000	\$ 50,000	\$ 51,500	\$ 53,000								\$ -		
Water Main Valves	Valve replacement and site restoration	Average 10 per year	82	EA	\$ 10,000	\$ 820,000		\$ 820,000	\$ 108,000	\$ 103,000	\$ 106,400	\$ 109,300	\$ 112,600	\$ 116,000						\$ 116,000	
Sub-Total								\$ 286,000	\$ 208,550	\$ 565,300	\$ 137,200	\$ 141,400	\$ 3,503,871								
Water Main Replacement		Capital Fund (cash)	6	3,000	\$ 275	\$ 825,000	\$ 123,800	\$ 948,800	\$ 948,800	\$ 977,300	\$ 1,006,600	\$ 1,036,800	\$ 1,067,900	\$ 1,132,900							
										TOTAL	\$ 1,234,800	\$ 1,185,850	\$ 1,571,900	\$ 1,174,000	\$ 1,209,300	\$ 4,636,771					

1. Prices include water service replacement/adjustment, new valves, new hydrants, trench backfill, pavement or lawn restoration, traffic control, erosion control, construction layout, and mobilization. Water main replacement costs also assume street reconstruction is being completed for Projects corresponding with Poor pavement ratings
 2. Prices do not include right-of-way acquisition, temporary or permanent easements, or relocating other utilities.
 3. Assume 3% annual inflation after 2016
 4. Any 2020+ costs are not included in the rate calculations.
 5. Costs are based on estimates provided by Jim Balbatine, Badger Meter on 2/11/16. Total estimate includes BEACON Engagement Fee (required), optional fees for RyeOnWater and Data Conversion fee, and training for two people. Annual fees are include monthly hosting fees for 8,450 meters and BEACON AMA mobile read module, one Field Director login, two ORION mobile read user logins, and additional user login.

APPENDIX D - OPERATING FUND PROJECTIONS - BASELINE SCENARIO

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Revenues							
Water Revenue		\$ 3,814,153	\$ 3,776,011	\$ 3,738,576	\$ 3,701,141	\$ 3,664,412	\$ 3,627,683
Sewer Revenue		\$ 2,626,136	\$ 2,735,836	\$ 2,708,714	\$ 2,681,591	\$ 2,654,981	\$ 2,628,370
Utility Billing Late Fees	0.0%	\$ 87,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
Turn on Fees	0.0%	\$ 2,100	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Red Tag Fees	0.0%	\$ 10,000	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500
Miscellaneous Reimbursement	0.0%	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Water Meter Sales	0.0%	\$ 11,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Sale of Assets	0.0%	\$ 1,100	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Miscellaneous Income	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IRMA-Other	0.0%	\$ 500	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Investment Income	0.0%	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
From Insurance Fund	0.0%	\$ 52,163	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues		\$ 6,604,402	\$ 6,618,197	\$ 6,553,639	\$ 6,489,082	\$ 6,425,742	\$ 6,362,403
Expenses - Water							
Regular Salaries	2.5%	\$ 546,149	\$ 556,524	\$ 570,440	\$ 584,700	\$ 599,320	\$ 614,300
Overtime	4.0%	\$ 20,045	\$ 27,000	\$ 28,080	\$ 29,200	\$ 30,370	\$ 31,580
Allowances	4.0%	\$ 1,750	\$ 1,750	\$ 1,820	\$ 1,890	\$ 1,970	\$ 2,050
Sick Buy Back	4.0%	\$ 8,000	\$ 8,000	\$ 8,320	\$ 8,650	\$ 9,000	\$ 9,360
Part-Time Salaries	4.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Insurance	10.0%	\$ 101,050	\$ 118,035	\$ 129,840	\$ 142,820	\$ 157,100	\$ 172,810
FICA	2.5%	\$ 35,708	\$ 36,469	\$ 37,380	\$ 38,310	\$ 39,270	\$ 40,250
Medicare	2.5%	\$ 8,266	\$ 8,529	\$ 8,740	\$ 8,960	\$ 9,180	\$ 9,410
IMRF	4.0%	\$ 77,591	\$ 82,550	\$ 85,850	\$ 89,280	\$ 92,850	\$ 96,560
ICMA RHS Contributions	4.0%	\$ 3,409	\$ 3,426	\$ 3,560	\$ 3,700	\$ 3,850	\$ 4,000
Total Personnel Services		\$ 801,968	\$ 842,283	\$ 874,030	\$ 907,510	\$ 942,910	\$ 980,320

APPENDIX D - OPERATING FUND PROJECTIONS - BASELINE SCENARIO

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Legal Services	2.0%	\$ 413	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Architectural & Engineering	2.0%	\$ 2,180	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Medical	2.0%	\$ 450	\$ 450	\$ 460	\$ 470	\$ 480	\$ 490
Auditing Services	2.0%	\$ 6,053	\$ 6,114	\$ 6,240	\$ 6,360	\$ 6,490	\$ 6,620
Lab Services	2.0%	\$ 5,700	\$ 6,270	\$ 6,400	\$ 6,530	\$ 6,660	\$ 6,790
Other Professional Services	2.0%	\$ 17,750	\$ 2,750	\$ 2,810	\$ 2,870	\$ 2,930	\$ 2,990
Atlas Update	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Computer Consultant	2.0%	\$ 32,400	\$ 34,268	\$ 34,950	\$ 35,650	\$ 36,360	\$ 37,090
Office Equipment Maintenance	2.0%	\$ 8,833	\$ 11,747	\$ 11,980	\$ 12,220	\$ 12,460	\$ 12,710
Auto Equipment Maintenance	2.0%	\$ 1,500	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Facilities Maintenance	2.0%	\$ 10,000	\$ 11,820	\$ 12,060	\$ 12,300	\$ 12,550	\$ 12,800
Grounds Maintenance	2.0%	\$ 10,000	\$ 10,000	\$ 10,200	\$ 10,400	\$ 10,610	\$ 10,820
Other Equipment Maintenance	2.0%	\$ 500	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Communications Equipment Maint.	2.0%	\$ 250	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Water Systems Maintenance	2.0%	\$ 52,000	\$ 58,400	\$ 59,570	\$ 60,760	\$ 61,980	\$ 63,220
Hydrant Maint-Acc	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Hydrant Painting	2.0%	\$ 15,000	\$ 15,000	\$ 15,300	\$ 15,610	\$ 15,920	\$ 16,240
Dumping/Hauling	2.0%	\$ 7,000	\$ 6,000	\$ 6,120	\$ 6,240	\$ 6,360	\$ 6,490
Dupage Water Comm	3.0%	\$ 2,769,350	\$ 2,798,113	\$ 2,853,484	\$ 2,909,658	\$ 2,967,206	\$ 3,025,589
Printing/Duplicating	2.0%	\$ 4,400	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,410	\$ 5,520
Telephone	2.0%	\$ 1,800	\$ 2,410	\$ 2,460	\$ 2,510	\$ 2,560	\$ 2,610
Electricity	2.0%	\$ 12,000	\$ 12,300	\$ 12,550	\$ 12,800	\$ 13,060	\$ 13,320
Natural Gas	2.0%	\$ 3,800	\$ 3,900	\$ 3,980	\$ 4,060	\$ 4,140	\$ 4,220
Training/Meetings	2.0%	\$ 500	\$ 1,225	\$ 1,250	\$ 1,280	\$ 1,310	\$ 1,340
Postage	2.0%	\$ 22,100	\$ 23,100	\$ 23,560	\$ 24,030	\$ 24,510	\$ 25,000
Memberships	2.0%	\$ 370	\$ 370	\$ 380	\$ 390	\$ 400	\$ 410
Salt Creek Work Group Fee		\$ 13,926	\$ 14,344	\$ 20,860	\$ 21,486	\$ 32,754	\$ 33,737
Rental-Equipment	2.0%	\$ 5,000	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,410
Other Contractual	2.0%	\$ 5,040	\$ 5,040	\$ 5,140	\$ 5,240	\$ 5,340	\$ 5,450
<i>Total Contractual Services</i>		\$ 3,008,515	\$ 3,037,421	\$ 3,103,834	\$ 3,165,224	\$ 3,238,730	\$ 3,302,886

APPENDIX D - OPERATING FUND PROJECTIONS - BASELINE SCENARIO

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Publications	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Office Supplies	2.0%	\$ 1,700	\$ 1,750	\$ 1,790	\$ 1,830	\$ 1,870	\$ 1,910
Software/Hardware	2.0%	\$ 350	\$ 350	\$ 360	\$ 370	\$ 380	\$ 390
Auto Fuel	2.0%	\$ 6,031	\$ 7,140	\$ 7,280	\$ 7,430	\$ 7,580	\$ 7,730
Auto Supplies	2.0%	\$ 5,000	\$ 6,500	\$ 6,630	\$ 6,760	\$ 6,900	\$ 7,040
Water System Maint. Material	2.0%	\$ 45,000	\$ 45,000	\$ 45,900	\$ 46,820	\$ 47,760	\$ 48,720
Water Meters Maint. Materials	2.0%	\$ 250	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Chemicals	2.0%	\$ 3,000	\$ 3,080	\$ 3,140	\$ 3,200	\$ 3,260	\$ 3,330
Facilities Maint. Supplies	2.0%	\$ 600	\$ 600	\$ 610	\$ 620	\$ 630	\$ 640
Small Equipment	2.0%	\$ 4,400	\$ 4,420	\$ 4,510	\$ 4,600	\$ 4,690	\$ 4,780
Safety Equip/Supplies	2.0%	\$ 1,000	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,060	\$ 1,080
Food/Coffee	2.0%	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Water Meters	2.0%	\$ 83,000	\$ 83,000	\$ 27,800	\$ -	\$ -	\$ -
Total Materials & Supplies		\$ 150,631	\$ 153,390	\$ 99,600	\$ 73,240	\$ 74,710	\$ 76,210
IRMA Charges	2.0%	\$ 66,975	\$ 76,275	\$ 77,800	\$ 79,360	\$ 80,950	\$ 82,570
IRMA Deductible	2.0%	\$ 21,000	\$ 21,420	\$ 21,850	\$ 22,290	\$ 22,740	\$ 23,190
Total Other Charges		\$ 87,975	\$ 97,695	\$ 99,650	\$ 101,650	\$ 103,690	\$ 105,760
Office Mach/Equip	0.0%	\$ 4,672	\$ -	\$ -	\$ -	\$ -	\$ -
Other Mach/Equip	0.0%	\$ 16,472	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Outlay		\$ 21,144	\$ -	\$ -	\$ -	\$ -	\$ -
To General Debt	0.0%	\$ 46,136	\$ 53,248	\$ -	\$ -	\$ -	\$ -
To W/S Equip Replacement	0.0%	\$ 57,428	\$ 59,156	\$ 84,622	\$ 84,022	\$ 68,300	\$ 50,125
Total Interfund Transfers		\$ 103,564	\$ 112,404	\$ 84,622	\$ 84,022	\$ 68,300	\$ 50,125
Misc. Maintenance			\$ 5,000	\$ 5,150	\$ 5,300	\$ 5,500	\$ 5,700
Hydrants			\$ 50,000	\$ 51,500	\$ 53,000	\$ -	\$ -
Water Main Valves			\$ 100,000	\$ 103,000	\$ 106,100	\$ 109,300	\$ 112,600
Total System Improvements			\$ 155,000	\$ 159,650	\$ 164,400	\$ 114,800	\$ 118,300
Total Expenses - Water		\$ 4,173,797	\$ 4,398,193	\$ 4,421,386	\$ 4,496,046	\$ 4,543,140	\$ 4,633,601

APPENDIX D - OPERATING FUND PROJECTIONS - BASELINE SCENARIO

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Expenses - Sewer							
Regular Salaries	2.5%	\$ 897,801	\$ 900,491	\$ 923,000	\$ 946,080	\$ 969,730	\$ 993,970
Overtime	4.0%	\$ 30,158	\$ 35,000	\$ 36,400	\$ 37,860	\$ 39,370	\$ 40,940
Allowances	4.0%	\$ 4,250	\$ 4,250	\$ 4,420	\$ 4,600	\$ 4,780	\$ 4,970
Sick Buy Back	4.0%	\$ 15,000	\$ 15,000	\$ 15,600	\$ 16,220	\$ 16,870	\$ 17,540
Part-Time Salaries	4.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Insurance	10.0%	\$ 189,224	\$ 210,484	\$ 231,530	\$ 254,680	\$ 280,150	\$ 308,170
FICA	2.5%	\$ 58,669	\$ 58,880	\$ 60,350	\$ 61,860	\$ 63,410	\$ 65,000
Medicare	2.5%	\$ 13,583	\$ 13,770	\$ 14,110	\$ 14,460	\$ 14,820	\$ 15,190
IMRF	4.0%	\$ 127,841	\$ 133,380	\$ 138,720	\$ 144,270	\$ 150,040	\$ 156,040
ICMA RHS Contributions	4.0%	\$ 8,760	\$ 8,805	\$ 9,160	\$ 9,530	\$ 9,910	\$ 10,310
Total Personnel Services		\$ 1,345,286	\$ 1,380,060	\$ 1,433,290	\$ 1,489,560	\$ 1,549,080	\$ 1,612,130
Legal Services	2.0%	\$ 2,200	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Architectural & Engineering	2.0%	\$ 1,000	\$ 20,000	\$ 20,400	\$ 20,810	\$ 21,230	\$ 21,650
Medical	2.0%	\$ 500	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Auditing Services	2.0%	\$ 6,053	\$ 6,114	\$ 6,240	\$ 6,360	\$ 6,490	\$ 6,620
Lab Services	2.0%	\$ 16,900	\$ 26,900	\$ 27,440	\$ 27,990	\$ 28,550	\$ 29,120
Other Professional Services	2.0%	\$ 26,000	\$ 20,350	\$ 20,760	\$ 21,180	\$ 21,600	\$ 22,030
Atlas Update	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Computer Consultant	2.0%	\$ 26,011	\$ 29,368	\$ 29,960	\$ 30,560	\$ 31,170	\$ 31,790
Office Equipment Maintenance	2.0%	\$ 8,550	\$ 9,452	\$ 9,640	\$ 9,830	\$ 10,030	\$ 10,230
Auto Equipment Maintenance	2.0%	\$ 600	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Facilities Maintenance	2.0%	\$ 8,000	\$ 16,250	\$ 16,580	\$ 16,910	\$ 17,250	\$ 17,600
Other Equipment Maintenance	2.0%	\$ 200	\$ 400	\$ 410	\$ 420	\$ 430	\$ 440
Communications Equipment Maint.	2.0%	\$ -	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Sanitary Sewer Maintenance	2.0%	\$ 20,000	\$ 32,500	\$ 33,150	\$ 33,810	\$ 34,490	\$ 35,180
Treatment Plant Maint.	2.0%	\$ 40,000	\$ 45,000	\$ 45,900	\$ 46,820	\$ 47,760	\$ 48,720
Sludge Disposal	2.0%	\$ 65,325	\$ 65,000	\$ 66,300	\$ 67,630	\$ 68,980	\$ 70,360
Dumping/Hauling	2.0%	\$ 1,200	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,060	\$ 1,080
Printing/Duplicating	2.0%	\$ 3,500	\$ 3,350	\$ 3,420	\$ 3,490	\$ 3,560	\$ 3,630
Telephone	2.0%	\$ 7,500	\$ 7,870	\$ 8,030	\$ 8,190	\$ 8,350	\$ 8,520
Electricity	2.0%	\$ 200,000	\$ 207,205	\$ 211,350	\$ 215,580	\$ 219,890	\$ 224,290
Natural Gas	2.0%	\$ 12,000	\$ 12,500	\$ 12,750	\$ 13,010	\$ 13,270	\$ 13,540
Training/Meetings	2.0%	\$ 2,500	\$ 3,750	\$ 3,830	\$ 3,910	\$ 3,990	\$ 4,070
Postage	2.0%	\$ 24,000	\$ 22,100	\$ 22,540	\$ 22,990	\$ 23,450	\$ 23,920
Memberships	2.0%	\$ 2,295	\$ 2,295	\$ 2,340	\$ 2,390	\$ 2,440	\$ 2,490

APPENDIX D - OPERATING FUND PROJECTIONS - BASELINE SCENARIO

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Salt Creek Workgroup Fee		\$ 13,926	\$ 14,344	\$ 20,860	\$ 21,486	\$ 32,754	\$ 33,737
Rental-Equipment	2.0%	\$ -	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Other Contractual	2.0%	\$ 5,040	\$ 5,040	\$ 5,140	\$ 5,240	\$ 5,340	\$ 5,450
<i>Total Contractual Services</i>		\$ 493,400	\$ 556,138	\$ 573,520	\$ 585,216	\$ 607,764	\$ 620,257
Publications	2.0%	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Office Supplies	2.0%	\$ 2,300	\$ 2,300	\$ 2,350	\$ 2,400	\$ 2,450	\$ 2,500
Software/Hardware	2.0%	\$ 2,000	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Auto Fuel	2.0%	\$ 6,999	\$ 8,148	\$ 8,310	\$ 8,480	\$ 8,650	\$ 8,820
Auto Supplies	2.0%	\$ 4,000	\$ 6,000	\$ 6,120	\$ 6,240	\$ 6,360	\$ 6,490
Sanitary Sewer Maint. Material	2.0%	\$ 5,000	\$ 8,000	\$ 8,160	\$ 8,320	\$ 8,490	\$ 8,660
Treatment Plant Maint. Materials	2.0%	\$ 15,000	\$ 15,000	\$ 15,300	\$ 15,610	\$ 15,920	\$ 16,240
Chemicals	2.0%	\$ 41,000	\$ 41,250	\$ 42,080	\$ 42,920	\$ 43,780	\$ 44,660
Facilities Maint. Supplies	2.0%	\$ 3,000	\$ 3,000	\$ 3,060	\$ 3,120	\$ 3,180	\$ 3,240
Small Equipment	2.0%	\$ 1,500	\$ 3,000	\$ 3,060	\$ 3,120	\$ 3,180	\$ 3,240
Safety Equip/Supplies	2.0%	\$ 4,000	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,410
Lab Supplies	2.0%	\$ 9,000	\$ 10,000	\$ 10,200	\$ 10,400	\$ 10,610	\$ 10,820
Food/Coffee	2.0%	\$ 300	\$ 600	\$ 610	\$ 620	\$ 630	\$ 640
<i>Total Materials & Supplies</i>		\$ 94,099	\$ 104,398	\$ 106,490	\$ 108,610	\$ 110,770	\$ 112,980
IRMA Charges	2.0%	\$ 66,975	\$ 76,275	\$ 77,800	\$ 79,360	\$ 80,950	\$ 82,570
IRMA Deductible	2.0%	\$ 21,000	\$ 21,000	\$ 21,420	\$ 21,850	\$ 22,290	\$ 22,740
IEPA Permits	0.0%	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500
<i>Total Other Charges</i>		\$ 120,475	\$ 129,775	\$ 131,720	\$ 133,710	\$ 135,740	\$ 137,810
Buildings	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Mach/Equip	0.0%	\$ 4,672	\$ -	\$ -	\$ -	\$ -	\$ -
Other Mach/Equip	0.0%	\$ 56,600	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total Capital Outlay</i>		\$ 61,272	\$ -	\$ -	\$ -	\$ -	\$ -
To W/S Equip Replacement	0.0%	\$ 51,249	\$ 31,911	\$ 20,962	\$ 20,026	\$ 10,785	\$ 9,084
To W/S Capital Improvements	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total Interfund Transfers</i>		\$ 51,249	\$ 31,911	\$ 20,962	\$ 20,026	\$ 10,785	\$ 9,084

APPENDIX D - OPERATING FUND PROJECTIONS - BASELINE SCENARIO

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Capital Improvements - Sanitary Sewer							
General Capital Expense	0.0%	\$ 41,929	\$ 41,200	\$ 53,045	\$ 32,782	\$ 11,255	\$ 11,593
<i>Total Treatment Plant Infrastructure</i>		\$ 41,929	\$ 41,200	\$ 53,045	\$ 32,782	\$ 11,255	\$ 11,593
General Capital Expense		\$ 15,000	\$ 61,800	\$ 20,157	\$ 185,764	\$ -	\$ 86,946
<i>Total Wastewater Facilities Plan - Botterman</i>		\$ 15,000	\$ 61,800	\$ 20,157	\$ 185,764	\$ -	\$ 86,946
General Capital Expense Construction		\$ 10,300	\$ 72,100	\$ 58,350	\$ 22,581	\$ 55,713	\$ 46,371
<i>Total Wastewater Facilities Plan - Devlin</i>		\$ 70,000	\$ 72,100	\$ 58,350	\$ 22,581	\$ 55,713	\$ 46,371
General Capital Expense Construction Engineering		\$ -	\$ 319,300	\$ 286,443	\$ 295,036	\$ 303,887	\$ 197,077
<i>Total Wastewater Facilities Plan - Collection System</i>		\$ 40,000	\$ 319,300	\$ 286,443	\$ 295,036	\$ 303,887	\$ 197,077
		\$ 53,090	\$ 319,300	\$ 286,443	\$ 295,036	\$ 303,887	\$ 197,077
Total Expenses - Sewer		\$ 2,396,100	\$ 2,696,682	\$ 2,683,977	\$ 2,873,285	\$ 2,784,994	\$ 2,834,247
Total Revenue - Water & Sewer Fund		\$ 6,604,402	\$ 6,618,197	\$ 6,553,639	\$ 6,489,082	\$ 6,425,742	\$ 6,362,403
Total Expenses - Water & Sewer Fund		\$ 6,569,897	\$ 7,094,875	\$ 7,105,363	\$ 7,369,331	\$ 7,328,134	\$ 7,467,848
Revenue in Excess of Expenditures		\$ 34,505	\$ (476,678)	\$ (551,723)	\$ (880,249)	\$ (902,392)	\$ (1,105,445)
Beginning Cash Balance		\$ 1,514,181	\$ 1,548,686	\$ 1,072,008	\$ 520,285	\$ (359,965)	\$ (1,262,356)
Ending Cash Balance		\$ 1,548,686	\$ 1,072,008	\$ 520,285	\$ (359,965)	\$ (1,262,356)	\$ (2,367,801)
Target Fund Balance (17% of Operating Expense)		\$ 1,116,882	\$ 1,206,129	\$ 1,207,912	\$ 1,252,786	\$ 1,245,783	\$ 1,269,534
Target Fund Balance (25% of Operating Expense)		\$ 1,642,474	\$ 1,773,719	\$ 1,776,341	\$ 1,842,333	\$ 1,832,034	\$ 1,866,962

APPENDIX E - EQUIPMENT REPLACEMENT SCHEDULE

Department	Equipment Description	Asset Life	Purchase Year	Purchase Cost	Replacement Year	Estimated Cost at Time of Replacement		Annual Depreciation Expense				
						2016	2017	2018	2019	2020		
Water	91 Chvy St. Van	15	1991	\$ 34,400	2006	\$ 53,594	\$ 3,573	\$0	\$0	\$0	\$0	\$0
Water	92 Ingsi P. Comp	20	1992	\$ 9,800	2012	\$ 17,700	\$ 885	\$0	\$0	\$0	\$0	\$0
Water	08 Dell Workstation 340	5	2008	\$ 2,500	2013	\$ 2,898	\$ 580	\$0	\$0	\$0	\$0	\$0
Water	2007 Folder Inserter Machine	7	2007	\$ 12,500	2014	\$ 15,373	\$ 2,196	\$0	\$0	\$0	\$0	\$0
Water	2006 Ford F-250 Pickup	9	2008	\$ 29,937	2015	\$ 39,061	\$ 4,340	\$0	\$0	\$0	\$0	\$0
Water	11 Dell GX 780 Small Form	5	2011	\$ 1,450	2016	\$ 1,681	\$ 336	\$336	\$0	\$0	\$0	\$0
Water	2008 Ford F-350 Pickup	10	2008	\$ 38,631	2018	\$ 51,917	\$ 5,192	\$5,192	\$5,192	\$5,192	\$0	\$0
Water	Ground Storage Tank - Repaint	20	1998	\$ 100,000	2018	\$ 180,611	\$ 9,031	\$9,031	\$9,031	\$9,031	\$0	\$0
Water	2014 Copier	5	2014	\$ 1,300	2019	\$ 1,507	\$ 301	\$301	\$301	\$301	\$301	\$0
Water	2007 Intl. Dump Truck 7400	12	2007	\$ 113,000	2019	\$ 161,111	\$ 13,426	\$13,426	\$13,426	\$13,426	\$13,426	\$0
Water	2011 Ford Transit Connect Van	8	2011	\$ 19,250	2019	\$ 24,385	\$ 3,048	\$3,048	\$3,048	\$3,048	\$3,048	\$0
Water	14 Dell Precision T3610	5	2014	\$ 2,500	2019	\$ 2,898	\$ 580	\$580	\$580	\$580	\$580	\$0
Water	14 Dell Precision T3610	5	2014	\$ 2,500	2019	\$ 2,898	\$ 580	\$580	\$580	\$580	\$580	\$0
Water	2015 Ford Fusion	8	2015	\$ 17,100	2023	\$ 21,662	\$ 2,708	\$2,708	\$2,708	\$2,708	\$2,708	\$2,708
Water	2011 928HZ Payloader Tractor	15	2011	\$ 59,100	2026	\$ 92,076	\$ 6,138	\$6,138	\$6,138	\$6,138	\$6,138	\$6,138
Water	96 J.D. Backhoe	15	2014	\$ -	2029	\$ -	\$ -	\$0	\$0	\$0	\$0	\$0
Water	2014 Back hoe	15	2014	\$ 60,125	2029	\$ 93,673	\$ 6,245	\$6,245	\$6,245	\$6,245	\$6,245	\$6,245
Water	Elevated Tank 2 - Repaint	20	2010	\$ 143,000	2030	\$ 258,274	\$ 12,914	\$12,914	\$12,914	\$12,914	\$12,914	\$12,914
Water	Elevated Tank 1 - Repaint	20	2012	\$ 243,500	2032	\$ 439,788	\$ 21,989	\$21,989	\$21,989	\$21,989	\$21,989	\$21,989
Water	Server Expense							\$2,996	\$2,471	\$1,871	\$371	\$131
Total								\$85,484	\$84,622	\$84,022	\$68,300	\$60,125

Sewer	85 Ford L8000 Dump	15	1985	\$ 86,000	2000	\$ 133,985	\$ 8,932	\$0	\$0	\$0	\$0	\$0
Sewer	03 Dell Workstation 340	5	2003	\$ 2,000	2008	\$ 2,319	\$ 464	\$0	\$0	\$0	\$0	\$0
Sewer	14 Dell Precision T3610	5	2004	\$ 2,500	2009	\$ 2,898	\$ 580	\$0	\$0	\$0	\$0	\$0
Sewer	05 Dell Laptop	5	2005	\$ 2,000	2010	\$ 2,319	\$ 464	\$0	\$0	\$0	\$0	\$0
Sewer	05 Dell Laptop	5	2005	\$ 2,000	2010	\$ 2,319	\$ 464	\$0	\$0	\$0	\$0	\$0
Sewer	05 Dell Laptop	5	2005	\$ 2,000	2010	\$ 2,319	\$ 464	\$0	\$0	\$0	\$0	\$0
Sewer	Premio Computer	5	2007	\$ 2,000	2012	\$ 2,319	\$ 464	\$0	\$0	\$0	\$0	\$0
Sewer	07 Dell Latitude D620	5	2007	\$ 2,031	2012	\$ 2,354	\$ 471	\$0	\$0	\$0	\$0	\$0
Sewer	2003 Camera Van	10	2003	\$ 98,500	2013	\$ 133,720	\$ 13,372	\$0	\$0	\$0	\$0	\$0
Sewer	08 Dell GX 755	5	2008	\$ 2,500	2013	\$ 2,898	\$ 580	\$0	\$0	\$0	\$0	\$0
Sewer	2007 Folder Inserter Machine	7	2007	\$ 12,500	2014	\$ 15,373	\$ 2,196	\$0	\$0	\$0	\$0	\$0
Sewer	2002 IH 4700 Dump	12	2002	\$ 94,500	2014	\$ 134,734	\$ 11,228	\$0	\$0	\$0	\$0	\$0
Sewer	02 I.H. Vac-On	14	2002	\$ 200,000	2016	\$ 302,518	\$ 21,608	\$21,608	\$0	\$0	\$0	\$0
Sewer	2006 Ford F-150 Pickup	10	2006	\$ 16,850	2016	\$ 22,645	\$ 2,264	\$2,264	\$0	\$0	\$0	\$0
Sewer	11 Dell GX 780 Small Form	5	2011	\$ 1,450	2016	\$ 1,681	\$ 336	\$336	\$0	\$0	\$0	\$0
Sewer	12 Dell Optiplex 390	5	2012	\$ 1,450	2017	\$ 1,681	\$ 336	\$336	\$336	\$0	\$0	\$0
Sewer	2008 Ford F-250 4x4 Pickup	10	2008	\$ 31,605	2018	\$ 42,474	\$ 4,247	\$4,247	\$4,247	\$4,247	\$0	\$0
Sewer	2008 Ford F-250 w/plow	10	2008	\$ 26,000	2018	\$ 34,942	\$ 3,494	\$3,494	\$3,494	\$3,494	\$0	\$0
Sewer	2014 Copier	5	2014	\$ 1,300	2019	\$ 1,507	\$ 301	\$301	\$301	\$301	\$301	\$0
Sewer	14 Dell Precision T3610	5	2014	\$ 2,500	2019	\$ 2,898	\$ 580	\$580	\$580	\$580	\$580	\$0
Sewer	14 Dell Precision T3610	5	2014	\$ 2,500	2019	\$ 2,898	\$ 580	\$580	\$580	\$580	\$580	\$0
Sewer	2015 Ford Fusion	8	2015	\$ 17,100	2023	\$ 21,662	\$ 2,708	\$2,708	\$2,708	\$2,708	\$2,708	\$2,708
Sewer	2014 Backhoe	15	2014	\$ 60,125	2029	\$ 93,673	\$ 6,245	\$6,245	\$6,245	\$6,245	\$6,245	\$6,245
Sewer	1993 Atlas Skid-Steer Ldr	12		\$ -				\$0	\$0	\$0	\$0	\$0
Sewer	Server Expense							\$2,996	\$2,471	\$1,871	\$371	\$131
Total								\$45,686	\$20,962	\$20,026	\$10,785	\$9,084

APPENDIX F - CAPITAL PLAN - ALTERNATE 1

FUNDING SOURCE

Operating Fund

Sum of FUTURE COST Row Labels	Column Labels					
	2010	2011	2018	2019	2030	Grand Total
Botterman Belt Filter Press Feed Pumps			\$ 60,100			\$ 60,100
Botterman Dechlorination Equipment	\$ 15,450					\$ 15,450
Botterman Effluent Pumps (3 pumps)					\$ 86,946	\$ 86,946
Botterman Entrance Gate		\$ 20,157				\$ 20,157
Botterman Influent Pump Replacement (1 Pump)	\$ 10,300					\$ 10,300
Botterman Polymer Feed System	\$ 36,050					\$ 36,050
Botterman Return Activated Sludge (RAS) Pumps (3 pumps)			\$ 65,564			\$ 65,564
Botterman Sludge Transfer Pumps (2 pumps)			\$ 60,100			\$ 60,100
Devlin Belt Filter Press Feed Pumps (2 pumps)		\$ 58,350				\$ 58,350
Devlin Excess Flow Meter	\$ 20,600					\$ 20,600
Devlin Fence Replacement	\$ 25,750					\$ 25,750
Devlin Primary Sludge Flow Meter Replacement	\$ 25,750					\$ 25,750
Devlin Primary Sludge Grinder					\$ 28,982	\$ 28,982
Devlin Primary Sludge Pump No 1			\$ 16,391			\$ 16,391
Devlin Primary Sludge Pump No 2					\$ 17,389	\$ 17,389
Devlin Sludge Conveyor (Construction)				\$ 55,713		\$ 55,713
Devlin Sludge Conveyor (Design)			\$ 6,190			\$ 6,190
Annual Miscellaneous Lift Station Repairs/Maintenance Items	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 54,684
Capacity, Management, Operations and Maintenance (CMOM) Plan	\$ 10,300					\$ 10,300
Phosphorous Removal Feasibility Studies	\$ 20,600	\$ 42,436	\$ 21,855			\$ 84,891
Collection Sewer Lining	\$ 154,500	\$ 159,135	\$ 163,909	\$ 168,826	\$ 173,891	\$ 820,261
Collection Sewer Repairs	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	\$ 23,185	\$ 109,368
Flow Meter for Kennedy Lift Station	\$ 10,300					\$ 10,300
Lincoln Lift Station Pump Rail and Piping Replacement	\$ 15,450					\$ 15,450
MWRDGC Basin I/I Study Area 2 East of Plum Grove Road		\$ 106,090				\$ 106,090
MWRDGC Basin I/I Study Area 3 West of Woodfield Trail Road			\$ 109,273			\$ 109,273
MWRDGC Basin I/I Study Area 4 Basins M01 and M02				\$ 112,551		\$ 112,551
MWRDGC Basin Infiltration and Inflow (I/I) Study Area 1 Trails Area	\$ 103,000					\$ 103,000
Roselle Center Lift Station Pump Rail and Support Replacement	\$ 15,450					\$ 15,450
Grand Total	\$ 494,400	\$ 417,995	\$ 536,163	\$ 370,855	\$ 341,986	\$ 2,161,398

APPENDIX F - CAPITAL PLAN - ALTERNATE 1

FUNDING SOURCE

Capital Fund - Cash

Sum of FUTURE COST Row Labels	Column Labels					
Priority	2016	2017	2018	2019	2020	Grand Total
Botterman Liquid Chlorine Disinfection Conversion	\$ 85,490			\$ 37,097	\$ 333,871	\$ 456,458
Botterman Oxidation Ditch Aerators (Construction)	\$ 85,490					\$ 85,490
Botterman Oxidation Ditch Aerators (Design)				\$ 37,097	\$ 333,871	\$ 370,968
Acadia Court Gravity Sewer Replacement	\$ 117,420					\$ 117,420
Lake Park Lift Station Forcemain Replacement	\$ 479,980					\$ 479,980
Lincoln Lift Station Pump Replacement/Upgrade				\$ 140,689		\$ 140,689
Sycamore Lift Station Forcemain Replacement	\$ 190,550					\$ 190,550
Annual Water Main Replacement	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727	\$ 1,125,509	\$ 1,159,274	\$ 5,468,410
Grand Total	\$ 1,903,440	\$ 1,060,900	\$ 1,092,727	\$ 1,303,294	\$ 1,493,145	\$ 6,853,506

