

PRESIDENT
Dr. James L. Discipio

VILLAGE MANAGER
Julia A. Cedillo

VILLAGE CLERK
Amanda G. Seidel



TRUSTEES
Scott F. Mesick
Patricia B. Rocco
Michael L. Sheehan
James P. Kucera
Jamie M. Zaura
Robert T. Lautner

VILLAGE BOARD MEETING

Tuesday, January 26, 2016 – 7:30 P.M.

AGENDA

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Public Participation (Agenda Related Items Only)**
5. **Consent Agenda (Roll Call Vote)**

No discussion. Trustees wishing to discuss any of the items below MUST request that item be removed from the Consent Agenda prior to motion to approve.

A. Approval of Minutes

- i. Village Board Meeting – November 24, 2015
- ii. Village Board Meeting – December 8, 2015
- iii. Work Session Meeting – January 12, 2016
- iv. Work Session Executive Session – January 12, 2016

B. Action – Adoption of Model Franchise Ordinance (Natural Gas Franchise) – *Motion: Adopt an Ordinance Authorizing and granting a Franchise to Northern Illinois Gas Company (d/b/a Nicor Gas Company) its Successors and Assigns, to Construct, Operate and Maintain a Natural Gas Distributing System in and through the Village of La Grange Park, Illinois (Natural Gas Franchise Ordinance).*

C. Action – 2015/16 Salt Purchase Contract – Open Purchase Order – *Motion:*

- i. *Approving an Open Purchase Order with Central Salt LLC, not to exceed a total amount of \$80,013.*
- ii. *Authorizing the use of \$5,013 from Fund Balance, should it be necessary to purchase the full 1,000 tons.*

D. Action – Approved Village Banks – *Motion: To approve an Ordinance Designating Village Depository and Financial Institutions and Authorized Signers*

E. Action – *Motion to Authorize the President and Chairperson of the Finance Committee to sign the register for bills, and authorize the Treasurer and Village Clerk to sign checks in payment of operating bills and salaries as itemized in the Check Registers*

F. Action – *Motion to Authorize the Village Treasurer and Village Clerk to sign checks in the payment of payroll and other bills that become due between this date and February 23, 2016 with subsequent approval of the Payroll Register and Voucher Register by the Board of Trustees at its regular meeting to be held on February 23, 2016.*

VILLAGE BOARD MEETING
Tuesday, January 26, 2016 – 7:30 p.m.

AGENDA (continued – Page 2)

- 6. Village Manager's Report**
- 7. Administration Committee – Robert Lautner, Chairman**
 - A. Monthly Report
- 8. Building & Zoning Committee – Jamie Zaura, Chairwoman**
 - A. Monthly Report
 - i. November
 - ii. December
- 9. Engineering & Capital Projects Committee – James Kucera, Chairman**
 - A. Monthly Reports
 - i. November
 - ii. December
- 10. Public Safety Committee Items– Scott Mesick, Chairman**
 - A. Monthly Reports
 - i. Police Department
 - ii. Fire Department
 - November
 - December
- 11. Public Works Committee – Michael Sheehan, Chairman**
 - A. Monthly Report
 - i. November
 - ii. December
- 12. Finance Committee Items– Patricia Rocco, Chairwoman**
 - A. Monthly Report
- 11. Other Reports**
 - A. Village Clerk
 - B. Village Treasurer
 - C. Village Engineer
 - D. Village Attorney
 - E. Committee and Collectors Report

Action – Motion to Approve Committee and Collectors Report as Presented

VILLAGE BOARD MEETING
Tuesday, January 26, 2016 – 7:30 p.m.

AGENDA (continued – Page 3)

- 12. Village President**
- 13. Public Participation (Non-Agenda Related Items *Only*)**
- 14. New Business**
- 15. Adjourn**

Items of Interest

Work Session Meeting: February 9, 2016

Village Board Meeting: February 23, 2016



Rules for Public Comment

Village Board Work Session Meetings Village Board Meetings

1. Please step up to the microphone before speaking, and announce your name and address before beginning your comments.
2. After announcing your name and address for the record, you will be allowed to speak for three (3) minutes.
3. You may not use profane or obscene language and you may not threaten any person with bodily harm, or engage in conduct which amounts to a threat of physical harm.
4. (a) Agenda-related comments: The Village President reserves the right to disallow comments that are repetitive of comments previously made during the meeting, or comments that do not relate to agenda items.

(b) Non-agenda-related comments: The Village President reserves the right to disallow comments that are repetitive of comments previously made during the meeting, or comments that do not relate to Village business, Village services or Village governance.
5. The Village of La Grange Park complies with the Americans with Disabilities Act of 1990. If you require accommodations in order to observe or participate in the meeting, please contact Ms. Deanne Curelo at (708) 354-0225 between 9:00 and 5:00 before the meeting so that the Village can make reasonable accommodations for you.

Consent Agenda Items Divider

Village Board Agenda Memo

Date: January 6, 2016
To: Village President and Board of Trustees
From: Martin J. Bourke, Interim Assistant Village Manager
C: Julia Cedillo, Village Manager *JCE*
RE: **Adoption of Model Franchise Ordinance (Natural Gas Franchise)**

PURPOSE

The Northern Illinois Municipal Natural Gas Franchise Consortium (the "Consortium") has been successful in negotiating a model natural gas franchise ordinance/agreement (the "model agreement") with Northern Illinois Gas Company ("NICOR"), which is now ready for presentation to all Consortium members for consideration and approval.

GENERAL BACKGROUND

1958 Franchise Agreement

In November of 1958, the Village approved a fifty (50) year franchise agreement with Northern Illinois Gas Company, which expired in November of 2008, with no replacement at that time. The purpose of a utility franchise agreement is to recognize the municipal ownership of the public rights-of-way that will be utilized by public utilities in servicing their customers. While the public utility companies are regulated by the State of Illinois, most of the rights-of-way that will be utilized by the utility companies are owned by municipalities. In exchange for the use of the rights-of-way, utility companies have supplied their commodities to certain municipal facilities free of charge or at a certain rate based upon municipal population. In NICOR's case, a certain amount of "free therms" were provided to non-proprietary municipal facilities at a certain rate based on population.

Prior to the expiration of the Village's franchise, NICOR approached the Village with its new model agreement (attached) which consisted of a four (4) page double spaced document, essentially restating the provisions of the 1958 franchise agreement, with a term of another 50 years. As with most municipalities who received the proposed renewal model, La Grange Park officials were concerned with the lack of modern provisions, and were apprehensive in entering into another 50 year agreement where there was no increase in the municipal compensation formula. Village records demonstrate that the Village began negotiations with NICOR in late 2007 and into 2008, without very much success, primarily due to NICOR's unwillingness to negotiate off of any document but its own model.

Consortium Emerges

As La Grange Park and other municipalities began to express the same concerns with the negotiating process, and as more franchise agreements were expiring, members of the WCMC, together with members of other northeastern Illinois COG's, formed an ad hoc steering committee charged with exploring options for joint negotiations with NICOR. The work of the steering committee resulted in the formation of the Consortium, an intergovernmental agency with membership that included many municipalities with NICOR franchises. La Grange Park joined the consortium in late 2009, and immediately assumed a leadership role in its operations.

Fast forwarding years after the Consortium was formed, and even with the determination of multiple municipalities working together for a common benefit, the negotiations with NICOR were slow and challenging. Negotiations broke down multiple times, and assistance was requested by the municipalities to the Illinois Commerce Commission and certain State Legislative Officials, including Senator Pam Althoff, the head of the municipal caucus in the General Assembly at that time. It was through the constant intercession of Senator Althoff and others that NICOR was brought back to the table. During this same period, NICOR transitioned through three (3) corporate presidents and a merger/buy out of its operations by an Atlanta based utility conglomerate.

Model Ordinance / Agreement Presented

After many years of negotiations, the Consortium announced in December that a model agreement had been approved by the Steering Committee and was subsequently presented to the entire Consortium membership. After the full Consortium meeting, it was decided to present the model agreement to the individual members for legislative approval and execution by the municipal chief executives.

The attached Memorandum from the Consortium Attorney provides a very thorough and informative review of the agreed model. Due to the comprehensive nature of its content, only a few major points are highlighted below:

- By working together as the Consortium, the member municipalities have been able to negotiate a new, standard franchise document that is clear, comprehensive, and protective of the interests of both the municipalities and the gas company;
- The new franchise is for a term of 25 years, not 50. Too much can happen in life for a 50 year agreement;
- Whether a municipality chooses to continue to receive "free therms" or a cash equivalent, the rate will be increased by twenty percent (20%) over the current rate, with an ability to switch every three (3) years if the municipality chooses to do so;
- Each municipality will receive a cash "signing bonus", to provide an incentive to approve the model agreement, equal to seventy-five percent (75%) of the municipality's yearly therm allocation multiplied by approximately \$0.54 per therm. (Even though a share of

the consortium's legal fees were absorbed by La Grange Park, the signing bonus is more than triple the Village's total legal fees.)

