

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  
Mario J. Fotino  
Robert T. Lautner

## VILLAGE BOARD WORK SESSION MEETING

Tuesday, APRIL 14, 2015 – **7:15 P.M.**

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### AGENDA

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Public Hearing Regarding the Proposed Budget (FY 2015-2016)**
5. **Public Participation (agenda and non-agenda related)**
6. **Administrative Committee Items**
  - A. Discussion – Professional Service Contract – Cagwood Consulting  
*Motion: Move to authorize the Village Manager to execute a one-year contract for services with Cagwood Consulting*
  - B. Discussion – Village Board E-mail Policy – *Motion: To Approve the Policy, "Electronic Mail Communications To and From Elected Officials," at the April 28<sup>th</sup> Village Board meeting*
7. **Building & Zoning Committee Items**
  - A. Discussion – Zoning Application No. 2015-01: 901 E. 26<sup>th</sup> Street Cook County Highway Facility – *Motion: To approve an Ordinance Granting Certain Variations for 901 W. 26<sup>th</sup> Street (Public Hearing No. 2015-01)*
  - B. Discussion – SprintCom Inc. Wireless Communication Equipment – Proposed Lease - 937 Barnsdale – *Motion: To approve a Rooftop Lease for 937 Barnsdale Road between SprintCom Inc. and the Village of La Grange Park*
  - C. Discussion & Action – Little Free Libraries – *Motion: To Allow Little Free Libraries as a Permitted Temporary Use/Structure Under Section 12.6 of the Village of La Grange Park Zoning Code, until such time as the Village Amends its Zoning Code to Formally Address the Use/Structure*
8. **Public Works Committee Items**
  - A. Discussion – Street Pavement Mill and Overlay – Cleveland Avenue (26<sup>th</sup> to 30<sup>th</sup>) – *Motion: Award a contract to the lowest bidder, GA Paving LLC in the amount of \$236,961.20*

**VILLAGE BOARD MEETING**  
**Tuesday, APRIL 14, 2015 – 7:15 p.m.**

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**AGENDA (continued – Page 2)**

**9. Finance Committee Items**

- A. Discussion – FY 2014-15 Budget Amendment – *Motion: Approve a Resolution Amending the Budget for Fiscal Year 2014-15 for the Village of La Grange Park*
- B. Discussion – Draft FY 2015-2016 Budget – *Motion: Approve a Resolution Approving FY 2015-2016 Operating Budget*
- C. Discussion - Draft FY 2015-2016 Budget - *Motion: Approve the Addition of a new Table VI, Position Cost Allocation by Fund Table*
- D. Discussion – Draft Five Year Plan – *Motion: Approve the Five Year Plan FY 2015/16 – FY 2019/20*
- E. Discussion – Resolution Approving 2015-2016 Pay Plan – *Motion: Move to Approve a Resolution Approving Pay Plan and Schedule of Authorized Positions for FY2015-2016*
- F. Discussion – Village Sewer Rate – *Motion: to approve "An Ordinance Amending Chapter 50, Section 50.61 of the Village of La Grange Park Municipal Code Establishing Wastewater Service Charges"*
- G. Discussion – Village Pension Funding Policy *Motion: To approve the Working Group's recommended pension funding policy at the April 28, 2015 Village Board meeting*

**10. Other Reports:**

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

**11. New Business**

- 12. Executive Session** – *to discuss the appointment, employment, compensation, discipline, performance or dismissal of specific employees of the public body according to 5 ILCS 120/2 (c)(1)*

**13. Adjourn**

*Next Village Board Meeting: April 28, 2015*  
*Next Village Work Session Meeting: May 12, 2015*



## **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. Andy Bagley at (708) 354-0225 between 9:00 and 5:00 before the meeting so that the Village can make reasonable accommodations for you.