FUNDING SOURCE

Capital Fund - Debt

Sum of FUTURE COST Row Labels	Column Labels					
Priority	2016	2017	2018	2019	2020	Grand Total
Botterman Belt Filter Press (Construction)		\$ 193,592	\$ 411,000			\$ 604,592
Botterman Belt Filter Press (Design)		\$ 65,564				\$ 65,564
Botterman Digester Addition (Construction)			\$ 1,534,189			\$ 1,534,189
Botterman Digester Addition (Design)		\$ 170,465				\$ 170,465
Botterman Digester Blowers (Construction)			\$ 309,788			\$ 309,788
Botterman Digester Blowers (Design)		\$ 34,421				\$ 34,421
Botterman Fats, Oils & Grease Removal at Influent Pump Station (Design)	\$ 58,350					\$ 58,350
Botterman Fats, Oils & Grease Removal at Influent Pump Station (Engineering)		\$ 525,146				\$ 525,146
Devlin Digester Addition, Covers and Electrical Repair (Construction)		\$ 471,676				\$ 471,676
Devlin Digester Addition, Covers and Electrical Repair (Design)	\$ 52,409					\$ 52,409
Devlin Influent Pump Station and Screening (Construction)			\$ 8,064,325			\$ 8,064,325
Devlin Influent Pump Station and Screening (Design)		\$ 896,036				\$ 896,036
Devlin Primary Sludge Collection Equipment (Construction)		\$ 133,673				\$ 133,673
Devlin Primary Sludge Collection Equipment (Design)	\$ 14,853					\$ 14,853
Combine Jewel and Ventura Lift Stations (Construction)		\$ 1,164,868				\$ 1,164,868
Combine Jewel and Ventura Lift Stations (Design)	\$ 129,430					\$ 129,430
Convert Kennedy to Submersible Lift Station (Construction)					\$ 980,746	\$ 980,746
Convert Kennedy to Submersible Lift Station (Design)				\$ 108,972		\$ 108,972
Relocation of Ventura Generator to Spring Street LS (Construction)		\$ 28,644				\$ 28,644
Relocation of Ventura Generator to Spring Street LS (Design)	\$ 3,183					\$ 3,183
Grand Total	\$ 258,224	\$ 3,490,494	\$ 10,498,375	\$ 108,972	\$ 980,746	\$ 15,336,810

APPENDIX G - CAPITAL FUND PROJECTIONS - ALTERNATE 1

WATER & SEWER CAPITAL PROJECTS FUND	2015 Estimate	2016 Budget	2017 Projections	2018 Projections	2019 Projections	2020 Projections
Revenues						
Capital Improvement Charge	\$ 1,055,331	\$ 1,446,786	\$ 2,042,799	\$ 2,521,668	\$ 2,991,133	\$ 3,425,059
Water Tap-on Fees	\$ 21,720	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Sewer Tap-on Fees	\$ 18,750	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Investment Income	\$ 200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Financing Proceeds	\$ 4,767,167	\$ 258,224	\$ 3,490,494	\$ 10,498,375	\$ 108,972	\$ 980,746
From Sewer Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Bond Fund	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 5,863,168	\$ 1,965,110	\$ 5,543,392	\$ 13,030,143	\$ 3,110,205	\$ 4,415,905
Total Revenues Less Financing Proceeds	\$ 1,096,001	\$ 1,706,886	\$ 2,052,899	\$ 2,531,768	\$ 3,001,233	\$ 3,435,159
Expenditures (Cash Funded)						
General Capital Exp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Capital Exp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to General Debt	\$ 99,645	\$ 99,304	\$ 97,233	\$ 96,387	\$ 95,357	\$ 95,603
Total Interfund Transfers	\$ 99,645	\$ 99,304	\$ 97,233	\$ 96,387	\$ 95,357	\$ 95,603
General Capital Exp.	\$ 63,633	\$ -	\$ -	\$ -	\$ -	\$ -
Total Treatment Plant Infrastructure Projects	\$ 63,633	\$ -	\$ -	\$ -	\$ -	\$ -
Total Devlin Plant Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facilities Plan - Botterman	\$ -	\$ 85,490	\$ -	\$ -	\$ 37,097	\$ 333,871
Total Facilities Plan - Collection System	\$ -	\$ 787,950	\$ -	\$ -	\$ 140,689	\$ -
Total Water System Renewal	\$ -	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727	\$ 1,125,509	\$ 1,159,274
Backflow Prevention Program	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
2004 Debt Devlin Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004 Debt Devlin Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004 Debt Devlin Admin Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014 IEPA Loan Principal	\$ -	\$ 257,391	\$ 257,391	\$ 257,391	\$ 257,391	\$ 257,391
2014 IEPA Loan Interest	\$ -	\$ 138,595	\$ 138,595	\$ 138,595	\$ 138,595	\$ 138,595
Botterman IEPA Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Botterman IEPA Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008 W/S GO Bonds Principal	\$ 45,000	\$ 45,000	\$ 45,000	\$ 50,000	\$ 55,000	\$ 55,000
2008 W/S GO Bonds Interest	\$ 119,344	\$ 117,319	\$ 115,294	\$ 113,269	\$ 111,019	\$ 108,819

APPENDIX G - CAPITAL FUND PROJECTIONS - ALTERNATE 1

WATER & SEWER CAPITAL PROJECTS FUND	2015 Estimate	2016 Budget	2017 Projections	2018 Projections	2019 Projections	2020 Projections
2008 W/S GO Bonds Admin Fee	\$ 475	\$ 500	\$ 515	\$ 515	\$ 515	\$ 515
2012B Debt Principal	\$ 120,000	\$ 125,000	\$ 125,000	\$ 130,000	\$ 130,000	\$ 130,000
2012B Debt Interest	\$ 26,225	\$ 23,825	\$ 21,325	\$ 18,825	\$ 16,225	\$ 13,625
2012B Debt Admin Fee	\$ 475	\$ 500	\$ 515	\$ 515	\$ 515	\$ 515
2016 Debt Service		\$ 16,176	\$ 16,176	\$ 16,176	\$ 16,176	\$ 16,176
2017 Debt Service			\$ 223,905	\$ 223,905	\$ 223,905	\$ 223,905
2018 Debt Service				\$ 689,446	\$ 689,446	\$ 689,446
2019 Debt Service					\$ 7,325	\$ 7,325
2020 Debt Service						\$ 67,455
Total Other Charges	\$ 311,519	\$ 739,306	\$ 958,716	\$ 1,653,637	\$ 1,661,112	\$ 1,723,766
Total Cash Funded Expenditures	\$ 474,797	\$ 2,742,050	\$ 2,116,849	\$ 2,842,751	\$ 3,059,763	\$ 3,312,514
Expenditures (Debt Funded)						
General Capital Exp.	\$ -					
Construction	\$ 4,084,270					
Engineering	\$ 588,738					
Total Devlin Plant Improvements	\$ 4,673,008	\$ 67,262	\$ 1,501,386	\$ 8,064,325	\$ -	\$ -
Construction	\$ -					
Engineering	\$ -					
Total Facilities Plan - Botterman	\$ -	\$ 58,350	\$ 795,595	\$ 2,434,049	\$ -	\$ -
Construction	\$ -					
Engineering	\$ -					
Total Facilities Plan - Collection System	\$ -	\$ 132,613	\$ 1,193,513	\$ -	\$ 108,972	\$ 980,746
Total Water System Improvements		\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Funded Expenditures	\$ 4,673,008	\$ 258,224	\$ 3,490,494	\$ 10,498,375	\$ 108,972	\$ 980,746
Total Expenditures	\$ 5,147,805	\$ 3,000,274	\$ 5,607,342	\$ 13,341,126	\$ 3,168,735	\$ 4,293,260
Revenues in Excess of Expenditures	\$ 715,363	\$ (1,035,164)	\$ (63,950)	\$ (310,983)	\$ (58,530)	\$ 122,645
Beginning Cash Balance	\$ 1,449,954	\$ 2,165,317	\$ 1,130,153	\$ 1,066,203	\$ 755,219	\$ 696,689
Ending Cash Balance	\$ 2,165,317	\$ 1,130,153	\$ 1,066,203	\$ 755,219	\$ 696,689	\$ 819,334
Total Required Debt Payments	\$ 411,164	\$ 823,610	\$ 1,040,949	\$ 1,735,024	\$ 1,741,469	\$ 1,804,369
Total Available Funds (Less Debt Proceeds)	\$ 2,545,955	\$ 3,872,202	\$ 3,183,051	\$ 3,597,971	\$ 3,756,452	\$ 4,131,849
Debt Service Coverage Ratio	6.19	4.70	3.06	2.07	2.16	2.29

APPENDIX I - CAPITAL PLAN - ALTERNATE 2

FUNDING SOURCE

Operating Fund

Sum of FUTURE COST Row Labels	Column Labels					
	2016	2017	2018	2019	2020	Grand Total
Botterman	\$	\$	\$		\$	\$
Botterman Belt Filter Press Feed Pumps			\$ 60,100			\$ 60,100
Botterman Dechlorination Equipment	\$ 15,450					\$ 15,450
Botterman Effluent Pumps (3 pumps)					\$ 86,946	\$ 86,946
Botterman Entrance Gate		\$ 20,157				\$ 20,157
Botterman Influent Pump Replacement (1 Pump)	\$ 10,300					\$ 10,300
Botterman Polymer Feed System	\$ 36,050					\$ 36,050
Botterman Return Activated Sludge (RAS) Pumps (3 pumps)			\$ 65,564			\$ 65,564
Botterman Sludge Transfer Pumps (2 pumps)			\$ 60,100			\$ 60,100
Devlin	\$	\$	\$	\$	\$	\$
Devlin Belt Filter Press Feed Pumps (2 pumps)		\$ 58,350				\$ 58,350
Devlin Excess Flow Meter	\$ 20,600					\$ 20,600
Devlin Fence Replacement	\$ 25,750					\$ 25,750
Devlin Primary Sludge Flow Meter Replacement	\$ 25,750					\$ 25,750
Devlin Primary Sludge Grinder					\$ 28,982	\$ 28,982
Devlin Primary Sludge Pump No 1			\$ 16,391			\$ 16,391
Devlin Primary Sludge Pump No 2					\$ 17,389	\$ 17,389
Devlin Sludge Conveyor (Construction)				\$ 55,713		\$ 55,713
Devlin Sludge Conveyor (Design)			\$ 6,190			\$ 6,190
Other	\$	\$	\$	\$	\$	\$
Annual Miscellaneous Lift Station Repairs/Maintenance Items	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 54,684
Capacity, Management, Operations and Maintenance (CMOM) Plan	\$ 10,300					\$ 10,300
Phosphorous Removal Feasibility Studies	\$ 20,600	\$ 42,436	\$ 21,855			\$ 84,891
South Shore	\$	\$	\$	\$	\$	\$
Collection Sewer Lining	\$ 154,500	\$ 159,135	\$ 163,909	\$ 168,826	\$ 173,891	\$ 820,261
Collection Sewer Repairs	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	\$ 23,185	\$ 109,368
Flow Meter for Kennedy Lift Station	\$ 10,300					\$ 10,300
Lincoln Lift Station Pump Rail and Piping Replacement	\$ 15,450					\$ 15,450
MWRDGC Basin I/I Study Area 2 East of Plum Grove Road		\$ 106,090				\$ 106,090
MWRDGC Basin I/I Study Area 3 West of Woodfield Trail Road			\$ 109,273			\$ 109,273
MWRDGC Basin I/I Study Area 4 Basins M01 and M02				\$ 112,551		\$ 112,551
MWRDGC Basin Infiltration and Inflow (I/I) Study Area 1 Trails Area	\$ 103,000					\$ 103,000
Roselle Center Lift Station Pump Rail and Support Replacement	\$ 15,450					\$ 15,450
Grand Total	\$ 494,400	\$ 417,995	\$ 536,163	\$ 370,855	\$ 341,986	\$ 2,161,398

APPENDIX H - OPERATING FUND PROJECTIONS - ALTERNATE 1

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Legal Services	2.0%	\$ 413	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Architectural & Engineering	2.0%	\$ 2,180	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Medical	2.0%	\$ 450	\$ 450	\$ 460	\$ 470	\$ 480	\$ 490
Auditing Services	2.0%	\$ 6,053	\$ 6,114	\$ 6,240	\$ 6,360	\$ 6,490	\$ 6,620
Lab Services	2.0%	\$ 5,700	\$ 6,270	\$ 6,400	\$ 6,530	\$ 6,660	\$ 6,790
Other Professional Services	2.0%	\$ 17,750	\$ 2,750	\$ 2,810	\$ 2,870	\$ 2,930	\$ 2,990
Atlas Update	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Computer Consultant	2.0%	\$ 32,400	\$ 34,268	\$ 34,950	\$ 35,650	\$ 36,360	\$ 37,090
Office Equipment Maintenance	2.0%	\$ 8,833	\$ 11,747	\$ 11,980	\$ 12,220	\$ 12,460	\$ 12,710
Auto Equipment Maintenance	2.0%	\$ 1,500	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Facilities Maintenance	2.0%	\$ 10,000	\$ 11,820	\$ 12,060	\$ 12,300	\$ 12,550	\$ 12,800
Grounds Maintenance	2.0%	\$ 10,000	\$ 10,000	\$ 10,200	\$ 10,400	\$ 10,610	\$ 10,820
Other Equipment Maintenance	2.0%	\$ 500	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Communications Equipment Maint.	2.0%	\$ 250	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Water Systems Maintenance	2.0%	\$ 52,000	\$ 58,400	\$ 59,570	\$ 60,760	\$ 61,980	\$ 63,220
Hydrant Maint-Acc	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Hydrant Painting	2.0%	\$ 15,000	\$ 15,000	\$ 15,300	\$ 15,610	\$ 15,920	\$ 16,240
Dumping/Hauling	2.0%	\$ 7,000	\$ 6,000	\$ 6,120	\$ 6,240	\$ 6,360	\$ 6,490
Dupage Water Comm	3.0%	\$ 2,769,350	\$ 2,798,113	\$ 2,853,484	\$ 2,909,658	\$ 2,967,206	\$ 3,025,589
Printing/Duplicating	2.0%	\$ 4,400	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,410	\$ 5,520
Telephone	2.0%	\$ 1,800	\$ 2,410	\$ 2,460	\$ 2,510	\$ 2,560	\$ 2,610
Electricity	2.0%	\$ 12,000	\$ 12,300	\$ 12,550	\$ 12,800	\$ 13,060	\$ 13,320
Natural Gas	2.0%	\$ 3,800	\$ 3,900	\$ 3,980	\$ 4,060	\$ 4,140	\$ 4,220
Training/Meetings	2.0%	\$ 500	\$ 1,225	\$ 1,250	\$ 1,280	\$ 1,310	\$ 1,340
Postage	2.0%	\$ 22,100	\$ 23,100	\$ 23,560	\$ 24,030	\$ 24,510	\$ 25,000
Memberships	2.0%	\$ 370	\$ 370	\$ 380	\$ 390	\$ 400	\$ 410
Salt Creek Work Group Fee		\$ 13,926	\$ 14,344	\$ 20,860	\$ 21,486	\$ 32,754	\$ 33,737
Rental-Equipment	2.0%	\$ 5,000	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,410
Other Contractual	2.0%	\$ 5,040	\$ 5,040	\$ 5,140	\$ 5,240	\$ 5,340	\$ 5,450
Total Contractual Services		\$ 3,008,515	\$ 3,037,421	\$ 3,103,834	\$ 3,165,224	\$ 3,238,730	\$ 3,302,886

APPENDIX H - OPERATING FUND PROJECTIONS - ALTERNATE 1

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Publications	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Office Supplies	2.0%	\$ 1,700	\$ 1,750	\$ 1,790	\$ 1,830	\$ 1,870	\$ 1,910
Software/Hardware	2.0%	\$ 350	\$ 350	\$ 360	\$ 370	\$ 380	\$ 390
Auto Fuel	2.0%	\$ 6,031	\$ 7,140	\$ 7,280	\$ 7,430	\$ 7,580	\$ 7,730
Auto Supplies	2.0%	\$ 5,000	\$ 6,500	\$ 6,630	\$ 6,760	\$ 6,900	\$ 7,040
Water System Maint. Material	2.0%	\$ 45,000	\$ 45,000	\$ 45,900	\$ 46,820	\$ 47,760	\$ 48,720
Water Meters Maint. Materials	2.0%	\$ 250	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Chemicals	2.0%	\$ 3,000	\$ 3,080	\$ 3,140	\$ 3,200	\$ 3,260	\$ 3,330
Facilities Maint. Supplies	2.0%	\$ 600	\$ 600	\$ 610	\$ 620	\$ 630	\$ 640
Small Equipment	2.0%	\$ 4,400	\$ 4,420	\$ 4,510	\$ 4,600	\$ 4,690	\$ 4,780
Safety Equip/Supplies	2.0%	\$ 1,000	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,060	\$ 1,080
Food/Coffee	2.0%	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Water Meters	2.0%	\$ 83,000	\$ 83,000	\$ 27,800	\$ 27,800	\$ 27,800	\$ 27,800
Total Materials & Supplies		\$ 150,631	\$ 153,390	\$ 99,600	\$ 101,040	\$ 102,510	\$ 104,010
IRMA Charges	2.0%	\$ 66,975	\$ 76,275	\$ 77,800	\$ 79,360	\$ 80,950	\$ 82,570
IRMA Deductible	2.0%	\$ 21,000	\$ 21,420	\$ 21,850	\$ 22,290	\$ 22,740	\$ 23,190
Total Other Charges		\$ 87,975	\$ 97,695	\$ 99,650	\$ 101,650	\$ 103,690	\$ 105,760
Office Mach/Equip	0.0%	\$ 4,672	\$ -	\$ -	\$ -	\$ -	\$ -
Other Mach/Equip	0.0%	\$ 16,472	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Outlay		\$ 21,144	\$ -				
To General Debt	0.0%	\$ 46,136	\$ 53,248	\$ -	\$ -	\$ -	\$ -
To W/S Equip Replacement	0.0%	\$ 57,428	\$ 59,156	\$ 84,622	\$ 84,022	\$ 68,300	\$ 50,125
Total Interfund Transfers		\$ 103,564	\$ 112,404	\$ 84,622	\$ 84,022	\$ 68,300	\$ 50,125
Misc. Maintenance			\$ 5,000	\$ 5,150	\$ 5,300	\$ 5,500	\$ 5,700
Hydrants			\$ 50,000	\$ 51,500	\$ 53,000	\$ 53,000	\$ 53,000
Water Main Valves			\$ 100,000	\$ 103,000	\$ 106,100	\$ 109,300	\$ 112,600
Total System Improvements			\$ 155,000	\$ 159,650	\$ 164,400	\$ 167,800	\$ 171,300
Total Expenses - Water		\$ 4,173,797	\$ 4,398,193	\$ 4,421,386	\$ 4,523,846	\$ 4,623,940	\$ 4,714,401

APPENDIX H - OPERATING FUND PROJECTIONS - ALTERNATE 1

WATER AND SEWER FUND							
ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Expenses - Sewer							
Regular Salaries	2.5%	\$ 897,801	\$ 900,491	\$ 923,000	\$ 946,080	\$ 969,730	\$ 993,970
Overtime	4.0%	\$ 30,158	\$ 35,000	\$ 36,400	\$ 37,860	\$ 39,370	\$ 40,940
Allowances	4.0%	\$ 4,250	\$ 4,250	\$ 4,420	\$ 4,600	\$ 4,780	\$ 4,970
Sick Buy Back	4.0%	\$ 15,000	\$ 15,000	\$ 15,600	\$ 16,220	\$ 16,870	\$ 17,540
Part-Time Salaries	4.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Insurance	10.0%	\$ 189,224	\$ 210,484	\$ 231,530	\$ 254,680	\$ 280,150	\$ 308,170
FICA	2.5%	\$ 58,669	\$ 58,880	\$ 60,350	\$ 61,860	\$ 63,410	\$ 65,000
Medicare	2.5%	\$ 13,583	\$ 13,770	\$ 14,110	\$ 14,460	\$ 14,820	\$ 15,190
IMRF	4.0%	\$ 127,841	\$ 133,380	\$ 138,720	\$ 144,270	\$ 150,040	\$ 156,040
ICMA RHS Contributions	4.0%	\$ 8,760	\$ 8,805	\$ 9,160	\$ 9,530	\$ 9,910	\$ 10,310
<i>Total Personnel Services</i>		\$ 1,345,286	\$ 1,380,060	\$ 1,433,290	\$ 1,489,560	\$ 1,549,080	\$ 1,612,130
Legal Services	2.0%	\$ 2,200	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Architectural & Engineering	2.0%	\$ 1,000	\$ 20,000	\$ 20,400	\$ 20,810	\$ 21,230	\$ 21,650
Medical	2.0%	\$ 500	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Auditing Services	2.0%	\$ 6,053	\$ 6,114	\$ 6,240	\$ 6,360	\$ 6,490	\$ 6,620
Lab Services	2.0%	\$ 16,900	\$ 26,900	\$ 27,440	\$ 27,990	\$ 28,550	\$ 29,120
Other Professional Services	2.0%	\$ 26,000	\$ 20,350	\$ 20,760	\$ 21,180	\$ 21,600	\$ 22,030
Atlas Update	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Computer Consultant	2.0%	\$ 26,011	\$ 29,368	\$ 29,960	\$ 30,560	\$ 31,170	\$ 31,790
Office Equipment Maintenance	2.0%	\$ 8,550	\$ 9,452	\$ 9,640	\$ 9,830	\$ 10,030	\$ 10,230
Auto Equipment Maintenance	2.0%	\$ 600	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Facilities Maintenance	2.0%	\$ 8,000	\$ 16,250	\$ 16,580	\$ 16,910	\$ 17,250	\$ 17,600
Other Equipment Maintenance	2.0%	\$ 200	\$ 400	\$ 410	\$ 420	\$ 430	\$ 440
Communications Equipment Maint.	2.0%	\$ -	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Sanitary Sewer Maintenance	2.0%	\$ 20,000	\$ 32,500	\$ 33,150	\$ 33,810	\$ 34,490	\$ 35,180
Treatment Plant Maint.	2.0%	\$ 40,000	\$ 45,000	\$ 45,900	\$ 46,820	\$ 47,760	\$ 48,720
Sludge Disposal	2.0%	\$ 65,325	\$ 65,000	\$ 66,300	\$ 67,630	\$ 68,980	\$ 70,360
Dumping/Hauling	2.0%	\$ 1,200	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,060	\$ 1,080
Printing/Duplicating	2.0%	\$ 3,500	\$ 3,350	\$ 3,420	\$ 3,490	\$ 3,560	\$ 3,630
Telephone	2.0%	\$ 7,500	\$ 7,870	\$ 8,030	\$ 8,190	\$ 8,350	\$ 8,520
Electricity	2.0%	\$ 200,000	\$ 207,205	\$ 211,350	\$ 215,580	\$ 219,890	\$ 224,290
Natural Gas	2.0%	\$ 12,000	\$ 12,500	\$ 12,750	\$ 13,010	\$ 13,270	\$ 13,540
Training/Meetings	2.0%	\$ 2,500	\$ 3,750	\$ 3,830	\$ 3,910	\$ 3,990	\$ 4,070
Postage	2.0%	\$ 24,000	\$ 22,100	\$ 22,540	\$ 22,990	\$ 23,450	\$ 23,920
Memberships	2.0%	\$ 2,295	\$ 2,295	\$ 2,340	\$ 2,390	\$ 2,440	\$ 2,490

APPENDIX H - OPERATING FUND PROJECTIONS - ALTERNATE 1

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Salt Creek Workgroup Fee		\$ 13,926	\$ 14,344	\$ 20,860	\$ 21,486	\$ 32,754	\$ 33,737
Rental-Equipment	2.0%	\$ -	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Other Contractual	2.0%	\$ 5,040	\$ 5,040	\$ 5,140	\$ 5,240	\$ 5,340	\$ 5,450
Total Contractual Services		\$ 493,400	\$ 556,138	\$ 573,520	\$ 585,216	\$ 607,764	\$ 620,257
Publications	2.0%	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Office Supplies	2.0%	\$ 2,300	\$ 2,300	\$ 2,350	\$ 2,400	\$ 2,450	\$ 2,500
Software/Hardware	2.0%	\$ 2,000	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Auto Fuel	2.0%	\$ 6,999	\$ 8,148	\$ 8,310	\$ 8,480	\$ 8,650	\$ 8,820
Auto Supplies	2.0%	\$ 4,000	\$ 6,000	\$ 6,120	\$ 6,240	\$ 6,360	\$ 6,490
Sanitary Sewer Maint. Material	2.0%	\$ 5,000	\$ 8,000	\$ 8,160	\$ 8,320	\$ 8,490	\$ 8,660
Treatment Plant Maint. Materials	2.0%	\$ 15,000	\$ 15,000	\$ 15,300	\$ 15,610	\$ 15,920	\$ 16,240
Chemicals	2.0%	\$ 41,000	\$ 41,250	\$ 42,080	\$ 42,920	\$ 43,780	\$ 44,660
Facilities Maint. Supplies	2.0%	\$ 3,000	\$ 3,000	\$ 3,060	\$ 3,120	\$ 3,180	\$ 3,240
Small Equipment	2.0%	\$ 1,500	\$ 3,000	\$ 3,060	\$ 3,120	\$ 3,180	\$ 3,240
Safety Equip/Supplies	2.0%	\$ 4,000	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,410
Lab Supplies	2.0%	\$ 9,000	\$ 10,000	\$ 10,200	\$ 10,400	\$ 10,610	\$ 10,820
Food/Coffee	2.0%	\$ 300	\$ 600	\$ 610	\$ 620	\$ 630	\$ 640
Total Materials & Supplies		\$ 94,099	\$ 104,398	\$ 106,490	\$ 108,610	\$ 110,770	\$ 112,980
IRMA Charges	2.0%	\$ 66,975	\$ 76,275	\$ 77,800	\$ 79,360	\$ 80,950	\$ 82,570
IRMA Deductible	2.0%	\$ 21,000	\$ 21,000	\$ 21,420	\$ 21,850	\$ 22,290	\$ 22,740
IEPA Permits	0.0%	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500
Total Other Charges		\$ 120,475	\$ 129,775	\$ 131,720	\$ 133,710	\$ 135,740	\$ 137,810
Buildings	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Mach/Equip	0.0%	\$ 4,672	\$ -	\$ -	\$ -	\$ -	\$ -
Other Mach/Equip	0.0%	\$ 56,600	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Outlay		\$ 61,272	\$ -	\$ -	\$ -	\$ -	\$ -
To W/S Equip Replacement	0.0%	\$ 51,249	\$ 31,911	\$ 20,962	\$ 20,026	\$ 10,785	\$ 9,084
To W/S Capital Improvements	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Interfund Transfers		\$ 51,249	\$ 31,911	\$ 20,962	\$ 20,026	\$ 10,785	\$ 9,084

APPENDIX H - OPERATING FUND PROJECTIONS - ALTERNATE 1

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Capital Improvements - Sanitary Sewer							
General Capital Expense		\$ 41,929	\$ 41,200	\$ 53,045	\$ 32,782	\$ 11,255	\$ 11,593
<i>Total Treatment Plant Infrastructure</i>		\$ 41,929	\$ 41,200	\$ 53,045	\$ 32,782	\$ 11,255	\$ 11,593
General Capital Expense		\$ 15,000	\$ 61,800	\$ 20,157	\$ 185,764	\$ -	\$ 86,946
<i>Total Wastewater Facilities Plan - Botterman</i>		\$ 15,000	\$ 61,800	\$ 20,157	\$ 185,764	\$ -	\$ 86,946
General Capital Expense		\$ 10,300	\$ 72,100	\$ 58,350	\$ 22,581	\$ 55,713	\$ 46,371
Construction		\$ 70,000					
<i>Total Wastewater Facilities Plan - Devlin</i>		\$ 80,300	\$ 72,100	\$ 58,350	\$ 22,581	\$ 55,713	\$ 46,371
General Capital Expense		\$ -	\$ 319,300	\$ 286,443	\$ 295,036	\$ 303,887	\$ 197,077
Construction		\$ 40,000					
Engineering		\$ 53,090					
<i>Total Wastewater Facilities Plan - Collection System</i>		\$ 93,090	\$ 319,300	\$ 286,443	\$ 295,036	\$ 303,887	\$ 197,077
Total Expenses - Sewer		\$ 2,396,100	\$ 2,696,682	\$ 2,683,977	\$ 2,873,285	\$ 2,784,994	\$ 2,834,247
Total Revenue - Water & Sewer Fund		\$ 6,604,402	\$ 6,850,609	\$ 7,168,596	\$ 7,306,375	\$ 7,387,615	\$ 7,491,798
Total Expenses - Water & Sewer Fund		\$ 6,569,897	\$ 7,094,875	\$ 7,105,363	\$ 7,397,131	\$ 7,408,934	\$ 7,548,648
Revenue in Excess of Expenditures		\$ 34,505	\$ (244,267)	\$ 63,233	\$ (90,756)	\$ (21,319)	\$ (56,850)
Beginning Cash Balance		\$ 1,514,181	\$ 1,548,686	\$ 1,304,420	\$ 1,367,653	\$ 1,276,897	\$ 1,255,578
Ending Cash Balance		\$ 1,548,686	\$ 1,304,420	\$ 1,367,653	\$ 1,276,897	\$ 1,255,578	\$ 1,198,728
Target Fund Balance (17% of Operating Expense)		\$ 1,116,882	\$ 1,206,129	\$ 1,207,912	\$ 1,257,512	\$ 1,259,519	\$ 1,283,270
Target Fund Balance (25% of Operating Expense)		\$ 1,642,474	\$ 1,773,719	\$ 1,776,341	\$ 1,849,283	\$ 1,852,234	\$ 1,887,162

APPENDIX J - CAPITAL FUND PROJECTIONS - ALTERNATE 2

WATER & SEWER CAPITAL PROJECTS FUND	2015 Estimate	2016 Budget	2017 Projections	2018 Projections	2019 Projections	2020 Projections
Revenues						
Capital Improvement Charge	\$ 1,055,331	\$ 1,205,655	\$ 1,512,202	\$ 1,812,449	\$ 2,262,857	\$ 2,703,994
Water Tap-on Fees	\$ 21,720	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Sewer Tap-on Fees	\$ 18,750	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Investment Income	\$ 200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Financing Proceeds	\$ 4,767,167	\$ 258,224	\$ 3,490,494	\$ 10,498,375	\$ 108,972	\$ 980,746
From Sewer Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Bond Fund	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 5,863,168	\$ 1,723,979	\$ 5,012,795	\$ 12,320,924	\$ 2,381,929	\$ 3,694,840
Total Revenues Less Financing Proceeds	\$ 1,096,001	\$ 1,465,755	\$ 1,522,302	\$ 1,822,549	\$ 2,272,957	\$ 2,714,094
Expenditures (Cash Funded)						
General Capital Exp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Capital Exp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to General Debt	\$ 99,645	\$ 99,304	\$ 97,233	\$ 96,387	\$ 95,357	\$ 95,603
Total Interfund Transfers	\$ 99,645	\$ 99,304	\$ 97,233	\$ 96,387	\$ 95,357	\$ 95,603
General Capital Exp.	\$ 63,633	\$ -	\$ -	\$ -	\$ -	\$ -
Total Treatment Plant Infrastructure Projects	\$ 63,633	\$ -	\$ -	\$ -	\$ -	\$ -
Total Devlin Plant Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facilities Plan - Botterman	\$ -	\$ 85,490	\$ -	\$ -	\$ 37,097	\$ 333,871
Total Facilities Plan - Collection System	\$ -	\$ 787,950	\$ -	\$ -	\$ 140,689	\$ -
Total Water System Renewal	\$ -	\$ 515,000	\$ 530,450	\$ 546,364	\$ 562,754	\$ 579,637
Backflow Prevention Program	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
2004 Debt Devlin Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004 Debt Devlin Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004 Debt Devlin Admin Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014 IEPA Loan Principal	\$ -	\$ 257,391	\$ 257,391	\$ 257,391	\$ 257,391	\$ 257,391
2014 IEPA Loan Interest	\$ -	\$ 138,595	\$ 138,595	\$ 138,595	\$ 138,595	\$ 138,595
Botterman IEPA Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Botterman IEPA Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008 W/S GO Bonds Principal	\$ 45,000	\$ 45,000	\$ 45,000	\$ 50,000	\$ 55,000	\$ 55,000
2008 W/S GO Bonds Interest	\$ 119,344	\$ 117,319	\$ 115,294	\$ 113,269	\$ 111,019	\$ 108,819

APPENDIX J - CAPITAL FUND PROJECTIONS - ALTERNATE 2

WATER & SEWER CAPITAL PROJECTS FUND	2015 Estimate	2016 Budget	2017 Projections	2018 Projections	2019 Projections	2020 Projections
2008 W/S GO Bonds Admin Fee	\$ 475	\$ 500	\$ 515	\$ 515	\$ 515	\$ 515
2012B Debt Principal	\$ 120,000	\$ 125,000	\$ 125,000	\$ 130,000	\$ 130,000	\$ 130,000
2012B Debt Interest	\$ 26,225	\$ 23,825	\$ 21,325	\$ 18,825	\$ 16,225	\$ 13,625
2012B Debt Admin Fee	\$ 475	\$ 500	\$ 515	\$ 515	\$ 515	\$ 515
2016 Debt Service		\$ 16,176	\$ 16,176	\$ 16,176	\$ 16,176	\$ 16,176
2017 Debt Service			\$ 223,905	\$ 223,905	\$ 223,905	\$ 223,905
2018 Debt Service				\$ 689,446	\$ 689,446	\$ 689,446
2019 Debt Service					\$ 7,325	\$ 7,325
2020 Debt Service						\$ 67,455
Total Other Charges	\$ 311,519	\$ 739,306	\$ 958,716	\$ 1,653,637	\$ 1,661,112	\$ 1,723,766
Total Cash Funded Expenditures	\$ 474,797	\$ 2,227,050	\$ 1,586,399	\$ 2,296,388	\$ 2,497,009	\$ 2,732,877
Expenditures (Debt Funded)						
General Capital Exp.	\$ -					
Construction	\$ 4,084,270					
Engineering	\$ 588,738					
Total Devlin Plant Improvements	\$ 4,673,008	\$ 67,262	\$ 1,501,386	\$ 8,064,325	\$ -	\$ -
Construction	\$ -					
Engineering	\$ -					
Total Facilities Plan - Botterman	\$ -	\$ 58,350	\$ 795,595	\$ 2,434,049	\$ -	\$ -
Construction	\$ -					
Engineering	\$ -					
Total Facilities Plan - Collection System	\$ -	\$ 132,613	\$ 1,193,513	\$ -	\$ 108,972	\$ 980,746
Total Water System Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Funded Expenditures	\$ 4,673,008	\$ 258,224	\$ 3,490,494	\$ 10,498,375	\$ 108,972	\$ 980,746
Total Expenditures	\$ 5,147,805	\$ 2,485,274	\$ 5,076,892	\$ 12,794,762	\$ 2,605,980	\$ 3,713,623
Revenues in Excess of Expenditures	\$ 715,363	\$ (761,295)	\$ (64,097)	\$ (473,839)	\$ (224,052)	\$ (18,783)
Beginning Cash Balance	\$ 1,449,954	\$ 2,165,317	\$ 1,404,022	\$ 1,339,925	\$ 866,086	\$ 642,034
Ending Cash Balance	\$ 2,165,317	\$ 1,404,022	\$ 1,339,925	\$ 866,086	\$ 642,034	\$ 623,251
Total Required Debt Payments	\$ 411,164	\$ 823,610	\$ 1,040,949	\$ 1,735,024	\$ 1,741,469	\$ 1,804,369
Total Funds Available (Less Debt Proceeds)	\$ 2,545,955	\$ 3,631,072	\$ 2,926,323	\$ 3,162,474	\$ 3,139,043	\$ 3,356,128
Debt Service Coverage Ratio	6.19	4.41	2.81	1.82	1.80	1.86