- The model agreement also contains municipal protections and beneficial provisions concerning municipal regulations, emergency response, a "most favored nations clause", data provision, insurance and indemnification, capital plan sharing and a formal annual meeting with NICOR to discuss critical utility related concerns in La Grange Park.

MOTION/ACTION REQUESTED

This item is for discussion at the Work Session and action at the January 26th Village Board Meeting.

Motion to adopt An Ordinance Authorizing and Granting a Franchise to Northern Illinois Gas Company (d/b/a Nicor Gas Company) its Successors and Assigns, to Construct, Operate and Maintain a Natural Gas Distributing System In and Through the Village of La Grange Park, Illinois (Natural Gas Franchise Ordinance).

RECOMMENDATION

As the Chairman of the Consortium and head of its Negotiating Committee for most of the years that the Consortium has been operating, I (Interim Assistant Village Manager Bourke) can unequivocally state that almost none of these items presented would have been obtainable by a single municipality negotiating with NICOR, and none of them have been agreed to by NICOR without very challenging negotiations. As a result of all the Consortium's efforts, this is a very good agreement for La Grange Park and its municipal partners.

DOCUMENTATION

- Memorandum entitled "Executive Summary – Model Franchise Ordinance" from Peter Friedman, Holland & Knight, Consortium Counsel, dated December 30, 2015
- A draft Ordinance Authorizing and Granting a Franchise to Northern Illinois Gas Company (d/b/a Nicor Gas Company) its Successors and Assigns, to Construct, Operate and Maintain a Natural Gas Distributing System In and Through the Village of La Grange Park, Illinois (Natural Gas Franchise Ordinance)
- NICOR's proposed model franchise agreement, circa 2007

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MEMORANDUM

Date: December 30, 2015
To: Northern Illinois Municipal Natural Gas Franchise Consortium Members
From: Peter M. Friedman, Consortium Counsel
Re: Executive Summary -- Model Franchise Ordinance

On December 14, 2015, the Steering Committee of the Northern Illinois Municipal Natural Gas Franchise Consortium ("**Consortium**") unanimously approved a new model Natural Gas Franchise Ordinance ("**Model Ordinance**"). The Model Ordinance was negotiated on behalf of the Consortium with the Northern Illinois Gas Company (d/b/a Nicor Gas Company) ("**Nicor**").

This memorandum provides (i) important information regarding the required timing and approval of the Model Ordinance by Consortium members and (ii) a summary of the key financial and operational provisions of the Model Ordinance.

If you have any questions about any of these matters, please contact Mark Baloga (630-571-0480, ext. 223 or mbaloga@dmmc-cog.org) or Kate Buggy (630-571-0480, ext. 225 or kbuggy@dmmc-cog.org).

Adoption

- For each Model Ordinance to take effect, the Ordinance must be adopted by the Consortium member and Nicor must sign a Consent Agreement that is attached to the Ordinance as Exhibit A. As described further below, the important compensation provisions of the Model Ordinance are triggered by the Ordinance taking effect. Further, it is important for Nicor to see that the Model Ordinance is being adopted by the Consortium members. Accordingly, the Steering Committee requests that Consortium members adopt the Model Ordinance in January 2016.
- Each Consortium member has been provided a word version of the Model Ordinance, tailored to the extent possible for each specific member.
- One addition that will have to be made by each member prior to adoption is to insert in Section 12 of the Ordinance the appropriate contact information for purposes of notices under the Ordinance.
- Each Consortium member must adopt the Model Ordinance pursuant to the member's standard procedures for adoption of ordinances.

- After the Ordinance is adopted, the certification (the second to last page of the document) should be completed and fully executed.
- As soon as the Model Ordinance has been adopted and certified, each Consortium member should notify and provide a copy of the adopted Ordinance to their respective Nicor representative.
- Also, please email Kate Buggy at kbuggy@dmmmc-coq.org to confirm adoption of the Ordinance.

Background

- Most gas franchises either have expired recently or are expiring soon.
- Almost all of these franchises are very old, with writing styles often unclear, incomplete, and difficult to understand.
- These franchises include only basic, and now outdated, provisions. They do not adequately address many of the issues that arise with modern utility facilities located in crowded public rights-of-way.
- These franchises do not adequately protect the public health and safety. Nor do they adequately protect the public rights-of-way.

Key Points Regarding Model Ordinance

- A municipality's rights-of-way are among its most important resources and most valuable assets. The Model Ordinance includes new provisions designed to protect the municipality's rights-of-way, including requirements on construction, restoration, and maintenance.
- One of a municipality's foremost responsibilities is to protect the public's safety and welfare. The Model Ordinance includes new provisions designed to better protect the public health and safety, including emergency notice and response standards.
- The compensation provisions in the Model Ordinance better reflect the value of the municipality's right-of-way. The municipality may choose among free gas for municipal facilities or annual cash payments.
- The Model Ordinance includes modern provisions relating to annual meetings with Nicor, capital improvement plans, information sharing, triggers for future amendments based on Model Ordinance terms subsequently agreed to by Nicor.
- By working together as the Consortium, the member municipalities have been able to negotiate with Nicor a new, standard franchise document that is clear, comprehensive, and protective of the interests of both the municipalities and the gas companies.

Summary of Key Provisions of Model Ordinance

- **Term (Section 3).** The new franchise is for a term of 25 years (until January 1, 2041).
- **Effective Date and Consent Agreement (Section 15).** The effective date of the Model Ordinance will be as of January 1, 2016, even though the Ordinance will not be adopted

until after that date. The Ordinance must be adopted no later than March 1, 2016. However, as explained above, the Steering Committee urges each member to adopt the Ordinance in January 2016.

Within 90 days of the Effective Date (March 31, 2016), Nicor is required to execute the Consent Agreement attached to the Model Ordinance as Exhibit A. The purpose of this Consent Agreement is to ensure that Nicor is contractually bound to comply with the Model Ordinance.

- **Compensation for Use of Rights-of-Way (Section 5).** There are two options for compensation for Nicor's use of the public rights-of-way under the Model Ordinance.

The first option ("**Annual Payments**") is an annual lump sum payment that Nicor will make in cash to the municipality. The amount of the Annual Payment is based on the following formula -- generally described as the municipality's "**therm allocation**" times the "**gas cost per therm.**" A municipality's therm allocation is determined by the following parameters:

- 3.6 therms per person up to 10,000 of population
- 2.4 therms per person for the next 10,000 of population
- 1.2 therms per person for the next 80,000 of population
- 1.45 therms per person for the next 20,000 of population
- 1.8 therms per person for the population over 120,000

The gas cost per therm is the sum of (i) the actual three year average of the per therm cost of gas plus (ii) the then-current general gas service cost. Each member has been provided with the Annual Payment calculations based on the current population and gas cost per therm.

The second compensation option ("**Unbilled Gas**") is for the municipality to receive free gas for buildings, or parts thereof, used for municipal purposes. The maximum amount of free gas to be provided cannot exceed the municipality's therm allocation. Upon request, Nicor representatives will provide each municipality with historical usage information to assist in determining which compensation option is best.

Significantly, no later than March 1, 2016, each municipality must notify Nicor in writing whether it wants to receive Annual Payments or Unbilled Gas. If a municipality does not provide this required notice, it will receive Annual Payments. Thereafter, a municipality can change from Annual Payments to Unbilled Gas, or vice versa, every three years with notice to Nicor. If no notice of a change is provided to Nicor, the compensation option will remain unchanged for the subsequent three year period.

Annual Payments will be paid by Nicor during January of each year during the Term of the franchise, except for 2016 when the Annual Payments will be paid in March.

- **One-Time Renewal Payment (Section 5A1).** Each Consortium member adopting the Model Ordinance will receive a one-time cash renewal payment equal to 75 percent of the municipality's therm allocation multiplied by the gas cost per therm. These one-time renewal payments will be made by Nicor on or before March 31, 2016.