# **Administration Committee**

**Robert Lautner, Chair**

**Michael Sheehan**

**Mario Fotino**

# Village Board Agenda Memo

Date: April 8, 2015  
To: Village President & Board of Trustees  
From: Julia Cedillo, Village Manager   
RE: Professional Service Contract – Cagwood Consulting

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## PURPOSE

To approve a new one year contract with Cagwood Consulting for lobbyist services.

## GENERAL BACKGROUND

Since May 2007, the Village has engaged Cagwood Consulting (Chris Ganschow) for lobbyist services to represent the Village's interests in Springfield and at the federal level. The current contract includes specific deliverables and a scope of work at an annual cost of \$27,780, or \$2,315 per month. The contract expires on April 30<sup>th</sup> and should be renewed if the Village Board desires Cagwood Consulting to continue to provide services to the Village.

Included with this memorandum is a new contract covering the period May 1, 2015 – April 30, 2016, providing for a new one-year term of service with no change to the annual cost. The contract may be cancelled by either party with 30 days written notice. The contract includes new language that updates the scope of consulting services and includes a list of identified goals for the contract term.

## MOTION / ACTION REQUESTED

It is requested that the Village Board authorize the Village Manager to execute a contract for professional services with Cagwood Consulting covering the period May 1, 2015 – April 30, 2016, so that the Village may benefit from the relationships that have been established in recent years.

**MOTION: Move to authorize the Village Manager to execute a one-year contract for services with Cagwood Consulting.**

## STAFF RECOMMENDATION

Staff recommends that the Village authorize execution of a contract with Cagwood Consulting for the period May 1, 2015 – April 30, 2016. Mr. Ganschow has actively represented the Village in seeking, securing, and protecting state and federal funding for much needed projects and services. In recent weeks, Mr. Ganschow has assisted the Village in securing a meeting with Congressman Quigley to discuss funding opportunities for a new ladder truck. Mr. Ganschow also represents the Village in Springfield with regard to the preservation of municipal revenues, as well as other legislation that may impact our community. It should be further noted that Mr. Ganschow was integral to the Village's efforts in securing a \$416,000 Illinois Green Infrastructure Grant from the Illinois Environmental Protection Agency (IEPA). It is staff's recommendation that Village interests would be better served by continuity in representation at the state and federal level.

## DOCUMENTATION

- Cagwood Consulting Contract (updated)

# ***CW Consulting***

PO Box 786, Highland Park, Illinois 60035

(847) 323-5545 - cagwood@aol.com

With our more than 26 years of experience in communications and developing and executing public affairs strategies, CW Consulting is uniquely positioned to assist the Village of La Grange Park in building key relationships, locally, in Springfield, and in Washington, DC. We can assist the Village in developing and delivering key messages to legislators, the media, residents and other important audiences.

We look forward to continuing our relationship with the Village of La Grange Park, and would suggest working to attain the following goals for 2015-2016:

- **Convey the Village's Concerns on Issues of Importance**
  - Arrange at least five state and federal representatives, including Rep. Luis Gutierrez
  - Identify events where legislators will be in attendance and inform Village officials of those opportunities
  - Arrange meetings with key personnel in Gov. Rauner's administration
  - Seek opportunities to meet with General Assembly caucus leaders (Speaker Madigan, Senate President Cullerton and Republican Leaders Radogno & Durkin)
  - Organize meetings with legislators / officials during the WCMC Drive-Down.
  
- **Secure and/or Protect Funding Sources for the Village**
  - Develop strategies to combat any cuts on the Local Government Distributive Fund (LGDF)
  - Execute strategy to secure an aerial ladder truck for the Village
  - Monitor developments of the "Statewide Next Generation 9-1-1" regarding impact on local revenues and service operations
  - Identify other funding opportunities, including a possible capital investment program
  
- **Produce Regular Reports**
  - Bi-weekly reports for Village Board briefs
  - Quarterly reports for the "Rose Clippings"
  - Quarterly reports to the Village Board on lobbying activities
  - Report to the Village Board in person at least twice
  - Prepare materials for annual WCMC Drive-Down, including a summary of key legislative issues

These goals have been integrated into the services provided under *Section 2.* of the attached Consulting Service Agreement. At your convenience, I would look forward to further discussing with you how CW Consulting might be of assistance to the Village as it moves forward into the future. Thank you in advance for your consideration.