Operating Fund

APPENDIX K - OPERATING FUND PROJECTIONS - ALTERNATE 2

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Revenues							
Water Revenue		\$ 3,814,153	\$ 3,911,437	\$ 4,101,374	\$ 4,190,460	\$ 4,251,952	\$ 4,311,378
Sewer Revenue		\$ 2,626,136	\$ 2,832,822	\$ 2,960,872	\$ 3,009,565	\$ 3,029,313	\$ 3,074,070
Utility Billing Late Fees	0.0%	\$ 87,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000
Turn on Fees	0.0%	\$ 2,100	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Red Tag Fees	0.0%	\$ 10,000	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500
Miscellaneous Reimbursement	0.0%	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Water Meter Sales	0.0%	\$ 11,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Sale of Assets	0.0%	\$ 1,100	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Miscellaneous Income	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IRMA-Other	0.0%	\$ 500	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Investment Income	0.0%	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
From Insurance Fund	0.0%	\$ 52,163	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues		\$ 6,604,402	\$ 6,850,609	\$ 7,168,596	\$ 7,306,375	\$ 7,387,615	\$ 7,491,798
Expenses - Water							
Regular Salaries	2.5%	\$ 546,149	\$ 556,524	\$ 570,440	\$ 584,700	\$ 599,320	\$ 614,300
Overtime	4.0%	\$ 20,045	\$ 27,000	\$ 28,080	\$ 29,200	\$ 30,370	\$ 31,580
Allowances	4.0%	\$ 1,750	\$ 1,750	\$ 1,820	\$ 1,890	\$ 1,970	\$ 2,050
Sick Buy Back	4.0%	\$ 8,000	\$ 8,000	\$ 8,320	\$ 8,650	\$ 9,000	\$ 9,360
Part-Time Salaries	4.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Insurance	10.0%	\$ 101,050	\$ 118,035	\$ 129,840	\$ 142,820	\$ 157,100	\$ 172,810
FICA	2.5%	\$ 35,708	\$ 36,469	\$ 37,380	\$ 38,310	\$ 39,270	\$ 40,250
Medicare	2.5%	\$ 8,266	\$ 8,529	\$ 8,740	\$ 8,960	\$ 9,180	\$ 9,410
IMRF	4.0%	\$ 77,591	\$ 82,550	\$ 85,850	\$ 89,280	\$ 92,850	\$ 96,560
ICMA RHS Contributions	4.0%	\$ 3,409	\$ 3,426	\$ 3,560	\$ 3,700	\$ 3,850	\$ 4,000
Total Personnel Services		\$ 801,968	\$ 842,283	\$ 874,030	\$ 907,510	\$ 942,910	\$ 980,320

Operating Fund

APPENDIX K - OPERATING FUND PROJECTIONS - ALTERNATE 2

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Legal Services	2.0%	\$ 413	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Architectural & Engineering	2.0%	\$ 2,180	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Medical	2.0%	\$ 450	\$ 450	\$ 460	\$ 470	\$ 480	\$ 490
Auditing Services	2.0%	\$ 6,053	\$ 6,114	\$ 6,240	\$ 6,360	\$ 6,490	\$ 6,620
Lab Services	2.0%	\$ 5,700	\$ 6,270	\$ 6,400	\$ 6,530	\$ 6,660	\$ 6,790
Other Professional Services	2.0%	\$ 17,750	\$ 2,750	\$ 2,810	\$ 2,870	\$ 2,930	\$ 2,990
Atlas Update	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Computer Consultant	2.0%	\$ 32,400	\$ 34,268	\$ 34,950	\$ 35,650	\$ 36,360	\$ 37,090
Office Equipment Maintenance	2.0%	\$ 8,833	\$ 11,747	\$ 11,980	\$ 12,220	\$ 12,460	\$ 12,710
Auto Equipment Maintenance	2.0%	\$ 1,500	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Facilities Maintenance	2.0%	\$ 10,000	\$ 11,820	\$ 12,060	\$ 12,300	\$ 12,550	\$ 12,800
Grounds Maintenance	2.0%	\$ 10,000	\$ 10,000	\$ 10,200	\$ 10,400	\$ 10,610	\$ 10,820
Other Equipment Maintenance	2.0%	\$ 500	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Communications Equipment Maint.	2.0%	\$ 250	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Water Systems Maintenance	2.0%	\$ 52,000	\$ 58,400	\$ 59,570	\$ 60,760	\$ 61,980	\$ 63,220
Hydrant Maint-Acc	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Hydrant Painting	2.0%	\$ 15,000	\$ 15,000	\$ 15,300	\$ 15,610	\$ 15,920	\$ 16,240
Dumping/Hauling	2.0%	\$ 7,000	\$ 6,000	\$ 6,120	\$ 6,240	\$ 6,360	\$ 6,490
Dupage Water Comm	3.0%	\$ 2,769,350	\$ 2,798,113	\$ 2,853,484	\$ 2,909,658	\$ 2,967,206	\$ 3,025,589
Printing/Duplicating	2.0%	\$ 4,400	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,410	\$ 5,520
Telephone	2.0%	\$ 1,800	\$ 2,410	\$ 2,460	\$ 2,510	\$ 2,560	\$ 2,610
Electricity	2.0%	\$ 12,000	\$ 12,300	\$ 12,550	\$ 12,800	\$ 13,060	\$ 13,320
Natural Gas	2.0%	\$ 3,800	\$ 3,900	\$ 3,980	\$ 4,060	\$ 4,140	\$ 4,220
Training/Meetings	2.0%	\$ 500	\$ 1,225	\$ 1,250	\$ 1,280	\$ 1,310	\$ 1,340
Postage	2.0%	\$ 22,100	\$ 23,100	\$ 23,560	\$ 24,030	\$ 24,510	\$ 25,000
Memberships	2.0%	\$ 370	\$ 370	\$ 380	\$ 390	\$ 400	\$ 410
Salt Creek Work Group Fee		\$ 13,926	\$ 14,344	\$ 20,860	\$ 21,486	\$ 32,754	\$ 33,737
Rental-Equipment	2.0%	\$ 5,000	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,410
Other Contractual	2.0%	\$ 5,040	\$ 5,040	\$ 5,140	\$ 5,240	\$ 5,340	\$ 5,450
<i>Total Contractual Services</i>		\$ 3,008,515	\$ 3,037,421	\$ 3,103,834	\$ 3,165,224	\$ 3,238,730	\$ 3,302,886

Operating Fund

APPENDIX K - OPERATING FUND PROJECTIONS - ALTERNATE 2

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Publications	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Office Supplies	2.0%	\$ 1,700	\$ 1,750	\$ 1,790	\$ 1,830	\$ 1,870	\$ 1,910
Software/Hardware	2.0%	\$ 350	\$ 350	\$ 360	\$ 370	\$ 380	\$ 390
Auto Fuel	2.0%	\$ 6,031	\$ 7,140	\$ 7,280	\$ 7,430	\$ 7,580	\$ 7,730
Auto Supplies	2.0%	\$ 5,000	\$ 6,500	\$ 6,630	\$ 6,760	\$ 6,900	\$ 7,040
Water System Maint. Material	2.0%	\$ 45,000	\$ 45,000	\$ 45,900	\$ 46,820	\$ 47,760	\$ 48,720
Water Meters Maint. Materials	2.0%	\$ 250	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Chemicals	2.0%	\$ 3,000	\$ 3,080	\$ 3,140	\$ 3,200	\$ 3,260	\$ 3,330
Facilities Maint. Supplies	2.0%	\$ 600	\$ 600	\$ 610	\$ 620	\$ 630	\$ 640
Small Equipment	2.0%	\$ 4,400	\$ 4,420	\$ 4,510	\$ 4,600	\$ 4,690	\$ 4,780
Safety Equip/Supplies	2.0%	\$ 1,000	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,060	\$ 1,080
Food/Coffee	2.0%	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Water Meters	2.0%	\$ 83,000	\$ 83,000	\$ 27,800	\$ 27,800	\$ 27,800	\$ 27,800
Total Materials & Supplies		\$ 150,631	\$ 153,390	\$ 99,600	\$ 101,040	\$ 102,510	\$ 104,010
IRMA Charges	2.0%	\$ 66,975	\$ 76,275	\$ 77,800	\$ 79,360	\$ 80,950	\$ 82,570
IRMA Deductible	2.0%	\$ 21,000	\$ 21,420	\$ 21,850	\$ 22,290	\$ 22,740	\$ 23,190
Total Other Charges		\$ 87,975	\$ 97,695	\$ 99,650	\$ 101,650	\$ 103,690	\$ 105,760
Office Mach/Equip	0.0%	\$ 4,672	\$ -	\$ -	\$ -	\$ -	\$ -
Other Mach/Equip	0.0%	\$ 16,472	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Outlay		\$ 21,144	\$ -				
To General Debt	0.0%	\$ 46,136	\$ 53,248	\$ -	\$ -	\$ -	\$ -
To W/S Equip Replacement	0.0%	\$ 57,428	\$ 59,156	\$ 84,622	\$ 84,022	\$ 68,300	\$ 50,125
Total Interfund Transfers		\$ 103,564	\$ 112,404	\$ 84,622	\$ 84,022	\$ 68,300	\$ 50,125
Misc. Maintenance			\$ 5,000	\$ 5,150	\$ 5,300	\$ 5,500	\$ 5,700
Hydrants			\$ 50,000	\$ 51,500	\$ 53,000	\$ 53,000	\$ 53,000
Water Main Valves			\$ 100,000	\$ 103,000	\$ 106,100	\$ 109,300	\$ 112,600
Total System Improvements			\$ 155,000	\$ 159,650	\$ 164,400	\$ 167,800	\$ 171,300
Total Expenses - Water		\$ 4,173,797	\$ 4,398,193	\$ 4,421,386	\$ 4,523,846	\$ 4,623,940	\$ 4,714,401

Operating Fund

APPENDIX K - OPERATING FUND PROJECTIONS - ALTERNATE 2

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Expenses - Sewer							
Regular Salaries	2.5%	\$ 897,801	\$ 900,491	\$ 923,000	\$ 946,080	\$ 969,730	\$ 993,970
Overtime	4.0%	\$ 30,158	\$ 35,000	\$ 36,400	\$ 37,860	\$ 39,370	\$ 40,940
Allowances	4.0%	\$ 4,250	\$ 4,250	\$ 4,420	\$ 4,600	\$ 4,780	\$ 4,970
Sick Buy Back	4.0%	\$ 15,000	\$ 15,000	\$ 15,600	\$ 16,220	\$ 16,870	\$ 17,540
Part-Time Salaries	4.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Insurance	10.0%	\$ 189,224	\$ 210,484	\$ 231,530	\$ 254,680	\$ 280,150	\$ 308,170
FICA	2.5%	\$ 58,669	\$ 58,880	\$ 60,350	\$ 61,860	\$ 63,410	\$ 65,000
Medicare	2.5%	\$ 13,583	\$ 13,770	\$ 14,110	\$ 14,460	\$ 14,820	\$ 15,190
IMRF	4.0%	\$ 127,841	\$ 133,380	\$ 138,720	\$ 144,270	\$ 150,040	\$ 156,040
ICMA RHS Contributions	4.0%	\$ 8,760	\$ 8,805	\$ 9,160	\$ 9,530	\$ 9,910	\$ 10,310
Total Personnel Services		\$ 1,345,286	\$ 1,380,060	\$ 1,433,290	\$ 1,489,560	\$ 1,549,080	\$ 1,612,130
Legal Services	2.0%	\$ 2,200	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Architectural & Engineering	2.0%	\$ 1,000	\$ 20,000	\$ 20,400	\$ 20,810	\$ 21,230	\$ 21,650
Medical	2.0%	\$ 500	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Auditing Services	2.0%	\$ 6,053	\$ 6,114	\$ 6,240	\$ 6,360	\$ 6,490	\$ 6,620
Lab Services	2.0%	\$ 16,900	\$ 26,900	\$ 27,440	\$ 27,990	\$ 28,550	\$ 29,120
Other Professional Services	2.0%	\$ 26,000	\$ 20,350	\$ 20,760	\$ 21,180	\$ 21,600	\$ 22,030
Atlas Update	2.0%	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Computer Consultant	2.0%	\$ 26,011	\$ 29,368	\$ 29,960	\$ 30,560	\$ 31,170	\$ 31,790
Office Equipment Maintenance	2.0%	\$ 8,550	\$ 9,452	\$ 9,640	\$ 9,830	\$ 10,030	\$ 10,230
Auto Equipment Maintenance	2.0%	\$ 600	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Facilities Maintenance	2.0%	\$ 8,000	\$ 16,250	\$ 16,580	\$ 16,910	\$ 17,250	\$ 17,600
Other Equipment Maintenance	2.0%	\$ 200	\$ 400	\$ 410	\$ 420	\$ 430	\$ 440
Communications Equipment Maint.	2.0%	\$ -	\$ 250	\$ 260	\$ 270	\$ 280	\$ 290
Sanitary Sewer Maintenance	2.0%	\$ 20,000	\$ 32,500	\$ 33,150	\$ 33,810	\$ 34,490	\$ 35,180
Treatment Plant Maint.	2.0%	\$ 40,000	\$ 45,000	\$ 45,900	\$ 46,820	\$ 47,760	\$ 48,720
Sludge Disposal	2.0%	\$ 65,325	\$ 65,000	\$ 66,300	\$ 67,630	\$ 68,980	\$ 70,360
Dumping/Hauling	2.0%	\$ 1,200	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,060	\$ 1,080
Printing/Duplicating	2.0%	\$ 3,500	\$ 3,350	\$ 3,420	\$ 3,490	\$ 3,560	\$ 3,630
Telephone	2.0%	\$ 7,500	\$ 7,870	\$ 8,030	\$ 8,190	\$ 8,350	\$ 8,520
Electricity	2.0%	\$ 200,000	\$ 207,205	\$ 211,350	\$ 215,580	\$ 219,890	\$ 224,290
Natural Gas	2.0%	\$ 12,000	\$ 12,500	\$ 12,750	\$ 13,010	\$ 13,270	\$ 13,540
Training/Meetings	2.0%	\$ 2,500	\$ 3,750	\$ 3,830	\$ 3,910	\$ 3,990	\$ 4,070
Postage	2.0%	\$ 24,000	\$ 22,100	\$ 22,540	\$ 22,990	\$ 23,450	\$ 23,920
Memberships	2.0%	\$ 2,295	\$ 2,295	\$ 2,340	\$ 2,390	\$ 2,440	\$ 2,490

Operating Fund

APPENDIX K - OPERATING FUND PROJECTIONS - ALTERNATE 2

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Salt Creek Workgroup Fee		\$ 13,926	\$ 14,344	\$ 20,860	\$ 21,486	\$ 32,754	\$ 33,737
Rental-Equipment	2.0%	\$ -	\$ 500	\$ 510	\$ 520	\$ 530	\$ 540
Other Contractual	2.0%	\$ 5,040	\$ 5,040	\$ 5,140	\$ 5,240	\$ 5,340	\$ 5,450
Total Contractual Services		\$ 493,400	\$ 556,138	\$ 573,520	\$ 585,216	\$ 607,764	\$ 620,257
Publications	2.0%	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Office Supplies	2.0%	\$ 2,300	\$ 2,300	\$ 2,350	\$ 2,400	\$ 2,450	\$ 2,500
Software/Hardware	2.0%	\$ 2,000	\$ 2,000	\$ 2,040	\$ 2,080	\$ 2,120	\$ 2,160
Auto Fuel	2.0%	\$ 6,999	\$ 8,148	\$ 8,310	\$ 8,480	\$ 8,650	\$ 8,820
Auto Supplies	2.0%	\$ 4,000	\$ 6,000	\$ 6,120	\$ 6,240	\$ 6,360	\$ 6,490
Sanitary Sewer Maint. Material	2.0%	\$ 5,000	\$ 8,000	\$ 8,160	\$ 8,320	\$ 8,490	\$ 8,660
Treatment Plant Maint. Materials	2.0%	\$ 15,000	\$ 15,000	\$ 15,300	\$ 15,610	\$ 15,920	\$ 16,240
Chemicals	2.0%	\$ 41,000	\$ 41,250	\$ 42,080	\$ 42,920	\$ 43,780	\$ 44,660
Facilities Maint. Supplies	2.0%	\$ 3,000	\$ 3,000	\$ 3,060	\$ 3,120	\$ 3,180	\$ 3,240
Small Equipment	2.0%	\$ 1,500	\$ 3,000	\$ 3,060	\$ 3,120	\$ 3,180	\$ 3,240
Safety Equip/Supplies	2.0%	\$ 4,000	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,410
Lab Supplies	2.0%	\$ 9,000	\$ 10,000	\$ 10,200	\$ 10,400	\$ 10,610	\$ 10,820
Food/Coffee	2.0%	\$ 300	\$ 600	\$ 610	\$ 620	\$ 630	\$ 640
Total Materials & Supplies		\$ 94,099	\$ 104,398	\$ 106,490	\$ 108,610	\$ 110,770	\$ 112,980
IRMA Charges	2.0%	\$ 66,975	\$ 76,275	\$ 77,800	\$ 79,360	\$ 80,950	\$ 82,570
IRMA Deductible	2.0%	\$ 21,000	\$ 21,000	\$ 21,420	\$ 21,850	\$ 22,290	\$ 22,740
IEPA Permits	0.0%	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500
Total Other Charges		\$ 120,475	\$ 129,775	\$ 131,720	\$ 133,710	\$ 135,740	\$ 137,810
Buildings	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Mach/Equip	0.0%	\$ 4,672	\$ -	\$ -	\$ -	\$ -	\$ -
Other Mach/Equip	0.0%	\$ 56,600	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Outlay		\$ 61,272	\$ -	\$ -	\$ -	\$ -	\$ -
To W/S Equip Replacement	0.0%	\$ 51,249	\$ 31,911	\$ 20,962	\$ 20,026	\$ 10,785	\$ 9,084
To W/S Capital Improvements	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Interfund Transfers		\$ 51,249	\$ 31,911	\$ 20,962	\$ 20,026	\$ 10,785	\$ 9,084

Operating Fund

APPENDIX K - OPERATING FUND PROJECTIONS - ALTERNATE 2

WATER AND SEWER FUND ANNUAL REVENUES AND EXPENSES	Inflation Factor	2015 Estimate	2016 Budget	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Capital Improvements - Sanitary Sewer							
General Capital Expense		\$ 41,929	\$ 41,200	\$ 53,045	\$ 32,782	\$ 11,255	\$ 11,593
<i>Total Treatment Plant Infrastructure</i>		\$ 41,929	\$ 41,200	\$ 53,045	\$ 32,782	\$ 11,255	\$ 11,593
General Capital Expense		\$ 15,000	\$ 61,800	\$ 20,157	\$ 185,764	\$ -	\$ 86,946
<i>Total Wastewater Facilities Plan - Botterman</i>		\$ 15,000	\$ 61,800	\$ 20,157	\$ 185,764	\$ -	\$ 86,946
General Capital Expense		\$ 10,300	\$ 72,100	\$ 58,350	\$ 22,581	\$ 55,713	\$ 46,371
Construction		\$ 70,000					
<i>Total Wastewater Facilities Plan - Devlin</i>		\$ 80,300	\$ 72,100	\$ 58,350	\$ 22,581	\$ 55,713	\$ 46,371
General Capital Expense		\$ -	\$ 319,300	\$ 286,443	\$ 295,036	\$ 303,887	\$ 197,077
Construction		\$ 40,000					
Engineering		\$ 53,090					
<i>Total Wastewater Facilities Plan - Collection System</i>		\$ 93,090	\$ 319,300	\$ 286,443	\$ 295,036	\$ 303,887	\$ 197,077
Total Expenses - Sewer		\$ 2,396,100	\$ 2,696,682	\$ 2,683,977	\$ 2,873,285	\$ 2,784,994	\$ 2,834,247
Total Revenue - Water & Sewer Fund		\$ 6,604,402	\$ 6,850,609	\$ 7,168,596	\$ 7,306,375	\$ 7,387,615	\$ 7,491,798
Total Expenses - Water & Sewer Fund		\$ 6,569,897	\$ 7,094,875	\$ 7,105,363	\$ 7,397,131	\$ 7,408,934	\$ 7,548,648
Revenue in Excess of Expenditures		\$ 34,505	\$ (244,267)	\$ 63,233	\$ (90,756)	\$ (21,319)	\$ (56,850)
Beginning Cash Balance		\$ 1,514,181	\$ 1,548,686	\$ 1,304,420	\$ 1,367,653	\$ 1,276,897	\$ 1,255,578
Ending Cash Balance		\$ 1,548,686	\$ 1,304,420	\$ 1,367,653	\$ 1,276,897	\$ 1,255,578	\$ 1,198,728
Target Fund Balance (17% of Operating Expense)		\$ 1,116,882	\$ 1,206,129	\$ 1,207,912	\$ 1,257,512	\$ 1,259,519	\$ 1,283,270
Target Fund Balance (25% of Operating Expense)		\$ 1,642,474	\$ 1,773,719	\$ 1,776,341	\$ 1,849,283	\$ 1,852,234	\$ 1,887,162

Village Board Agenda Memo

Date: January 3, 2017

To: Finance Committee Chair Patricia Rocco
Village President and Board of Trustees

From: Larry Noller, Finance Director 
Julia Cedillo, Village Manager 

Re: **Local Government Travel Expense Control Act**

PURPOSE

Review a Travel Expense Reimbursement Policy in accordance with the Local Government Travel Expense Control Act.

GENERAL BACKGROUND

The Illinois Legislature passed the Local Government Travel Expense Control Act, which requires that all non-home rule local governments adopt a travel expense reimbursement policy by resolution or ordinance. The act mandates that a local government's corporate authorities must approve by roll call vote all travel expenses by the corporate authorities and any expenses by officers or employees that exceed the maximum allowable reimbursement established by the adopted policy. The act also specifically prohibits reimbursing entertainment expenses.

The Village currently controls travel expenses under the Village Manager's authority provided by the Village Code. As the Village's purchasing agent, the Village Manager has established a purchasing policy, which covers travel expenses. The current policy is in line with the new state law and therefore the only significant change for the Village is the requirement to approve all elected officials' travel expenses by roll call vote.

STAFF RECOMMENDATION

The attached proposed resolution has been reviewed by the Village Attorney for compliance with the new law. The proposed policy maintains the current Village Board policy of delegating approval of purchases up to \$10,000 to the Village Manager. Staff recommends the Village Board approve the attached resolution.

ACTION REQUESTED

This item is for discussion only. If the Village Board concurs, the following motion will be included on the January 24th consent agenda.

Motion to approve a "Resolution Adopting a Travel Expense Reimbursement Policy In Accordance With the Local Government Travel Expense Control Act."

DOCUMENTATION

- Resolution Adopting a Travel Reimbursement Policy In Accordance With the Local Government Travel Expense Control Act
- Travel, Meal, and Lodging Expense Approval Form
- Public Act 99-0604
- Travel expense section of Village's purchasing manual

RESOLUTION NO.

**A RESOLUTION ADOPTING A TRAVEL EXPENSE REIMBURSEMENT POLICY
IN ACCORDANCE WITH THE LOCAL GOVERNMENT TRAVEL EXPENSE CONTROL ACT**

WHEREAS, the Illinois General Assembly has recently enacted Public Act 99-0604, known as the "Local Government Travel Expense Control Act" (Act), which Act is effective on January 1, 2017; and

WHEREAS, pursuant to the Act, non-home rule units of local government are required to establish regulations with respect to allowable travel, meal, and lodging expenses;

NOW, THEREFORE, be it resolved by the corporate authorities of the Village of La Grange Park as follows:

Section 1. The above recitals are incorporated into and made part of this Resolution.

Section 2. That the Village Board hereby adopts the "Travel Expense Reimbursement Policy" attached as Exhibit A.

Section 3. Any policy, resolution, or ordinance that conflicts with the provisions of this resolution shall be and is hereby repealed to the extent of such conflict.

Section 4. This resolution shall be in full force and effect after its passage, approval and publication as required by law

PASSED THIS 24th day of January, 2017.

AYES:

NAYS:

ABSENT:

APPROVED THIS 24th day of January, 2017.

ATTEST:

James L. Discipio
Village President

Amanda Seidel
Village Clerk

Village of La Grange Park Travel Expense Reimbursement Policy

A. **Definitions.** For the purposes of this policy statement, the following definitions shall apply:

“Entertainment” includes, but is not limited to, shows, amusements, theaters, circuses, sporting events, or any other place of public or private entertainment or amusement, unless ancillary to the purpose of the program or event.

“Public Business” means expenses incurred in the performance of a public purpose which is required or useful for the benefit of the Village to carry out the responsibilities of Village business.

“Travel Expense” means any expenditure directly incident to official travel by employees and officers of the Village while conducting or pursuing Public Business, or by wards or charges of the Village involving reimbursement to travelers or direct payment to private agencies providing transportation or related services. Travel Expenses include but are not limited to transportation, lodging and meal costs. Alcohol is specifically excluded as a Travel Expense.

B. Travel Expenses shall be limited to those expenditures necessarily incurred in the performance of duties related to the Public Business of the Village. These include but are not limited to off-site or out-of-town meetings related to official business and seminars, conferences and other educational events related to an employee’s or officer’s official duties. The Village Manager is authorized to and shall determine necessary Travel Expenses for officers and employees. The Village Board shall determine necessary Travel Expenses for elected officials.

C. The Village Manager is authorized to approve officer and employee Travel Expenses up to a maximum of \$10,000 per officer or employee per trip without prior approval of the Board of Trustees. All Travel Expenses for elected officials shall be approved by the Village Board.

D. No reimbursement or payment of Travel Expenses incurred by a Village employee, officer or elected official shall be approved unless a Travel, Meal, and Lodging Expense Approval Form, as established by the Village Manager, has been completed. Before Travel Expenses may be approved, the following minimum documentation must first be submitted.

1. An estimate of the cost of travel, meals, or lodging if Travel Expenses have not been incurred or an itemized receipt showing the cost of the travel, meals, or lodging if the Travel Expenses have already been incurred.
2. The name of the individual who received or is requesting the Travel Expense reimbursement.

3. The job title or office of the individual who received or is requesting the Travel Expense reimbursement.
4. The date or dates of the Travel Expense, and the nature of the Public Business in connection with which the Travel Expense was or will be incurred.

The Travel, Meal, and Lodging Expense Approval Form and all documents and information submitted for a Travel Expense reimbursement shall be subject to disclosure under the Freedom of Information Act (5 ILCS 140/1 *et seq.*).

- E. Travel Expenses of (1) any officer or employee that exceeds the maximum reimbursement allowed in Section C or (2) any member of the corporate authorities or other elected official of the Village, may only be approved by a majority roll call vote at an open meeting of the Village Board.
- F. The Village shall not reimburse any elected official, employee, or officer for any Travel Expense which is considered Entertainment (as defined above).
- G. In the event of an emergency necessitating the incurrence of a Travel Expense, the requirements of this policy shall be waived prior to travel or incurring the expense. However, within thirty (30) days of any emergency Travel Expense, a Travel, Meal, and Lodging Expense Approval Form shall be completed and submitted. Any emergency Travel Expense exceeding the amount provided for in Section C or any emergency Travel Expense by an elected official shall be provided to the Village Board for approval at an open meeting.

Travel, Meal, and Lodging Expense Approval Form

Village of La Grange Park

<u>For Finance Department Use</u>	Address Verified: <input type="checkbox"/>	W9 Received: <input type="checkbox"/>
Vendor #: _____	Check Date: _____	Check #: _____

Department: _____ Date: _____

Employee Name and Title: _____

Travel Date(s): _____

Reason for Travel: _____

Budget Account #	Description	Amount
Total:		\$ -

Itemized receipts must be attached for all expenses.

Employee Signature

Department Head Signature

All travel expenses require Village Manager approval:

Village Manager Signature

If expenses are \$10,000 or over, date of Village Board approval:

Board Approval Date

Public Act 099-0604

HB4379 Enrolled

LRB099 15813 AWJ 40122 b

AN ACT concerning local government.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 1. Short title. This Act may be cited as the Local Government Travel Expense Control Act.

Section 5. Definitions. As used in this Act:

"Entertainment" includes, but is not limited to, shows, amusements, theaters, circuses, sporting events, or any other place of public or private entertainment or amusement, unless ancillary to the purpose of the program or event.

"Local public agency" means a school district, community college district, or unit of local government other than a home rule unit.

"Travel" means any expenditure directly incident to official travel by employees and officers of a local public agency or by wards or charges of a local public agency involving reimbursement to travelers or direct payment to private agencies providing transportation or related services.

Section 10. Regulation of travel expenses. All local public agencies shall, by resolution or ordinance, regulate the reimbursement of all travel, meal, and lodging expenses of officers and employees, including, but not limited to: (1) the types of official business for which travel, meal, and lodging expenses are allowed; (2) maximum allowable reimbursement for travel, meal, and lodging expenses; and (3) a standardized form for submission of travel, meal, and lodging expenses supported by the minimum documentation required under Section 20 of this Act. The regulations may allow for approval of expenses that exceed the maximum allowable travel, meal, or lodging expenses because of emergency or other extraordinary circumstances. On and after 180 days after the effective date of this Act of the 99th General Assembly, no travel, meal, or lodging expense shall be approved or paid by a local public agency unless regulations have been adopted under this Section.

Section 15. Approval of expenses. On or after 60 days after the effective date of this Act of the 99th General Assembly, expenses for travel, meals, and lodging of: (1) any officer or employee that exceeds the maximum allowed under the regulations adopted under Section 10 of this Act; or (2) any member of the governing board or corporate authorities of the local public agency, may only be approved by roll call vote at an open meeting of the governing board or corporate authorities of the local public agency.

Section 20. Documentation of expenses. Before an expense for travel, meals, or lodging may be approved under Section 15 of this Act, the following minimum documentation must first be submitted, in writing, to the governing board or corporate authorities:

- (1) an estimate of the cost of travel, meals, or

lodging if expenses have not been incurred or a receipt of the cost of the travel, meals, or lodging if the expenses have already been incurred;

(2) the name of the individual who received or is requesting the travel, meal, or lodging expense;

(3) the job title or office of the individual who received or is requesting the travel, meal, or lodging expense; and

(4) the date or dates and nature of the official business in which the travel, meal, or lodging expense was or will be expended.

All documents and information submitted under this Section are public records subject to disclosure under the Freedom of Information Act.

Section 25. Entertainment expenses. No local public agency may reimburse any governing board member, employee, or officer for any entertainment expense.

Effective Date: 1/1/2017

2. For all purchases approved by the Village Board, in order to proceed with payment, a purchase approval form must be completed and signed by the Department Head and the Village Manager. The date of Village Board approval shall be noted on the purchase approval form.
3. All purchase approval forms shall be submitted to the Finance Department and shall contain the line item account, a description of the goods or services, unit cost, quantity, total cost, the appropriate levels of approval by signature, and such other information as the Finance Department may require.

I. Petty Cash Purchases

Any Village Employee may pay for a purchase up to \$100 with prior approval of their Department Head and then request reimbursement from the Village. If the total reimbursement amount (including if more than one purchase was made) is greater than \$20 the reimbursement must be made to the Employee by check. Employees are responsible for obtaining a copy of the Village's sales tax exemption certificate prior to making a purchase. The Village will not reimburse employees for sales taxes paid except as approved by the Village Manager.

J. Purchasing Cards (Credit Cards)

In order to provide an alternate method to purchase goods or services for situations when purchasing with a check, petty cash, or business account is impractical, inefficient, or unavailable, purchasing cards may be utilized by certain employees upon approval of the Village Manager and Finance Director. Purchasing cards are to be used for Village purposes only and all such purchases must be made in accordance with this purchasing policy. Card holders are responsible for immediately reporting any unauthorized use of purchasing cards to the Finance Director.

K. Fuel Cards

The Village utilizes fuel cards for the purchase of fuel required to operate vehicles. Fuel cards will be issued to each department as determined necessary by the Department Head, Village Manager and Finance Director. Department Heads are responsible for ensuring that all fuel cards issued to their department are properly secured and utilized exclusively for Village operations.

L. Travel Expenses

All travel for Village purposes must be approved by a Department Head in advance. If expenses will exceed \$1,500, the trip must be approved by the Village Manager in advance. Travel expenses will be reimbursed using a purchase approval form. All reimbursed expenses must be supported by an itemized receipt. Mileage will be reimbursed at the rate

established by the Internal Revenue Service for deducting expenses related to the business use of an automobile.

The Village prohibits the reimbursement of travel costs related to family members or any other person who is not an Employee. This prohibition includes incremental hotel costs, food, and any other expense. Meal expenses are capped at \$40 per day for an individual Employee, unless approved by the Village Manager. Employees should inquire about the availability of reduced hotel and transportation rates for government employees. The Village will not reimburse for alcohol or any other purchases deemed inappropriate, unnecessary or unrelated to the purpose of the approved travel. The Village Manager and Department Heads may add further restrictions to which expenses will not be reimbursed.

M. Prevailing Wage For Public Works Contracts

1. The Village is required to follow the Illinois Prevailing Wage Act (820 ILCS 130/0.01, et seq.), (the "Act"). The Village Manager and Director of Public Works are responsible for ensuring all public works contracts are made in compliance with prevailing wage rules when applicable. All bids and request for proposal documents shall include a requirement that contractors and vendors must comply with the provisions of the Act.
2. The prevailing rate of wages to be paid by the Village on public works projects, as mandated by such Act shall, in each year, be that prevailing rate of wages in Cook County as ascertained and determined by the Village, or by the Illinois Department of Labor, for that year.
3. Prevailing wage rate information, as received from time to time from the Illinois Department of Labor, shall be kept on file in the office of the Village Clerk, and shall be kept open for public inspection.
4. Each contractor or subcontractor employed by a public works contract with the village must make, and keep for not less than three (3) years from the date of the last payment on the public works contract or subcontract, records of all laborers, mechanics, and other workers employed by them on the project, and must also submit a certified payroll to the village for the immediately preceding calendar month no later than the 10th day of the following month. The content of the certified payroll report will be as specified by the act.
 - i. The village shall keep the payroll reports for not less than three (3) years from the date of the last payment on the public works contract or subcontract, and these documents are public records subject to disclosure under the Illinois Freedom of Information Law.
 - ii. Each contractor or subcontractor employed by a public works contract with the village must make its records available to the Illinois department of labor and its agents, and to Federal, State or local law enforcement agencies and prosecutors.

Village Board Work Session Memo

Date: January 4, 2017

To: Finance Committee Chair Patricia Rocco
President Discipio and Board of Trustees

From: Larry Noller, Finance Director 
Julia Cedillo, Village Manager 

Re: **Banking Services**

PURPOSE

Review the Finance Committee's recommendation to approve a banking services agreement with MB Financial Bank.