- **Municipal Regulations (Section 4B, 4C).** The Model Ordinance requires Nicor to utilize the public right-of-way in compliance with the Model Ordinance and with “Requirements of Law” – a term defined in the Model Ordinance (Section 1) as “any and all reasonable regulations which may now or hereafter be prescribed by general ordinance of the Municipality with respect to the use of the Public Right-of-Way or the conduct of Gas System Work”). This means that the Model Ordinance requires Nicor to comply with local, generally applicable right-of-way, building, and tree regulations.
- **Emergency Response (Section 4D).** The Model Ordinance requires Nicor to provide notice of emergencies to the municipality within 24 hours unless that is somehow not practicable. Nicor and the municipality will provide to each other emergency 24-hour contacts. Nicor is required to keep the municipality apprised of the status of the emergency and when the emergency has been resolved.
- **“Most Favored Nations” Clause (Section 7).** If Nicor enters into an agreement with another franchisor that includes compensation terms the municipality believes are more advantageous or protective than the provisions of the Model Ordinance, then the municipality can choose to incorporate those provisions into Model Ordinance.
- **Accounts and Records (Section 6).** The Model Ordinance requires Nicor to provide the municipality, upon request, with annual information on Nicor’s gross operating revenues within the municipality, broken down among various categories of users.
- **Insurance (Section 9).** The Model Ordinance requires Nicor to obtain and maintain various types of standard insurance against liabilities assumed under the Model Ordinance in the event that Nicor’s financial condition would significantly worsen to the extent that its stockholder equity falls below \$50 million.
- **Annual Meeting (Section 13).** The Model Ordinance requires Nicor to participate in an annual meeting upon the request of the municipality. The matters to be addressed at annual meetings include gas system work, current issues regarding Nicor’s use of the public right-of-way, efforts to promote energy efficiency and cost savings related to the use of gas supplied by Nicor, and anticipated capital improvement projects and coordination with the municipality related to those projects. Nicor and municipal representatives at annual meetings must have knowledge, experience, and authority to address and resolve issues discussed at the meeting. The Model Ordinance obligates the parties to work in good faith to resolve issues raised at the annual meetings.
- **Capital Improvement Plans and Information Sharing (Section 4E2).** The Model Ordinance requires Nicor to establish and maintain (and provide the municipality with access to) an information sharing platform for, among other things, capital improvement plans, gas system work, gas facility location information and maps, and work and maintenance status information.
- **Indemnification (Section 8).** The Model Ordinance contains mutual indemnification provisions. With regard to Nicor, these provisions require the gas company to protect the municipality against claims arising out of the gas company’s failure to comply with the Model Ordinance or any negligent, unlawful, or intentional wrongful acts related to work in and use of the public right-of-way.

ORDINANCE NO. 1019

AN ORDINANCE AUTHORIZING AND GRANTING A FRANCHISE TO NORTHERN ILLINOIS GAS COMPANY (d/b/a NICOR GAS COMPANY) ITS SUCCESSORS AND ASSIGNS, TO CONSTRUCT, OPERATE AND MAINTAIN A NATURAL GAS DISTRIBUTING SYSTEM IN AND THROUGH THE VILLAGE OF LA GRANGE PARK, ILLINOIS (NATURAL GAS FRANCHISE ORDINANCE)

WHEREAS, Northern Illinois Gas Company (d/b/a Nicor Gas Company), an Illinois corporation ("**NICOR GAS**") and the Village of La Grange Park (the "**Municipality**") entered into franchise agreement effective November 25, 1958 that generally authorized NICOR GAS to construct, operate, and maintain a gas distribution system within the Municipality, and NICOR GAS provided the Municipality a letter dated October 22, 1976 that specifies the compensation to be paid to the Municipality by NICOR GAS in connection with such franchise agreement (such franchise agreement and letter are referred to collectively herein as the "**Previous Agreement**"); and

WHEREAS, NICOR GAS, along with its successors and permitted assigns (collectively, "**Grantee**"), and the Municipality desire to have this Ordinance adopted and to have it represent a new agreement between the Grantee and the Municipality to supersede the Previous Agreement ("**Franchise**"); and

WHEREAS, the Municipality has determined that it is in the best interests of the Municipality and its residents to adopt this Ordinance establishing a new Franchise with the Grantee;

WHEREAS, the Grantee has approved this Ordinance and authorized execution by its duly authorized representatives of the Consent Agreement provided pursuant to Section 15 of this Ordinance.

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

SECTION 1. DEFINITIONS.

The following terms have the meaning ascribed to them in this Section:

Annual Meeting. The meeting provided under Subsection 13.A. of this Ordinance.

Assignee. The entity that accepts an assignment under this Ordinance from the Grantee with the authorization of the Municipality, as provided in Subsection 13.B of this Ordinance.

Corporate Authorities. The corporate authorities of the Municipality.

Effective Date. The effective date of this Ordinance, being January 1, 2016.

Emergency. An event involving the Gas System that (i) poses an imminent threat to the public health or safety within the Municipality or (ii) is likely to result in a prolonged and unplanned interruption of gas service to a significant number of customers within the Municipality.

Gas. Natural gas or manufactured gas, or a mixture of gases, that is distributed to the Grantee's customers in the Municipality through the Gas System.

Gas System. The Grantee's system of pipes, tubes, mains, conductors, and other devices, apparatus, appliances, and equipment for the production, distribution, and sale of gas for fuel, heating, power, processing, and other purposes within and outside the corporate limits of the Municipality.

Gas System Work. Any construction, operation, maintenance, repair, removal or replacement of the Gas System conducted by the Grantee within the Public Right-of-Way or conducted by the Grantee immediately adjacent to the Public Right-of-Way if such activity physically disturbs the Public Right-of-Way.

ICC. The Illinois Commerce Commission.

Public Right-of-Way. The Municipality's streets, alleys, sidewalks, parkways, easements, and other property of the Municipality used as right-of-way.

Requirements of Law. Any and all reasonable regulations which may now or hereafter be prescribed by general ordinance of the Municipality with respect to the use of the Public Right-of-Way or the conduct of Gas System Work.

Term. The term of the Franchise under Section 3 of this Ordinance.

SECTION 2. GRANT OF FRANCHISE.

The Municipality grants the right, permission and authority to the Grantee to construct, operate, maintain, repair, remove, and replace its Gas System within the corporate limits of the Municipality, subject to the conditions and regulations of this Ordinance. The right, permission and authority granted by the Municipality to the Grantee by this Franchise may not be exclusive to the Grantee, provided that any other such rights or authority granted by the Municipality may not interfere with the right, permission and authority granted to the Grantee pursuant to this Ordinance.

SECTION 3. TERM.

The Franchise authorized and granted pursuant to this Ordinance shall be for a term of 25 years, commencing on the Effective Date, and expiring on January 1, 2041 ("**Term**").

SECTION 4. USE OF PUBLIC RIGHT-OF-WAY.

The Grantee shall be authorized to use the Public Right-of-Way for the Gas System and Gas System Work subject to the provisions of this Ordinance, including without limitation the following provisions:

A. General Coordination, Location And Repair. Those portions of the Gas System in the Public Right-of-Way shall be installed and maintained under the general supervision of the Director of Public Works of the Municipality, or other duly authorized agent of the Municipality. The portions of the Gas System within the Public Right-of-Way shall be located as not to injure any drains, sewers, catch basins, water pipes, pavements or other like public improvements. If any drain, sewer, catch basin, water pipe, pavement or other like public improvement is injured by the location of the portions of the Gas System within the Public Right-of-Way, the Grantee shall forthwith repair the damage to the satisfaction of the Municipality and in default thereof the Municipality may repair such damage and charge the cost thereof to, and collect the same from, the Grantee.

B. Compliance with Requirements of Law. The Grantee shall be subject to the specific standards provided in this Ordinance for work in the Public Right-of-Way and with all other Requirements of Law.

C. Conduct of Gas System Work; Restoration. The Grantee will conduct Gas System Work in accordance with the Requirements of Law. The Grantee will undertake to minimize the disturbance or obstruction of the Public Right-of-Way caused by Gas System Work, including, without limitation, having Gas System Work, once started, undertaken and completed without unreasonable delay. The Grantee will promptly restore Public Right-of-Way, as well as any fences, roads, pavements and other improvements in the Public Right-of-Way, disturbed by Gas System Work as nearly as reasonably practicable to its condition immediately before the Gas System Work.

D. Emergencies. In the case of an Emergency, the Grantee will notify the Municipality by the most practical, timely, and available means under the circumstances of the Emergency and the conditions that are affecting the Gas System and its customers. Notwithstanding Section 10, the notice will be no more than twenty-four (24) hours after the Grantee learns of the Emergency, except if notice within 24 hours is not practicable under the circumstances of the Emergency, in which case the Grantee will provide the notice required under this Subsection as soon as is practicable under the circumstances. Each Party will provide the other Party with an Emergency contacts list, including 24-hour contact information for at least two representatives. The Grantee will keep the Municipality apprised of the status of the Emergency to the extent reasonably practicable and will advise the Municipality when the Emergency has been resolved.

E. Coordination Regarding Capital Improvements; System Information. The Grantee and the Municipality believe that it is in their mutual interests to be informed of their respective capital improvement programs, so that whenever practicable those programs can be undertaken to minimize the cost of construction and public inconvenience. To that end, the following provisions apply:

1. **Meeting.** At Annual Meetings (see Subsection 13.A of this Ordinance), representatives of the Grantee and the Municipality will be prepared to discuss significant known Gas System Work and Municipal projects that could impact the Gas System and that will or may be undertaken within the Municipality.