## **About CW Consulting**

***Christopher Ganschow*** brings two decades of experience to helping individuals & organizations meet their communications & public affairs priorities. He has assisted leaders in government, private industry & the non-profit sector in getting their message out to key audiences.

Ganschow has worked for five current and former Members of Congress, including Rep. Daniel Lipinski, who sits on the Transportation and Infrastructure Committee, in developing communications strategies and legislative initiatives, including the last three federal transportation bills. He has also worked with several clients, including most recently the Village of La Grange Park, Ill., in successfully obtaining funding in both Washington D.C. and Springfield to meet their infrastructure priorities.

His other clients have included the City of Aurora, Ill., the North Shore Sanitary District; Serafin & Consulting; and the Park District of Highland Park, Ill. Ganschow is an award-winning writer and graduate of the University of Missouri-Columbia with a Bachelor's Degree in Journalism. He is active with the YMCA and Chamber of Commerce, among several civic, charitable and professional organizations.

## Consulting Service Agreement

THIS AGREEMENT ("Agreement") is made as of May 1, 2015 ("Effective Date") by and between CW Consulting ("CW") with offices at 15 Clay Ave, #303, Highwood, IL (PO Box 786, Highland Park, IL) and the Village of La Grange Park ("The VILLAGE") with offices at 447 N. Catherine Ave., La Grange Park, IL. CW and the Village of La Grange Park may also be referred to individually as a "Party" or collectively as the "Parties."

### RECITALS

WHEREAS, the VILLAGE wishes to retain CW to perform certain consulting services subject to the terms and conditions of this Agreement, and;

WHEREAS, CW has represented to the VILLAGE that it is capable and is willing to undertake the performance of consulting services for the VILLAGE;

NOW, THEREFORE, in consideration of the payments to be made to CW as provided herein, and in consideration of the mutual agreements and covenants contained herein, the VILLAGE and CW agree as follows:

#### 1. Term

The term of this Agreement shall commence on the Effective Date, and shall remain in effect for a period of one (1) year (the "Term").

Expiration of the Term shall not terminate any continuing obligations of the Parties, including but not limited to, those obligations set forth in subsequent sections and shall in no way be deemed to be construed as a restriction, limitation or waiver of either Party's rights to pursue any additional available remedy at law or equity.

The term of this Agreement shall cease upon cancellation by either Party with 30 days written notice.

#### 2. Consulting Services

The VILLAGE hereby retains CW, which hereby undertakes to exercise its best efforts to promote the business, products, reputation and interest of the VILLAGE through the performance of consulting services ("Services").

Consulting services include, but are not limited to, the following items:

- **MEETING WITH OFFICIALS AND STATE AGENCIES:** Facilitating meetings with officials, including elected legislators, and agency representatives at the county, regional, state and federal levels in an effort to convey the Village's concerns on issues of importance.

*Deliverables Include: (1) Arrange at least five meetings with state and federal representatives, including Rep. Luis Gutierrez; (2) Identify events where legislators will be in attendance and inform Village officials of those opportunities; (3) Arrange*

*meetings with key personnel in Governor Rauner's administration; (4) Seek opportunities to meet with General Assembly caucus leaders, including Speaker Madigan, Senate President Cullerton and Republican Leaders Radogno & Durkin; and (5) Organize meetings with legislators / officials during the WCMC Drive-Down.*

- **SECURE AND/OR PROTECT FUNDING SOURCES:** Working to find unique sources of revenue for the Village at the federal, regional, state and local levels, and monitoring the progress of applications for grants and other funding earmarks.