BACKGROUND

The Village issued a banking services RFP in September and received four responses; The Community Bank of Western Springs, First Midwest Bank, FNBC Bank & Trust, and MB Financial Bank. The Finance Committee met in November to review the proposals. Following discussion, the Committee voted to recommend MB Financial Bank for Village Board approval and directed staff to work with MB Financial to further reduce fees. Subsequent discussions with MB Financial resulted in the bank agreeing to waive most fees based on the Village's deposit balance.

STAFF RECOMMENDATION

Staff recommends that the Village Board approve the attached resolution and agreements with MB Financial Bank.

ACTION REQUESTED

If there is consensus from the Village Board, the resolution and agreements will be included on the January 24th consent agenda for approval with the following motion.

Motion to approve a banking resolution for MB Financial Bank

Motion to approve a banking services agreement and collateral agreement with MB Financial Bank.

DOCUMENTATION

- MB Financial Bank resolution.
- Banking services agreement.
- Collateral agreement
- Proposals summary.
- MB Financial proposal.

RESOLUTION OF LODGE, ASSOCIATION OR OTHER SIMILAR ORGANIZATION

MB FINANCIAL BANK, N.A.
6111 NORTH RIVER ROAD
ROSEMONT, IL 60018

By: VILLAGE OF LA GRANGE PARK
447 NORTH CATHERINE AVENUE
LA GRANGE PARK, IL 60526

Referred to in this document as "Financial Institution"

Referred to in this document as "Association"

I, AMANDA SEIDEL
ILLINOIS, certify that I am Secretary (clerk) of the above named association organized under the laws of
ILLINOIS, Federal Employer I.D. Number 36-6005954, and that the resolutions on this document
are a correct copy of the resolutions adopted at a meeting of the Association duly and properly called and held on 01/24/2017 (date).
These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A. <u>LARRY L. NOLLER, FINANCE DIRECTOR</u>	X _____	X _____
B. <u>EMILY B. RODMAN, ASST VILLAGE MANAGER</u>	X _____	X _____
C. <u>DEANNE CURELO, DEPUTY VILLAGE CLERK</u>	X _____	X _____
D. <u>AMANDA SEIDEL, VILLAGE CLERK</u>	X _____	X _____
E. _____	X _____	X _____
F. _____	X _____	X _____

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
<u>A</u>	(1) Exercise all of the powers listed in this resolution.	<u>1</u>
_____	(2) Open any deposit or share account(s) in the name of the Association.	_____
<u>A - D</u>	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	<u>2</u>
_____	(4) Borrow money on behalf and in the name of the Association, sign, execute and deliver promissory notes or other evidences of indebtedness.	_____
_____	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Association as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	_____
_____	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	_____
_____	(7) Other _____	_____

LIMITATIONS ON POWERS The following are the Association's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated _____. If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY

I further certify that the Association has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

If checked, the Association is a non-profit lodge, association or similar organization.

X _____
(Secretary)

X _____
(Attest by Other Officer)

X _____
(Attest by Other Officer)

RESOLUTIONS

The Association named on this resolution resolves that,

- (1) The Financial Institution is designated as a depository for the funds of the Association and to provide other financial accommodations indicated in this resolution.
- (2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior resolutions adopted by the Association and certified to the Financial Institution as governing the operation of this association's account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation, satisfactory to the Financial Institution, establishing the authority for the changes.
- (3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Association. Any Agent, so long as they act in a representative capacity as an Agent of the Association, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated on page one, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.
- (4) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Association with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
- (5) The Association agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Association. The Association authorizes the Financial Institution, at any time, to charge the Association for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.
- (6) The Association acknowledges and agrees that the Financial Institution may furnish at its discretion automated access devices to Agents of the Association to facilitate those powers authorized by this resolution or other resolutions in effect at the time of issuance. The term "automated access device" includes, but is not limited to, credit cards, automated teller machines (ATM), and debit cards.
- (7) The Association acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term "alternative signature and verification codes" includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Association with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Association authorizes each Agent to have custody of the Association's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

Pennsylvania. The designation of an Agent does not create a power of attorney; therefore, Agents are not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code) unless the agency was created by a separate power of attorney. Any provision that assigns Financial Institution rights to act on behalf of any person or entity is not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code).

FOR FINANCIAL INSTITUTION USE ONLY

Acknowledged and received on _____ (date) by _____ (initials) This resolution is superseded by resolution dated _____

Comments:

BANKING SERVICES AGREEMENT

This Agreement, made and entered into this 24th day of January 2017, by and between MB Financial Bank (hereinafter referred to as "the Bank"), having its place of business at 6111 North River Road, Rosemont, Illinois, and the Village of La Grange Park, (hereinafter referred to as "the Village") an Illinois municipal corporation:

WITNESSETH

The Bank, having submitted a Proposal for providing certain banking services for the Village pursuant to the specifications set forth within the proposal for banking services required by the Village, and having been awarded a contract to provide this service, hereby accepts and agrees to comply with the specifications set forth within the Banking Services RFP issued September 28th, 2016. The parties therefore agree that the attached Banking Services Proposal dated October 25th, 2016 and the Cost Proposal attached hereto along with the revisions to the Bank's proposal included in the attached letter dated December 7th, 2016 constitute the "Agreement" between the parties. Where provisions contained in the Banking Services Proposal should be found to be in conflict with provisions contained in other agreements entered into with the Bank, the provisions of the Banking Services Proposal shall take precedence.

IN WITNESS WHEREOF, the Bank has caused this Agreement to be executed in its name by a corporate officer and the Village has caused same to be executed in its name by its Village President, and its corporate seal to be hereunto affixed and attested, all being thereunto duly authorized.

ATTEST:

By: _____
Date: _____

ATTEST:

Village Clerk

Village President, Village of La Grange Park, IL
Date: _____

COLLATERALIZATION AGREEMENT

This Security Agreement, dated January 24th, 2017, is between MB Financial Bank (The "Bank"), a National Banking Association, having an address at 6111 North River Road, Rosemont, Illinois, and the Village of La Grange Park Having an Address at 447 North Catherine Avenue, La Grange Park, Illinois (The "Village").

WITNESSETH:

WHEREAS, deposits with the Bank qualify as authorized investments under the Illinois Public Funds Investment Act (the "Act"); and

WHEREAS, the Village from time to time makes deposits, as said term is defined in the Act, in the Bank (its "Public Deposits"), which Public Deposits shall from time to time aggregate in excess of Federal Deposit Insurance Corporation coverage and

WHEREAS, the Village desires to have its Public Deposits secured by perfected collateral in the amount of 110% of the net amount of Public Deposits secured; and

WHEREAS, the Bank has agreed to secure the Village's Public Deposits by granting to the Village a security interest in certain collateral ("Eligible Collateral") owned by the Bank, which collateral meets the requirements described below, as permitted by 12 U.S.C. § 90;

NOW THEREFORE, in consideration of the Village depositing its Public Deposits as herein described, and for other good and valuable consideration, hereby acknowledged as received, it is hereby agreed between the Village and the Bank as follows:

1. Eligible Collateral shall include the following:
 - a. United States Treasury bills, notes, or bonds.
 - b. United States government agency and instrumentality securities.
 - c. General obligation bonds of any United States state.

The Village may reject any form of collateral at any time.

2. In order to secure the Village's Public Deposits the Bank hereby pledges, assigns, transfers and grants to the Village a perfected first priority security interest in (a) such amounts of the Eligible Collateral to meet the collateral ratios and other requirements by the Village, and (b) the Custody Account (as defined in Section 9 below) and any and all investment property and security entitlements from time to time held in, by, or for the benefit of the Custody Account (including without limitation the Eligible Collateral) and all proceeds thereof (collectively, the "Collateral"). If at any time the ratio of the market value of the Eligible Collateral to the Village's Public Deposits, plus accrued interest, is less than 110%, the Bank shall immediately,

within no more than 24 hours, make such additions to the Eligible Collateral in such amounts such that the ratio of the market value of the Eligible Collateral to the Village's Public Deposits, plus accrued interest, shall be at least equal to 110%. Such additions to the Eligible Collateral shall constitute an assignment, transfer, pledge, and grant to the Village a security interest in such additional Eligible Collateral pursuant to this Agreement.

3. The security interest granted herein (as described in Section 1 above) shall secure not only such Public Deposits and accrued interest of the Village as are held by the Bank at the time of this Agreement, but also any and all subsequent Public Deposits made by the Village in the Bank regardless of the accounts in which such funds may be held or identified by the Bank.
4. The pledge of Collateral by the Bank shall be in addition to, and shall in no way eliminate or diminish, any insurance coverage to which the Village may be entitled under the rules and regulations of the Federal Deposit Insurance Corporation or any private insurance carried by the Bank for the purpose of protecting the claims and rights of its depositors.
5. The Village is under no obligation to maintain its deposits with the Bank and may withdraw them at any time without notice. It is agreed that when the Bank shall have paid out and accounted for all or any portion of the Village's Public Deposits, any Collateral pledged under this Agreement to secure such paid out Public Deposits shall be released from the security interest created hereunder.
6. The Bank hereby represents that (i) it is an Illinois banking corporation duly organized and validly existing under the laws of Illinois (ii) it is a qualified financial institution as defined by the Act; (iii) it has, or will have as of the time of delivery of any securities as Collateral under this Agreement, the right, power and authority to grant a security interest therein with priority over any other rights or interests therein; (iv) the execution and delivery of this Agreement and the pledge of securities as Collateral hereunder have been approved by resolution of the Bank's Board of Directors at its meeting of _____ and the approval of the Board of Directors is reflected in the minutes of that meeting, copies of which resolution and relevant portion of the minutes of said meeting are attached hereto as Exhibit A and made a part hereof; (v) the execution and delivery of this Agreement and the pledge of securities as Collateral hereunder will not violate or be in conflict with the Articles of Incorporation or By-laws of the Bank, any agreement or instrument to which the Bank may be a party, any rule, regulation or order of any banking regulator applicable to the Bank, or any internal policy of the Bank adopted by its Board of Directors; and (vi) this Agreement shall be continuously maintained, from the time of its execution, as an official record of the Bank.
7. The Bank warrants that it is the true and legal owner of all Collateral pledged under this Agreement, that the Collateral is free and clear of all liens and claims, that no other person

or entity has any right, title or interest therein, and that the Collateral has not been pledged or assigned for any other purpose. Should an adverse claim be placed on any pledged Collateral, the Bank shall immediately substitute unencumbered Collateral of equivalent value that is free and clear of all adverse claims.

8. At any time that the Bank is not in default under this Agreement, the Bank may substitute Eligible Collateral, provided that (a) the total market value of Eligible Collateral held in the Custody Account shall meet the requirements of this Agreement, and (b) the Village shall have approved such actual substitution or substitution process and all documentation relating to such substitution before it becomes effective.
9. Any additional pledge of Collateral hereunder, substitution of Collateral, or release of Collateral shall be approved by an officer of the Bank duly authorized by resolution of the Board of Directors to approve such additional pledges, substitutions, or releases of Collateral under this Agreement.
10. The Bank agrees to place the Collateral with a Federal Reserve Bank, a trust department of a commercial bank, or a trust company (the "Custodian"), to hold in a custody account (the "Custody Account") for the benefit of the Village, as required by the Act. Any such commercial bank or trust company shall be a securities intermediary that in the ordinary course of its business regularly maintains securities accounts for its customers. The Bank shall execute a custodial trust agreement with the Custodian ("Custodial Trust Agreement") for the custody of the Eligible Collateral consistent with the terms of this Agreement. The Custodial Trust Agreement shall contain the Custodian's agreement to hold all Collateral in the Custody Account for the benefit of the Village and subject to the Village's direction and control and to comply with entitlement orders originated by the Village without the Bank's further consent. The executed Custodial Trust Agreement is attached hereto as Exhibit B. The execution by the Bank of the Custodial Trust Agreement shall in no way relieve it of any of its duties or obligations hereunder.
11. Upon the initial transfer of Eligible Collateral under this Agreement and monthly thereafter, the Bank shall cause the Custodian to report to the Village specifying the type and market value of Eligible Collateral being held in the Custody Account for the benefit of the Village.
12. The Bank has heretofore or will immediately hereafter deliver to the Custodian for immediate deposit in the Custody Account Eligible Collateral of sufficient value to meet the terms of this Agreement. Said Eligible Collateral or substitute collateral, as herein provided for, shall be retained by the Custodian in the Custody Account so long as the Bank holds deposits of the Village.

13. In the event the Bank shall (a) fail to pay the Village any funds which the Village has on deposit, (b) fail to pay and satisfy when due, any check, draft, or voucher lawfully drawn against any deposit of the Village, (c) fail or suspend active operations, (d) become insolvent, or (e) fail to maintain adequate Collateral as required by this Agreement, the Bank shall be in default, the Village's deposits in such Bank shall become due and payable immediately, the Village shall have the right to unilaterally direct the Custodian to liquidate the Collateral held in the Custody Account and pay the proceeds thereof to the Village and to exercise any and all other security entitlements with respect to the Custody Account and the other Collateral, to withdraw the Collateral, or any part thereof, from the Custody Account and deliver such Collateral to the Village, or to transfer the Collateral or any part thereof into the name of the Village or into the name of the Village's nominee, and ownership of the Collateral shall transfer to the Village. The Bank authorizes the release, withdrawal and delivery of the Collateral to the Village upon default by the Bank, and authorizes the Custodian to rely without verification on the written statement of the Village as to the existence of a default and to comply with entitlement orders originated by the Village without further consent of the Bank.
14. In the event of default as described in Section 13, the Village shall also have the right to sell Collateral at any public or private sale at its option without advertising such sale, upon not less than three (3) days notice to the Bank and the Custodian. In the event of such sale, the Village, after deducting all legal expenses and other costs, including reasonable attorney's fees, from the proceeds of such sale, shall apply the remainder on any one or more of the liabilities of the Bank to the Village, including accrued interest, and shall return the surplus, if any, to the Bank, or its receiver or conservator.
15. During the term of this Agreement, the Village will, through appropriate action of its governing board, designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of the Village in any and all matters arising under this Agreement.
16. All parties to this Agreement agree to execute any additional documents that may be reasonably required to effectuate the terms, conditions and intent of this Agreement.
17. All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
18. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.
19. This Agreement shall be governed by and construed in accordance with the laws of Illinois, and the laws of the United States, and it supersedes any and all prior agreements,

arrangements or understandings with respect to the subject matter hereof. In the event that any conflict of law issue(s) should arise in the interpretation of this Agreement, the parties agree that when Illinois law is not preempted by laws of the United States, Illinois law shall govern.

- 20. No provision of this Agreement may be waived except by a writing signed by the party to be bound thereby and any waiver of any nature shall not be construed to act as a waiver of subsequent acts.
- 21. In the event that any provision or clause of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Security Agreement, which shall be given effect without the conflicting provision. To this end the provisions of this Agreement are declared to be severable.
- 22. Unless applicable law requires a different method, any notice that must be given under this Agreement shall be given in writing and sent by certified mail, return receipt requested or third party overnight priority mail carrier to the address set forth herein or such other place as may be designated by written notice in the same manner from one party to the other.

[Bank]

[Village]

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

Community Bank of Western Springs	First Midwest Bank	FNBC Bank & Trust	MB Financial
Annual Service Charges	Annual Service Charges	Annual Service Charges	Annual Service Charges
Checking Services	Checking Services	Checking Services	Checking Services
Account Maintenance (4 checking) \$ 576.00	Account Maintenance (4 checking) No Charge	Account Maintenance (4 checking) \$ 360.00	Account Maintenance (4 checking) \$ 696.00
Checks and Items Paid 290.00	Checks and Items Paid No Charge	Checks and Items Paid \$ 348.00	Checks and Items Paid 290.00
Deposits 690.00	Deposits No Charge	Deposits \$ 300.00	Deposits 600.00
Items Deposited: 2,400.00	Items Deposited: No Charge	Items Deposited: \$ 3,600.00	Items Deposited 2,400.00
Deposited Items Returned 225.00	Deposited Items Returned No Charge	Deposited Items Returned \$ 250.00	Deposited Items Returned 225.00
Re-Deposit Returned Items N/C	Re-Deposit Returned Items No Charge	Re-Deposit Returned Items \$ 25.00	Re-Deposit Returned Items 225.00
FDIC Assessment	FDIC Assessment	FDIC Assessment	FDIC Assessment
Enter Assessment Rate 1,084.92	Enter Assessment Rate	Enter Assessment Rate	Enter Assessment Rate
ZBA Account Maintenance (Parent) 120.00	ZBA Account Maintenance (Parent) No Charge	ZBA Account Maintenance (Parent) \$	ZBA Account Maintenance (Parent) 120.00
ZBA Account Maintenance (Additional Accounts) 168.00	ZBA Account Maintenance (Additional Accounts) No Charge	ZBA Account Maintenance (Additional Accounts) \$	ZBA Account Maintenance (Additional Account) 240.00
Currency Deposited 300.00	Currency Deposited No Charge	Currency Deposited \$	Currency Deposited 420.00
	Currency Deposited (first 60,000 free (5000 pm)) No Charge		
Wire Transfers / ACH:			
Wire Transfers In 384.00	Wire Transfers In \$ 480.00	Wire Transfers In \$	Wire Transfers In 528.00
Wire Transfers Out 360.00	Wire Transfers Out \$ 360.00	Wire Transfers Out (Domestic Wires) \$	Wire Transfers Out 240.00
ACH Monthly Maintenance N/C	ACH Monthly Maintenance No Charge	ACH Monthly Maintenance \$ 600.00	ACH Monthly Maintenance 300.00
ACH File Transmission 500.00	ACH File Transmission No Charge	ACH File Transmission \$	ACH File Transmission
ACH Debits 150.00	ACH Debits No Charge	ACH Debits \$ 300.00	ACH Debits 180.00
ACH Credits 300.00	ACH Credits No Charge	ACH Credits \$ 600.00	ACH Credits 360.00
ACH Returns 108.00	ACH Returns No Charge	ACH Returns \$ 120.00	ACH Returns 108.00
On Line Banking	On Line Banking	On Line Banking	On Line Banking
Monthly Maintenance 900.00	Monthly Maintenance No Charge	Monthly Maintenance \$	Monthly Maintenance 660.00
PDF or e-Statements (per account) N/C	PDF or e-Statements (per account) No Charge	PDF or e-Statements (per account) \$	PDF or e-Statements (per account)
Stop Payment Orders 100.00	Stop Payment Orders \$ 250.00	Stop Payment Orders \$ 300.00	Stop Payment Orders 100.00
Internal Account to Account Transfers N/C	Internal Account to Account Transfers No Charge	Internal Account to Account Transfers \$	Internal Account to Account Transfers
<i>List all other fees associated with on-line banking below</i>	<i>List all other fees associated with on-line banking below</i>	<i>List all other fees associated with on-line banking below</i>	<i>List all other fees associated with on-line banking below</i>
Additional accounts > 2 120.00		Per ACH File/Transaction Deletion Request \$	On Line Banking-Additional Accounts 540.00
OPTIONAL - Wires Initiated online		Cost of Replacement Token \$	On Line Wire Module (Optional) 300.00
OPTIONAL - Extended online activity > 90 days		Same Day ACH Transactions Originated (per trans) \$	
		Positive Pay - Monthly Maintenance Per Account \$	
		Positive Pay - Per Issued Item \$	
		Positive Pay - Per Exception Item \$	
Other:	Other:	Other:	Other:
CD-Rom 300.00	Positive Maintenance	Monthly CD Rom Fee Main Account \$	Re-Deposit Returned Items > \$2500
ACH Positive Pay Maintenance (per account) 480.00	Positive Pay Items	Monthly CD Rom Per Additional Account \$	Positive Pay (Optional)
ACH Positive Pay Suspect Item			Positive Pay Monthly Maintenance
ACH Notification of Change			Positive Pay Per Check
			Positive Pay Check File Transmission
			Positive Pay Exceptions
			E-Lockbox (Optional)
			E-Lockbox Monthly Maintenance
			E-Lockbox per payment
			E-Lockbox Set Up Fee (one-time)
Total Core Banking Services \$ 9,555.92	Total Core Banking Services \$ 1,090.00	Total Core Banking Services \$ 7,183.00	Total Core Banking Services \$ 8,532.00

Include any explanations or clarifications here:

Include any explanations or clarifications here:

Include any explanations or clarifications here:

Include any explanations or clarifications here: For returned check amounts < \$2500, MB automatically re-deposits. Returned checks greater than \$2500 will be automatically re-deposited with approval from the Village.

* Pricing assumes relationship balance levels \$1.75MM - \$2.5MM



December 7, 2016

Larry Noller
Finance Director
Village of La Grange Park
447 North Catherine Avenue
La Grange Park, IL 60526

Dear Mr. Noller,

MB Financial Bank is pleased to offer the following changes/updates to the existing proposal to the Village of La Grange Park for Banking Services:

- CD-Rom provided on a monthly basis.
- **\$1.4 million non-interest bearing balance requirement** to offset banking fees associated with the services requested and volumes provided in the Banking Services Request for Proposal dated September 28, 2016. *Services paid out-of-pocket or with additional balances include: Outgoing wires, Fraud Prevention Tools (Positive Pay), E-Lockbox Services.
- Balance requirement for fee waiver reviewed annually. **If earnings credit rates increase in 2017, the Village's compensating balance requirement would remain unchanged at \$1.4MM and reviewed annually based on the contract start date.
- Annual billing cycle with annual settlement (excess/deficit carryover month-to-month.)

Thank you for the opportunity to continue working with the Village of La Grange Park. We greatly appreciate your confidence in our relationship and for the opportunity to expand our relationship with the Village. We assure you that we will do our very best to continue providing the Village with superior customer service.

Please call me with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Jill Hagan".

Jill Hagan
Senior Vice President
Government Banking Division Manager
(708) 857-4356

**MB Financial Bank
Treasury Management
Services**

**Treasury Management
Solutions for**

Village of La Grange Park

October 25, 2016

Presented to:

**Larry Noller
Finance Director**

Presented by:

**Jill Hagan
Division Manager
Government Banking**

**Sean P. Durkin
Vice President
Government Banking**

**Breanne Potthast
Vice President
Treasury Management Services**

PROPOSAL FOR BANKING SERVICES

VILLAGE OF LA GRANGE PARK

Proposal Submitted By:

Bank: Sean Patrick Durkin

Address: MB Financial Bank
401 N. LaGrange Road
La Grange Park, IL 60526

Telephone: 630-335-4935

Email Address: Sdurkin@mbfinancial.com

This proposal contains all the information requested in the Request for Proposal, including the following exhibits:

- Exhibit A Banking Services Proposal Form
- Exhibit B Exceptions to the Proposal Certification

Other Items

Banks Audited Financial Statements for the previous two years.
Information on proposed internet banking solution.


Signature

Sean Patrick Durkin
Typed Name

Vice President Government Banking Division
Title

October 25, 2016
Date

October 25, 2016

Mr. Larry Noller
Finance Director
Village of La Grange Park
447 North Catherine Ave
La Grange Park, IL 60526

Dear Mr. Noller:

We are proud to present our Proposal to the Village of La Grange Park for Full Banking Services. This Proposal is being submitted in response to the Request for Proposal dated September 28, 2016.

In reviewing the Proposal, please keep in mind that MB Financial Bank was built on the foundation of developing and cementing banking relationships. We have the products a client needs along with the "bells and whistles," but the cornerstone of our bank is built on our dedication to providing exceptional customer service to our clients.

Our Executive Summary provides information on what makes MB Financial a unique banking partner for the Village of La Grange Park. Our goal, as a trusted advisor for the Village of La Grange Park, is to build a long lasting relationship of collaboration. As your needs change, you can be sure we will be there with the services you need to meet your financial objectives.

Questions regarding this proposal can be directed to Jill Hagan or Sean Durkin.

Jill Hagan
SVP, Division Manager
708-857-4356
Jhagan@mbfinancial.com

Sean P. Durkin
VP, Government Banking Division
630-335-4935
sdurkin@mbfinancial.com

Thank you for the opportunity to be considered for the Village of La Grange Park's Full Banking Services partner. We look forward to a discussion on the merits of our Proposal.

Sincerely,

Jill Hagan
SVP Division Manger
Government Banking Division

Sean P. Durkin
Vice President
Government Banking Division

Gaye Wagner
Assistant Vice President
Banking Center Manager

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Envelope Labeled - CRA and Financials

CRA Report August 12, 2013
Form 10-K Fiscal Year ended December 31, 2014
Call Report August 22, 2016

Executive Summary



Value Beyond the Proposal

Thank you for the opportunity to submit our Banking Services Proposal to the Village of La Grange Park. We are excited at the opportunity to develop what we hope will be a long-standing relationship with the Village. By starting a relationship with MB Financial Bank, the Village of La Grange Park will gain access to all the tools and resources you need to **add efficiency, manage risk, mitigate fraud and keep assets growing**. What sets us apart is our inexhaustible set of resources at your disposal, dedication to an extraordinary customers care model and commitment to taking the time to understand your financial needs.

In addition, we are proud to offer you:

- Our Commitment:** For over 100 years and counting, MB Financial has taken a relationship-based approach to business. We are committed to investing in products and services to stay ahead of the market with enhanced, customized features which benefit our customers. **We have a full-service branch located in La Grange Park just 0.2 miles from Village Hall.**

- Responsiveness:** Our dedicated Government Team fosters open and honest communication. **We realize there is no substitute for responsive service.** Our team is located in or near your community, and we make decisions locally. As a result, we are able to provide the most responsive service to you and will work relentlessly to solve even the most minor of problems.

- Experience:** Our Government Team supporting the Village of La Grange Park includes over 25 years of government account experience in relationships, systems and conversions and service. We are confident that we have the experience and resources necessary to assure a smooth transition.

- Partnership:** Rest assured that MB is truly invested in the Village's success. We will work through your unique challenges and serve as a trusted advisor, giving you the confidence to stand behind your decision to partner with us.

- Reputation:** Our service is unparalleled! Our own clients ranging in size from \$10MM to \$500MM gave MB the highest score of all Chicago Banks for overall satisfaction and Banker/Treasury Management knowledge.

Executive Summary



The Benefits

We are excited to provide the Village of La Grange Park with the opportunity to:

1. **Bank with safety, security and a service-oriented partner who takes a hands-on approach to ensure our clients receive the best possible customer service.**
2. **Access the right products and services designed to add efficiency in daily operations. We will keep you informed of updates in products and services that would be a beneficial to Village.**
3. **Increase earnings/Reduce all service related fees while utilizing our customized Treasury Management services.**
4. **Have access to extensive implementation experience and peace of mind that we will commit resources necessary to assure a smooth transition.**

Relationship Management Team

MB Financial employs a true team approach in delivering top quality banking services to our clients. Each member of the Government Banking team is committed to managing relationship satisfaction rigorously, and we always listen to client feedback on attentiveness, responsiveness and effectiveness. We continuously strive and will make necessary adjustments to ensure our report card meets and exceeds your expectations.

Jill Hagan, Government Banking Division Manager, Sean Durkin, Relationship Manager, and Breanne Potthast, Treasury Management Advisor are the liaisons for all aspects of your relationship. With over 25 years of experience working with government entities, Sean and Breanne have the expertise and knowledge to provide you with creative solutions and strategic advice.

With Sean and Breanne as your primary contacts, the depth of coverage continues with dedicated layers of customer service. Our commitment is to YOU! You will have access to a highly trained Team dedicated exclusively to providing "Best-In-Class" customer service to our clients.

Scope of Banking Services



A. Term of Agreement

The banking services detailed in this section will be performed for the Village, on a contractual basis, for three (3) years, with an option to renew for an additional three (3) year period. Fees specified in this proposal will remain fixed for the duration of the initial 3-year contract period.

MB Financial will support the presented contract terms.

B. Collateralization of Account Balances

All Village funds on deposit in excess of FDIC limits must be collateralized by the bank through the pledge of securities approved by the Village and held in its name at a third party institution. Banks shall agree to the collateralization agreement included as Exhibit C or include proposed collateral and safekeeping agreements with their response. If the Bank is including proposed collateral and safekeeping agreements, the inclusion must be noted as an exception in Exhibit B. A monthly statement demonstrating the adequacy of pledged collateral shall be provided directly to the Village by the third party custodian within 10 business days of the last day of each month. Any exception to this requirement must be detailed in the Bank's response.

MB Financial will comply with the Village's Investment Policy and provide acceptable collateral coverage. We recommend using the Federal Home Loan Bank Public Unit Deposit, "PUD LOC" Program, accepted by the Illinois Public Funds Investment Act (30-ILCS 235.) PUD LOCs from the Federal Home Loan Bank are Aaa/AA+, the same rating as the US Government, and an acceptable form of collateral within the Illinois Public Funds Investment Act.

The Federal Home Loan Bank, a federal agency and independent third party, will issue a letter of credit to the Village of La Grange Park. Once issued, the letter of credit amount cannot be decreased without the Village's consent. **Since there are no market fluctuations with the LOC, the Village will not have to administer releases or substitutions based on fluctuating market value.**

In the unlikely event of a default, the FHLB will immediately pay out; there is no delay from dealing with a pledge account and selling securities in the market.

Your MB banking team has extensive experience partnering with the Federal Home Loan Bank, and finds the "PUD LOC" program to be very clean, more straightforward process to managing collateralized government deposits. In addition, this collateral option comes with the added benefit of a premium Earnings Credit Rate of .50% as detailed in Section D.

MB Financial would be willing to also maintain the current collateral arrangement, and this option would result in an Earnings Credit Rate of .40% to be applied to the Village's balances.

Scope of Banking Services



C. Accounts Included:

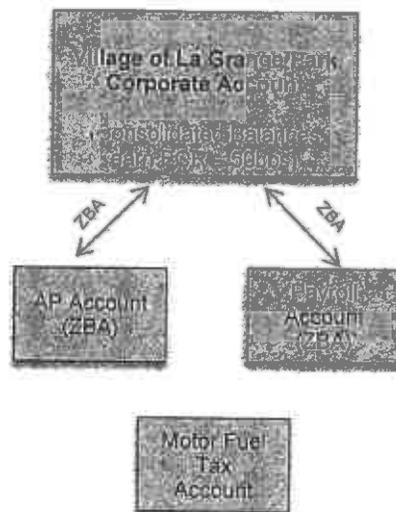
The Village will require the following separate accounts:

- Corporate Account
- Payroll Account (ZBA)
- Accounts Payable Account (ZBA)
- Motor Fuel Tax Account

The Village does not guarantee that the accounts listed above will remain active for the entire term of the new banking services relationship. In addition, new accounts may be requested as needed.

MB Financial will support the presented account structure. To enhance internal efficiencies, MB recommends the use of Zero Balance Accounts (ZBA) for the Accounts Payable and Payroll Accounts. It is our understanding that the Village does not leverage a ZBA product currently, and is pleased that you are looking to go this route. The sweep function allows the flow of funds to remain concentrated in the Deposit Account by sweeping funds out of the AP and Payroll accounts only as needed. MB recommends using, zero balance sweeps to optimize cash flow activities, and eliminate the need to perform manual balance transfers.

(Sample schematic below – La Grange Park)



Scope of Banking Services



D. Account Structure

All accounts will be set up as interest bearing checking accounts, with the exception of the Payroll and Accounts Payable accounts which will be a zero balance account (ZBA).

ECR Alternate: As an alternate, the Bank may wish to propose an earnings credit rate to be applied to all balances in lieu of payment of interest on balances. The earnings credit will be applied to the monthly bank analysis and remaining balance due will be settled in cash.

ECR Alternate:

Based on an analysis of the Village's current account activity, as well as the current interest rate environment, MB Financial recommends a Compensating Balance arrangement. In doing so, the Village can fully leverage its non-interest bearing balances to help offset monthly service charges.

MB Financial is pleased to offer the Village of La Grange Park an enhanced Earnings Credit rate of .50%. This premium ECR is based on the usage of PUD LOC for collateral purposes. MB can also provide an ECR of .40%, should the Village opt to utilize direct pledge collateral. In either scenario, MB's premium Earnings Credit rate will allow the Village to offset most, if not all of your banking fees. We'd be happy to help you get comfortable with PUD LOC, and take advantage of the added ECR benefits.

MB Financial will reassess the rate environment in the contract renewal period and provide a fair and attractive ECR offering at that time, based again on market conditions, competition and other industry benchmarks.

Regulatory Assessment Accommodation:

As an industry standard, non-interest bearing deposits are typically subject to a monthly regulatory assessment fee. MB Financial has formally committed to **waive the associated Regulatory Assessment charges** on a monthly basis specifically for the Village of La Grange Park's contract. This offering enables the Village to maintain deposits in the Corporate Account, earning ECR (checking account), without the ramification of deposit insurance fees. The Village will see the Regulatory Assessment line item on the Account Analysis, and the subsequent waived status. Our rate is 10%, for our standard client base and the calculation is depicted below for your reference.

Depository Insurance Charge = Ledger Balance/1000*Rate

****Waived for the Village of La Grange Park**

E. Payment for Services and Monthly Account Analysis

All charges for banking services shall be reported on a monthly account analysis statement. The monthly account analysis shall be delivered to the Village within 10 business days of the last day of each month and shall contain a detailed itemization of charges of types and volume, similar to those provided in Exhibit A.

Yes - Account Analysis statements can be delivered to the Village as requested via our online portal or paper statement, and the statement will outline the monthly services and transaction activity.

F. Internet-Based Banking Services

The Village requires the successful proposer to provide internet-based banking services. At a minimum, the Village requires the following:

- Daily Balance Reporting (ledger, available and collected).
- Detailed debit and credit postings (cleared checks, deposits, chargebacks, wire transfers in and out, interest payments, etc.) with ability to download data into Microsoft Excel spreadsheet format.
- Initiation of internal account-to-account transfers.
- Initiation of regular recurring wire transfers.
- Initiation of ACH debit and credit transactions. Ability to create saved "instructions" for recurring ACH debit (collection) or credit (direct deposit) type transactions.
- Placement of stop payment orders.
- Multi-level security for various Village staff (e.g. inquiry only vs. full system administrator rights).
- Electronic storage of canceled checks and deposit terms for a minimum of 90 days with access granted to the Village.
- Positive pay.

Proposing banks shall include information about their internet banking services solution and security measures with their submitted proposal.

MB Financials online platform - **MB Web Express** - can facilitate all of the above requested components. Our advanced security features, high-touch user training, and ongoing technology investments will provide the Village of La Grange Park with a positive user experience and efficiencies right at your fingertips.

Efficiently manage your business needs quickly and efficiently through a secure internet portal.

MB Web Express, our premier commercial Internet banking solution, is your secure portal into account information, online stop payments and electronic funds transfer capabilities.

Scope of Banking Services



The user-friendly Interface combined with its robust functionality allow you to view real-time information, perform detailed transaction searches and access a multitude of reports to improve the efficiency of your daily financial work.