2. **Capital Improvement Plans and General System Information.** The Grantee will establish and maintain an information medium ("***Information Sharing System***"), at no cost to the Municipality, that will provide the Municipality access, on reasonable terms, to information identifying (a) anticipated Gas System Work, (b) Grantee's planned capital

improvement plans and major maintenance work related to the Gas System within the Municipality, (c) maps or other documents showing the locations of gas distribution mains in or under Public Right-of-Way within the Municipality; and (d) the status of ongoing Gas System Work and capital improvement plans and major maintenance work related to the Gas System within the Municipality (collectively, "**General System Information**"). The Grantee reserves the right to modify or replace the Information Sharing System from time to time at its discretion. Absent gross negligence or intentional misconduct by the Grantee, the Grantee shall have no monetary liability to the Municipality due to defects in the design or performance of the Information Sharing System or errors or omissions in the information disclosed through the Information Sharing System; provided, however, that this sentence does not change the Grantee's obligation under Paragraph 1 of this Subsection and Subsection 13.A of this Ordinance with respect to General System Information. As part of the Annual Meeting, the Parties may discuss the performance of the Information Sharing System and any adjustments and refinements to the Information Sharing System and, if requested by the Municipality, the Grantee will provide information regarding any updates or other operational changes or improvements to the Information Sharing System.

SECTION 5. CONSIDERATION FOR USE OF PUBLIC RIGHT-OF-WAY.

A. Payments; Provision of Gas. The Grantee shall make the Renewal Payment provided in Paragraph 1 of this Subsection and, commencing with calendar year 2016, either (but never both) (i) make the Annual Payments as provided and calculated in Paragraph 2 of this Subsection, or (ii) provide for Unbilled Gas as provided and calculated in Paragraphs 3 of this Subsection. The Municipality shall notify the Grantee in writing within sixty (60) days after the Effective Date whether it has chosen to receive Annual Payments or Unbilled Gas. In the event the Municipality has not notified the Grantee in writing within 60 days after the Effective Date, the Municipality shall be deemed to have chosen to receive Annual Payments as provided and calculated in Paragraph 2 of this Subsection. Upon written notice to Grantee given on or before June 30 of the calendar year preceding the date of change, the Municipality may change the method of compensation from Annual Payments to Unbilled Gas, or vice versa, effective as of January 1 of any or all of the third (3rd), sixth (6th), ninth (9th), twelfth (12th), fifteenth (15th), eighteenth (18th), twenty-first (21st), or twenty-fourth (24th) calendar year following the Effective Date. In the event the Municipality has not so notified the Grantee of a change in the method of compensation by the applicable June 30, the method of compensation then in effect shall continue and may not be changed by the Municipality during the ensuing three (3) calendar year period.

1. **Renewal Payment.** Within ninety (90) days after the Effective Date, the Grantee will pay the Municipality, solely as consideration for renewal of the franchise granted under the Previous Agreement, a one-time franchise renewal payment ("**Renewal Payment**") of \$19,004, being equal to seventy-five percent (75%) of the value of (a) the "**Therm Allocation**" (as calculated under Paragraph 4 of this Subsection) as of the Effective Date multiplied by (b) the "**Gas Cost per Therm**" (as calculated under Paragraph 2 of this Subsection).

2. **Annual Payment.** In January of each year except 2016 and in March of 2016, the Grantee will pay the Municipality an annual payment ("**Annual Payment**") if the Municipality has chosen or has been deemed to have chosen to receive Annual Payments rather than Unbilled Gas for such calendar year. The amount of each Annual Payment will be calculated by the Grantee by multiplying (a) the "**Therm Allocation**" (as calculated under Paragraph 4 of this Subsection) times (b) the applicable Gas Cost per Therm. As used herein, the term "**Gas Cost per Therm**" means, with respect to a calendar year, the sum of (i) the

average per therm gas cost for the preceding three calendar years, based on the Grantee's prudently incurred purchased gas cost and (ii) the per therm rate for general gas service under the Grantee's rate structure in effect as of the last day of the preceding calendar year.

3. **Unbilled Gas.** If the Municipality has chosen to receive Unbilled Gas, the Grantee shall supply, during each billing year (start and finish of each year shall begin and end with regular meter reading date nearest to January 1) that the Municipality's choice to receive Unbilled Gas remains in effect, without charge to the Municipality, an amount of gas ("**Unbilled Gas**") not to exceed the Therm Allocation (as calculated under Paragraph 4 of this Subsection), to be used in buildings which may be occupied from time to time by the Municipality solely for municipal purposes, or such part of these buildings as may from time to time be occupied for ongoing municipal purposes, and not for purposes of revenue.

4. **Therm Allocation.** For purposes of determining the Annual Payment or the amount of Unbilled Gas under Paragraphs 2 and 3, respectively, of this Subsection, the Therm Allocation will be based on the following formula: 3.6 therms per person up to 10,000 of population; 2.4 therms per person for the next 10,000 of population; 1.2 therm per person for the next 80,000 of population; 1.45 therms per person for the next 20,000 of population; and 1.8 therms per person for the population over 120,000. For purposes of the Therm Allocation, the population of the Municipality as of the Effective Date shall be deemed to be the same as the population of the Municipality at the 2010 decennial census, which was 13,579. This population number will be adjusted by the Grantee based on each decennial census count. Between decennial census counts, the Therm Allocation may be increased prospectively on the basis of changes in population of the Municipality as shown by revised or special census. Upon the submission of a written request by the Municipality accompanied by the official State notification of census change, the Therm Allocation will be adjusted by the Grantee.

B. Limitations on Gas Use. None of Unbilled Gas to be supplied to the Municipality under Paragraph A3 of this Section, shall be resold by the Municipality for any purpose whatsoever. In the event the Municipality uses less than the amount of Unbilled Gas calculated and authorized under Paragraph A3 of this Section, there shall be no payment due to the Municipality from the Grantee for gas not used during that billing year, nor shall any such unused therms be carried over for the following billing year's use.

C. Offset. If the Municipality has chosen or has been deemed to have chosen to receive Annual Payments, the Grantee shall have the right to reduce the Annual Payment for a calendar year by the amount of any fees that the Municipality has been paid by the Grantee during the preceding calendar year for permits, street or parkway openings, or inspections related to the Gas System or Gas System Works. If the Municipality has chosen to receive Unbilled Gas, the Grantee shall have the right to reduce the Therm Allocation for a billing year by an amount of therms equal to (a) the amount of any fees that the Municipality has been paid by the Grantee during the preceding billing year divided by (b) the Gas Cost per Therm determined for the calendar year that begins with the January 1 nearest to the end of such billing year.

SECTION 6. ACCOUNTS AND RECORDS.

Within ninety (90) days following a written request by the Municipality made no more frequently than once during each calendar year of the Term, the Grantee will provide the Municipality with a written statement showing the gross operating revenue generated during the immediately preceding calendar year by the Grantee from the distribution of gas to customers

identified in the Grantee's billing records as located within the corporate limits of the Municipality, which statement will, if requested as part of the Municipality's request, show the distribution of such gross operating revenue among the following categories of users: Residential, Commercial, and Industrial, or by such other categories as may be agreed to by the Grantee and the Municipality.

SECTION 7. SUBSTITUTION OF MORE FAVORABLE PROVISIONS.

A. Amended Ordinance. If during the Term of this Franchise, the Municipality learns of a Grantee franchise ("**Grantee Franchise**") from any other municipality in Illinois ("**Other Franchisor**") adopted or otherwise provided by the Other Franchisor after the Effective Date and containing "**More Favorable Provisions**" (as defined in Subsection C of this Section), then the Municipality may adopt, no sooner than thirty (30) days from the date of providing the notice to the Grantee required pursuant to Subsection B of this Section, an ordinance amending this Ordinance solely to substitute for the provisions of Section 5 of this Ordinance replacement provisions that are substantially identical to the More Favorable Provisions ("**Amended Ordinance**"). If the Municipality adopts an Amended Ordinance in conformity with this Section 7, the Grantee will accept the Amended Ordinance and execute a Consent Agreement consistent with Section 15 of this Ordinance.

B. Notice. At least thirty (30) days before adopting an Amended Ordinance pursuant to this Section 7, the Municipality shall provide the Grantee with written notice that explicitly (i) states that the Municipality intends to invoke its right under this Section 7 to adopt an Amended Ordinance; (ii) identifies the Other Franchisor; (iii) states the date, time, and place of the meeting at which adoption of the Amended Ordinance will be considered; and (iv) includes the Amended Ordinance.