*Deliverables Include: (1) Develop strategies to combat any cuts on the Local Government Distributive Fund (LGDF); (2) Execute strategy to secure a an aerial ladder truck for the Village; (3) Monitor developments of the "Statewide Next Generation 9-1-1" regarding impact on local revenues; and (4) Identify other funding opportunities, including a possible capital investment program.*

- **PRODUCE REGULAR REPORTS:** Provide regular reporting to the Village on lobbyist activities.

*Deliverables Include: (1) Bi-weekly reports for Village Board Briefs on issues of importance to include any legislator contacts that have been made on behalf of the Village; (2) Quarterly reports to the Village Board on lobbying activities; (3) Report to the Village Board in person at least twice; and (4) Prepare materials for annual WCMC Drive-Down, including a summary of key legislative issues and the Village's position on these issues and provide the materials to the Village Manager no later than 1 week prior to the Drive-Down date.*

- **GETTING THE MESSAGE OUT:** Helping the Village of La Grange Park craft its message to residents about its public affairs priorities, including writing newsletter articles & news releases, and working with the media, if requested.

*Deliverables Include: Provide quarterly reports to the Village (due March 15th, June 15th, September 15th and December 15th) for the Rose Clippings on key legislative issues (or other public affairs priorities) impacting the Village for which our residents should be informed.*

- **ATTENDING VILLAGE BOARD MEETINGS:** Upon request, attending Village Board and Committee meetings, as well as other special events.

*Deliverables Include: Attend at least 4 Village Board meetings annually (one per quarter) and at least 2 special events annually on behalf of the Village.*

- **DRAFTING LEGISLATION:** Meeting with Village officials to define the terms of specific legislation & composing bills and identifying sponsors & cosponsors.

- **ANALYZING LEGISLATION:** Analyzing legislation as it is introduced, determining its possible effects on the Village, as well as providing the Village with copies of these bills and any pertinent information regarding their status.

Services will be provided directly by CW, or where appropriate, by individuals or entities retained by CW that CW believes will help to accomplish the Services outlined in this Paragraph. The VILLAGE shall not be responsible for any fees owed to outside individuals or entities unless pre-approved by the VILLAGE. Furthermore, CW represents that any individual or entity retained by CW will be bound to the same obligations of CW under this Agreement, including the obligation of confidentiality.

### 3. Compensation and Expenses

For and in consideration of CW's performance of Services in accordance with the terms and conditions of this Agreement, the VILLAGE shall pay CW a monthly retainer of \$2,315 (two-thousand-three-hundred fifteen dollars).

If CW determines that there is a need to incur additional costs and expenses in the performances of services hereunder, then in that event, VILLAGE shall reimburse CW for the same, provided the nature, amount and circumstances thereof are fully disclosed to and approved by an authorized representative of the VILLAGE prior to the time such additional costs or expenses are incurred. CW will provide a detailed accounting of all such additional costs and expenses.

### 5. Compliance with State and Federal Laws

Both parties recognize and agree to comply fully with all applicable federal, state, and local laws regulating corporate political and marketing activities, and each agrees to fully comply with all applicable laws, decrees, rules, regulations, orders, ordinances, actions, and requests of any federal, state, or local government or judicial body, agency, or official pertaining to this Agreement.

### 6. Confidentiality

In rendering Services pursuant to this Agreement, CW and its employees may acquire or be exposed to confidential information or trade secrets concerning the business and operations of the VILLAGE or its affiliates. CW agrees to treat and maintain all such information and data as the VILLAGE's confidential property and not to divulge it to others at any time or use it for private purposes or otherwise, except as such use or disclosure may be required in connection with performance of the Services or as may be consented to in advance and in writing by the VILLAGE. The confidentiality obligations hereunder shall not extend to: (i) Confidential information already in the possession of CW without any obligation of confidentiality; (ii) Confidential information already in the public domain; or (iii) Confidential information independently received by CW without any obligations of confidentiality. The obligations of CW contained in this Paragraph shall ensure that any employees, agents, or subcontractors of CW who have

access or exposure to the aforesaid information shall be bound by these obligations of confidentiality.