With this powerful solution you can manage your financial position, anywhere, anytime. As we provide access **24 hours a day 7 days a week**, real-time reporting keeps you up-to-date on everything from your account activity, detailed lockbox reports and the status of a wire transfer.

Need a special report? Connect with our dynamic “customer defined” report module to provide a report to meet your specific needs. Enhancements are ongoing, as we aim to be a leader in industry banking performance. MB Financial does have an upcoming platform enhancement in in the first part of 2017; future enhancements have not yet been formalized or scheduled. All product enhancements regardless of size or scope include a detailed testing, client roll out, and training.

We understand that you need easy to access to balance and transaction information. MB Web Express meets those needs and offers a customized solution to make sure that your daily workload becomes more manageable.

MB Web Express offers Village of La Grange Park a dynamic online solution:

- Reconcile accounts as frequently as you'd like
- Know your cash position for investment and funding decisions – any time of day
- Initiate payments and collections from a single sign-on

Security that is multi-faceted:

- MB Web Express uses traditional password protection as the first level of security.
- Additionally, multiple levels of security provide additional layers of control including MB security tokens and 128-bit secure socket layer (SSL) which encrypts and protects transaction information as it travels over the Internet.

Notification through alert e-mails that keep you informed:

- Alerts for Village of La Grange Park when there are time-sensitive transactions that need your attention.
- Choose the type of messages you wish to receive based on specific conditions and we will e-mail you when the condition occurs.

Scope of Banking Services



G. Automated Clearing House (ACH)

The bank must be both a “sending” and “receiving” bank on the Automated Clearing House system to accommodate a payroll direct deposit program, a utility billing electronic payment collection program as well as future revenue collection systems. This service must also include the ability to implement full account blocks and filters.

Presently, the Village’s payroll and corresponding ACH direct deposit file and utility bill collection and corresponding ACH direct deposit files are transmitted to the bank’s processing center electronically.

The bank must be able to provide ACH debit blocking for all Village accounts with the exception of Village authorized ACH debits.

MB is committed to providing ACH solutions that are efficient and easy to use. Not only do we meet the requirements presented above, we are a high volume originator and have been a member of the National Automated Clearing House (NACHA) for more than 25 years. MB actively participates in this nationally-recognized association to stay competitive and on top of the latest ACH trends and rules.

MB Financial is well versed in the ACH Debit Origination space, specifically as it pertains to municipal utility debit files, as we are the sole processor for many large Chicagoland entities. Your Banking Team would work closely with you to prepare, test, and train the Village’s staff to ensure that the Utility Billing file transition goes smoothly.

ACH Timing Information:

- ACH - Send ACH transactions or batches **until 6 p.m. CST** to be effective for next day settlement.
- ACH payments can also be scheduled up to 2 weeks in advance, to allow the village to optimize staff availability.

ACH Positive Pay: (ACH Debit Blocking)

- MB Financial offers ACH Positive Pay to enable the Village to dictate which parties are authorized to debit your account via ACH. The designated Village staff would have the ability to view and validate all ACH debits to your accounts, and promptly take the appropriate action.
- When an exception is received, the Village can view the item and choose to Return, Pay-One Time, or Pay Ongoing. This allows for La Grange Park to have the most flexibility and control in paying these transactions.
- Should the Village identify a debiting party that should be authorized on an ongoing basis; we can help you create authorized payment “rules” that can apply to subsequent ACH debits from that same party.

Scope of Banking Services



H. Deposit of Funds

Proposing banks should identify the branch location which will be assigned to service Village deposits.

The Village warmly invited to utilize our MB Financial La Grange Park banking center for daily deposits of checks and cash, as well as facilitating currency/coin orders. All deposits made at the banking center will receive same-day ledger credit. The Village's banking team will provide an **In-person introduction** to the La Grange Park local branch manager, Gaye Wagner, and ensure that your needs are met on a daily basis. Location, services, and hours are referenced below.

MB is proud to also announce that we are currently in the midst of a renovation and improvement of our La Grange Park branch, and look forward to the opportunity to continue working with the local community with our enhanced presence.



La Grange Park Branch Services

- Self-service coin counter
- Night depository
- Safe deposit boxes
- Drive up ATM
- ATM accepts deposits

Lobby hours

Mon-Thu 8:30AM - 5:00PM Fri 8:30AM - 6:00PM Sat 9:00AM - 1:00PM Sun Closed

Drive-up hours

Mon-Fri 8:00AM - 6:00PM Sat 8:00AM - 1:00PM Sun Closed

I. Availability of Funds

The Village will be given credit as collected funds, all items which are cleared by the bank on the same day on which the deposit is made. Items deposited which clear at institutions located within the Chicago Federal Reserve Region will be considered collected funds within one business day, as a minimum. All other items deposited will be given credit as collected funds within two business days, as a minimum. The bank will also credit the Village's accounts for incoming wire transfers on the day received regardless of the time of receipt during the day. All proposing banks are required to attach a copy of their current "availability schedule" to the proposal.

Deposit Float standard schedule is as follows.

- Items drawn on 7th Fed – 1 day
- On-Us and Government – 0 day
- Night Depository and Teller Line – 2 day
- All other – 2 day
- All ABL Dominion of Funds Accounts – 1 day
- Cash – 0 day
- Merchant Deposit Electronic Credits – 0 day
- Incoming Fed Wires – 0 day
- ACH/Electronic Direct Deposit Credits – 0 day
- Cashier's Checks – 1 day
- Canadian Checks – 2 day

J. Wire Transfers

Proposing banks should submit a copy of their standard wire transfer agreement with their proposal. Terms of this agreement must be satisfactory to the Village or otherwise negotiable prior to the final award of contract. If the Bank's wire transfer agreement is non-negotiable, it must note as such in response.

MB Financial will comply with this request. Additional information and images are included to help demonstrate the robust nature of our Web Express Wire capabilities.

MB Web Express Wires:

The Enhanced Wire module will allow the Village to create, approve, and store wire templates for future use and serves as a stronger security mechanism for your money movement needs.

For your reference, transaction cutoff times are noted below, and a screen shot of our Wire Module is on the subsequent page.

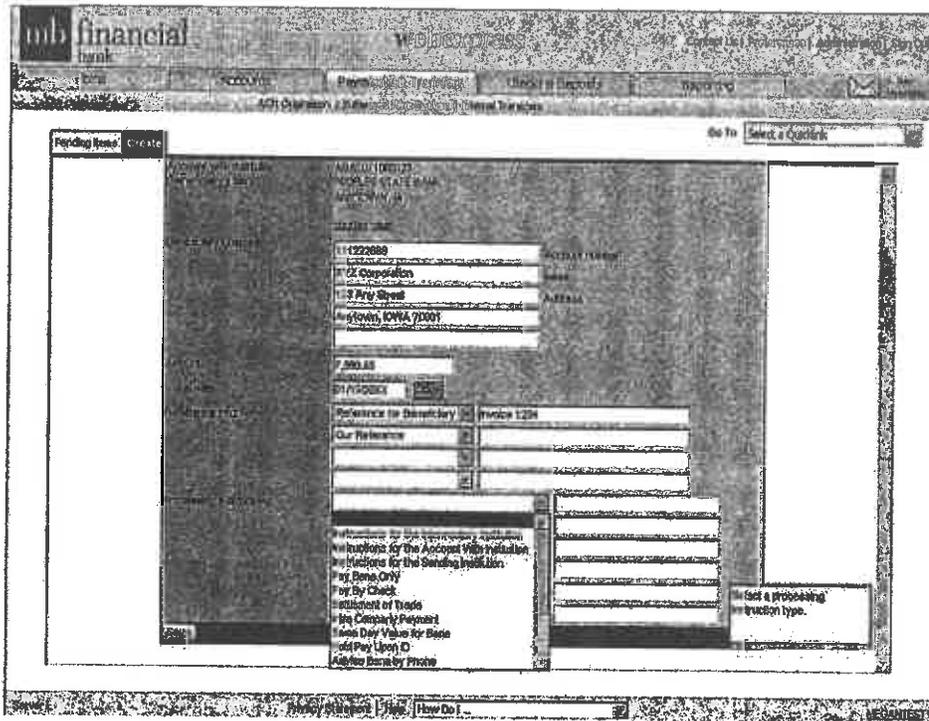
Scope of Banking Services



Wire Cutoff times:

- Wires - Send domestic or US Dollar wires from MB Web Express up until 4 p.m. CST to be effective for same day settlement.

(Sample Wire Solutions Screen)



K. Statement and Advice Frequency

The Village requires monthly bank activity statements to be based on each full calendar month delivered within 10 business days after the end of the month. The Village requires that the statements, processed checks, deposit items and miscellaneous bank advices be stored, on-line, by the bank and on-line access be given to the Village. The Village also requires a monthly CD Rom.

MB Financial can provide the Village with online banking statements, so that the Village may access your E-statements, as early as the second business day of the following month. At your request, we can also provide mailed paper statements to Village Hall. Our E-documents module stores your bank statement in Web Express for seven years and allows you to access any month's activity at any time you need. These statements can include check images as well for your reference.

Scope of Banking Services



Similarly, the Village can also access check copies via the Reporting section of Web Express. An online user can quickly and easily search for a cleared check and print a front and back image of the item. MB's Web Express platform contains 180 The Village may designate the User(s) who are allowed to access the Village's statements within the online platform. Should the Village need a check image older than 180 days, your Relationship team will have it pulled for you, quickly - within minutes even. **We feel this is an easier and less costly approach than receiving a monthly CD Rom with checks that require storage and searching when the need arises.**

MB also has extended Check Image history online for an added fee as noted in the Additional Recommendations section of this proposal. Image Express is our 7-year check archive that links directly to our core processing system. Should the Village prefer direct long-term check research, we recommend using Image Express vs a monthly CD Rom.

L. Designated Account Executive

The Village requires that the proposing banks identify a designated account executive, as well as an alternate in their proposal. The designated account executive must have the authority to make timely decisions in the normal course of business on their own. The bank shall provide reasonable advance notice of its intention to change the designated account executive.

The Village of La Grange Park's full Relationship Team is presented in TAB 4. This listing includes a full bio, as well as roles and contact information. The team is excited for the opportunity to partner with the Village staff.

M. Community Involvement

It is important to the Village that the awarded bank demonstrates its commitment to provide banking services to the community and that the bank's rating under the Community Reinvestment Act (CRA) is a measure of this commitment. All proposers are required to submit their latest CRA rating with their proposal. All proposers are required to furnish their bank's community involvement and investment program as well as any other information concerning the bank's involvement in the local community.

Please see the Envelope Titled CRA and FINANCIALS for MB Financials CRA rating.

MB Financial's La Grange Park branch has participated in the following community events:

- La Grange Park Chamber member
- La Grange Park District Summer Concert Series (16, 15, 14...)
- Halloween Trolley rides,
- La Grange Park Chamber Annual Award Dinner,
- Sponsoring and providing bicycles and water for National Night Out in August with the police department

References



1. Dave Schutter, CFA
Finance Director
City of Countryside
5550 East Avenue
Countryside, IL 60525
708-485-2464
dschutter@countryside-il.org

2. Kathy Kirk
Finance Director
Pleasantview Fire Protection District
1970 Plainfield Road
La Grange Highlands, IL 60525
708-352-9229 ext. 2266
kkirk@plvw.org

3. Carol Hogan
Assistant Finance Director
Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515
630-434-5929
Chogan@downers.us

4. Debbie Baumgart
Controller
West Central Municipal Conference
2000 Fifth Ave., Bldg. N
River Grove, IL 60171
708-453-9100 ext. 246
dbaumgart@westcook.org

Relationship Team



Jill Hagan, Senior Vice President, Government Banking Division Manager

Telephone: (708) 857-4356
E-mail: JHagan@mbfinancial.com

Jill Hagan, MB Financial Bank's government banking expert is a well-known and respected member of the government banking community. Jill has acquired more than 20 years of industry knowledge and has established strong relationships with local government entities. She excels in developing cash management solutions and providing exceptional client service. Jill is member of the Illinois Government Finance Officers Association (IGFOA).

Sean Patrick Durkin, Vice President, Relationship Manager, Government Banking

Telephone: (630) 335-4935
E-mail: Sdurkin@mbfinancial.com

Sean joined MB Financial Bank in January 2012. Sean specializes in the needs of municipalities, counties and special servicing districts. Sean has over 23 years' experience in the Chicago banking market, with the last 13 years focused on the governmental markets. Sean is an active member of the Illinois Government Finance Officers Association (IGFOA).

Breanne Potthast, Vice President, Treasury Management Advisory

Telephone: (312) 442-5024
E-mail: Bpotthast@mbfinancial.com

Breanne is the Treasury Management representative who works side by side with Sean and Jill to address your specific cash management needs. She has over 10 years in the banking industry and has worked closely with MB's existing government relationships delivering effective treasury management solutions for their particular needs

Gaye Wagner, Assistant Vice President, Banking Center Manager-La Grange Park

Phone: (708) 579-5203
E-mail: gwagner@mbfinancial.com

Gaye Wagner, Banking Center Manager has been in banking for over 25 years, most recently as Manager of MB Financial La Grange Park Branch. Gaye has found success through building relationships in the various communities she serves. Currently, she is the Chairman of the West Suburban Chamber of Commerce, Women in Business committee as well as Secretary of the Board for a local, non for profit organization, Interfaith Community Partners which serves La Grange Park and surrounding communities.

Kitty Savage, Sr. Commercial Banking Associate, Commercial and Government Banking Group

Phone: (847) 653-4773
E-mail: KSavage@mbfinancial.com

Kitty has over 25 years of banking experience and specializes in helping clients with their daily account operational needs. She is a dedicated Commercial Banking Associate for the government team and is readily available to assist with research requests and day-to-day servicing needs.

Cheryl Roberson, Sr. Commercial Banking Associate, Commercial and Institutional Banking Group

Phone: (847) 653-2217
E-mail: CRoberson@mbfinancial.com

Cheryl Roberson has been with MB Financial Bank for 15 years. Cheryl specializes in client service, where she has concentrated almost 30 years of experience in making sure clients are treated with respect and their requests are responded to quickly and efficiently.

Additional/Future Enhancements



MB Financial has a keen focus on driving efficiency through automation and technology. Our consultative relationship approach will allow us to always seek out and present improvements or enhancements to the Village. In our view, relationship and technology go hand in hand.

Our approach to the market, as well as some recommended products are noted in this section and on the following pages.

MB Financial prides its self on being a leader in the Treasury Management industry, and even specializes in technology-based solutions specific to our Government market. Our depth in ACH processing knowledge and expertise allows us to be a strong banking partner for the Village, as well as our highly customized account structures. This niche approach to servicing our Governmental clients allows us to be both nimble and reactive to your ongoing needs and providing new products and also enhancements to existing services.

Rolling out new products is strength of the MB team, and our Product Team regularly enlists feedback from our clients as well as industry data in order to continue to move the needle and provide genuine solutions for our customers. We want to provide the Village with the optimal suite of Treasury Management services – no more; and no less.

Additional Enhancements



Zero Balance Sweep – Cashflow Optimization:

As mentioned in Scope of Services, the MB Banking team recommends leveraging a zero balance sweeps on the Village's Payroll and Accounts Payable Accounts. The MB Banking team is pleased to hear that this is the route the Village seeks.

Trusteer Rapport – Fraud Prevention:

MB has partnered with Trusteer, a leading expert in online banking security. Trusteer's security tool, Rapport, is designed to detect malware and other virus infections and protect users from Man in the Middle (MITM) and Man in the Browser (MITB) attacks. Trusteer Rapport works with your existing anti-virus and firewall software to provide an additional layer of protection when using MB Web Express. This is free and available to all MB Financial customers.

ACH Positive Pay – Fraud Prevention:

MB Financial provides you control and security surrounding your ACH Debits via ACH positive Pay. This Web Express module allows designated Village staff the ability to review all ACH "exceptions" and then choose to pay the item one-time or on an ongoing basis, if it is authorized. An example of this is shown below. The Village can view the item and choose to Return, Pay-One Time, or Pay Ongoing. This allows for La Grange Park to have the most flexibility and control in paying these transactions.

(Online decisioning tool for authorizing ACH exception items.)

Account	Name	ID	Amount	Type	Effective Date	Decision	Details
xxxxx-8850	ACME Co.	9876543210	\$160.00	UNKNOWN CODE	09/2/20XX	Select--	Detail
xxxxx-8381	ACME Co.	9876543210	\$0.00	Credit to Checking (Prenote)	09/2/20XX	Return	Detail
xxxxx-8381	Bob's Auto Supply	3232323232	\$0.00	Credit to Checking (Prenote)	09/2/20XX	Pay One-time	Detail
xxxxx-8381	XYZ Inc.	1212121212	\$684.00	Debit to Checking	09/3/20XX	Pay Ongoing	Detail
						Select--	Detail

Additional Enhancements



Check Positive Pay – Fraud Prevention:

Our Check Positive Pay portal allows us to safeguard your checks, and provide timely notification of any potentially fraudulent checks clearing against your account. Our Teller Lines are also integrated with our Payee Positive Pay system to allow the Village to not experience unnecessary interruptions to check cashing needs, or be at risk of teller-line fraud.

With Check Positive Pay, Village would simply provide MB a complete file of checks issued, and MB will in turn review all items presented to the bank. As checks clear your account, MB identifies any “Exceptions” – or checks not issued. We provide timely email notifications of any exception items, including the check image. La Grange Park would then have the opportunity to enter the Web Express Positive Pay Module, and make an informed decision on the item received. You may “Pay” or “Return” the check as needed.

(Online decisioning tool for authorizing CHECK exception items)

The screenshot shows the 'webexpress' interface for MB Financial. The main content area displays a table of check exceptions under the 'Exceptions' tab. The table has columns for 'Account', 'Check Number', 'Check Amount', 'Exception', 'Status', and 'Action'. Two rows are visible:

Account	Check Number	Check Amount	Exception	Status	Action
123456788 (Operating)	45200	\$1122.50	Presented - Currently Pending		Pay / Return
123456788 (Operating)	45271	\$338.00	Presented - Not Issued		Pay / Return

Buttons for 'Save' and 'Pay' are located at the bottom left of the table area.



Implementation Plan

MB knows that while not specifically requested, the Village requires a structured and deliberate Implementation Plan in order to ensure a successful transition. MB Financial has provided our Implementation Strategy, Team, and Timeline below.

Implementation Strategy:

MB Financial understands that changing banks requires planning, preparation and great oversight. Our team takes a very deliberate, articulate approach to onboarding our new customers. There are no costs to the Village for the Implementation process as structured below.

Our proposed Implementation timeline extends for three weeks, but MB Financial will work at the pace which the Village prefers. A successful onboarding is as critical to our business as it is yours, and **all training sessions are provided in-person, at the Village of La Grange Park** to any persons critical to launching the banking relationship.

In addition to Sean Durkin (Relationship Manager) and Breanne Potthast (Treasury Management Advisor), the Village of La Grange Park will have a dedicated Implementation Team to successfully onboard and launch the Village's relationship with MB Financial.

MB Financial Treasury Management Implementation Team:

- **Lance Hruby –Implementation Representative:** Lance constructs the platform based on the Village's needs. He also assists in the creation and testing of all data files and will be the leader of the in-person training session. Lance will partner with the Village during the Implementation Phase as well as the Post-Training phase.
- **Catrina Robinson –Treasury Management Sales Associate:** Catrina will assist in compilation of all Treasury Management forms, user profiles, and account structures. She will also review billing to ensure that it matches our proposal.
- **Kitty Savage Commercial Banking Associate:** Kitty will lead the account opening process and assist the Village with the documents involved.
- **Implementation Team will partner with your full Relationship Banking Team as well.**

Implementation Plan



MB Financial Implementation Timeline, Rolls, and Responsibilities

Estimated Time to Complete: 4-6 weeks, or at the Village's Request

Administrative Task

Responsibility of MB Financial

Award of Contract, confirmation of Village Services Used.
Open Desired Account(s)
Order Printed Checks/Deposit Tickets/Stamps
Discuss with Village the final suite of Services to use; prepare TM agreements
Village To Review, Complete, Return TM Documents
Set up TM Platform Operations

Responsibility of MB Financial & The Village of La Grange Park

Patriot Act Documents
Review/Sign Signature Cards, Resolutions (prepared by MB)
Review, Complete, Sign, Return TM Documents
Review/Test ACH (NACHA), Check Positive Pay file formats
On-Site Training/Demos & Establish Repetitive Templates

Responsibility of The Village of La Grange Park

Articles of Incorporation/Operating Agreement & TIN Verification
Inform Customers/Vendors/Payroll of New Bank Accounts
Fund MB Accounts, Additional Training and Review – Ongoing

FORM 3

STATEMENT FOR PROPOSALS SUBMITTED UNDER RFPs

This proposal is submitted in response to your Request for Proposal received September 28, 2016. The contents of this proposal and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules (the "Rules") of the Securities and Exchange Commission (240 CFR 15Ba1-1 *et seq.*).

The Staff of the SEC's Office of Municipal Securities has issued guidance which provides that, in order for a request for proposals to be consistent with this exemption, it must (a) identify a particular objective, (b) be open for not more than a reasonable period of time (up to six months being generally considered as reasonable), and (c) involve a competitive process (such as by being provided to at least three reasonably competitive market participants) or by being publicly posted to your official website. In submitting this proposal, we have relied upon your compliance with this guidance.

In submitting this proposal, we are not undertaking to act as a "municipal advisor" to you or any other person within the meaning of the Rules. In connection with this proposal and the transactions described herein, we are not subject to, and we hereby disclaim, any fiduciary duty to you or to any other person. We are acting for our own interest. We understand that you will consult with and rely on the advice of your own municipal, financial, tax, legal and other advisors as and to the extent you deem necessary in connection with your evaluation of this proposal and the transactions described herein.

Village of La Grange Park

Exhibit A

Banking Services Proposal Form

Bank MB Financial Bank

	Estimated Annual <u>Volume</u>	Proposed Charge <u>Per Item</u>	Annual Service <u>Charges</u>
Checking Services			
Account Maintenance (4 checking)	48	14.50	\$ 696.00
Checks and Items Paid	2,900	0.10	290.00
Deposits	600	1.00	600.00
Items Deposited	24,000	0.10	2,400.00
Deposited Items Returned	50	4.50	225.00
Re-Deposit Returned Items	50	4.50	225.00
FDIC Assessment			
Enter Assessment Rate	\$ 12,000,000	Waived	
ZBA Account Maintenance (Parent)	12	10.00	120.00
ZBA Account Maintenance (Additional Accounts)	24	10.00	240.00
Currency Deposited	\$ 300,000	0.0014	420.00
Wire Transfers / ACH:			
Wire Transfers In	48	11.00	528.00
Wire Transfers Out	24	10.00	240.00
ACH Monthly Maintenance	12	25.00	300.00
ACH File Transmission	50	N/C	
ACH Debits	1,500	0.12	180.00
ACH Credits	3,000	0.12	360.00
ACH Returns	24	4.50	108.00
On Line Banking			
Monthly Maintenance	12	55.00	660.00
PDF or e-Statements (per account)	48	N/C	
Stop Payment Orders	10	10.00	100.00
Internal Account to Account Transfers	48	N/C	
<i>List all other fees associated with on-line banking below</i>			
On Line Banking-Additional Accounts	36	15.00	540.00
On Line Wire Module (Optional)	12	25.00	300.00
			-
			-

Village of La Grange Park

Exhibit A

Banking Services Proposal Form

Bank MB Financial Bank

Estimated Annual Volume Proposed Charge Per Item Annual Service Charges

Other:

If the Bank has a pricing structure for services requested that is not included above, please use the area below to show how proposed pricing structure will be applied.

Re-Deposit Returned Items > \$2500	5.25	-
Positive Pay (Optional)	30.00	-
Positive Pay Monthly Maintenance		-
Positive Pay Per Check	0.02	-
Positive Pay Check File Transmission	35.00	-
Positive Pay Exceptions	5.00	-
E-Lockbox (Optional)		-
E-Lockbox Monthly Maintenance	50.00	-
E-Lockbox per payment	0.10	-
E-Lockbox Set Up Fee (one-time)	500.00	-
Total Core Banking Services		\$ 8,532.00

Include any explanations or clarifications here: For returned check amounts < \$2500, MB automatically re-deposits. Returned checks greater than \$2500 will be automatically re-deposited with approval from the Village.

- *Pricing Valid for 90 days from receipt of proposal document; contract term of 3 years with fixed pricing and one 3-year renewal supported. Price increase, if any, will comply with the RFP requirements, Term of Agreement.
- *Proposed pricing is based on volumes provided by Village of LaGrange Park. Additional volumes, spikes or added services may increase the monthly charge.
- * Pricing assumes relationship balance levels \$1.75MM - \$2.5MM
- *If there are any material changes on either side, both parties reserve the right to renegotiate pricing.

Village of La Grange Park

Exhibit B

Banking Services Proposal Form

Bank MB Financial Bank

The bank wishes to take the following exceptions to the services requested in the Request for Proposals.

Page #	Exception	Comments
	Maintain current collateral agreement with pledged securities.	Village will receive an Earnings Credit Rate of .40% on balances.
	Transition collateral to Federal Home Loan Bank Letter of Credit Program	Village will receive an Earnings Credit Rate of .50% on balances.

**WIRE TRANSFER SET UP FORM – AUTHORIZED REPRESENTATIVES
AUTHORIZATION LIST**

COMPANY NAME:					COMPANY TELEPHONE NUMBER:			DATE:	Click here to enter a date.
ACCOUNT NUMBER(S) (NEW TO OR EXISTING ON WIRE TRANSFERS)	1	New	2	New	3	New	4	New	
	5	New	6	New	7	New	8	New	

Comments/Special Instructions:

The undersigned hereby authorizes MB Financial Bank, N.A. to accept transfer requests or confirm such requests with the appropriate Authorized Representatives listed below. Each transfer request will be effected only from the account(s) listed above and within the limitations set forth for the persons listed below. MB Financial Bank, N.A. is authorized to rely upon instructions received from such Authorized Representatives and may assume and act upon the assumption that any person purporting to take any action or giving instructions hereunder is the Authorized Representative he purports to be and has the connection with this institution he purports to have. If Authorized Representatives are to be contacted in a specific order, please indicate by placing numbers next to each name.

Name Email Address Phone Number New or Existing User	1. New	2. New	3. New	4. New	5. New
WIRE ORIENTATION (includes wire reporting) Dual Control Required					
Default Receive Wire Transfer Alerts	<input checked="" type="checkbox"/>				
Wire Compose	<input type="checkbox"/>				
Wire Templates	<input type="checkbox"/>				
Wire Submit	<input type="checkbox"/>				
Wire Delete	<input type="checkbox"/>				
Wire Approve Others*	<input type="checkbox"/> Limit: \$				
Per Transaction Max Limit	\$	\$	\$	\$	\$
Daily Max Limit	\$	\$	\$	\$	\$
Number of Approvals Required (standard is 1, Max 3)					
Allowed to Approve Own Repetitive Wires from Previously Approved Templates	<input type="checkbox"/>				
Account Access for Wires (1-5)					

* "Approve Others" must be selected for at least one user. Users may not approve their own wires. For Wire Thresholds please see Schedule A to Wire Transfer Set Up Form

Please check box if Additional Name page is used.

Authorized Signer Name	
Date:	
	(signature)

MB Financial Authorized Signature/Date

<DATE>

The persons executing these Terms and Conditions and Specifications on behalf of MB Financial Bank, N.A. and the Customer represent that they respectively have been and are, as of the date hereof, duly authorized by all necessary and appropriate corporate action to enter into this Agreement.

**WIRE TRANSFER SET UP FORM– AUTHORIZED REPRESENTATIVES
AUTHORIZATION LIST (ADDITIONAL NAMES)**

Name Email Address Phone Number New or Existing User	6. New	7. New	8. New	9. New	10. New
WIRE ORIGINATION (includes wire reporting) Dual Control Required					
Default Receive Wire Transfer Alerts	<input checked="" type="checkbox"/>				
Wire Compose	<input type="checkbox"/>				
Wire Templates	<input type="checkbox"/>				
Wire Submit	<input type="checkbox"/>				
Wire Delete	<input type="checkbox"/>				
Wire Approve Others*	<input type="checkbox"/> Limit: \$				
Per Transaction Max Limit	\$	\$	\$	\$	\$
Daily Max Limit	\$	\$	\$	\$	\$
Number of Approvals Required (standard is 1, Max 3)					
Allowed to Approve Own Repetitive Wires from Previously Approved Templates	<input type="checkbox"/>				
Account Access for Wires (1-5)					

* "Approve Others" must be selected for at least one user. Users may not approve their own wires. For Wire Thresholds please see Schedule A to Wire Transfer Set Up Form

Authorized Signer Name		
Date:		(signature)

MB Financial Authorized Signature/Date

<DATE>

The persons executing these Terms and Conditions and Specifications on behalf of MB Financial Bank, N.A. and the Customer represent that they respectively have been and are, as of the date hereof, duly authorized by all necessary and appropriate corporate action to enter into this Agreement.

WIRE TRANSFER SERVICES SET UP FORM SCHEDULE A – THRESHOLDS AND APPROVALS

Dual control is the standard requirement for processing wires on MB Web Express. If you wish to have additional approval requirements, please complete the following matrix to participate in thresholds and approvals for the wire module in MB Web Express.

User name: _____

1 approval is always required for the user who creates:	Once the value exceeds:	Total approvals on the transaction must equal:
Template and Transaction at the same time	\$	
One-off Transactions	\$	

User name: _____

1 approval is always required for the user who creates:	Once the value exceeds:	Total approvals on the transaction must equal:
Template and Transaction at the same time	\$	
One-off Transactions	\$	

User name: _____

1 approval is always required for the user who creates:	Once the value exceeds:	Total approvals on the transaction must equal:
Template and Transaction at the same time	\$	
One-off Transactions	\$	

User name: _____

1 approval is always required for the user who creates:	Once the value exceeds:	Total approvals on the transaction must equal:
Template and Transaction at the same time	\$	
One-off Transactions	\$	

User name: _____

1 approval is always required for the user who creates:	Once the value exceeds:	Total approvals on the transaction must equal:
Template and Transaction at the same time	\$	
One-off Transactions	\$	

Customer Name

AUTHORIZED SIGNATURE (DESIGNATING AUTHORITY)

<DATE>

MB Financial Bank, NA

MB FINANCIAL AUTHORIZED SIGNATURE/DATE

<DATE>

WIRE TRANSFER SET UP FORM - AUTHORIZATION OF REVERSE WIRE OR DRAW DOWN FUNDS TRANSFER

COMPANY NAME:	COMPANY TELEPHONE NUMBER:	DATE:	Click here to enter a date.
----------------------	----------------------------------	--------------	-----------------------------

<input checked="" type="checkbox"/> NEW		<input type="checkbox"/> CHANGE		<input type="checkbox"/> Delete	
MB FINANCIAL BANK, N.A.					
ACCOUNT NAME TO BE DEBITED:					
ACCOUNT NUMBER TO BE DEBITED:					
INITIATING BANK					
BANK ABA NUMBER:					
BANK NAME:					
CITY, STATE:					
BENEFICIARY					
ACCOUNT NAME TO BE CREDITED:					
ACCOUNT NUMBER TO BE CREDITED:					
REPETITIVE CODE NUMBER (FOR INTERNAL USE ONLY)					

<input checked="" type="checkbox"/> NEW		<input type="checkbox"/> CHANGE		<input type="checkbox"/> Delete	
MB FINANCIAL BANK, N.A.					
ACCOUNT NAME TO BE DEBITED:					
ACCOUNT NUMBER TO BE DEBITED:					
INITIATING BANK					
BANK ABA NUMBER:					
BANK NAME:					
CITY, STATE:					
BENEFICIARY					
ACCOUNT NAME TO BE CREDITED:					
ACCOUNT NUMBER TO BE CREDITED:					
REPETITIVE CODE NUMBER (FOR INTERNAL USE ONLY)					

CUSTOMER AUTHORIZATION	
Authorized Signature (Designating Authority)	
Print Name	

The persons executing these Terms and Conditions and Specifications on behalf of MB Financial Bank, N.A. and the Customer represent that they respectively have been and are, as of the date hereof, duly authorized by all necessary and appropriate corporate action to enter into this Agreement.

Please be advised that Repetitive Transfers will remain in effect until cancelled. This form may be duplicated in order to establish additional transfer requests. If duplicated, please indicate by checking this box If more than one form is used, please sign both pages. Thank you.

MB FINANCIAL AUTHORIZED SIGNATURE/DATE

_____ <DATE>

WIRE TRANSFER SET UP FORM - AUTHORIZATION OF STANDING ORDER FUNDS TRANSFER

COMPANY NAME:	COMPANY TELEPHONE NUMBER:	DATE:	Click here to enter a date.
----------------------	----------------------------------	--------------	-----------------------------

<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> CHANGE	<input type="checkbox"/> Delete
MB FINANCIAL BANK, N.A.		
ACCOUNT NUMBER TO BE DEBITED:		
ACCOUNT NAME TO BE DEBITED:		
RECEIVING BANK		
BANK ABA NUMBER:		
BANK NAME:		
CITY, STATE, COUNTRY:		
INTERMEDIARY BANK (IF APPLICABLE)		
BANK ABA NUMBER/ SWIFT CODE:		
BANK NAME:		
CITY, STATE, COUNTRY:		
BENEFICIARY BANK		
BANK ABA NUMBER/ SWIFT CODE:		
BANK NAME:		
CITY, STATE, COUNTRY:		
BENEFICIARY		
ACCOUNT NUMBER TO BE CREDITED:		
ACCOUNT NAME TO BE CREDITED:		
ACCOUNT ADDRESS:		
CITY, STATE, ZIP CODE, COUNTRY:		
REFERENCE INFO:		

STANDING ORDER FREQUENCY & AMOUNT	
SCHEDULED PAYMENT DATE OR FREQUENCY:	
EXECUTE ON HOLIDAYS OR WEEKENDS:	<input type="checkbox"/> PRECEDING BUSINESS DAY <input type="checkbox"/> SUBSEQUENT BUSINESS DAY
START & END DATE:	/
SCHEDULED TRANSFER AMOUNT:	
REPETITIVE CODE NUMBER (FOR INTERNAL USE ONLY)	

The persons executing these Terms and Conditions and Specifications on behalf of MB Financial Bank, N.A. and the Customer represent that they respectively have been and are, as of the date hereof, duly authorized by all necessary and appropriate corporate action to enter into this Agreement.

CUSTOMER AUTHORIZATION	
Authorized Signature (Designating Authority)	
Print Name	

Please be advised that Repetitive Transfers will remain in effect until cancelled. This form may be duplicated in order to establish additional transfer requests. If duplicated, please indicate by checking this box . If more than one form is used, please sign both pages. Thank you.

MB FINANCIAL AUTHORIZED SIGNATURE

_____ <DATE>



WIRE TRANSFER
USD AUTO ADVICE SPECIFICATION FORM

COMPANY NAME:

COMPANY Contact:

CONTACT PHONE:

E-MAIL ADDRESS:

CHOOSE ALL THAT APPLY: Incoming and Outgoing Wires Incoming Only Outgoing Only

AUTO E-MAIL: Up to 6 addresses per account, please include below. AUTO FAX: One fax # per acct., please include below.