C. More Favorable Provisions. "**More Favorable Provisions**" means the provisions in a Grantee Franchise (i) establishing the compensation to be paid by the Grantee to the Other Franchisor, including, without limitation, the formulas and procedures utilized to determine the form and amount of such compensation ("**Compensation Formulas and Procedures**"); and (ii) that the Municipality has reasonably concluded are more advantageous to or protective of the public interest of the Other Franchisor than the existing provisions of Section 5 of this Ordinance are to the Municipality. "**More Favorable Provisions**" shall not include provisions providing consideration to the Other Franchisor for franchise renewal (it being understood that the exercise by the Municipality of its right under this Section 7 shall not be deemed a franchise renewal). Replacement provisions in a proposed Amended Ordinance shall not be deemed to be substantially identical to More Favorable Provisions if those replacement provisions do not utilize the Compensation Formulas and Procedures as applied to the Municipality to determine the form and amount of compensation to be paid by the Grantee to the Municipality. The Municipality shall not have the right to invoke this Section solely to effect a change in the form of compensation (between payments or unbilled gas) if that form of compensation had been available to the Municipality to select under Section 5 of this Ordinance, and neither the procedures for changing the form of compensation in Section 5 of this Ordinance nor those in the Compensation Formulas and Procedures would then have permitted the Municipality to make a change in the form of compensation.

D. No Notification Required. Nothing in this Section shall require the Grantee to notify the Municipality of new franchises that the Grantee obtains with other municipalities in Illinois or new provisions within any existing franchise agreements.

SECTION 8. INDEMNIFICATION.

A. Grantee. The Grantee must, and will, fully indemnify the Municipality (but not any other third party) against and from any and all claims, liabilities, actions, damages, judgments, and costs, including without limitation injury or death to any person and damage to any property or Public Right-of-Way and including without limitation attorneys' fees (collectively, "Claims") that the Municipality may incur or suffer, or that may be obtained against the Municipality, as a result of or related to the Grantee's failure to perform any of its obligations under this Ordinance, or the Grantee's negligent, unlawful, or intentional wrongful acts or omissions that relate to (i) the use or occupation by Grantee of the Public Right-of-Way under this Ordinance, or (ii) the construction, operation, maintenance, or repair of the Gas System located within the Public Right-of-Way. The Municipality must give the Grantee written notice within thirty (30) calendar days after the Municipality has received written notice of a Claim. The Municipality may tender to the Grantee the defense of a Claim, in which case the Grantee must defend the Municipality against that Claim, or the Municipality may defend itself against that Claim at the Grantee's expense. The Grantee shall not be required to indemnify, defend, or hold harmless the Municipality for any Claims to the extent the Municipality, its officers, agents, or employees are liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Municipality, its officers, agents, or employees while acting on behalf of the Municipality).

B. Municipality.

1. The Municipality must, and will, fully indemnify the Grantee (but not any other third party) against any and all Claims arising as a result of damages to the Grantee's Gas System caused by the conduct of the Municipality, its officers, employees, or agents for which the Municipality is liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Municipality, its officers, agents, or employees while acting on behalf of the Municipality). The Municipality shall not be required to indemnify, defend, or hold harmless the Grantee for any damages to the extent the Grantee, its officers, agents, or employees are liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Grantee, its officers, agents, or employees while acting on behalf of the Grantee).

2. The Grantee recognizes the Municipality's right to exercise its police powers over the Public Right-of-Way in case of fire, disaster, or other emergency as reasonably determined by the Municipality. Notwithstanding Paragraph 1 of this Subsection, the Municipality shall not be liable to the Grantee for any damages to the Grantee's Gas System when the damage results from the exercise by the Municipality of its police powers in order to protect the public in case of fire, disaster or other emergency. When practicable, as reasonably determined by the Municipality, the Municipality shall consult with the Grantee prior to the exercise by the Municipality of these police powers, where the exercise may affect the Grantee's Gas System, and to permit the Grantee to take necessary action to protect the public and the Gas System.

SECTION 9. INSURANCE.

If the Grantee's total stockholder equity as determined in accordance with generally accepted accounting principles ("***Stockholder Equity***") as of the end of its most recently completed fiscal year is less than ***fifty million dollars (\$50,000,000)***, the Grantee shall be obligated under this ordinance to maintain during its current fiscal year, at its sole cost and expense, insurance against the liabilities assumed under this ordinance consisting of the following coverages at the following minimum limits:

A. Comprehensive General Liability. Comprehensive general liability insurance with coverage written on an "occurrence" or "claims made" basis and with limits no less than: (1) General Aggregate: \$2,000,000; (2) Bodily Injury: \$2,000,000 per person, \$2,000,000 per occurrence; and (3) Property Damage: \$2,000,000 per occurrence. Coverage must include: Premises Operations, Independent Contractors, Personal Injury (with Employment Exclusion deleted), Broad Form Property Damage Endorsement, Blanket Contractual Liability, and bodily injury and property damage. Exclusions "X," "C," and "U" must be deleted. Railroad exclusions must be deleted if any portion of the Gas System Work is within fifty (50) feet of any railroad track. Every employee of the Grantee engaged in Gas System Work within the Municipality must be included as an insured.

B. Comprehensive Motor Vehicle Liability. Comprehensive motor vehicle liability insurance with a combined single limit of liability for bodily injury and property damage of not less than \$2,000,000 for vehicles owned, non-owned, or rented. The coverage required by this subsection shall include bodily injury and property damage for all motor vehicles engaged in Gas System Work within the Municipality that are operated by any employee, subcontractor, or agent of the Grantee.

C. Workers' Compensation. Workers' compensation coverage in accordance with applicable law.

D. General Standards for All Insurance. If obligated under this Section to maintain the foregoing insurance coverages, (i) the Grantee may satisfy that obligation, in whole or in part, through insurance provided by a captive insurance company affiliated with the Grantee to the extent permitted under applicable law if such captive insurance company and the Grantee are both controlled by a company with Stockholder Equity as of the end of its most recently completed fiscal year of at least ***fifty million dollars (\$50,000,000)***, or through commercial insurance; (ii) all commercial insurance policies obtained by the Grantee to satisfy such obligation must be written by companies customarily used by public utilities for those purposes, including, if permitted by this Subsection, policies issued by a captive insurance company affiliated with the Grantee; (iii) the Grantee must provide the Municipality, upon request, with reasonable evidence of insurance and with certificates of insurance for commercial coverage designating the Municipality and its officers, boards, commissions, elected officials, agents, and employees as additional insured and demonstrating that the Grantee is maintaining the insurance required in this Section; and (iv) each policy shall provide that no change, modification, or cancellation of any insurance coverage required by this Section shall be effective until the expiration of thirty (30) calendar days after written notice to the Municipality of any such change, modification, or cancellation and providing that there is no limitation of liability of the insurance if the Grantee fails to notify the Municipality of a policy cancellation.

SECTION 10. CURE.

In addition to every other right or remedy provided to the Municipality under this Ordinance, if the Grantee fails to comply in a material respect with any of its material obligations under this Ordinance (for reason other than force majeure), then the Municipality may give written notice to the Grantee specifying that failure. The Grantee will have thirty (30) calendar days after the date of its receipt of that written notice to take all necessary steps to cure such material non-compliance, unless the cure cannot reasonably be achieved within thirty (30) calendar days but the Grantee promptly commences the cure and diligently pursues the cure to completion.

SECTION 11. FORCE MAJEURE.

Neither the Grantee nor the Municipality will be held in violation or breach of this Ordinance when a violation or breach occurred or was caused by (a) riot, war, earthquake, flood, terrorism, or other catastrophic act beyond the respective Party's reasonable control or (b) governmental, administrative, or judicial order or regulation other than, in the case of the Municipality, an order or regulation issued by the Municipality not in the exercise of its police powers in order to protect the public in the case of fire, disaster or other emergency.

SECTION 12. NOTICE.

With respect to an Emergency, Grantee shall provide notice to the Municipality in accordance with Subsection 4.D. of this Ordinance. Any other notice that (a) requires a response or action from the Municipality or the Grantee within a specific time frame or (b) would trigger a timeline that would affect one or both of the parties' rights under this Ordinance must be made in writing and must be sufficiently given and served on the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

**Village of La Grange Park
447 North Catherine Avenue
La Grange Park, Illinois 60526
Attention: Village Manager**

with a copy to:

**Martin, Craig, Chester & Sonnenschein
2215 York Road #550
Oak Brook, Illinois, 60523
Attention: Village Attorney for La Grange Park, Illinois**

If to Grantee:

**Northern Illinois Gas Company d/b/a Nicor Gas Company
1844 Ferry Road
Naperville, Illinois 60563
Attention: President**

with a copy to:

**Northern Illinois Gas Company d/b/a Nicor Gas Company
1844 Ferry Road
Naperville, Illinois 60563
Attention: Community Relations and Economic Development Department**

For other notices regarding the general business between the parties, e-mail messages and facsimiles will be acceptable when addressed to the persons of record specified above.