7. Limitation on Damages

Neither party shall be liable to the other for any punitive, special or exemplary damages.

8. Governing Law

The parties agree that this Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Illinois. This agreement will conform at all times with all applicable laws now and in the future regarding any registered agent business practice.

9. Counterparts

This Agreement may be signed in one or more counterparts, all of which together will constitute one and the same instrument.

IN WITNESS THEREOF, the parties have duly executed this Agreement as of the date first above written:

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For CW Consulting,

For the Village of La Grange Park

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

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

\_\_\_\_\_  
Signature & Date

\_\_\_\_\_  
Signature & Date

## Village Board Agenda Memo

Date: April 9, 2015  
To: President Discipio and Board of Trustees  
From: Julia Cedillo, Village Manager   
Re: Village Board E-mail Policy

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### PURPOSE

To approve a Village Board e-mail policy.

### BACKGROUND

A new law went into effect on January 1, 2015 which requires that governmental bodies provide the public with direct e-mail access to elected officials via their website. The e-mail addresses must be posted no later than March 31st. To comply with this new law, staff posted elected official e-mail addresses (\*\*\*)@lagrangepark.org) to the Village website on March 23, 2015. Access to the e-mail addresses is available under the "Village Government" drop down menu (a new link "Contact Your Elected Officials" was created).

In order to comply with the Open Meetings Act and FOIA requirements, the Village Attorney is recommending that the Village Board use only their official Village e-mail addresses when corresponding about Village business. This is because the Village's e-mail system includes a message archiver which maintains all electronic mail communications that are sent from or received by the system, allowing the Village to efficiently and effectively respond to requests for public information.

As such, Village staff and the Village Attorney recommend that the Village adopt the attached policy, "Electronic Mail Communications To and From Elected Officials," to be integrated into the Village Board Handbook.

### ACTION REQUESTED

*Motion to approve the policy, "Electronic Mail Communications To and From Elected Officials," at the April 28<sup>th</sup> Village Board meeting.*

### STAFF RECOMMENDATION

Staff recommends approval of the Motion. Should the Village Board approve the new policy, all existing Village e-mail addresses will be converted to e-mail accounts on April 21, 2015. A reminder of this transition, as well as directions for accessing e-mail accounts will be provided by staff in advance of that date.

### DOCUMENTATION

- Policy: "Electronic Mail Communications To and From Elected Officials"
- Public Act 098-0930
- Page from the Village's Website

## ELECTRONIC MAIL COMMUNICATIONS TO AND FROM ELECTED OFFICIALS

The Freedom of Information Act (“FOIA”) requires that all “public records” be retained and archived by the Village. The Act defines public records as including “all records, reports, forms, writings, letters, memoranda, books papers, maps photographs, microfilms, cards, tapes, recordings electronic data processing records, electronic communications, recorded information and all other documentary materials pertaining to the transaction of public business, regardless of physical form or characteristics, having been prepared by or for, or having been or being used by, received by, in the possession of, or under the control of any public body.” (5 ILCS 140/2).

The Village is required to publish email addresses of all trustees and other elected officials on its website. Emails are considered public record under the definition listed above. When a person requests public records maintained in electronic form, the Village must produce those records in electronic form. For that reason, the Village must be able to archive all emails sent to and received from village trustees, but also emails that trustees send to members of the public (in response to a question from a member of the public) or to other Village staff and elected officials. If the Village archives all of its email communications, it can easily search and retrieve those email archives when it receives a FOIA request.

The Open Meetings Act defines “meeting” as any gathering, whether in person or by video or audio conference, telephone call, electronic means (such as, without limitation, electronic mail, electronic chat, and instant messaging), or other means of contemporaneous interactive communication, or a majority of a quorum of the members of a public body held for the purpose of discussing public business.” The Public Access Counselor (PAC) has ruled that emails among 3 members of a 7-member Board are meetings in violation of the Open Meetings Act. For that reason, trustees must never respond to a Village-related email by hitting “reply all” and never discuss Village business in group emails, facetime chats or text messages with 2 or more other board members. Doing so is a violation of the Open Meetings Act.