Account Numbers:	E-mail Addresses (Up to 6 Email Addresses):		Fax # (1 Fax Number):
	1.	4.	Fax #:
	2.	5.	
	3.	6.	

	1.	4.	Fax #:
	2.	5.	
	3.	6.	

	1.	4.	Fax #:
	2.	5.	
	3.	6.	

	1.	4.	Fax #:
	2.	5.	
	3.	6.	

Authorized Signer Name		
Date:		(signature)

MB FINANCIAL AUTHORIZED SIGNATURE/DATE

<DATE>

Village Board Work Session Memo

Date: January 4, 2017

To: Finance Committee Chair Patricia Rocco
President Discipio and Board of Trustees

From: Larry Noller, Finance Director 
Emily Rodman, Assistant Village Manager 
Julia Cedillo, Village Manager 

Re: **PayPal Payment Processing**

PURPOSE

Authorize the use of PayPal for payment processing.

BACKGROUND

As part of the Village's 125th Anniversary celebration, the Quasquicentennial Committee is seeking donations to cover the costs of the planned activities. The Committee anticipates the ability to collect donations online will make it easier for residents and businesses to donate and will segregate the online donations from other Village payments. PayPal's fee for processing is 2.9% and \$0.30 per transaction and will be deducted from the payment. For comparison, the fee for using the Village's E-Pay system for water bill payments is 2.35% and is added to the customer's payment.

If the use of PayPal is approved, the Committee is proposing to include a letter to residents in the Winter Edition of the Rose Clippings (to be distributed this month) soliciting donations. A copy of the draft letter is attached.

STAFF RECOMMENDATION

Staff recommends that the Village Board approve the use of PayPal for processing payments at the January 10th meeting.

ACTION REQUESTED

Motion to approve the use of PayPal for payment processing.

DOCUMENTATION

- Quasquicentennial Committee Donation Letter
- PayPal fee schedule
- PayPal legal agreements



Dear Resident,

We are pleased to announce that 2017 will mark the Village of La Grange Park's 125th Anniversary – our quasiquicentennial anniversary. A committee of residents, businesses and community groups has come together to organize festivities throughout the year to help our Village celebrate this milestone.

The festivities include:

- A historical exhibit, walking tour and interactive community map to honor the Village's rich history
- A community art installation at Village Hall representing the families of La Grange Park
- A time capsule reflecting our community today to share with future generations

The highlight of the festivities will be a Village picnic and birthday party celebrating our 125th anniversary on July 15th at Memorial Park. The party will include live music, food and various activities throughout the day.

The Anniversary festivities are being organized by the Quasiquicentennial Committee and the \$25,000 budget is being funded through contributions by residents, local businesses and organizations. We are asking residents to help support the community celebration through a donation to the Quasiquicentennial Committee. Your donation will help offset printing costs, supplies, pay for local talent, etc. Please consider donating \$5.00 or more to contribute to these worthwhile community events. It is the commitment and contributions from residents like you that make La Grange Park such a wonderful place to live and raise a family.

To make a donation, please fill out the form on the back of this page and mail it along with a check to the address noted or donate via **PayPal** by visiting the homepage of the Village website (www.lagrangepark.org) and clicking on the link to the 125th Anniversary Celebration.

Thank you for your support. We look forward to celebrating our community and making this celebration one to remember for all ages.

Sincerely,

The Quasiquicentennial Committee



For more information on Anniversary events, committee meetings, or to volunteer, visit the Village website at www.lagrangepark.org.



Village of La Grange Park
125th ANNIVERSARY CELEBRATION
Donation Form

Contact: Deanne Curelo
Email: dcurelo@lagrangepark.org
Phone: 708-354-0225 ext. 102

Contact Information

Name: _____

Address: _____

Phone: _____ Email: _____

I am pleased to support the Village of La Grange Park Anniversary Celebration by providing a donation in the following amount:

- \$5.00
- \$10.00
- \$25.00

- \$50.00
- \$100.00
- Other Amount: _____

On behalf of the La Grange Park Anniversary Committee, we thank you for your support. Please enclose this page with your check. Checks should be made out to the Village of La Grange Park and mailed to 447 N. Catherine Avenue, La Grange Park, IL, 60526.

Low, flat-rate merchant services fees.

[Get Started Today](#)

Learn about: [Website Payments](#) [In-Store and Mobile Payments](#)

Online credit card processing fees

Build a payment processing solution as unique as your business, at the scale of your business.

PayPal Payments Standard & Express Checkout

- No startup costs, no termination fee, no monthly fees
- Accept PayPal payments with Express Checkout
- Accept PayPal payments and all major credit cards with PayPal Payments Standard

U.S. Fees **2.9% + \$0.30 per transaction**

International Fees **3.9% + fixed fee per transaction**

Online invoicing fees

- No startup costs, no termination fee, no monthly fees
- Allows customers to pay you directly from invoices
- Create online invoices with our free PayPal.com templates
- Create invoices with our free Microsoft Excel templates

Nonprofit Charity processing fees

Discounted credit card processing fees for registered charities with 501(c)(3) status.

[Learn more about discounts for charities.](#)

\$0 to \$100,000 **2.2% + \$0.30 per transaction**

\$100,000+ **Call: 1-855-787-1012**

Micropayment fees

If your transactions are less than \$10, you can save money with our micropayment processing fees. In the comparison chart to the right, see how you can save

Micropayments (5% + \$0.05) **Standard Rate (2.9% + \$0.30)**

\$2.00 average payment **\$2.00 average payment**

This user agreement will be effective as to all users on October 19, 2016.

ABOUT YOUR PAYPAL ACCOUNT

Welcome to PayPal!

This user agreement is a contract between you and PayPal, Inc. that governs your use of your PayPal account and the PayPal services. It applies to U.S. PayPal accounts only. For an individual to open a U.S. PayPal account and use the PayPal services, you must be a resident of the United States or one of its territories and at least 18 years old, or the age of majority in your state of residence. For a business to open a U.S. PayPal account and use the PayPal services, the business must be organized in, operating in, or resident of, the United States or one of its territories.

By opening and using a PayPal account, you agree to comply with all of the terms and conditions in this user agreement, so please read all of the terms and conditions carefully. You also agree to comply with the following additional policies and each of the other agreements on the Legal Agreements page that apply to you:

- Privacy Policy
- PayPal Acceptable Use Policy
- Electronic Communications Delivery Policy (E-Sign Disclosure and Consent)

Please read carefully all of the terms of these policies and each of the other agreements that apply to you.

We may amend this user agreement at any time by posting a revised version on our website. The revised version will be effective at the time we post it. If we change the user agreement in a way that reduces your rights or increases your responsibilities, we will provide you with 30 days' prior notice by posting notice on the Policy Updates page of our website.

Opening an Account

We know people use PayPal for different reasons. Some people use it to send or receive money from friends and family. Other people use it to buy and sell things online or in stores. Still others run full-time online businesses using a PayPal account to accept payments. We offer two types of accounts: personal accounts and business accounts.

All PayPal accounts let you do things like:

- Send and receive money.
- Buy things online, using mobile devices or in stores.
- Pay using your debit card, credit card, bank account, PayPal balance or other payment methods.
- Accept debit card, credit card, bank account, PayPal balance or other payment methods.

You are responsible for maintaining adequate security and control of any and all IDs, passwords, personal identification numbers (PINs), or any other codes that you use to access your PayPal account and the PayPal services. You are responsible for keeping your mailing address, email address and other contact information up-to-date in your PayPal account account profile.

Personal accounts

If you primarily need to make purchases and send money to family and friends, a personal account is probably right for you. With a personal account you can do things like:

- Send and request money from friends and family.
- Buy goods and services.

You can also use a personal account to receive money for the sale of goods and services, but if you plan to use your PayPal account primarily to sell things, you should consider a business account. You can upgrade a personal account to a business account should circumstances change.

Business accounts

We recommend business accounts for people and organizations that primarily use PayPal to sell goods or services or accept donations, even if your business is not incorporated. With a business account, you can do things like:

- Use a company or business name as the name on your PayPal account.
- Allow up to 200 employees access to some of the features of your PayPal account.
- Sign up for PayPal products that meet your business needs.

By opening up a business account or upgrading a personal account to a business account, you certify to us that you are using it primarily for a business or commercial purpose. You also consent to PayPal obtaining your personal and/or business credit report from a credit reporting agency at account opening and whenever we reasonably believe there may be an increased level of risk associated with your business account.

In addition, when the activity through your business account reaches certain thresholds or involves certain business segments or activities, you are required by the card networks to agree to a Commercial Entity Agreement to allow you to continue accepting Visa and MasterCard payments. In this case, these Commercial Entity Agreements will apply to any payment processed by PayPal on your behalf and will form part of this user agreement.

Closing Your PayPal Account

When you close your PayPal account, we will cancel any scheduled or incomplete transactions. You must withdraw any PayPal balance from your PayPal account prior to closing it. You cannot withdraw PayPal balances associated with digital gift certificates/cards that are purchased through PayPal Digital Gifts and linked to your account as payment methods. However, even without your PayPal account, you can still use the codes you received by email when you purchased the gift certificates/cards to make purchases.

You will remain liable for all obligations related to your PayPal account even after the PayPal account is closed. In certain cases, you may not close your PayPal account, including:

- To evade an investigation.
- If you have an open PayPal Credit account linked to your PayPal account; however, your PayPal account can be restricted at your request so it is only open to enable you to service your PayPal Credit account.
- If you have a pending PayPal Pay After Delivery transaction, we will not close your PayPal account until that transaction has been completed, but we may limit your ability to make additional transactions using your PayPal account.
- If you have a pending transaction or an open dispute or claim.
- If your PayPal account has a negative balance.
- If your PayPal account is subject to a hold, limitation or reserve.

Link or Unlink a Payment Method

You can link or unlink a debit card, credit card, a U.S. bank account or PayPal Credit to your PayPal account as a payment method. Please keep your payment method information current (i.e. credit card number and expiration date). If this information changes, we may update it as directed by your bank or card issuer without any action on your part. You may choose to confirm your card, so that we can verify that the card is valid and that you are the card owner. To do this, we will charge \$1.95 to the card. After the card is confirmed, we will immediately refund this amount to the card.

Holding a PayPal Balance

Money that you receive from other PayPal account holders is held as a balance in your PayPal account. Any PayPal balance you hold represents an unsecured claim against PayPal and is not insured by the Federal Deposit Insurance Corporation (FDIC). PayPal combines your PayPal balance with the PayPal balances of other PayPal customers and invests those funds in liquid investments in accordance with state money transmitter laws. PayPal owns the interest or other earnings on these investments. These pooled amounts are held separate from PayPal's corporate funds, and PayPal will neither use these funds for its operating expenses or any other corporate purposes nor will it voluntarily make these funds available to its creditors in the event of bankruptcy.

Adding or Withdrawing Money

Adding money

You may transfer money to your PayPal balance from any bank account linked to your PayPal account by requesting an electronic transfer from your bank account. You don't need a PayPal balance to send money or buy something using your PayPal account. You may use the payment methods linked to your PayPal account to fund transactions you make using your PayPal account.

Withdrawing money

If you have a PayPal balance, you may withdraw it by:

- Transferring it to a bank account linked to your PayPal account,
- Withdrawing it from an ATM (automated teller machine) using your PayPal-branded debit card (fees may apply), or
- Requesting a check from us (subject to a non-refundable fee of \$1.50, which will be deducted from the amount of the withdrawal).

We may delay a withdrawal, in certain situations, including if we need to confirm that the withdrawal has been authorized by you or if other payments to your PayPal account have been reversed (for example, as a result of a chargeback, bank reversal or dispute by a buyer). Additionally, if we place a limitation on your PayPal account while a withdrawal from your PayPal account is pending, you will have to reinitiate the withdrawal once the limitation has been lifted.

We may set limits on your withdrawals, and you can view your withdrawal limit, if any, by logging into your PayPal account. Completing two out of three of the following steps can help us verify your PayPal account, which may allow us to remove any withdrawal cap:

- Verifying your bank account.
- Linking and confirming your credit or debit card information.

- Providing your social security number.

We don't charge a fee to make a transfer to your bank.

When you withdraw funds from an ATM using a PayPal-branded debit card, you may be charged a fee by the owner of the ATM and an additional fee by us per the terms of your Cardholder Agreement that can be found on the Legal Agreements page. Other withdrawal limits also apply to the use of your PayPal-branded debit card. Please refer to the applicable Cardholder Agreement for details that can be found on the Legal Agreements page.

If you request a paper check from us, you must cash it within 180 days of the date of issuance, or we will return the funds to your PayPal balance and retain the non-refundable fee of \$1.50. We will not send a check to a post office box, and we will only send a check to an address once we have confirmed that it belongs to you.

Managing Your Money in Multiple Currencies

Holding a PayPal balance in a currency other than U.S. dollars

Your PayPal balance may be held in any of the currencies supported by PayPal, and you may hold a PayPal balance in more than one of these currencies at the same time. You are responsible for all risks associated with maintaining a PayPal balance in multiple currencies. You may not manage multiple currencies for speculative trading purposes.

Currency conversion

Some uses of your PayPal account require a currency conversion. Some examples of situations where a currency conversion is required include:

- Converting your PayPal balance from one currency to another (for example, if you want to send money to a friend or family member in a currency that you do not hold at the time of the transaction).
- Receiving money from a friend or family member that you choose to convert into a currency other than the one in which it was sent.
- Purchasing goods from a seller who accepts payment only in a specific currency which you do not hold in your PayPal account.
- Withdrawing funds from your PayPal balance held in a currency other than U.S. dollars to the bank account linked to your PayPal account.
- If you sold something and the transaction must be refunded or reversed, and you do not have the correct currency available in your PayPal balance at the time of the refund or reversal.

When you purchase goods from a merchant who accepts payment only in a specific currency that you do not hold in your PayPal balance, the currency conversion will occur at the time your transaction is processed and the exchange rate in effect at the time of the transaction will be used for this currency conversion.

If PayPal converts the currency, we will use an exchange rate set by our bank (adjusted from time to time based on market conditions) to perform the conversion, and you'll be charged an additional 2.5% of the amount of the transaction as a currency conversion "spread."

When your payment is funded by a debit or credit card and requires a currency conversion, you consent to and authorize PayPal to convert the currency in place of your debit or credit card issuer. You have the right to have your card issuer perform the currency conversion and can choose this option during checkout on your transaction review page before you complete the transaction. If your card issuer converts the currency, you'll

be charged a rate set by them (shown on your statement), and you'll be subject to any fees and terms set by them related to the conversion.

PayPal will always perform the conversion for transactions where your PayPal balance or linked bank account is the payment method.

Account Statements and Requesting Account Records in Writing

SENDING MONEY AND BUYING

You have the right to receive an account statement showing your PayPal account activity. You may view your PayPal account statement by logging into your PayPal account.

In the event you request that we send you written records related to your PayPal account, we may charge you a fee of \$10.00 per item requested. We will not charge you for records requested in connection with your good-faith assertion of an error in your PayPal account.

Sending Money to or Receiving Money From a Friend or Family Member

Sending money

You can send money to a friend or family member using the send money feature in your PayPal account (sometimes called "personal payments" or "peer-to-peer/P2P payments"). You can send money to a friend or family member even if they don't have a PayPal account at the time you send them money, using their email address or mobile number in any currency that PayPal supports, and you can choose which payment method you want to use. If the person to whom you are sending money does not have a PayPal account, they can claim it by creating an account, or it will be refunded to you. Receiving money from a friend or family member is described under Receiving Money.

We may, at our discretion, impose limits on the amount of money you can send, including money you send for purchases. You can view your sending limit, if any, by logging into your PayPal account. Completing the same steps to verify your information as is required for the removal of withdrawal limits, may allow us to increase your sending limits.

When you send money to a friend or family member, one of three things may happen: they may accept, decline or fail to claim the money. If they either decline to accept the money or don't claim it within 30 days of the date it is sent, the money (including any fees you were charged for sending the money) will be refunded to:

- The original payment method you used for the transaction, if you used a credit card, debit card or PayPal Credit as the payment method, or
- Your PayPal balance, if you used your PayPal balance as the payment method or a bank account as the payment method, once the money clears the bank.

The fees applicable to sending money can be found on the Fees for Sending Money to Friends and Family page (see Exhibit A to this pdf copy of the User Agreement) and will be disclosed to you in advance each time you initiate a transaction to send money to a friend or family member. If you convert money in your PayPal balance from one currency to another before sending money, you also will pay a currency conversion spread for that conversion. And, if you use your credit card as the payment method when sending money, you may be charged a cash-advance fee by your card issuer.

If you send money to a friend or family member from a third party (non-PayPal) website or by using a third party's product or service, then the third party will determine if the sender or recipient pays the fee. This will be disclosed to you by the third party before the payment is initiated.

You can also use the send money feature in your PayPal account to pay for good or services. You will not be charged for sending money to purchase goods or services as long as you choose the "send money to pay for goods and services" feature in your PayPal account. In that case, the seller selling the goods or services pays the fees. You may not use the "send money to a friend or family member" feature in your PayPal account when you are paying for goods and services.

Receiving money

If a friend or family member sends money to you, the money will appear in your PayPal balance. If someone sends you money in a currency you do not currently hold, you may decline it and return it to the sender. Alternatively, you can accept it as-is and create a PayPal balance in that currency or accept it and convert it to the primary currency you have selected for your PayPal account. If you choose to convert the funds, you will be charged a currency conversion spread included in the foreign exchange conversion rate.

Buying Something From, or Returning Something to, a Seller Who Accepts PayPal

How to buy something

You can buy something from a seller who accepts PayPal, in any currency that the seller accepts and that PayPal supports, using the funds in your PayPal balance, or using any payment method linked to your PayPal account. This includes, for example:

- Buying something at an online retailer's website and selecting PayPal as your payment method at checkout.
- Sending money to a seller for good or services.
- Using your PayPal account to buying something at a seller's store location.

If the seller you are buying from sells goods and services on a third party website or application and that seller does not already have a PayPal account, they can claim your payment by creating a PayPal account. If they don't open a PayPal account within 30 days, your purchase will be refunded.

In order to manage risk, PayPal may limit the payment methods available for a transaction when you buy something. In addition, payment methods may be limited for certain sellers or if you make a PayPal payment through certain third party websites or applications.

When you authorize a payment to a seller who accepts PayPal, some sellers may take up to 30 days to complete the transaction. In these instances, your payment may appear as a pending order in your PayPal account. In that case, your authorization of the payment will remain valid until the seller completes the transaction (but no longer than 30 days). If you used a debit or credit card as the payment method, your debit or credit card issuer also may show a pending authorization for a period of time until they release the hold or receive a completed transaction.

Fees

When you buy something from a seller who accepts PayPal you don't pay a fee to PayPal unless your purchase requires a currency conversion. In that case, you will be charged a currency conversion spread. Your debit or credit card issuer may also charge you a separate fee for non-U.S. transactions.

In addition you may be required to pay a fee to PayPal if you are making a purchase using PayPal Business Payments and the seller discloses to you that you, as the buyer, must pay the fee.

Payment review

When PayPal identifies a potentially high-risk transaction, we review the transaction more closely before allowing it to proceed. When this happens, PayPal will place a hold on the transaction and notify the seller to delay shipping of the item. As a buyer, this may delay your receipt of the item you purchased. If we clear the transaction, we will notify the seller and direct them to ship the item. If we don't clear the transaction, we will cancel it and return the funds to you.

Preapproved payments

You can agree with a seller who accepts PayPal to use PayPal as the payment method for future purchases with that seller. This agreement is between you and the seller and allows the seller to take funds from your PayPal account with your authorization either on a one-time, regular or sporadic basis. Preapproved payments of this type are sometimes called a "billing agreement," "subscription," "recurring payment," "reference transaction," "preauthorized transfer" or "automatic payment."

You may cancel a preapproved payment up to 3 Business Days before the date of the next scheduled payment by contacting us through your PayPal account profile or by calling PayPal at (888) 221-1161. Once you contact PayPal to cancel a preapproved payment, all future preapproved payments under your agreement with that seller will be stopped. If you cancel a preapproved payment, you may still owe the seller money for the purchase or have additional obligations to the seller for any goods or services that you receive but have not paid for.

If a preapproved payment will vary in amount, you have the right to advance notice of the amount and date of the transfer from the seller at least 10 days before the transfer is made. If the seller provides the option, you may choose to receive this advance notice only when the amount of your preapproved payment will fall outside a range established between you and the seller.

Refunds

When you buy something from a seller online using PayPal and the transaction is ultimately refunded, the money will be refunded to the original payment method you used for the transaction if you used a debit card, credit card, or PayPal Credit. If you used a bank account or your PayPal balance as the payment method for the transaction, the money will be refunded to your PayPal balance once the initial payment clears the bank. For purchases you make in a seller's store location that you paid for using your PayPal account and the transaction is ultimately refunded, the money will be refunded to your PayPal balance.

When you buy something from a seller using PayPal that required a currency conversion and a refund is issued:

- Within 60 days of the date of the original payment, the exchange rate used at the time of the original payment is used.
- Beyond 60 days of the date of the original payment, the exchange rate on the date of the refund is used.

Payment Method Used for My Transaction

Preferred payment method

You can choose any of the payment methods in your PayPal account as your preferred payment method. You can select a preferred payment method in your account preferences on www.paypal.com. There may be times when your preferred payment method cannot be used, for example, if you select a credit card that has expired. Also, the availability of certain payment methods may be limited based on that particular seller or the third party website you are using to complete the transaction.

Default payment methods

If you have not selected a preferred payment method, and you do not specify one at the time of the transaction, then PayPal will fund your transaction in the following order:

- PayPal balance
- Bank account instant transfer
- PayPal Credit
- PayPal-branded debit card
- PayPal-branded credit card
- Debit card
- Credit card
- E-check

If you do not have one or more of the payment methods above linked to your PayPal account, the next payment method in the list will be used. For example, if you are making a purchase on a seller's site and do not have a preferred payment method selected, and you also do not have any money in your PayPal balance, then your bank account will be used to fund that purchase.

Preapproved payments

For most preapproved payment transactions, you can select a preferred payment method when you provide your initial authorization for the payment and/or through the My Preapproved Payments section of your account profile at any time (it may be called "Backup Payment Method"). If you do not choose or are not provided an opportunity to choose a particular payment method when you initially authorize the preapproved payments with the seller, then the default payment methods described above will be used for future transactions with that seller.

E-check

E-check is a payment method where you use your bank account as your payment method, and the payment is not received by the recipient until the transaction is processed from the bank. This process usually takes 3-5 Business Days, but this amount of time will increase if the payment is sent from a bank account located outside the United States.

Bank account transfers

When you use your bank account as a payment method, you are allowing PayPal to initiate a transfer from your bank account to the recipient. For these transactions, PayPal will make electronic transfers via ACH from your bank account in the amount you specify. You authorize PayPal to try this transfer again if the initial transfer is

rejected by your bank for any reason.

Debit card processing

PayPal will process your debit or prepaid card funded transactions through either the ATM debit network or the Visa, MasterCard or Discover network. If we process your debit or prepaid card through an ATM debit network, we may provide you with the opportunity to switch to a Visa, MasterCard or Discover network by changing your preferences for that debit or prepaid card through your PayPal account profile. If you use your PayPal-branded debit card for a payment that is not in U.S. dollars, your transaction will be funded with your U.S. dollar PayPal balance, even if you have a PayPal balance in another currency. Any required currency conversion will be performed by Visa, MasterCard, Discover or a similar third party and may be subject to a fee by that third party.

Loyalty Cards

If you use the PayPal application on your mobile phone, you may store loyalty card numbers or bar codes, where applicable, for certain sellers in your PayPal account. When you store your loyalty card numbers or bar codes in your PayPal account, you will earn any rewards, subject to the seller's loyalty card terms and conditions, at the time you make your payment to the merchant by presenting the stored loyalty card number or bar code to the seller at the point of sale. It is your responsibility to make sure you have entered your loyalty card information correctly and that you update it as necessary. It is also your responsibility to ensure that you are receiving the rewards to which you are entitled. PayPal is not responsible for managing your loyalty card account by offering this service and any questions about your loyalty card or associated rewards program should be directed to the seller who offers the card.

PayPal's Purchase Protection Program

What's covered

When you buy something from a seller who accepts PayPal, you may be covered by PayPal's Purchase Protection program. When applicable, PayPal's Purchase Protection program entitles you to reimbursement for the full purchase price of the item plus the original shipping costs you paid, if any. When you dispute a transaction, PayPal determines, in its sole discretion, whether your claim qualifies for the Purchase Protection program. PayPal's original determination is considered final, but you may be able to file an appeal of the decision with PayPal if you have new or compelling information not available at the time of the original determination or you believe there was an error in the decision-making process.

Important: You may be required to return the item to the seller or other party specified by PayPal as part of the settlement of your claim. PayPal's Purchase Protection program does not entitle you to reimbursement for the return shipping costs that you may incur.

PayPal's Purchase Protection program may apply when you encounter these specific problems with a transaction:

- You didn't receive your item from a seller (referred to as an "Item Not Received" claim), or
- You received an item, but the item isn't what you ordered (referred to as a "Significantly Not as Described" claim).

If you believe that a transaction made through your PayPal account was not authorized by you, this type of claim is different from the Purchase Protection program, and is described below under Liability for Unauthorized Transactions and Other Errors.

Item Not Received claims

Your claim **will not** qualify for a refund under PayPal's Purchase Protection program for an Item Not Received claim, if:

- You collect the item in person, or arrange for it to be collected on your behalf, including if you use PayPal in a seller's store location, or
- PayPal has adequate proof from the seller indicating that the item was delivered or order was fulfilled.

If the seller presents evidence that they delivered the goods to your address, PayPal may find in favor of the seller for an Item Not Received claim even if you did not receive the goods.

Significantly Not as Described claims

To qualify for Purchase Protection as a Significantly Not as Described claim, the item must be materially different from the seller's description of the item.

The following claims **will** qualify as a Significantly Not as Described claim:

- You received a completely different item. For example, you purchased a book and received a DVD or an empty box.
- The condition of the item was misrepresented. For example, the item was described as "new" but the item was used.
- The item was advertised as authentic but is not authentic (i.e. counterfeit).
- The item is missing major parts or features and those facts were not disclosed in the description of the item when you bought it.
- You purchased a set of three items but only received two.
- The item was damaged during shipment.

The following claims **will not** qualify as a Significantly Not as Described claim:

- The defect in the item was correctly described by the seller in its description of the item.
- The item was properly described but you didn't want it after you received it.
- The item was properly described but did not meet your expectations.
- The item has minor scratches and was described as "used."

Ineligible items and transactions under PayPal's Purchase Protection program

Payments for the following are not eligible for reimbursement under PayPal Purchase Protection:

- Real estate, including residential property.
- Businesses (when you buy or invest in a business).
- Vehicles, including, but not limited to, motor vehicles, motorcycles, caravans, aircraft and boats.
- Significantly Not As Described claims for custom-made items.
- Payments on crowdfunding platforms.
- Items prohibited by the PayPal Acceptable Use Policy.
- For Item Not Received claims, items which you collect in person or arrange to be collected on your behalf, including items bought in a seller's store location.
- Industrial machinery used in manufacturing.
- Anything purchased from, or an amount paid to, a government agency.
- Stored value items such as gift cards and pre-paid cards.

- Gambling, gaming and/or any other activity with an entry fee and a prize.
- Sending money to a friend or family.

Even if your payment is not eligible for PayPal Purchase Protection, you can file a dispute and try to resolve the issue directly with the seller; however, PayPal will generally not find in your favor if you escalate, as part of the online dispute resolution process a dispute to a claim for an item which is not eligible for PayPal Purchase Protection.

Transaction eligibility for PayPal's Purchase Protection program

To be eligible for PayPal Purchase Protection you must meet all of the following requirements:

- Have a PayPal account in good standing.
- Pay for the eligible item from your PayPal account.
- You must respond to PayPal's request for documentation and other information in a timely manner.
- You must open a dispute within 180 days of the date you sent the payment, then follow the online dispute resolution process. For Pay After Delivery transactions you must open your dispute within 180 days of the date of your transaction.
- You have not received a recovery related to such purchase from another source.

Our online dispute resolution process

If you're unable to resolve a transaction-related issue directly with a seller, you must follow our online dispute resolution process through the Resolution Center to pursue a claim under our Purchase Protection program. You may also file a claim (Step 2 below) by calling us and speaking to an agent. The steps you must follow are described below, and if you do not follow these steps your claim may be denied:

Step 1: Open a dispute within 180 days of the date you made the payment. This might allow you to start a direct conversation with the seller regarding your issue with the transaction that may help resolve the dispute. If you are unable to resolve the dispute directly with the seller, proceed to Step 2. We will place a hold on all funds related to the transaction in the seller's account until the dispute is resolved or closed.

Step 2: Escalate the dispute to a claim for reimbursement within 20 days after opening the dispute, if you and the seller are unable to come to an agreement, or we will automatically close the dispute. You can escalate the dispute to a claim for reimbursement through the Resolution Center. The seller or PayPal may also escalate the dispute to a claim at this point. If you are making an Item Not Received claim, PayPal may ask you to wait at least 7 days from the transaction date to escalate the dispute.

Step 3: Respond to PayPal's requests for documentation or other information, after you, the seller or PayPal escalates your dispute to a claim for reimbursement. PayPal may require you to provide receipts, third party evaluations, police reports or other documents that PayPal specifies. You must respond to these requests in a timely manner as requested in our correspondence with you.

Step 4: Comply with PayPal's shipping requests in a timely manner, if you're filing a Significantly Not as Described claim. PayPal may require you, at your expense, to ship the item back to the seller, to PayPal or to a third party (which will be specified by PayPal) and to provide proof of delivery.

Proof of delivery means:

- For transactions that total less than \$750 U.S. dollars (or the foreign currency threshold in the table below), confirmation that can be viewed online and includes the delivery address showing at least city/state or zip

code, delivery date, and the identity of the shipping company you used.

- For transactions that total \$750 U.S. dollar (or the foreign currency threshold in the table below) or more, you must provide signature confirmation of delivery.

Signature confirmation foreign currency thresholds			
Currency	Transaction value	Currency	Transaction value
Australian Dollar:	850 AUD	New Zealand Dollar:	950 NZD
Brazilian Real:	1,750 BRL	Norwegian Krone:	4,600 NOK
Canadian Dollar:	850 CAD	Philippine Peso:	34,000 PHP
Czech Koruna:	15,000 CZK	Polish Zlotych:	2,300 PLN
Danish Krone:	4,100 DKK	Russian Ruble:	48,000 RUB
Euro:	550 EUR	Singapore Dollar:	950 SGD
Hong Kong Dollar:	6,000 HKD	Swedish Krona:	4,950 SEK
Hungarian Forint:	170,000 HUF	Swiss Franc:	700 CHF
Israeli Shekel:	2,700 ILS	Taiwan New Dollar:	23,000 TWD
Japanese Yen:	77,000 JPY	Thai Baht:	24,500 THB
Malaysian Ringgit:	3,100 MYR	U.K. Pounds Sterling:	450 GBP
Mexican Peso:	10,000 MXN	U.S. Dollar:	750 USD

Step 5: PayPal will make a final decision on your claim, in its sole discretion, based on the coverage and eligibility requirements set forth above, any additional information provided during the online dispute resolution process or any other information PayPal deems relevant and appropriate under the circumstances.

Note that when you are making Digital Goods Micropayments Purchases, there are special rules that apply and that include pre-determined thresholds where we may, at our discretion, reverse the transaction without requiring you to take further action. We may limit the number of automatic reversals that you benefit from, but, even if that is the case, you will still be able to follow PayPal's standard dispute resolution processes described above.

Dispute with us or your card issuer

If you used a debit or credit card as the payment method for a transaction through your PayPal account and you are dissatisfied with the transaction, you may be entitled to dispute the transaction with your card issuer. Your rights with your card issuer, if they apply, may be broader than those available to you under PayPal's Purchase Protection program. For example, if you dispute a transaction with your card issuer, you may be able to recover amounts you paid for unsatisfactory items even if they don't qualify for protection under a Significantly Not as Described claim with us.

You must choose whether to pursue a dispute with PayPal under our Purchase Protection program, or to pursue the dispute with your card issuer. You can't do both at the same time or recover your money from both PayPal and your card issuer. If you pursue a dispute/claim with us and you also pursue a dispute for the same transaction with your card issuer, we'll close your dispute/claim with us. This won't affect the dispute process with your card issuer. In addition, if you pursue a dispute with your card issuer, you cannot pursue a dispute/claim with us later.

If you choose to dispute a transaction with PayPal and we decide against you, you can seek to pursue the dispute with your card issuer later. If PayPal does not make a final decision on your claim until after your card issuer's deadline for filing a dispute, and because of our delay you recover less than the full amount you would

have been entitled to recover from the card issuer, we will reimburse you for the remainder of your loss (minus any amount you have already recovered from the seller or your card issuer).

Before contacting your card issuer or filing a dispute with PayPal, you should contact the seller to attempt to resolve your issue in accordance with the seller's return policy.

SELLING AND ACCEPTING PAYMENTS

Accepting Payments From Buyers for Goods and Services

Receiving personal payments

If you use your PayPal account to receive payments for the sale of goods and services or accept donations, you must not ask your buyer to send you money using the "send money to a friend or family member." If you do so, PayPal may remove your PayPal account's ability to accept payments from friends or family members.

No surcharges

You agree that you will not impose a surcharge or any other fee for accepting PayPal as a payment method. You may charge a handling fee in connection with the sale of goods or services as long as the handling fee does not operate as a surcharge and is not higher than the handling fee you charge for non-PayPal transactions.

Taxes and information reporting

Our fees do not include any taxes, levies, duties or similar governmental assessments of any nature, including, for example, value-added, sales, use or withholding taxes, assessable by any jurisdiction (collectively, "taxes"). It is your responsibility to determine what, if any, taxes apply to the payments you make or receive, and it is solely your responsibility to assess, collect, report and remit the correct taxes to the appropriate authority. PayPal is not responsible for determining whether any taxes apply to your transaction, or for calculating, collecting, reporting or remitting taxes arising from any transaction.

You acknowledge that we may make certain reports to tax authorities regarding transactions that we process. For example, PayPal is required to report to the Internal Revenue Service the total amount of payments for goods and services you receive each calendar year into all of your PayPal accounts associated with the same tax identification number if you receive more than \$20,000 in payments for good and services and process more than 200 transactions involving goods or services through those PayPal accounts in the same calendar year.

Receiving payments from student accounts

PayPal may block your ability to receive payments from student accounts if you sell goods or services that may be illegal for minors to purchase under any applicable laws or regulations. This includes, but is not limited to, alcohol, tobacco or adult-oriented materials.

Your refund policy and privacy policy

You must publish a return policy and a privacy policy on your website and, if you accept PayPal transactions in-store, at your store location.