SECTION 13. GENERAL PROVISIONS.

A. Communications and Annual Meeting.

1. **General Communications.** The Grantee and the Municipality believe that it is in their mutual interests to maintain consistent and reliable means of communications regarding all matters under this Franchise. Nothing in this Section precludes the parties in any way from conducting meetings and communications not specifically provided in this Section on any other dates and times during the Term as necessary, required, or otherwise desired.

2. **Annual Meeting.** Except as the Grantee and the Municipality may otherwise agree, upon forty-five (45) days prior written notice from the Municipality to the Grantee given no more frequently than once during each calendar year of the Term, the representatives of the Grantee and the Municipality will meet at the offices of the Municipality or another mutually acceptable location ("***Annual Meeting***").

3. **Annual Meeting Matters.** At the Annual Meetings the Parties will review, as necessary, any matters related to this Ordinance and the Franchise as generally identified by the Municipality in its written notice provided pursuant to Paragraph 2 of this Subsection related to (i) the Gas System and Gas System Work; (ii) issues that have arisen since the prior Annual Meeting regarding the Grantee's activities conducted under the authority granted by this Ordinance, (iii) efforts and initiatives by the Grantee or the Municipality, or both, to promote energy efficiency and cost savings related to the use of gas supplied by the Grantee; and (iv) identification of anticipated future capital improvement programs by the Municipality and the Grantee in an effort to coordinate those programs whenever practical in an effort to minimize costs for both the Municipality and the Grantee and to reduce public inconvenience (collectively, "***Annual Meeting Matters***"). The Grantee's and the Municipality's representatives at Annual Meetings shall include individuals with the knowledge, experience and authority required to address competently and to seek to resolve the Annual Meeting Matters identified from discussion at the Annual Meeting.

4. **Good Faith Efforts to Resolve Annual Meeting Matters.** The Municipality and the Grantee will constructively discuss the Annual Meeting Matters at the Annual Meetings. The goal of these discussions is to ensure that the Grantee and the Municipality have sufficient information to address and, if possible, resolve the Annual Meeting Matters and the Parties will share information reasonably necessary for those purposes; provided, however that neither the Grantee nor the Municipality will be required to respond to unduly burdensome information requests or to provide confidential or privileged information to the other party. The parties will work in good faith to resolve Annual Meeting Matters on mutually acceptable terms and to do so within a reasonable period of time. To the extent that resolution of an Annual Meeting Matter is not otherwise provided by the terms of this Franchise, the parties may memorialize their

understandings related to resolution of Annual Meeting Matters through memoranda of understanding, supplemental agreements, or other arrangements mutually agreed to.

B. Assignments of Rights by Grantee. All provisions of this Ordinance that are obligatory upon, or which inure to the benefit of, NICOR GAS shall also be obligatory upon and shall inure to the benefit of any and all successors and permitted assigns of NICOR GAS, and the word "Grantee" wherever appearing in this Ordinance shall include and be taken to mean not only NICOR GAS, but also each and all of such successors and permitted assigns. The Grantee may not assign any right it has under this Ordinance without the prior express written authorization of the Municipality by ordinance or resolution of the Corporate Authorities. The Municipality will not withhold that authorization if (a) the Assignee is technically and financially capable of operating and maintaining the Gas System in the reasonable judgment of the Municipality and (b) the Assignee assumes all of the obligations of the Grantee under this Ordinance except as they may be amended in writing and approved by the Municipality.

C. Entire Agreement; Interpretation. This Ordinance embodies the entire understanding and agreement of the Municipality and the Grantee with respect to the subject matter of this Ordinance and the Franchise. This Ordinance supersedes, cancels, repeals, and shall be in lieu of the Previous Agreement.

D. Governing Law; Venue. This Ordinance has been approved executed in the State of Illinois and will be governed in all respects, including validity, interpretation, and effect, and construed in accordance with, the laws of the State of Illinois. Any court action against the Municipality may be filed only in Cook County, Illinois, in which the Municipality's principal office is located.

E. Amendments. Except as otherwise provided pursuant to Section 7 of this Ordinance, no provision of this Ordinance may be amended or otherwise modified, in whole or in part, to be contractually binding on Grantee, except by an instrument in writing duly approved and executed by the Municipality and accepted by the Grantee by execution of a Consent Agreement consistent with Section 15 of this Ordinance.

F. No Third-Party Beneficiaries. Nothing in this Ordinance is intended to confer third-party beneficiary status on any person, individual, corporation, or member of the public to enforce the terms of this Ordinance.

G. No Waiver of Rights. Nothing in this Ordinance may be construed as a waiver of any rights, substantive or procedural, the Grantee or the Municipality may have under federal or State of Illinois law unless such waiver is expressly stated in this Ordinance.

SECTION 14. MUNICIPALITY AUTHORITY RESERVATION.

The Municipality reserves, subject to the limitations of applicable federal and State of Illinois laws, (i) its powers necessary or convenient for the conduct of the Municipality's municipal affairs and for the public health, safety and general welfare; and (ii) its right to own and operate a gas utility in competition with the Grantee. Notwithstanding the foregoing, the Municipality will not take any such action that would have the effect of depriving Grantee of the rights, permissions and authorities granted to Grantee under this Ordinance.

SECTION 15. CONSENT AGREEMENT.

Within ninety (90) days after the Effective Date, the Grantee will file with the Municipality a written agreement to accept and comply with the terms of this Ordinance as attached to this Ordinance as Exhibit A ("**Consent Agreement**"), duly executed by authorized representatives of the Grantee. The Grantee's failure to provide the Consent Agreement within 90 days after the Effective Date shall be deemed a rejection of this Ordinance by the Grantee, and the rights and privileges herein granted shall absolutely cease and terminate, unless, within ninety days after the Effective Date, the time period for the Grantee to file the Consent Agreement is extended by the Municipality by ordinance duly passed for that purpose and the Grantee has agreed in writing to such extension.

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES of the Village of La Grange Park, Cook County, Illinois, this 26th day of January, 2016

YES: _____

NO: _____

ABSENT: _____

APPROVED this 26th day of January, 2016

James L Discipio, Village President

ATTEST: _____
Amanda Seidel, Village Clerk

**APPROVED AS TO FORM –
VILLAGE ATTORNEY**

Village Clerk)
STATE OF ILLINOIS)
COUNTY OF COOK) SS.
VILLAGE OF LA GRANGE PARK)

I, _____, Village Clerk of the Village of La Grange Park, Cook County, Illinois, do hereby certify that the foregoing is a true and correct copy of an Ordinance duly passed by the Board of Trustees of said Village on the 26th day of January, 2016, and duly approved by the President of said Village on the 26th day of January, 2016, the original of which Ordinance is now on file in my office.

I do further certify that I am the legal custodian of all papers, contracts, documents and records of said Village.

WITNESS my hand and the official seal of said Village this _____ day of _____, 2016.

Amanda Seidel, Village Clerk
Village of La Grange Park, Illinois

(SEAL)

CONSENT AGREEMENT

Pursuant to Section 15 of that certain Natural Gas Franchise Ordinance duly passed by the Village President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois (the "Municipality") on January 26, 2016 and duly approved by the Mayor/President of the Municipality on January 26, 2016 (the "Ordinance"), a copy of which is attached hereto, Northern Illinois Gas Company d/b/a Nicor Gas Company, an Illinois corporation hereby accepts and agrees to comply with the Ordinance.

NORTHERN ILLINOIS GAS COMPANY D/B/A NICOR GAS COMPANY

By: _____

Name: _____

Title: _____

Date: _____



Nicor Gas
1844 Ferry Road
Naperville, IL 60563-9600

Mailing Address:
P.O. Box 190
Aurora, IL 60507-0190

Phone 630 983-8676
Internet www.nicor.com

February 8, 2007

Mayor James Discipio
Village of LaGrange Park
447 N. Catherine
LaGrange Park, IL 60525

Dear Mayor Discipio,

In my capacity as Regional Community Relations Director, my responsibility is to serve as the liaison between the municipality and Nicor Gas. This includes coordinating the renewal of local franchise agreements. The Village of LaGrange Park's franchise agreement expires on November 25, 2008. I am writing at this time to begin discussions toward renewing the franchise agreement.

Included with this letter is a Franchise Renewal Folder that includes two original copies of the new Franchise Agreement (Gas Ordinance), existing Franchise Agreement, existing Letter of Agreement and a fact sheet. Please review the documentation and contact me at your earliest convenience so that we can discuss this in greater detail. I can be reached at 708/544-5707, ext. 357.

Sincerely,

A handwritten signature in black ink that reads "Sean McCarthy".