Elected officials’ personal emails are not subject to FOIA or the Open Meetings Act. However, a 2013 court case (*City of Champaign v. Madigan*, 992 N.E.2d 629 (4<sup>th</sup> Dist.) held that electronic communications sent and received from city council members during city council meetings were public records, subject to FOIA, even though they were sent on individuals’ privately owned communication devices.

In order to properly respond to FOIA requests and alleged Open Meetings Act violations, the Village must archive all electronic communications sent to and received by elected officials (whether those communications are to/from staff, Village consultants, business owners or members of the public). In order to enable the Village to archive elected officials’ electronic mail communications, each elected official should use **only** the official “lagrangepark.org” email address in communications that involve the business of the Village. That enables all “public record” electronic communications to be easily searchable in the event of a FOIA request or Open Meetings Act challenge. This will also provide a clear separation between elected officials’ personal and public business emails.

**Public Act 098-0930**

HB5623 Enrolled

LRB098 18298 JLK 53433 b

AN ACT concerning local government.

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

Section 5. The Local Records Act is amended by adding Section 20 as follows:

(50 ILCS 205/20 new)

Sec. 20. Internet posting requirements.

(a) A unit of local government or school district that serves a population of less than 1,000,000 that maintains an Internet website other than a social media website or social networking website shall, within 90 days of the effective date of this amendatory Act of the 98th General Assembly, post to its website for the current calendar year a mechanism, such as a uniform single email address, for members of the public to electronically communicate with elected officials of that unit of local government or school district, unless such officials have an individual email address for that purpose.

(b) For the purposes of this Section "Internet website" shall not include any social media website, social networking website, or any other social media presence that a unit of local government or school district maintains.

(c) A hyperlink to the information required to be posted under this Section must be easily accessible from the unit of local government's or school district's home page.

(d) The postings required by this Section are in addition to any other posting requirements required by law or ordinance.

(e) No home rule unit may adopt posting requirements that are less restrictive than this Section. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

Section 90. The State Mandates Act is amended by adding Section 8.38 as follows:

(30 ILCS 805/8.38 new)

Sec. 8.38. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 98th General Assembly.

**Effective Date: 1/1/2015**

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## Contact Your Elected Officials

Village President, Dr. Jim Discipio   [jdiscipio@lagrangepark.org](mailto:jdiscipio@lagrangepark.org)

Village Clerk, Amanda Seidel   [aseidel@lagrangepark.org](mailto:aseidel@lagrangepark.org)

Village Trustee, Scott Mesick   [smesick@lagrangepark.org](mailto:smesick@lagrangepark.org)

Village Trustee, Patricia Rocco   [procco@lagrangepark.org](mailto:procco@lagrangepark.org)

Village Trustee, Michael Sheehan   [msheehan@lagrangepark.org](mailto:msheehan@lagrangepark.org)

Village Trustee, James Kucera   [jkucera@lagrangepark.org](mailto:jkucera@lagrangepark.org)

Village Trustee, Robert Lautner   [rlautner@lagrangepark.org](mailto:rlautner@lagrangepark.org)

Village Trustee, Jamie Zaura   [jzaura@lagrangepark.org](mailto:jzaura@lagrangepark.org)

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# **Building & Zoning Committee**