Payment review

PayPal reviews certain potentially high-risk transactions. If PayPal determines, in its sole discretion, that a transaction is high-risk, we place a hold on the payment and provide notice to you to delay shipping of the item. PayPal will conduct a review and either clear or cancel the payment. If the payment is cleared, PayPal will provide notice to you to ship the item. Otherwise, PayPal will cancel the payment and the funds will be returned to the buyer, unless we are legally required to take other action. All payments that clear this payment review will be eligible for PayPal Seller Protection coverage if they meet the PayPal Seller Protection requirements. PayPal will provide notices to you by email and through your PayPal account.

In-store payments

If you accept payments through your PayPal account in your store location, you must communicate the amount of the transaction to the customer before the transaction takes place. You may charge your customer's PayPal account only for transactions that they have authorized. You must also provide customers with a physical receipt if they request one. You agree that any transaction that you make shall have an accurate and true description of the goods and services being purchased.

Marketplace sellers

If you're a seller on a marketplace or through a third party application where PayPal is offered, obey any rules that apply to the marketplace's or the third party application's buyer protection program for sales you make through that forum. Any such protections may require you to take certain actions and may impact how claims are processed.

Card not present transactions

Whenever a buyer uses a debit or credit card as the payment method for a transaction using their PayPal account to buy something from you as a seller, the transaction will be processed as a "card not present" transaction, even if the buyer is at your store location.

Accepting preauthorized payments

As a seller, you can accept payments from a buyer's PayPal account through preauthorized transfers either on a one-time, regular or sporadic basis. This type of transaction is sometimes called a "billing agreement," "subscription," "recurring payment," "reference transaction," "pre-approved payment" or "automatic payment."

If you receive preauthorized payments from buyers:

You must:

Get each buyer's prior authorization for the amount, frequency, and duration of any such payment.

Provide a simple and easily accessible online cancellation procedure, if buyers sign up for preauthorized payments online.

Provide buyers the ability to stop any such payment up to 3 Business Days before the date scheduled for payment.

You must not:

Restart future payments without the buyer's written authorization, if a buyer has stopped or canceled a preauthorized payment.

If you receive preauthorized payments from buyers:

You must:

You must not:

Notify the buyer at least 10 days in advance of the amount and date of each preauthorized payment if the preauthorized payment will vary from the preauthorized amount or (at the buyer's option) any payment that is in an amount that falls outside of the pre-determined range.

Transaction Fees for Online and In-Store Payments

Your PayPal transaction fees depend on the country where the buyer has a PayPal account and whether or not you are registered as a charitable organization and have active 501(c)(3) status. Your 501(c)(3) status must be documented with PayPal to receive the rates applicable to charitable organizations, and those rates will apply only after you document your status with us.

Standard transactions fees

The tables below describe the fees you pay when you sell goods or services online and in your store location and the buyer pays using his/her PayPal account. Please note that:

- We may adjust the fees applicable to future transactions that you process using PayPal, but before we do that we'll contact you and you will have at least 30 days' advance notice of any such change.
- If you refund a transaction to a buyer or a donation to a donor, PayPal retains the fixed fee portion of the fees you paid.
- If you accept payments using a PayPal product (like PayPal Here or PayPal Payments Pro), the fees applicable to those products, and not the fees below, will apply to your transactions.

If you're selling goods or services:

And the funds you are receiving are coming from a PayPal account:

And the sale occurs:	And the funds you are receiving are coming from a PayPal account:	then you pay:
Through an online transaction	In the U.S.	a fee of 2.9% of the transaction amount plus a fixed fee based on the currency.
	Outside the U.S.	a fee of 3.9% of the transaction amount plus a fixed fee based on the currency.
In your store location	In the U.S.	a fee of 2.7% of the transaction amount.
	Outside the U.S.	a fee of 3.7% of the transaction amount.

If you're a verified charitable organization

And the funds you are receiving are coming from a PayPal account:

then you pay:

In the U.S.

a fee of 2.2% of the transaction amount plus a fixed fee based on the currency.

Outside the U.S.

if your monthly donation volume is up to \$100,000, a fee of 3.2% of the transaction amount plus a fixed fee based on the currency.

if your monthly donation volume exceeds \$100,000, a fee of 2.9% of the transaction amount plus a fixed fee based on the currency.

Fixed fees applicable to online and in-store payments

Currency	Fee	Currency	Fee
Australian Dollar:	0.30 AUD	New Zealand Dollar:	0.45 NZD
Brazilian Real:	0.60 BRL	Norwegian Krone:	2.80 NOK
Canadian Dollar:	0.30 CAD	Philippine Peso:	15.00 PHP
Czech Koruna:	10.00 CZK	Polish Zlotych:	1.35 PLN
Danish Krone:	2.60 DKK	Russian Ruble:	10 RUB
Euro:	0.35 EUR	Singapore Dollar:	0.50 SGD
Hong Kong Dollar:	2.35 HKD	Swedish Krona:	3.25 SEK
Hungarian Forint:	90 HUF	Swiss Franc:	0.55 CHF
Israeli Shekel:	1.20 ILS	Taiwan New Dollar:	10.00 TWD
Japanese Yen:	40 JPY	Thai Baht:	11.00 THB
Mexican Peso:	4.00 MXN	U.K. Pounds Sterling:	0.20 GBP
Malaysian Ringgit:	2.00 MYR	U.S. Dollar:	0.30 USD

Micropayments fees

You may qualify to receive micropayments pricing for the sale of goods and services through your PayPal account, if your transactions typically average less than \$10. In order to qualify, you must have a PayPal account that is in good standing (for example, no limitations or negative PayPal balance), you may not be processing payments using PayPal Payments Pro and you must submit an application and have it approved by us.

If your PayPal account is approved to accept micropayments, then micropayments pricing (described in the tables below) will apply to all transactions for the sale of goods and services processed through your PayPal account, not the pricing described above under standard transaction fees. If you have multiple PayPal accounts, you must correctly route your transactions to the appropriate account because, once a transaction is processed, PayPal will not re-route the transaction through a different account.

If your PayPal account is approved for micropayments pricing:

And the funds you are receiving are coming from a PayPal account in:

then you pay:

The U.S.

a fee of 5.0% of the transaction amount plus a fixed fee based on the currency.

Outside the U.S.

a fee of 6.0% of the transaction amount plus a fixed fee based on the currency.

Fixed fees applicable to micropayments:

Currency	Fee	Currency	Fee
Australian Dollar:	0.05 AUD	New Zealand Dollar:	0.08 NZD
Brazilian Real:	0.10 BRL	Norwegian Krone:	0.47 NOK
Canadian Dollar:	0.05 CAD	Philippine Peso:	2.5 PHP
Czech Koruna:	1.67 CZK	Polish Zlotych:	0.23 PLN
Danish Krone:	0.43 DKK	Russian Ruble:	2 RUB
Euro:	0.05 EUR	Singapore Dollar:	0.08 SGD
Hong Kong Dollar:	0.39 HKD	Swedish Krona:	0.54 SEK
Hungarian Forint:	15 HUF	Swiss Franc:	0.09 CHF
Israeli Shekel:	0.20 ILS	Taiwan New Dollar:	2.00 TWD
Japanese Yen:	7 JPY	Thai Baht:	1.80 THB
Malaysian Ringgit:	0.20 MYR	U.K. Pounds Sterling:	0.05 GBP
Mexican Peso:	0.55 MXN	U.S. Dollar:	0.05 USD

PayPal Payouts and Mass Pay fees

PayPal's Payouts and Mass Pay services let you send multiple payments in one batch to send commissions, rebates, rewards, and general payments. In order to use these services, you must have a PayPal account that is a business account and you must apply for and receive permission from PayPal to use these services. These services are only available to U.S. business accounts in good standing with no withdrawal limits. PayPal may eliminate a business account's ability to use Payouts or Mass Pay at any time. The amount you will pay for using the Payouts or Mass Pay services depends on which service you use (traditional Mass Pay or the newer Payouts API), how you send the payments, and the currency of the payment.

If you are using Payouts or Mass Pay to send money to someone with a PayPal account:

Currency of the payment:	in the U.S.	outside of the U.S.	
	using PayPal's newer Payouts API then you pay a flat fee of:	using traditional Mass Pay services then you pay 2% of each recipient's payment amount as a fee up to a maximum amount per recipient of:	
Australian Dollar:	0.32 AUD	1.25 AUD	24.00 AUD
Brazilian Real:	0.50 BRL	2.00 BRL	40.00 BRL
Canadian Dollar:	0.32 CAD	1.25 CAD	24.00 CAD
Czech Koruna:	6.00 CZK	24.00 CZK	400.00 CZK

If you are using Payouts or Mass Pay to send money to someone with a PayPal account			
Currency of the payment:	in the U.S.		outside of the U.S.
	using PayPal's newer Payouts API	using traditional Mass Pay services	
	then you pay a flat fee of:	then you pay 2% of each recipient's payment amount as a fee up to a maximum amount per recipient of:	
Danish Krone:	1.50 DKK	6.00 DKK	120.00 DKK
Euro:	0.22 EUR	0.85 EUR	16.00 EUR
Hong Kong Dollar:	1.75 HKD	7.00 HKD	160.00 HKD
Hungarian Forint:	52.5 HUF	210 HUF	6,000 HUF
Israeli Shekel:	1.00 ILS	4.00 ILS	80.00 ILS
Japanese Yen:	30 JPY	120 JPY	2,000 JPY
Mexican Peso:	2.75 MXN	11.00 MXN	300.00 MXN
New Zealand Dollar	0.38 NZD	1.50 NZD	30.00 NZD
Norwegian Krone:	1.70 NOK	6.75 NOK	120.00 NOK
Philippine Peso:	12.50 PHP	50.00 PHP	1,000.00 PHP
Polish Zlotych:	0.75 PLN	3.00 PLN	60.00 PLN
Russian Ruble:	60 RUB	240 RUB	1,400 RUB
Singapore Dollar:	0.40 SGD	1.60 SGD	32.00 SGD
Swedish Krona:	2.25 SEK	9.00 SEK	160.00 SEK
Swiss Franc:	0.33 CHF	1.30 CHF	20.00 CHF
Taiwan New Dollar:	8.25 TWD	33.00 TWD	800.00 TWD
Thai Baht:	9.00 THB	36.00 THB	800.00 THB
U.K. Pounds Sterling:	0.17 GBP	0.65 GBP	14.00 GBP
U.S. Dollar:	0.25 USD	1.00 USD	20.00 USD

Refunds, Reversals and Chargebacks

General information

If you receive a payment for selling goods or services that is later refunded or invalidated for any reason, you are responsible for the full amount of the payment sent to you plus any fees (including any applicable chargeback fee described below). Whenever a transaction is refunded or otherwise reversed, PayPal will refund or reverse the transaction from your PayPal account in the same currency as the original transaction. If your PayPal balance for a particular currency is insufficient to cover the amount of a refund or reversal, PayPal will perform a currency conversion in order to refund or reverse the transaction, and you will be charged for the currency conversion.

If you refund a payment for good or services, we will retain the fixed fee portion of the fees you paid as the seller. The buyer's PayPal account will be credited with the full payment amount and the fixed fee portion of the fees you paid as the seller will be deducted from your PayPal account in addition to the amount of the refunded payment.

Payments that are invalidated and reversed

Payments to you may be invalidated and reversed by PayPal if:

- You lose a PayPal Purchase Protection claim submitted to us by a buyer, including as a result of your failure to respond in a timely manner.

- Your buyer pursues a chargeback related to a card-funded transaction and the transaction is not eligible for PayPal Seller Protection. The card issuer, not PayPal, determines whether a buyer is successful when he/she pursues a chargeback related to a card-funded transaction.
- You do not fulfill the transaction as promised or you cannot provide proof of shipment or proof of delivery when required.
- eBay decides against you under its money back guarantee program (and you haven't opted out).
- Our investigation of a bank reversal (sometimes known as an ACH return) made by a buyer or the buyer's bank finds that the transaction was fraudulent.
- PayPal sent the payment to you in error.
- The payment was unauthorized (i.e., a credit card-funded payment was made by someone with a credit card that did not belong to them).
- You received the payment for activities that violated this user agreement or any other agreement between you and PayPal.

When you receive a payment, you are liable to PayPal for the full amount of the payment sent to you plus any fees if the payment is later invalidated for any reason. If your PayPal balance is insufficient to cover your liability for the payment amount plus the fees, then this will result in a negative PayPal balance. Any negative PayPal balance represents an amount that you owe to us, and, in this situation, you must immediately add funds to your PayPal balance to eliminate the negative PayPal balance. If you do not do so, PayPal may engage in collection efforts to recover such amounts from you. PayPal may also place a limitation or take other action on your PayPal account as outlined under Restricted Activities and Holds.

Chargeback fees

If you receive a debit or credit card-funded payment and the buyer pursues a chargeback for the transaction with his/her card issuer, then PayPal will assess a chargeback fee unless the transaction is eligible for PayPal Seller Protection. The applicable chargeback fee (see the table below) will be deducted from your PayPal account. The chargeback fee depends on the currency of the original transaction.

Chargeback fees			
Currency	Chargeback Fee	Currency	Chargeback Fee
Australian Dollar:	22.00 AUD	New Zealand Dollar:	28.00 NZD
Brazilian Real:	35.00 BRL	Norwegian Krone:	125.00 NOK
Canadian Dollar:	20.00 CAD	Philippine Peso:	900.00 PHP
Czech Koruna:	400.00 CZK	Polish Zlotych:	65.00 PLN
Danish Krone:	120.00 DKK	Russian Ruble:	640 RUB
Euro:	16 EUR	Singapore Dollar:	28.00 SGD
Hong Kong Dollar:	155.00 HKD	Swedish Krona:	150.00 SEK
Hungarian Forint:	4,325 HUF	Swiss Franc:	22.00 CHF
Israeli Shekel:	75.00 ILS	Taiwan New Dollar:	625.00 TWD
Japanese Yen:	1,875 JPY	Thai Baht:	650.00 THB
Malaysian Ringgit:	65 MYR	U.K. Pounds Sterling:	14.00 GBP
Mexican Peso:	250.00 MXN	U.S. Dollar:	20.00 USD

Impact of various purchase protection processes on sellers

You should read and understand PayPal's Purchase Protection program, and if you sell goods and services to buyers with PayPal accounts in countries other than the U.S., you also should be familiar with the purchase protection available to buyers in each of those countries. Buyers' rights under these programs are important

for you to understand as a seller. You can find this information on the Legal Agreements page by selecting your buyer's location at the top of the page and referring to the applicable user agreement for that geography.

If you lose a claim under PayPal's Purchase Protection program in the U.S. or a similar program in another country:

- For claims by the buyer that an item received isn't what was ordered, you generally will be required to accept the item back.
- For all claims by the buyer, you must forfeit the full purchase price of the item plus the original shipping cost (and in some cases you may not receive the item back).
- For all claims by the buyer, you will not receive a refund of the PayPal fees that you paid in connection with the sale.
- For a "Significantly Not as Described" claim related to an item you sold that is counterfeit, you will be required to provide a full refund to the buyer and you may not receive the item back (it will be destroyed).

If you accept PayPal payments from buyers for goods or services you sell through eBay, then you need to read and understand the eBay Money Back Guarantee program. Unless you opt out by calling eBay, PayPal will treat eBay's decisions in favor of your buyers under that program as a basis for reversing a PayPal payment made to you. If your PayPal balance is insufficient to cover the amount of such a claim it will not immediately result in a negative PayPal balance. Instead, for any eBay Money Back Guarantee program claim, PayPal will place a hold on your PayPal account that will remain in place until the earlier of:

- the date that sufficient funds become available in your PayPal account to cover the amount of such claim; or
- 20 days from the date of eBay's final decision. If you do not have a sufficient PayPal balance to cover the amount of the claim when this 20-day period ends, eBay will charge the payment method you provided to them for your PayPal account.

PayPal's Seller Protection Program

What's covered

If you sell something to a buyer and the transaction is later disputed or reversed under Reversals, Claims or Chargebacks, you may be covered by PayPal's Seller Protection program. When it applies, PayPal's Seller Protection program entitles you to retain the full purchase amount and we will waive any related chargeback fees paid (for debit and credit card-funded transactions). There is no limit on the number of payments for which you can receive coverage. By accessing the transaction details page in your PayPal account you can determine whether or not your transaction is eligible for coverage under this program.

PayPal's Seller Protection program may apply when a buyer claims that:

- The buyer did not authorize, or benefit from, funds sent from his or her PayPal account (referred to as an "Unauthorized Transaction" claim); or
- The buyer didn't receive the item from you (referred to as an "Item Not Received" claim).

PayPal's Seller Protection program may also apply when a transaction is reversed because of a successful chargeback by a buyer or when a bank funded payment is reversed by the buyer's bank.

This section describes PayPal's Seller Protection program as it applies to you, but you should be familiar with PayPal's Purchase Protection programs applicable to each country where your buyers are located because

those programs give buyers rights that may impact you as a seller. For example, please read about PayPal's Purchase Protection program that applies to buyers with a U.S. PayPal account.

Basic requirements

To be eligible for PayPal's Seller Protection, you must meet all of the following requirements

- The primary address for your PayPal account must be in the United States.
- The item must be a physical, tangible good that can be shipped.
- You must ship the item to the shipping address on the transaction details page in your PayPal account for the transaction. If you originally ship the item to the recipient's shipping address on the transaction details page but the item is later redirected to a different address, you will not be eligible for PayPal Seller Protection. We therefore recommend not using a shipping service that is arranged by the buyer, so that you will be able to provide valid proof of shipping and delivery.
- You must respond to PayPal's requests for documentation and other information in a timely manner as requested in our email correspondence with you or in our correspondence with you through the Resolution Center.
- If the sale involves pre-ordered or made-to-order goods, you must ship within the timeframe you specified in the listing. Otherwise, it is recommended that you ship all items within 7 days after receipt of payment.

Item Not Received additional requirements

To be covered by PayPal's Seller Protection program for a buyer's Item Not Received claim, you must meet both the basic requirements listed above and the additional requirements listed below:

- Where a buyer files a chargeback with the issuer for a card-funded transaction, the payment must be marked "eligible" for PayPal's Seller Protection on the Transaction Details page.
- You must provide proof of delivery as described below.

Unauthorized Transactions additional requirements

To be covered by PayPal's Seller Protection program for a buyer's Unauthorized Transaction claim, you must meet both the basic requirements listed above and the additional requirements listed below:

- The payment must be marked "eligible" or "partially eligible" for PayPal's Seller Protection on the Transaction Details page.
- You must provide proof of shipment or proof of delivery as described below.

Establishing proof of delivery or proof of shipment

The following is required as:

Proof of shipment	Proof of delivery
<p>Online or physical documentation from a shipping company that includes:</p> <ul style="list-style-type: none"> • Date of shipment • An address for the recipient that matches the shipping address on the Transaction Details page • An address for the recipient showing at least the city/state, city/country, or zip/postal code (or international equivalent). 	<p>Online or physical documentation from a shipping company that includes:</p> <ul style="list-style-type: none"> • Date of delivery and 'delivered' status • An address for the recipient that matches the shipping address on the Transaction Details page • An address for the recipient showing at least the city/state, city/country, or zip/postal code (or international equivalent). • Signature confirmation, if the full amount of the payment including shipping and taxes exceeds a fixed amount (based on the currency of the payment) from the signature confirmation threshold table below. Signature confirmation is online documentation, viewable at the shipping company's website, indicating that the item was signed for.

IMPORTANT: Your choice of carrier and shipment options with that carrier can have a big impact on your ability to meet the proof of delivery requirements. Please ensure, especially when shipping goods internationally, that your carrier can provide 'delivered' status at the correct address, or your Seller Protection claim may be denied.

Signature confirmation foreign currency thresholds			
Currency	Transaction value	Currency	Transaction value
Australian Dollar:	850 AUD	New Zealand Dollar:	950 NZD
Brazilian Real:	1,750 BRL	Norwegian Krone:	4,600 NOK
Canadian Dollar:	850 CAD	Philippine Peso	34,000 PHP
Czech Koruna:	15,000 CZK	Polish Zlotych:	2,300 PLN
Danish Krone:	4,100 DKK	Russian Ruble:	48,000 RUB
Euro:	550 EUR	Singapore Dollar:	950 SGD
Hong Kong Dollar:	6,000 HKD	Swedish Krona:	4,950 SEK
Hungarian Forint:	170,000 HUF	Swiss Franc:	700 CHF
Israeli Shekel:	2,700 ILS	Taiwan New Dollar:	23,000 TWD
Japanese Yen:	77,000 JPY	Thai Baht:	24,500 THB
Malaysian Ringgit:	3,100 MYR	U.K. Pounds Sterling:	450 GBP
Mexican Peso:	10,000 MXN	U.S. Dollar:	750 USD

Ineligible items and transactions

Your sale **is not** eligible for coverage under PayPal's Seller Protection program if:

- It involves intangible, non-physical, items, including digital goods, and services. Digital goods are delivered and used in an electronic format, like a song delivered online or through a mobile application.

- The buyer claims (either with us or their card issuer) that the item you sent isn't what was ordered (referred to as a "Significantly Not as Described" claim).
- It involves an item that PayPal determines, in its sole discretion, is a counterfeit item.
- It involves an item that you deliver in person, including in connection with a payment made in your store location.
- It involves sales that are not processed either through a buyer's PayPal account or a guest checkout transaction. For example, if the sale was made using the PayPal Payments Pro/VT product, PayPal business payments or using PayPal Here, then it is not eligible for coverage.
- It involves Items equivalent to cash including gift cards.

PayPal Advertising Program

The PayPal Advertising Program enables you to promote PayPal services, including PayPal Credit, through PayPal-hosted banners and buttons on your websites or in your customer emails. PayPal may change the content provided through this program at any time for any reason, and PayPal may choose to discontinue the PayPal Advertising Program at any time.

If you participate in this program:	
You must:	You must not:
Comply with all integration requirements provided by PayPal or each authorized third party, including those with respect to accurate presentation of all PayPal related information.	Modify any PayPal content or its presentation in any way.
Only use the HTML code for PayPal content as provided by PayPal.	Copy PayPal content from other websites.
Use the PayPal content in its entirety with all the links and language provided by PayPal and without modification by you.	Create, display or host your own PayPal content, unless authorized by PayPal in writing.
Immediately remove all PayPal content from your sites and customer communications and/or cooperate with PayPal or your third party provider to do so, if you stop using a qualifying PayPal payments solution.	Post PayPal content on social media networks or platforms or anywhere else, unless authorized by PayPal in writing.
Keep all PayPal content current and up to date, including by cooperating with PayPal to manually update the PayPal content as it appears on your sites or in your communications and repair or reinstall the HTML code to facilitate future updates.	Display any non-current PayPal content
Comply with applicable advertising laws, regulations and standards issued by governmental authorities or advertising self-regulatory bodies including but not limited to the digital advertising standards issued by the Network Advertising Initiative.	

If you promote the use of PayPal Credit on your sites and customer communications through the PayPal Advertising Program, there are additional requirements that apply. If you receive customer inquiries relating to PayPal Credit, you must direct the customer to PayPal Credit Customer Support at (866) 528-3733. If a customer is unable to process a transaction using PayPal Credit, you are prohibited from communicating any reason for the decline to the customer on PayPal Credit's behalf. You are also prohibited from representing or holding yourself out to represent PayPal Credit in any way.

You are responsible for any damages suffered by PayPal or any third parties resulting from your failure to follow the rules of the PayPal Advertising Program, and if you violate these rules, PayPal may modify or remove the PayPal content you are presenting or require you to remove or modify it immediately. If you fail to follow these rules, we may limit or close your PayPal account.

RESTRICTED ACTIVITIES AND HOLDS

Restricted Activities

In connection with your use of our websites, your PayPal account, the PayPal services, or in the course of your interactions with PayPal, other PayPal customers, or third parties, you will not:

- Breach this user agreement, the PayPal Acceptable Use Policy, the Commercial Entity Agreements (if they apply to you), any other agreement between you and PayPal, or violate any PayPal policy.
- Violate any law, statute, ordinance, or regulation (for example, those governing financial services, consumer protections, unfair competition, anti-discrimination or false advertising).
- Infringe PayPal's or any third party's copyright, patent, trademark, trade secret or other intellectual property rights, or rights of publicity or privacy.
- Sell counterfeit goods.
- Act in a manner that is defamatory, trade libelous, threatening or harassing.
- Provide false, inaccurate or misleading information.
- Send or receive what we reasonably believe to be potentially fraudulent funds.
- Refuse to cooperate in an investigation or provide confirmation of your identity or any information you provide to us.
- Attempt to double dip during the course of a dispute by receiving or attempting to receive funds from both PayPal and the seller, bank or card issuer for the same transaction.
- Control an account that is linked to another account that has engaged in any of these restricted activities.
- Conduct your business or use the PayPal services in a manner that results in or may result in
 - complaints;
 - requests by buyers (either filed with us or card issuers) to invalidate payments made to you;
 - fees, fines, penalties or other liability or losses to PayPal, other PayPal customers, third parties or you.
- Use your PayPal account or the PayPal services in a manner that PayPal, Visa, MasterCard, American Express, Discover or any other electronic funds transfer network reasonably believes to be an abuse of the card system or a violation of card association or network rules.
- Allow your PayPal account to have a negative PayPal balance.
- Provide yourself a cash advance from your credit card (or help others to do so).
- Access the PayPal services from a country that is not included on PayPal's permitted countries list.
- Take any action that imposes an unreasonable or disproportionately large load on our infrastructure; facilitate any viruses, trojan horses, malware, worms or other computer programming routines that may damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or information; use an anonymizing proxy; use any robot, spider, other automatic device, or manual process to monitor or copy our websites without our prior written permission; or use any device, software or routine

to bypass our robot exclusion headers, or interfere or attempt to interfere with our websites or the PayPal services.

- Take any action that may cause us to lose any of the services from our Internet service providers, payment processors, or other suppliers.
- Use the PayPal services to test credit card behaviors.
- Circumvent any PayPal policy or determinations about your PayPal account such as temporary or indefinite suspensions or other account holds, limitations or restrictions, including, but not limited to, engaging in the following actions: attempting to create new or additional PayPal account(s) when an account has a negative PayPal balance or has been restricted, suspended or otherwise limited; creating new or additional PayPal accounts using information that is not your own (e.g. name, address, email address, etc.); or using someone else's PayPal account.
- Harass and/or threaten our employees, agents, or other users.

Actions We May Take if You Engage in Any Restricted Activities

If we believe that you've engaged in any of these activities, we may take a number of actions to protect PayPal, its customers and others at any time in our sole discretion. The actions we make take include, but are not limited to, the following:

- Terminate this user agreement and/or close or suspend your PayPal account, and we may refuse to provide the PayPal services to you in the future.
- Limit your access to our websites, your PayPal account or the PayPal services, including limiting your ability to pay or send money with any of the payment methods linked to your PayPal account or restricting your ability to send money or make withdrawals.
- Hold your PayPal balance for up to 180 days if reasonably needed to protect against the risk of liability or if you have violated our Acceptable Use Policy.
- Suspend your eligibility for PayPal's Purchase Protection program and/or PayPal's Seller Protection program.
- Contact buyers who have purchased goods or services from you using PayPal, your bank or credit card issuer, other impacted third parties or law enforcement about your actions.
- Update inaccurate information you provided us.
- Take legal action against you.
- If you've violated our Acceptable Use Policy, then you're also responsible for damages to PayPal caused by your violation of this policy.
- If you are a seller and you violate the Acceptable Use Policy, then in addition to being subject to the above actions you will be liable to PayPal for the amount of PayPal's damages caused by your violation of the Acceptable Use Policy. You acknowledge and agree that \$2,500.00 U.S. dollars per violation of the Acceptable Use Policy is presently a reasonable minimum estimate of PayPal's actual damages considering all currently existing circumstances, including the relationship of the sum to the range of harm to PayPal that reasonably could be anticipated because, due to the nature of the violations of the Acceptable Use Policy, actual damages would be impractical or extremely difficult to calculate. PayPal may deduct such damages directly from any existing PayPal balance in any PayPal account you control.

If we close your PayPal account or terminate your use of the PayPal services for any reason, we'll provide you with notice of our actions and make any unrestricted funds held in your PayPal account available for withdrawal.

You are responsible for all reversals, chargebacks, claims, fees, fines, penalties and other liability incurred by PayPal, any PayPal customer, or a third party caused by or arising out of your breach of this agreement, and/or your use of the PayPal services. You agree to reimburse PayPal, any PayPal customer, or a third party for any and all such liability.

Holds, Limitations, and Reserves

What are holds, limitations and reserves

Under certain circumstances, in order to protect PayPal and the security and integrity of the network of buyers and sellers that use the PayPal services, PayPal may take account-level or transaction-level actions. Unless otherwise noted, if we take any of the actions described here, we'll provide you with notice of our actions, but we retain the sole discretion to take these actions. To request information in connection with an account limitation, hold or reserve, you should visit the Resolution Center or follow the instructions in our email notice with respect to the limitation, hold or reserve.

Our decision about holds, limitations and reserves may be based on confidential criteria that are essential to our management of risk and the protection of PayPal and our customers. We may use proprietary fraud and risk modeling when assessing the risk associated with your PayPal account. In addition, we may be restricted by regulation or a governmental authority from disclosing certain information to you about such decisions. We have no obligation to disclose the details of our risk management or security procedures to you.

Holds

A hold is an action that PayPal may take under certain circumstances either at the transaction level or the account level. When PayPal places a temporary hold on a payment, the money is not available to either the sender or the recipient. PayPal reviews many factors before placing a hold on a payment, including: account tenure, transaction activity, business type, past customer disputes, and overall customer satisfaction. Some common situations where PayPal will hold payments include:

- New sellers or sellers who have limited selling activity.
- Payments for higher-risk categories like electronics or tickets.
- Sellers who have performance issues, or a high rate of buyer dissatisfaction or disputes.

Holds based on PayPal's risk decisions

We may place a hold on payments sent to your PayPal account if, in our sole discretion, we believe that there may be a high level of risk associated with you, your PayPal account, or your transactions or that placing such a hold is necessary to comply with state or federal regulatory requirements. We make decisions about whether to place a payment hold based on a number of factors, including information available to us from both internal sources and third parties. When we place a hold on a payment, the funds will appear in your PayPal account with an indication that they are unavailable or pending. We'll notify you, either through your PayPal account or directly by phone or email, whenever we place a hold.

Risk-based holds generally remain in place for up to 21 days from the date the payment was received into your PayPal account. We may release the hold earlier under certain circumstances (for example, if you've uploaded shipment tracking information related to the transaction), but any earlier release is at our sole discretion. The hold may last longer than 21 days if the payment is challenged as a payment that should be invalidated and reversed based on a disputed transaction as discussed in the following paragraph below. In this case, we'll hold the payment in your PayPal account until the matter is resolved (but no longer than 180 days).

Holds based on disputed transactions

If a payment sent to you as a seller is challenged as a payment that should be invalidated and reversed, we may place a temporary hold on the funds in your PayPal account to cover the amount that could be reversed. Any of

the situations described under Refunds, Reversals and Chargebacks are situations that could result in us placing a hold on a payment. If we determine the transaction should not be reversed, we'll lift the temporary hold. If we determine the transaction should be reversed, we'll remove the funds from your PayPal account.

Limitations

Limitations prevent you from completing certain actions with your PayPal account, such as withdrawing, sending or receiving money. These limitations are implemented to help protect PayPal, buyers and sellers when we notice restricted activities or activity that appears to us as unusual or suspicious. Limitations also help us collect information necessary for keeping your PayPal account open.

There are a number of reasons why your PayPal account could be limited. For instance,

- If we suspect someone could be using your PayPal account without your knowledge, we'll limit it for your protection and look into the fraudulent activity.
- If your debit or credit card issuer alerts us that someone has used your card without your permission. Similarly, if your bank lets us know that there have been unauthorized transfers between your PayPal account and your bank account.
- In order to comply with regulatory requirements. For example, requesting certain products, like a debit card, can trigger federal and state laws, and we may limit your PayPal account while we work together to satisfy those requirements.
- Due to PayPal policies we have in place to ensure we're in compliance with law.
- If we reasonably believe you have violated the Acceptable Use Policy.
- Seller performance indicating your PayPal account is high risk. For example, receiving an unusually high number of claims and chargebacks from your buyers is an indication of poor seller performance. If you start selling an entirely new type of product, such as a higher-cost item like jewelry, or if your typical sales volume increases rapidly, your PayPal account may be limited.

To remove the limitation and restore your PayPal account, you will need to resolve any issues with the account, often by providing information to us, although there may be certain situations where there is no specific action that you can take to help remove the limitation (for example, the limitation is put in place due to policies we have to ensure we're in compliance with laws). If you find that your PayPal account has been limited, you should either review the email you receive from us informing you that your PayPal account is limited, or log in to your PayPal account for additional details about the limitation on your PayPal account.

Reserves

We may place a reserve on your PayPal account if we believe there may be a high level of risk associated with you, your PayPal account, your business model, or your transactions. When we place a reserve on your PayPal account, it means that all or some portion of the money in your PayPal account is reserved as unavailable for withdrawal in order to protect against the risk of transactions made by you being reversed or invalidated or any other risk related to your PayPal account or use of the PayPal services. Reserves may be placed on your PayPal account at the time you open a PayPal account or at any time during the life of your PayPal account. We make decisions about whether to place a reserve based on a number of factors, including information available to us from both internal sources and from third parties. When we place a reserve on your PayPal account, the funds will appear in your PayPal account as a "Pending Balance," and we'll notify you of the terms of the reserve. If we change the terms of the reserve, we'll notify you of the new terms.

PayPal considers a list of non-exclusive factors and whether and how these factors have changed over time, including:

- How long you have been in business.
- Whether your industry has a higher likelihood of chargebacks.
- Your payment processing history with PayPal and other providers.
- Your business and/or personal credit history.
- Your delivery time frames.
- Whether you have higher than average number of returns, chargebacks, claims or disputes.

There are two types of reserves that may be placed on your PayPal account, and one or both may be applied at the same time:

- **A Rolling reserve** is a reserve where a percentage of each transaction you receive each day is held and then released later on a scheduled basis. For example, your reserve could be set at 10% and held for a 90-day rolling period – meaning 10% of the money you receive on day 1 is held and then released on day 91, 10% of the money you receive on day 2 is held until day 92, etc. Rolling reserves are the most common type of reserve.
- **A Minimum reserve** is a specific minimum amount of money that you're required to keep available in your PayPal balance at all times. The minimum reserve is either taken as an upfront amount deposited all at once or is established on a rolling basis from percentages of sales until the minimum reserve is achieved, much like a rolling reserve.

Court Orders, Regulatory Requirements or Other Legal Process

If we are notified of a court order or other legal process (including garnishment or any equivalent process) affecting you, or if we otherwise believe we are required to do so in order to comply with applicable law or regulatory requirements, we may be required to take certain actions, including holding payments to/from your PayPal account, placing a reserve or limitation on your PayPal account, or releasing your funds. We will decide, in our sole discretion, which action is required of us. Unless the court order, applicable law, regulatory requirement or other legal process requires otherwise, we will notify you of these actions. We do not have an obligation to contest or appeal any court order or legal process involving you or your PayPal account. When we implement a hold, reserve or limitation as a result of a court order, applicable law, regulatory requirement or other legal process, the hold, reserve or limitation may remain in place longer than 180 days.