Sean McCarthy
Community Relations Director

GAS ORDINANCE

AN ORDINANCE AUTHORIZING NORTHERN ILLINOIS
GAS COMPANY (d/b/a NICOR GAS COMPANY) ITS
SUCCESSORS AND ASSIGNS, TO CONSTRUCT, OPERATE
AND MAINTAIN A GAS DISTRIBUTING SYSTEM IN AND
THROUGH THE VILLAGE OF LA GRANGE PARK, ILLINOIS.

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF
THE VILLAGE OF LA GRANGE PARK, ILLINOIS:

SECTION 1. That the right, permission and authority be and the same are hereby granted to NORTHERN ILLINOIS GAS COMPANY (d/b/a NICOR GAS COMPANY), an Illinois corporation, its successors and assigns (hereinafter referred to as the "Grantee"), to construct, operate and maintain in and through the VILLAGE OF LA GRANGE PARK (hereinafter referred to as the "Municipality"), in the State of Illinois, for a term of Fifty (50) years, a system for the production, distribution and sale of gas for fuel, heating, power, processing and other purposes within and outside the corporate limits of the Municipality, and to construct, lay, maintain and operate such gas pipes, mains, conductors and other devices, apparatus and equipment as may be necessary or convenient for such system in, under, along and across each and all of the streets, alleys, avenues and other rights of way owned by the Municipality, subject to the conditions and regulations hereinafter set forth.

SECTION 2. All pipes, mains, conductors and other appliances, including connections with service pipes, hereafter laid in streets, alleys, avenues or other rights of way owned by the Municipality, shall be laid under the supervision of the Department of Public Works of the Municipality, or such other duly authorized agent of the Municipality as the Board of Trustees may from time to time designate. All pipes, mains,

conductors and other appliances shall be so located, installed, removed, repaired and maintained so as not to injure, disrupt, interfere with or damage any drains, sewers, catch basins, water pipes, pavements, curbs, landscaping or other like public improvements, but should any drain, sewer, catch basin, water pipe, pavement curbs, landscaping or other like public improvement be injured by such location, installation, removal, repair or maintenance, the Grantee shall forthwith repair the damage caused thereby to the satisfaction of the Department of Public Works, or such other duly authorized agent. If Grantee fails to repair such damage within 30 days, the Municipality may repair such damage and charge the cost thereof to, and collect the same from, the Grantee (or by making demand on the Grantee's bond for the cost thereof, in which event Grantee shall immediately replenish said bond to its original amount). The Grantee shall be subject to all reasonable regulations which may now or hereafter be prescribed by general ordinance of the Municipality with respect to the use and restoration of the public streets, alleys, avenues and other rights of way owned by the Municipality.

SECTION 3. The Grantee shall indemnify, assume all liability for and forever hold and save the Municipality harmless from any and all claims, causes or action, judgments, damages, decrees, costs and expenses, including attorneys' fees, which the Municipality may suffer or incur, or which may be obtained against the Municipality, for or by reason of the Grantee's use and occupation of any street, alley, avenue or other right of way owned by the Municipality pursuant to the terms of this ordinance or resulting from the exercise by the Grantee of any of the privileges herein granted ("Indemnified Claims"). In the event that an Indemnified Claim is made against the Municipality, Municipality shall be permitted to select its own counsel to defend Municipality against such claim, and Grantee shall pay, on an ongoing monthly basis, all fees and costs of said counsel. Grantee shall, during the life of this ordinance, keep on file with the Municipality a bond in the amount of \$100,000, substantially in the form attached hereto, conditioned to protect and indemnify the Municipality from Indemnified Claims and other damages incurred by the Municipality pursuant to Grantee's breach of its obligations pursuant to this Ordinance.

SECTION 4. Except for emergency repair situations (and in that event not to exceed the shortest time period necessary for such repair), Grantee shall not

obstruct any public road, alley, sidewalk or other right of way owned by the Municipality. Grantee shall give the Municipality five (5) days' advance written notice of any activities, which notice shall describe the specific activity being undertaken, the location, and the estimated duration. All notices to the Municipality shall be addressed to: Village Manager, Village of LaGrange Park, 447 North Catherine, LaGrange Park, Illinois 60526, or to such other address as the Municipality delivers in writing to the Grantee. All notices to the Grantee shall be addressed to: _____, or to such other address as the Grantee delivers in writing to the Municipality.

SECTION 5. Grantee shall at all times during the term hereof, carry general liability insurance against damage to persons and properties, in an amount deemed sufficient by the Municipality but in no event less than \$2,000,000 per occurrence and \$10,000,000 in the aggregate.

SECTION 6. Grantee acknowledges that its right to use public streets, alleys, avenues and other rights of way owned by the Municipality is non-exclusive, and Grantee agrees not to disrupt any other public or private utility lines, wires, or other materials which may at any time be installed in such public streets, alleys, avenues and other rights of way owned by the Municipality. Grantee shall repair all damage to other public or private utilities' lines, wires, or materials caused by Grantee's installation or maintenance activities, and shall indemnify the Municipality from any and all costs, damages and liability in connection therewith.

SECTION 7. Grantee acknowledges that it is voluntarily undertaking the activities described in this Ordinance, and shall bear its own costs of complying with all obligations and undertakings contained herein.

SECTION 8. After the passage of this ordinance, and within thirty (30) days after passage, this ordinance, if accepted, shall be accepted by the Grantee by its filing with the Village Clerk of the Municipality an unconditional written acceptance hereof, to be duly executed according to law, and a failure of the Grantee to so accept this ordinance within said period of time shall be deemed a rejection hereof by the Grantee. The rights and privileges herein granted shall, after the expiration of said period of thirty (30) days, if not so accepted by Grantee, absolutely cease and terminate, unless said period of time

shall be extended by the Municipality by ordinance duly passed for that purpose and before the expiration of said period of thirty (30) days.

SECTION 9. All provisions of this ordinance which are obligatory upon, or which inure to the benefit of, said NORTHERN ILLINOIS GAS COMPANY (d/b/a NICOR GAS COMPANY) shall also be obligatory upon and shall inure to the benefit of any and all successors and assigns of said Company, and the word "Grantee" wherever appearing in this ordinance shall include and be taken to mean not only said NORTHERN ILLINOIS GAS COMPANY (d/b/a NICOR GAS COMPANY), but also each and all of such successors and assigns.

SECTION 10. This ordinance, if accepted by the Grantee as hereinabove provided, shall be in full force and effect as of November 25, 2008, and from and after the effective date shall supersede, cancel, repeal and be in lieu of any and all other existing or prior grants of right, permission and authority by said Municipality to said Grantee or any predecessor companies or assignors of the Grantee to construct, operate and maintain any system for the production, distribution and sale of gas for fuel, heating, power, processing and any other purposes within the corporate limits of this Municipality, and this ordinance shall likewise cancel all of the obligations under said existing or prior grants.

VILLAGE BOARD AGENDA MEMO

DATE: January 1, 2015
TO: Village President and Board of Trustees
FROM: Brendan McLaughlin, Director of Public Works *BJM*
Julia Cedillo, Village Manager *JC*
RE: 2015/16 Salt Purchase Contract – Open Purchase Order

GENERAL BACKGROUND

The Public Works Department is seeking approval from the Board to have an open Purchase Order with Central Salt LLC., for the purchase of salt in an amount “not to exceed” \$80,130 (1,000 tons). Central Salt LLC. was again awarded the low bid through the State’s joint purchasing program (this is the same vendor as last year).

This total represents the maximum amount of salt which can be purchased at the contract price of \$80.13/ton. The Village is required to take a minimum purchase of 800 tons of salt, which would be a total cost of \$64,104. The Department budgeted \$75,000 in the FY 2015/16 Budget.

STAFF RECOMMENDATION

Staff recommends the approval of an Open Purchase Order, not to exceed \$80,013, with Central Salt LLC. for the purchase of salt, and recommends the use of \$5,013 from Fund Balance if necessary. *At this time, due to the unseasonably warm weather and the fact that the salt bins were full to start the season, staff believes that it will only be purchasing the minimum 800 tons this fiscal year. The total cost to the Village would be \$64,104.*

MOTION / ACTION REQUESTED

- (1) Motion approving an Open Purchase Order with Central Salt LLC, not to exceed a total amount of \$80,013.
- (2) Motion authorizing the use of \$5,013 from Fund Balance, should it be necessary to purchase the full 1,000 tons.

Village Board Agenda Memo

Date: January 6, 2016

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

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

Re: **Approved Village Banks**

PURPOSE

To update the list of approved banks for deposit of Village funds.

BACKGROUND

The Village currently utilizes the State managed Illinois Funds investment pool and E-Pay program for processing credit card transactions. Due to a change with the Illinois Funds, the Village's E-Pay processing account is required to move to Illinois National Bank.