LIABILITY FOR UNAUTHORIZED TRANSACTIONS AND OTHER ERRORS

Protection from Unauthorized Transactions

To protect yourself from unauthorized activity in your PayPal account, you should regularly log into your PayPal account and review your PayPal account statement. PayPal will notify you of each transaction by sending an email to your primary email address on file. You should review these transaction notifications to ensure that each transaction was authorized and accurately completed.

PayPal will protect you from unauthorized activity in your PayPal account. When this protection applies, PayPal will cover you for the full amount of the unauthorized activity as long as you cooperate with us and follow the procedures described below.

What is an Unauthorized Transaction

An "Unauthorized Transaction" occurs when money is sent from your PayPal account that you did not authorize and that did not benefit you. For example, if someone steals your password, uses the password to access your PayPal account, and sends a payment from your PayPal account, an Unauthorized Transaction has occurred.

What is not considered an Unauthorized Transaction

The following are NOT considered Unauthorized Transactions:

- If you give someone access to your PayPal account (by giving them your login information) and they use your PayPal account without your knowledge or permission. You are responsible for transactions made in this situation.
- Invalidation and reversal of a payment as a result of the actions described under Refunds, Reversals and Chargebacks.

Reporting an Unauthorized Transaction

If you believe your PayPal login information has been lost or stolen, call: (888) 221-1161 or write: PayPal, Attn: Error Resolution Department, P.O. Box 45950, Omaha, NE 68145-0950.

Tell us AT ONCE if you believe your PayPal login information has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using your login information. You could lose all the money in your PayPal account. If you tell us within 60 days after we provide you your PayPal account statement showing transfers you did not make, you will be eligible for 100% protection for Unauthorized Transactions.

Also, if your PayPal account statement shows transfers that you did not make, including those made with your PayPal login information or by other means, tell us at once. If you do not tell us within 60 days after we provided the statement to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

Error Resolution

What is an Error

An "Error" means the following:

- When money is either incorrectly taken from your PayPal account or incorrectly placed into your PayPal account, or when a transaction is incorrectly recorded in your PayPal account.
- You send a payment and the incorrect amount is debited from your PayPal account.
- An incorrect amount is credited to your PayPal account.
- A transaction is missing from or not properly identified in your PayPal account statement.
- We make a computational or mathematical error related to your PayPal account.
- You request receipt or periodic statement documents that PayPal is required to provide to you.
- You request information concerning preauthorized (recurring) transfers to your PayPal account that PayPal is required to provide to you.
- You request additional information or clarification concerning a transfer to or from your PayPal account, including a request you make to determine whether an error has occurred.
- You inquire about the status of a pending transfer to or from your PayPal account.
- You request documentation or other information, unless the request is for a duplicate copy for tax or other record-keeping purposes.

What is not considered an Error

The following are NOT considered Errors:

- If you give someone access to your PayPal account (by giving them your login information) and they use your PayPal account without your knowledge or permission. You are responsible for transactions made in this situation.
- Invalidation and reversal of a payment as a result of the actions described under Refunds, Reversals and Chargebacks.
- Routine inquiries about your PayPal balance.
- Requests for duplicate documentation or other information for tax or other recordkeeping purposes.

In case of Errors or questions about your electronic transfers

Telephone us at (888) 221-1161, contact us through the PayPal Resolution Center; or write us at PayPal, Attn: Error Resolution Department, P.O. Box 45950, Omaha, NE 68145-0950.

Notify us as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 Business Days.

We will determine whether an error occurred within 10 Business Days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 Business Days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 Business Days, we may not credit your account.

For errors involving new accounts, point-of-sale transactions, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 Business Days to credit your account for the amount you think is in error.

We will tell you the results within 3 Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

Processing Errors

We will rectify any processing error that we discover. If the error results in:

- You receiving less than the correct amount to which you were entitled, then we will credit your PayPal account for the difference between what you should have received and what you actually received.
- You receiving more than the correct amount to which you were entitled, then we will debit your PayPal account for the difference between what you actually received and what you should have received.
- Our not completing a transaction on time or in the correct amount, then we will be responsible to you for your losses or damages directly caused by this failure, unless:

- through no fault of ours, you did not have enough available funds to complete the transaction;
- our system was not working properly and you knew about the breakdown when you started the transaction; or
- the error was due to extraordinary circumstances outside our control (such as fire, flood or loss of Internet connection), despite our reasonable precautions.

Processing errors are not:

- Delays that result from PayPal applying holds, limitations or reserves.
- Delays based on a payment review.
- Delays described under How to buy something related to the time it may take for a purchase transaction to be completed in some situations.
- Your errors in making a transaction (for example, mistyping an amount of money that you are sending).

Remittance Transfer Errors

What is a Remittance Transfer

You may be protected for certain errors when you send money using a PayPal account outside of the U.S. A “Remittance Transfer” is a transaction that meets the following criteria:

- The payment is sent from a personal PayPal account that is used primarily for personal, family or household purposes,
- The payment is made for personal, family or household purposes,
- The payment is made using the send money feature through your PayPal account,
- The payment amount equals or exceeds \$15 USD (excluding fees charged to you) or the foreign currency equivalent calculated using exchange rates in effect at the time of the transaction, and
- The recipient of the payment has a PayPal account in a country outside the U.S.

Payments that you make at a merchant website or location by selecting PayPal as a payment option are not “Remittance Transfers.”

What qualifies as a Remittance Transfer Error

A “Remittance Transfer Error” occurs if:

- You paid an incorrect amount to send the Remittance Transfer. For example, you were charged more than the total shown on the remittance transfer receipt you received (unless the total shown on the receipt was an estimate, and the difference results from application of the actual exchange rate, fees, and taxes).
- PayPal made a computational or bookkeeping error, such as a miscalculation of the amount the recipient received.
- The amount stated in the remittance transfer receipt was not made available to the recipient, unless:
 - we stated in the remittance transfer receipt that we used estimates and the difference in the amount received and the amount stated in the remittance transfer receipt results from application of the actual exchange rate, fees, and taxes, or
 - the problem was caused by extraordinary circumstances outside our control.
- Funds were available to the recipient later than the date of availability that was disclosed to you on the remittance transfer receipt or were not delivered, unless:
 - extraordinary circumstances outside our control caused the delay, and we could not reasonably anticipate those circumstances,

- delays resulted from fraud screenings, or were caused by requirements of the Office of Foreign Assets Controls or similar requirements, or
 - you (or someone assisting you) made the transfer with fraudulent intent.
- You request documentation or information concerning the Remittance Transfer, such as information required to determine if a Remittance Transfer Error occurred.

What is not considered a Remittance Transfer Error

The following are NOT considered Remittance Transfer Errors:

- An inquiry about the status of a Remittance Transfer, except where the funds from the transfer were not made available to a designated recipient by the disclosed date of availability,
- A request for information for tax or other recordkeeping purposes,
- A change requested by the designated recipient, or
- A change in the amount or type of currency received by the designated recipient from the amount or type of currency stated in the disclosure provided you, if we relied on information provided by you in making the disclosure.

What to do if you think there has been a Remittance Transfer Error or problem

If you think there has been a Remittance Transfer Error or problem with your Remittance Transfer:

- Call us at: (888) 221-1161.
- Write us at: PayPal, Attn: Error Resolution Department, P.O. Box 45950, Omaha, NE 68145-0950.
- Log in to your account at paypal.com and go to the Resolution Center and dispute a transaction.

You must contact us within 180 days of the date we promised to you that funds would be made available to the recipient. When you do, please tell us:

- Your name, address and telephone number,
- The error or problem with the transfer, and why you believe it is an error or problem,
- The name of the person receiving the funds, and if you know it, his or her telephone number or address,
- The dollar amount of the transfer, and
- The confirmation code or number of the transaction.

We will determine whether an error occurred within 90 days after you contact us and we will correct any error promptly. We will tell you the results within 3 Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of any documents we used in our investigation.

OTHER LEGAL TERMS

Communications Between You and Us

If you provide us your mobile phone number, you agree that PayPal and its affiliates may contact you at that number using autodialed or prerecorded calls or text messages to: (i) service your PayPal-branded accounts, (ii) investigate or prevent fraud, or (iii) collect a debt. We will not use autodialed or prerecorded calls or texts to contact you for marketing purposes unless we receive your prior express written consent. We may share your mobile phone number with service providers with whom we contract to assist us with the activities listed above, but we will not share your mobile phone number with third parties for their own purposes without your consent. You do not have to agree to receive autodialed or prerecorded calls or texts to your mobile phone

number in order to use and enjoy the products and services offered by PayPal. You can decline to receive autodialed or prerecorded calls or texts to your mobile phone number in several ways, including in your PayPal account settings at www.paypal.com, by contacting customer support or by calling us at 1-844-629-9108. Standard telephone minute and text charges may apply.

PayPal may communicate with you about your PayPal account and the PayPal services electronically as described in our Electronic Communications Delivery Policy. You will be considered to have received a communication from us, if it's delivered electronically, 24 hours after the time we post it to our website or email it to you. You will be considered to have received a communication from us, if it's delivered by mail, 3 Business Days after we send it.

Unless you're communicating with us about a matter where we've specified another notice address (for example, our Liability for Unauthorized Transactions and Other Errors process), written notices to PayPal must be sent by postal mail to: PayPal, Inc., Attention: Legal Department, 2211 North First Street, San Jose, California 95131.

You understand and agree that, to the extent permitted by law, PayPal may, without further notice or warning, monitor or record telephone conversations you or anyone acting on your behalf has with PayPal or its agents for quality control and training purposes or for our own protection. You acknowledge and understand that while your communications with PayPal may be overheard, monitored, or recorded not all telephone lines or calls may be recorded by PayPal, and PayPal does not guarantee that recordings of any particular telephone calls will be retained or retrievable.

PayPal's Rights

PayPal termination rights

PayPal, in its sole discretion, reserves the right to terminate this user agreement, access to its website, or access to the PayPal services for any reason and at any time upon notice to you and payment to you of any unrestricted funds held in your PayPal balance.

Security interest

As security for the performance of your obligations under this user agreement, you grant to PayPal a lien on, and security interest in and to, your PayPal balance in the possession of PayPal.

Set-off rights

If your PayPal balance becomes negative for any reason, that negative PayPal balance represents an amount that you owe to PayPal. PayPal may deduct these amounts from funds that are added to your PayPal account later, either by you or from payments you receive. If you have more than one PayPal account, we may set off a negative PayPal balance in one PayPal account against a PayPal balance in your other PayPal account(s). In the event that a negative PayPal balance is offset by PayPal pursuant to this paragraph, it may be combined with another debit coming out of your PayPal account.

If you manage your PayPal balance in multiple currencies, and the PayPal balance for one of the currencies becomes negative for any reason, PayPal may set off the negative PayPal balance by using funds you maintain in a different currency. If you have a negative PayPal balance in non-U.S. dollars for a period of 21 days or longer, PayPal will convert this negative PayPal balance to U.S. dollars. In either case, a currency conversion may be required, and you will be required to pay a currency conversion spread.

In addition to the above, if you have a past due amount owed to us, our affiliates, or eBay Inc., PayPal may debit your PayPal account to pay any amounts that are more than 180 days past due.

Insolvency proceedings

If any proceeding by or against you is commenced under any provision of the United States Bankruptcy Code, as amended, or under any other bankruptcy or insolvency law, we'll be entitled to recover all reasonable costs or expenses (including reasonable attorneys' fees and expenses) incurred in connection with the enforcement of this user agreement.

Assumption of rights

If PayPal invalidates and reverses a payment that you made to a recipient (either at your initiative or otherwise), you agree that PayPal assumes your rights against the recipient and third parties related to the payment, and may pursue those rights directly or on your behalf, in PayPal's discretion.

No waiver

Our failure to act with respect to a breach of any of your obligations under this user agreement by you or others does not waive our right to act with respect to subsequent or similar breaches.

Indemnification and Limitation of Liability

In this section, we use the term "PayPal" to refer to PayPal, Inc., our parent PayPal Holdings, Inc., and our affiliates, and each of their respective directors, officers, employees, agents, joint venturers, and suppliers. Our affiliates include each entity that we control, we are controlled by or we are under common control with.

Indemnification

You must indemnify PayPal for actions related to your PayPal account and your use of the PayPal services. You agree to defend, indemnify and hold PayPal harmless from any claim or demand (including attorneys' fees) made or incurred by any third party due to or arising out of your breach of this user agreement, your improper use of the PayPal services, your violation of any law or the rights of a third party and/or the actions or inactions of any third party to whom you grant permissions to use your PayPal account or access the PayPal services on your behalf.

Limitation of liability

PayPal's liability is limited with respect to your PayPal account and your use of the PayPal services. In no event shall PayPal be liable for lost profits or any special, incidental or consequential damages (including without limitation damages for loss of data or loss of business) arising out of or in connection with our websites, the PayPal services, or this user agreement (however arising, including negligence), unless and to the extent prohibited by law.

Our liability to you or any third parties in any circumstance is limited to the actual amount of direct damages. In addition, to the extent permitted by applicable law, PayPal is not liable, and you agree not to hold PayPal responsible, for any damages or losses (including, but not limited to, loss of money, goodwill, or reputation, profits, or other intangible losses or any special, indirect, or consequential damages) resulting directly or indirectly from: (1) your use of, or your inability to use, PayPal's websites and services; (2) delays or disruptions in PayPal's websites and services; (3) viruses or other malicious software obtained by accessing PayPal's websites or services or any website or service linked to PayPal's websites or services; (4) glitches, bugs, errors, or

inaccuracies of any kind in PayPal's websites or services or in the information and graphics obtained from them; (5) the content, actions, or inactions of third parties; (6) a suspension or other action taken with respect to your PayPal account; or (7) your need to modify your practices, content, or behavior, or your loss of or inability to do business, as a result of changes to this user agreement or PayPal's policies.

Disclaimer of Warranty and Release

No warranty

The PayPal services are provided "as-is" and without any representation or warranty, whether express, implied or statutory. PayPal specifically disclaims any implied warranties of title, merchantability, fitness for a particular purpose and non-infringement.

PayPal does not have any control over the products or services provided by sellers who accept PayPal as a payment method, and PayPal cannot ensure that a buyer or a seller you are dealing with will actually complete the transaction or is authorized to do so. PayPal does not guarantee continuous, uninterrupted or secure access to any part of the PayPal services, and operation of our websites may be interfered with by numerous factors outside of our control. PayPal will make reasonable efforts to ensure that requests for electronic debits and credits involving bank accounts, debit cards, credit cards, and check issuances are processed in a timely manner but PayPal makes no representations or warranties regarding the amount of time needed to complete processing because the PayPal services are dependent upon many factors outside of our control, such as delays in the banking system or the U.S. or international mail service. Some states do not allow the disclaimer of implied warranties, so the foregoing disclaimers may not apply to you.

Release of PayPal

If you have a dispute with any other PayPal account holder, you release PayPal from any and all claims, demands and damages (actual and consequential) of every kind and nature, known and unknown, arising out of or in any way connected with such disputes. In entering into this release you expressly waive any protections (whether statutory or otherwise, for example, California Civil Code § 1542) that would otherwise limit the coverage of this release to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release.

Agreement to Arbitrate

You and PayPal agree that any claim or dispute at law or equity that has arisen or may arise between us will be resolved in accordance with the Agreement to Arbitrate provisions set forth below. Please read this information carefully. Among other things it:

- Affects your rights and will impact how claims you and we have against each other are resolved.
- Includes a Prohibition of Class and Representative Actions and Non-Individualized Relief pursuant to which you agree to waive your right to participate in a class action lawsuit against us.
- Requires you to follow the Opt-Out Procedure to opt-out of the Agreement to Arbitrate by mailing us a written notice and the opt-out notice must be postmarked no later than 30 days after the date you accept this user agreement for the first time.

If a dispute arises between you and PayPal, our goal is to learn about and address your concerns and, if we are unable to do so to your satisfaction, to provide you with a neutral and cost effective means of resolving the dispute quickly. Disputes between you and PayPal regarding the PayPal services may be reported to customer service online through the PayPal Help Center at any time, or by calling (888) 221-1161 from Mon-Fri 5:00 AM to 10:00 PM PT and Sat-Sun 6:00 AM to 8:00 PM PT.

Agreement to Arbitrate

Our Agreement

You and PayPal each agree that any and all disputes or claims that have arisen or may arise between you and PayPal, including without limitation federal and state statutory claims, common law claims, and those based in contract, tort, fraud, misrepresentation or any other legal theory, shall be resolved exclusively through final and binding arbitration, rather than in court, except that you may assert claims in small claims court, if your claims qualify and so long as the matter remains in such court and advances only on an individual (non-class, non-representative) basis. This Agreement to Arbitrate is intended to be broadly interpreted. The Federal Arbitration Act governs the interpretation and enforcement of this Agreement to Arbitrate.

Prohibition of Class and Representative Actions and Non-Individualized Relief

You and PayPal agree that each of us may bring claims against the other only on an individual basis and not as a plaintiff or class member in any purported class or representative action or proceeding. Unless both you and PayPal agree otherwise, the arbitrator(s) may not consolidate or join more than one person's or party's claims and may not otherwise preside over any form of a consolidated, representative or class proceeding. Also, the arbitrator(s) may award relief (including monetary, injunctive and declaratory relief) only in favor of the individual party seeking relief and only to the extent necessary to provide relief necessitated by that party's individual claim(s). Any relief awarded cannot affect other PayPal customers.

Arbitration Procedures

Arbitration is more informal than a lawsuit in court. Arbitration uses a neutral arbitrator or arbitrators instead of a judge or jury, and court review of an arbitration award is very limited. However, the arbitrator(s) can award the same damages and relief on an individual basis that a court can award to an individual. The arbitrator(s) also must follow the terms of this user agreement as a court would. All issues are for the arbitrator(s) to decide, except that issues relating to arbitrability, the scope or enforceability of this Agreement to Arbitrate, or the interpretation of the Prohibition of Class and Representative Actions and Non-Individualized Relief section above, shall be for a court of competent jurisdiction to decide.

The arbitration will be conducted by the American Arbitration Association (referred to as the "AAA") under its rules and procedures, including the AAA's Consumer Arbitration Rules (as applicable), as modified by this Agreement to Arbitrate. The AAA's rules are available at www.adr.org. A party who intends to seek arbitration must first send the other party, by certified mail, a completed form Notice of Dispute. You should send this notice to PayPal at: PayPal, Inc., Attn: Litigation Department, Re: Notice of Dispute, 2211 North First Street, San Jose, CA 95131. PayPal will send any notice to you to the address we have on file associated with your PayPal account; it is your responsibility to keep your address up to date. All information called for in the notice must be provided including a description of the nature and basis of the claims the party is asserting and the relief sought.

If you and PayPal are unable to resolve the claims described in the notice within 30 days after the notice is sent, you or PayPal may initiate arbitration proceedings. A form for initiating arbitration proceedings is available on the AAA's website at www.adr.org.

The arbitration shall be held in the county in which you reside or at another

mutually agreed location. If the value of the relief sought is \$10,000 or less, you or PayPal may elect to have the arbitration conducted by telephone or based solely on written submissions, which election shall be binding on you and PayPal subject to the discretion of the arbitrator(s) to require an in-person hearing, if the circumstances warrant. In cases where an in-person hearing is held, you and/or PayPal may attend by telephone, unless the arbitrator(s) require otherwise. Any settlement offer made by you or PayPal shall not be disclosed to the arbitrator(s).

The arbitrator(s) will decide the substance of all claims in accordance with applicable law, including recognized principles of equity, and will honor all claims of privilege recognized by law. The arbitrator(s) shall not be bound by rulings in prior arbitrations involving different PayPal customers, but is/are bound by rulings in prior arbitrations involving the same PayPal customer to the extent required by applicable law. The award of the arbitrator(s) shall be final and binding, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Costs of Arbitration

Payment of all filing, administration, and arbitrator fees will be governed by the AAA's rules, unless otherwise stated in this Agreement to Arbitrate. If the value of the relief sought is \$10,000 or less, at your request, PayPal will pay all filing, administration, and arbitrator fees associated with the arbitration. Any request for payment of fees by PayPal should be submitted by mail to the AAA along with your Demand for Arbitration and PayPal will make arrangements to pay all necessary fees directly to the AAA. If the value of the relief sought is more than \$10,000 and you are able to demonstrate that the costs of accessing arbitration will be prohibitive as compared to the costs of accessing a court for purposes of pursuing litigation on an individual basis, PayPal will pay as much of the filing, administration, and arbitrator fees as the arbitrator(s) deem necessary to prevent the cost of accessing the arbitration from being prohibitive. In the event the arbitrator(s) determine the claim(s) you assert in the arbitration to be frivolous, you agree to reimburse PayPal for all fees associated with the arbitration paid by PayPal on your behalf that you otherwise would be obligated to pay under the AAA's rules.

Severability

With the exception of any of the provisions in the Prohibition of Class and Representative Actions and Non-Individualized Relief section above, if a court decides that any part of this Agreement to Arbitrate is invalid or unenforceable, the other parts of this Agreement to Arbitrate shall still apply. If a court decides that any of the provisions in the Prohibition of Class and Representative Actions and Non-Individualized Relief section above is invalid or unenforceable, then the entirety of this Agreement to Arbitrate shall be null and void, but the remainder of this user agreement will continue to apply.

Opt-Out Procedure

If you are a new PayPal customer, you can choose to reject this Agreement to Arbitrate by mailing us a written opt-out notice. The opt-out notice must be postmarked no later than 30 days after the date you accept this user agreement for the first time. You must mail the opt-out notice to PayPal, Inc., Attn: Litigation Department, 2211 North First Street, San Jose, CA 95131.

For your convenience, we are providing an opt-out notice form you must complete and mail to opt out of this Agreement to Arbitrate. You must complete this form by providing all the information it calls for, including your name, address, phone

number, and the email address(es) used to log in to the PayPal account(s) to which the opt-out applies. You must sign the opt-out notice for it to be effective. This procedure is the only way you can opt out of the agreement to arbitrate. If you opt out of this Agreement to Arbitrate, all other parts of the user agreement will continue to apply. Opting out of this Agreement to Arbitrate has no effect on any previous, other, or future arbitration agreements that you may have with us.

Future Amendments to this Agreement to Arbitrate

Notwithstanding any provision in the user agreement to the contrary, you and we agree that if we make any amendment to this Agreement to Arbitrate (other than an amendment to any notice address or website link provided herein) in the future, that amendment shall not apply to any claim that was filed in a legal proceeding against PayPal prior to the effective date of the amendment. The amendment shall apply to all other disputes or claims governed by this Agreement to Arbitrate that have arisen or may arise between you and PayPal. We will notify you of amendments to this Agreement to Arbitrate by posting the amended terms on www.paypal.com at least 30 days before the effective date of the amendments and by providing notice through email. If you do not agree to these amended terms, you may close your PayPal account within the 30-day period and you will not be bound by the amended terms.

Intellectual Property

PayPal's trademarks

"PayPal.com," "PayPal," and all logos related to the PayPal services are either trademarks or registered trademarks of PayPal or PayPal's licensors. You may not copy, imitate, modify or use them without PayPal's prior written consent. In addition, all page headers, custom graphics, button icons, and scripts are service marks, trademarks, and/or trade dress of PayPal. You may not copy, imitate, modify or use them without our prior written consent. You may use HTML logos provided by PayPal for the purpose of directing web traffic to the PayPal services. You may not alter, modify or change these HTML logos in any way, use them in a manner that is disparaging to PayPal or the PayPal services or display them in any manner that implies PayPal's sponsorship or endorsement. All right, title and interest in and to the PayPal websites, any content thereon, the PayPal services, the technology related to the PayPal services, and any and all technology and any content created or derived from any of the foregoing is the exclusive property of PayPal and its licensors.

License grants, generally

If you are using PayPal software such as an API, developer's toolkit or other software application that you have downloaded, then PayPal grants you a revocable, non-exclusive, non-sublicensable, non-transferable, royalty-free limited license to use PayPal's software in accordance with the documentation accompanying such software. This license grant applies to the software and all updates, upgrades, new versions and replacement software. You may not rent, lease or otherwise transfer your rights in the software to a third party. You must comply with the implementation and use requirements contained in all PayPal documentation accompanying the PayPal services. If you do not comply with PayPal's implementation and use requirements you will be liable for all resulting damages suffered by you, PayPal and third parties. PayPal may update or discontinue any APIs upon notice to you. You agree not to alter, reproduce, adapt, distribute, display, publish, reverse engineer, translate, disassemble, decompile or otherwise attempt to create any source code that is derived from the software. You acknowledge that all rights, title and interest to PayPal's software are owned by PayPal. Any third party software application you use on the PayPal websites is subject to the license you agreed to with the third party that provides you with this software. You acknowledge that PayPal does not own, control nor have any

responsibility or liability for any third party software application you elect to use on the PayPal websites and/or in connection with the PayPal services.

License grant from you to PayPal; intellectual property warranties

PayPal does not claim ownership of the content that you provide, upload, submit or send to PayPal. Nor does PayPal claim ownership of the content you host on third-party websites or applications that use PayPal services to provide payments services related to your content. Subject to the next paragraph, when you provide content to PayPal or post content using PayPal services, you grant PayPal (and parties that we work with) a non-exclusive, irrevocable, royalty-free, transferable, and worldwide license to use your content and associated intellectual property and publicity rights to help us improve, operate and promote our current services and develop new ones. PayPal will not compensate you for any of your content. You acknowledge that PayPal's use of your content will not infringe any intellectual property or publicity rights. Further, you acknowledge and warrant that you own or otherwise control all of the rights of the content you provide, and you agree to waive your moral rights and promise not to assert such rights against PayPal.

License grant from sellers to PayPal

Notwithstanding the provisions of the prior paragraph, if you are a seller using the PayPal services to accept payments for goods and services, you hereby grant PayPal and its affiliates a worldwide, non-exclusive, transferable, sublicensable (through multiple tiers), and royalty-free, fully paid-up, right to use and display publicly, during the term of this user agreement, your trademark(s) (including but not limited to registered and unregistered trademarks, trade names, service marks, logos, domain names and other designations owned, licensed to or used by you) for the purpose of (1) identifying you as a merchant that accepts a PayPal service as a payment form, and (2) any other use to which you specifically consent

Miscellaneous

Assignment

You may not transfer or assign any rights or obligations you have under this user agreement without PayPal's prior written consent. PayPal may transfer or assign this user agreement or any right or obligation under this user agreement at any time.

Business Days

References in this user agreement to "Business Day(s)" mean(s) Monday through Friday, excluding holidays when PayPal's offices are not considered open for business in the U.S. Holidays include New Year's Day (January 1), Martin Luther King, Jr.'s Birthday (the third Monday in January), George Washington's Birthday (the third Monday in February), Memorial Day (the last Monday in May), Independence Day (July 4), Labor Day (the first Monday in September), Columbus Day (the second Monday in October), Veterans Day (November 11), Thanksgiving Day (the fourth Thursday in November) and Christmas Day (December 25). If a holiday falls on a Saturday, PayPal observes the holiday on the prior Friday. If the holiday falls on a Sunday, PayPal observes the holiday on the following Monday.

Consumer fraud warning

We're always looking for ways to help keep you even more secure. So stay on the lookout for some of these common scams:

- **Spoofing:** a scammer sends forged or faked electronic documents or emails falsely claiming to be PayPal or coming from PayPal but asks you to send money outside your PayPal account.
- **Relative in Need:** a scammer impersonates a family member (commonly grandchildren) and claims there is an emergency requiring you to send money.
- **Lottery or Prize:** a scammer informs you that you've won a lottery or prize and must send money in order to claim it.
- **Debt Collection:** a scammer impersonates a debt collector and induces you to send money using threats or intimidation.
- **Employment Related:** a scammer instructs you to send money in connection with a fraudulent offer of employment.

Always use common sense when sending money. If something sounds too good to be true, it probably is. Only send money for yourself and not for others. Remember that if you don't send the payment through your PayPal account, you're not covered by PayPal Purchase Protection. Please let us know immediately if you believe someone is trying to scam or defraud you by contacting us at 1-888-221-1161, or 1-402-935-2050 if calling outside the U.S.

Escheatment of dormant accounts

If you do not log in to your PayPal account for two or more years, PayPal may close your PayPal account and send the PayPal balance to your primary address or, if required, escheat (send) your PayPal balance to your state of residency. PayPal will determine your state of residency based on the state listed in the primary address for your PayPal account. If your address is unknown or registered in a foreign country, your PayPal balance will be escheated to the State of Delaware. Where required, PayPal will send you a notice prior to escheating any funds in your PayPal account. If you fail to respond to this notice, your PayPal balance will be escheated to the applicable state. If you would like to claim any escheated PayPal balance from the applicable state, please contact the applicable state's unclaimed property administrator.

Governing law

You agree that, except to the extent inconsistent with or preempted by federal law and except as otherwise stated in this user agreement, the laws of the State of Delaware, without regard to principles of conflict of laws, will govern this user agreement and any claim or dispute that has arisen or may arise between you and PayPal.

Identity authentication

You authorize PayPal, directly or through third parties, to make any inquiries we consider necessary to validate your identity. This may include asking you for further information, requiring you to provide your date of birth, a taxpayer identification number and other information that will allow us to reasonably identify you, requiring you to take steps to confirm ownership of your email address or financial instruments, ordering a credit report from a credit reporting agency, or verifying your information against third party databases or through other sources. We may also ask to see your driver's license or other identifying documents at any time. If you use certain PayPal services, federal law requires that PayPal verify some of your information. PayPal reserves the right to close, suspend, or limit access to your PayPal account and/or the PayPal services in the event we are unable to obtain or verify this information.

PayPal is only a payment service provider

Our relationship with you under this user agreement is as a payment service provider, and PayPal is an independent contractor for all purposes. PayPal is not your agent or trustee.

Privacy

Protecting your privacy is very important to us. Please review our Privacy Policy in order to better understand our commitment to maintaining your privacy, as well as our use and disclosure of your information.

State disclosures

In addition to reporting complaints against PayPal directly to PayPal as described above, if you are a California resident, you may report complaints to the California Department of Business Oversight by mail at Department of Business Oversight, Attn: Consumer Services, 1515 K Street, Suite 200, Sacramento, CA 95814 or online through its website at http://www.dbo.ca.gov/Consumers/consumer_services.asp. The California Department of Business Oversight offers assistance with its complaint form by phone at 866-275-2677. If you are a California resident, you have a right to receive communications about your PayPal account and the PayPal services by email. To make such a request, send a letter to PayPal to: PayPal, Inc., Attention: Legal Department, 2211 North First Street, San Jose, California 95131), include your email address, and your request for that information by email.

Florida residents may contact the Florida Department of Financial Services in writing at 200 East Gaines Street, Tallahassee, Florida, 32399, or by telephone at 1-800-342-2762.

Translation of agreement

Any translation of this user agreement is provided solely for your convenience and is not intended to modify the terms of this user agreement. In the event of a conflict between the English version of this user agreement and a version in a language other than English, the English version shall control.

Unlawful internet gambling notice

Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through your PayPal account or your relationship with PayPal. Restricted transactions generally include, but are not limited to, transactions in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with unlawful Internet gambling.

Your use of information

If you receive information about another PayPal customer, you must keep the information confidential and only use it in connection with the PayPal services. You may not disclose or distribute any information about PayPal users to a third party or use the information for marketing purposes unless you receive that user's express consent to do so. You may not send unsolicited emails to a PayPal customer or use the PayPal services to collect payments for sending, or assist in sending, unsolicited emails to third parties.

Exhibit A
Fees for sending money to friends and family.

We'll always post the current fees for sending money to friends and family on this page, and we will disclose the fees to you in advance each time you initiate a transaction to send money to a friend or family member. These fees may change from time to time, and most changes to these fees will be deemed effective at the time and date of posting. If these fees ever increase, we will provide you 30 days advance notice on our [Policy Updates](#) page.

Last updated: August 15, 2016 5:00PM PT

Sending to the U.S. and Canada.

If you are a U.S. PayPal account holder sending money to a friend or family member with a PayPal account in the United States or Canada:

And your payment method for the transaction is:	then you pay:
Exclusively a PayPal balance or bank account linked to your PayPal account.	Fee is waived.
Other, including a partially or fully funded payment by a credit card, debit card or PayPal Credit.	a fee of 2.9% of the transaction amount plus a fixed fee (from the table below) based on the currency of the transaction.

Sending to other countries.

If you are a U.S. PayPal account holder sending money to a friend or family member with a PayPal account in a country other than the United States or Canada:

And your payment method for the transaction is:	and your friend or family member has a PayPal account in:	then you pay:
Exclusively a PayPal balance or bank account linked to your PayPal account.	Australia or Poland	a fee of 1.0% of the transaction amount.
	Germany	a fee of 2.0% of the transaction amount.
	Japan	a fee of 0.3% of the transaction amount.
	Mexico	a fee of 0.5% of the transaction amount.*
	any other country	a fee of 0.5% of the transaction amount.
Other, including a partially or fully funded payment by a	Australia	a fee of 3.4% of the transaction amount plus a fixed fee (from the

credit card, debit card or PayPal Credit.	Mexico	table below) based on the currency. a fee of 3.9% of the transaction amount plus a fixed fee (from the table below) based on the currency.*
	any other country	a fee of 3.9% of the transaction amount plus a fixed fee (from the table below) based on the currency.

*If you are sending money to a friend or family member in Mexico, the above fees, including the percentage and fixed fees, shall be subject to the value-added tax pursuant to applicable tax laws.

Fixed fees applicable to sending money.

Currency	Fee	Currency	Fee
Australian Dollar:	0.30 AUD	New Zealand Dollar:	0.45 NZD
Brazilian Real:	0.60 BRL	Norwegian Krone:	2.80 NOK
Canadian Dollar:	0.30 CAD	Philippine Peso:	15.00 PHP
Czech Koruna:	10.00 CZK	Polish Zlotych:	1.35 PLN
Danish Krone:	2.60 DKK	Russian Ruble:	10 RUB
Euro (recipient is in France):	0.25 EUR	Singapore Dollar:	0.50 SGD
Euro (recipient is outside of France):	0.35 EUR	Swedish Krona:	3.25 SEK
Hong Kong Dollar:	2.35 HKD	Swiss Franc:	0.55 CHF
Hungarian Forint:	90 HUF	Taiwan New Dollar:	10.00 TWD
Israeli Shekel:	1.20 ILS	Thai Baht:	11.00 THB
Japanese Yen:	40 JPY	U.K. Pounds Sterling:	0.20 GBP
Malaysian Ringgit:	2.00 MYR	U.S. Dollar:	0.30 USD
Mexican Peso:	4.00 MXN		

Note: Generally, the sender pays the fees listed above, except that U.S. recipients from Chinese senders paying from the Classic Send Money experience may be required to pay the fee. If you send money to a friend or family member from a third party (non-PayPal) website or by using a third party's product or service, then the third party will determine if the sender or recipient pays the fee. This will be disclosed to you by the third party before the payment is initiated.