The attached ordinance updates the Village's currently approved financial institutions to include Illinois National Bank.

STAFF RECOMMENDATION/ACTION REQUESTED

Staff recommends Village Board approval of the following motion at the January 26, 2016 meeting

Motion to approve an Ordinance Designating Village Depository and Financial Institutions and Authorized Signers.

DOCUMENTATION:

- Ordinance Designating Village Depository and Financial Institutions and Authorized Signers
- Letter from Illinois Funds

ORDINANCE NO: 1020

**AN ORDINANCE DESIGNATING DEPOSITORIES
AND INVESTMENT INSTITUTIONS AND AUTHORIZED SIGNERS
FOR THE VILLAGE OF LA GRANGE PARK.**

WHEREAS, the Village of La Grange Park is authorized by the Illinois Municipal Code (65 ILCS 5/3.1-35-50) to designate one or more banks or savings and loan associations in which may be kept the funds and money of the municipality; and

WHEREAS, the Village of La Grange Park Village Code (31.103) requires that the Treasurer shall keep village funds in such depositories as may be selected from time to time and designated by ordinance; and

WHEREAS, the Village of La Grange Park Village Code (35.096) requires that the Finance Director will maintain a list of financial institutions authorized to provide investment services; and

WHEREAS, the President and Board of Trustees have determined that it is advisable, necessary and in the best interests of the Village that certain individuals be approved as authorized signers for Village accounts;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois as follows:

SECTION 1: The following financial institutions are designated as authorized depositories and for the investment of funds for the Village of La Grange Park:

FNBC Bank and Trust
MB Financial Bank
Fifth Third Bank
BMO Harris Bank
The Illinois Funds
Illinois National Bank
Illinois Metropolitan Investment Fund
PMA Financial Network
Multi-Bank Securities, Inc.

SECTION 2: The following individuals are approved as authorized signers for Village accounts:

Larry L. Noller	Finance Director
Amada G. Seidel	Village Clerk
Deanne M. Curelo	Deputy Village Clerk
Emily B Rodman	Assistant Village Manager

SECTION 3: All ordinances or resolutions of the Village of La Grange Park in conflict herewith are hereby repealed.

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

APPROVED by the President and Board of Trustees of the Village of La Grange Park, Cook County, Illinois this 26th day of January, 2016.

Dr. James L. Discipio
Village President

ATTEST:

Amanda Seidel
Village Clerk



December 1, 2015

Dear Illinois Funds E-Pay Participant:

As previously communicated on November 20, 2015, we are making some important changes to our Illinois Funds program. **Effective February 16, 2016 the custodian for E-Pay settlement accounts will be Illinois National Bank.** As a result, you will have an E-Pay settlement account at Illinois National Bank, a separate investment account at U.S. Bancorp Fund Services, LLC, and, if elected, a traditional banking account at U.S. Bank, which is further discussed below. These changes will allow us to continue offering secure, electronic payment services at an affordable cost while you earn interest on your Illinois Funds account balance. Please take a moment to review the following important information related to your account:

Account/routing number

Your E-Pay settlement account and routing number(s) will remain the same.

Illinois Funds Investment account

For no additional fee, Illinois National Bank will automatically transfer funds over your target balance to your Illinois Funds account(s). Please set your target balance in the enclosed agreement, provided by Illinois National Bank ("Agreement"). In addition to this automatic transfer, you will have the ability to withdraw funds from your E-Pay settlement account at any time by initiating an ACH or wire transfer with U.S. Bancorp Fund Services into your Illinois Funds investment account. There is a minimum wire amount requirement of \$100 for all wire transfers.

Fees

Please see the enclosed Banking Authorization Document to review the fees associated with your E-Pay settlement account.

Online banking

You will have access to your E-Pay settlement account transaction history, including fund transfers to your Illinois Funds account(s) and monthly bank statements, via Illinois National Bank's online banking system. Instructions on how to enroll in Illinois National Bank's online banking system are enclosed.

ACH credit/debit block

Given that your account is solely intended to be an E-Pay settlement account, Illinois National Bank will place an ACH credit/debit block on the account, only allowing electronic credits and debits to your account from the following entities:

- *the Treasurer's E-Pay credit card processors; and*
- *U.S. Bank Fund Services for credits and debits into your Illinois Funds investment account.*

Illinois National Bank will return any unauthorized transactions to the originator for an additional fee to E-Pay participants. The terms for this block are provided in the enclosed Banking Authorization Document.

Minimum balance requirement

You will be required to maintain a minimum balance of \$1,000 in your E-Pay settlement account to help avoid overdrafts due to chargeback activity. However, there will be no fee for going below the minimum balance requirement.

Banking services

The traditional banking services you currently receive, such as check writing, are not offered with your E-Pay settlement account. You have the option to open a traditional banking account at U.S. Bank at reduced prices available only to Illinois Funds participants, or you may open a new account at a bank of your choosing. For further information, please visit our web site at www.illinoisfunds.com.

Toll-free numbers

- As of February 16, 2016 please call (800) 947-8479 with any questions concerning your Illinois Funds investment account(s).
- Please call (866) 831-5240 with any questions concerning your E-Pay settlement account(s).

Next step

To complete your enrollment at Illinois National Bank for your new E-Pay settlement account, please complete and return the enclosed Illinois National Bank Banking Authorization Document by no later than January 5, 2016 to:

Illinois State Treasurer's Office
Attn: E-Pay
400 West Monroe, Suite 401
Springfield, IL 62704

Thank you for your continued trust in the Illinois Funds/E-Pay program. We value you as a participant and look forward to continuing to provide you with the highest level of service. If you have any questions, please feel free to contact us at (866) 831-5240.

Sincerely,
The Illinois Funds/E-Pay Team

www.illinoisfunds.com

**Office of the Illinois State Treasurer - E-Pay Account
Illinois National Bank Pricing**

General Account Services

Option 1 - Account Maintenance \$ 10.00 per month/direct debit

Option 2 - Account Maintenance \$ 12.00 per month/invoice

Credits \$ 0.10 per item

Earnings Credit Rate 0.17%

Additional Banking Services

The services outlined below are optional and only applicable if needed by the Participant.

General Account Services

Overdraft Fee Per Item \$ 30.00

ACH Services

ACH Return Item \$ 2.00

Wire Transfer Services

Incoming Wire Transfer \$ 8.00

Outgoing Wire Transfer \$ 13.00

Information Service

Account Maintenance Options 1 and 2 include one online banking user. Additional users are \$5.00 each per month.

Pricing Assumptions

- E-Pay Accounts will be used solely as a credit card settlement account with funds transferred daily to Illinois Funds.
- A minimum target balance of \$1,000 should be maintained to cover chargeback occurrences.
- Collected balances can be used to offset fees with the earnings credit.
- No check writing will be offered for E-Pay accounts.

Items of Interest Divider

VILLAGE OF LA GRANGE PARK

La Grange Park Village Hall, 447 N. Catherine Ave., La Grange Park, Illinois

Wednesday, February 10th – Town Hall Meeting Referenda

2016 MEETINGS REMINDER

January 26, 2016	Village Board Meeting	7:30 p.m.	Village Hall
February 9, 2016	Work Session Meeting	7:30 p.m.	Village Hall
February 23, 2016	Village Board Meeting	7:30 p.m.	Village Hall
March 8, 2016	Work Session Meeting	7:30 p.m.	Village Hall
March 22, 2016	Village Board Meeting	7:30 p.m.	Village Hall
April 12, 2016	Work Session Meeting	7:30 p.m.	Village Hall
April 26, 2016	Village Board Meeting	7:30 p.m.	Village Hall
May 10, 2016	Work Session Meeting	7:30 p.m.	Village Hall
May 24, 2016	Village Board Meeting	7:30 p.m.	Village Hall
June 14, 2016	Work Session Meeting	7:30 p.m.	Village Hall
June 28, 2016	Village Board Meeting	7:30 p.m.	Village Hall
July 12, 2016	Work Session Meeting	7:30 p.m.	Village Hall
July 26, 2016	Village Board Meeting	7:30 p.m.	Village Hall
August 9, 2016	Work Session Meeting	7:30 p.m.	Village Hall
August 23, 2016	Village Board Meeting	7:30 p.m.	Village Hall
September 13, 2016	Work Session Meeting	7:30 p.m.	Village Hall
September 27, 2016	Village Board Meeting	7:30 p.m.	Village Hall
October 11, 2016	Work Session Meeting	7:30 p.m.	Village Hall
October 25, 2016	Village Board Meeting	7:30 p.m.	Village Hall
November 8, 2016	Work Session Meeting	7:30 p.m.	Village Hall
November 22, 2016	Village Board Meeting	7:30 p.m.	Village Hall
December 13, 2016	Village Board Meeting	7:30 p.m.	Village Hall