**Michael Sheehan, Chairman**

**Scott Mesick**

**James Kucera**

# Village Board Agenda Memo

**Date:** April 14, 2015

**To:** Village President & Board of Trustees

**From:** Emily Rodman, Assistant Village Manager 

Julia Cedillo, Village Manager 

**RE:** Zoning Application No. 2015-01: 901 W. 26<sup>th</sup> Street Cook County Highway Facility – Variation

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## BACKGROUND

On March 17, 2015, the Zoning Board of Appeals (ZBA) approved the Cook County Department of Capital Planning & Policy's application for Site Plan Review for the property located at 901 W. 26<sup>th</sup>. The ZBA also conducted a public hearing to consider Zoning Application No. 2015-01 for variations from Section 12.4.D.3a of the Zoning Code to permit the construction of a non-residential fence in a front yard; and from Section 12.4.D.3b of the Zoning Code to permit the construction a fence 8' in height. Approval of the requested variations by the Village Board was a condition of the Site Plan Approval granted by the ZBA.

The ZBA accepted testimony and evidence into the record. Upon conclusion of the testimony and discussion, the ZBA determined that the application met the standards for a variation as outlined in Section 4.3.F of the Zoning Code. The ZBA recommended the Village Board approve the zoning application and grant the above noted variation.

## MOTION/ACTION REQUESTED

This item is being placed on the April 14, 2015 agenda for discussion only. If there is consensus by the Village Board, the item will be placed on the April 28, 2015 agenda for approval.

*To approve an Ordinance Granting Certain Variations for 901 W. 26<sup>th</sup> Street (Public Hearing No. 2015-01)*

## RECOMMENDATION

The ZBA, on a vote of 6 "AYES" and 0 "NAYS" has recommended that the zoning application be approved.

## DOCUMENTATION

- Ordinance Granting Variation for 422 N. Catherine Avenue
- Transcript of the public hearing for Zoning Application No. 2015-01
- February 17, 2015 ZBA memo

**ORDINANCE NO. \_\_\_\_\_**

**ORDINANCE GRANTING CERTAIN  
VARIATIONS FOR 901 W. 26<sup>th</sup> Street  
(PUBLIC HEARING NO. 2015-01)**

WHEREAS, on or about January 19, 2015 the Cook County Government Office of Capital Planning and Policy filed an application for variations to permit the replacement and extension of a fence on the property located at 901 W. 26<sup>th</sup> Street; and

WHEREAS, on January 27, 2015, the Village of La Grange Park published a legal notice of public hearing before the Zoning Board of Appeals of La Grange Park to consider the variations at a public hearing on March 17, 2015, at 7:00 p.m.; and

WHEREAS, upon conclusion of the public hearing the Zoning Board of Appeals recommended to the Village Board of Trustees that it grant the variations requested in the Application, based upon certain Findings of Fact, true and correct copies of which are attached to this Ordinance; and

WHEREAS, the Board of Trustees of the Village of La Grange Park has reviewed the Application, public notice, hearing transcript and Findings of Fact, and have publicly discussed this application at a Village Board Meeting on April 14, 2015.

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:** That the variations requested in the Application to permit construction of a non-residential fence in a front yard and to permit construction of a fence eight feet (8') in height, consistent with the variation application, is hereby granted to the property commonly known as 901 W. 26<sup>th</sup> Street and as legally described in Section 2 of this Ordinance.

**SECTION 2:** The property that is the subject of the variations granted in Section 1 of this Ordinance is commonly known as 901 W. 26<sup>th</sup> Street and is legally described as follows:

PARCEL 1: THAT PART OF BLOCK 26 IN COUNTY CLERK'S DIVISION OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN. DESCRIBED AS FOLLOWS: COMMENCING ON THE SOUTH LINE OF SAID BLOCK 26 AFORESAID AT A POINT 632 FEET WEST OF THE EAST LINE OF SECTION 28 AFORESAID, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF SAID BLOCK 26 AND THE CENTER LINE OF BEACH AVENUE, IN ELM TERRACE, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 28, THENCE WEST ALONG THE SOUTH LINE OF SAID BLOCK 26 TO THE RIGHT OF WAY OF THE CHICAGO, HAMMOND AND WESTERN RAILROAD COMPANY. A CORPORATION OF ILLINOIS; THENCE NORTH ALONG AND PARALLEL WITH THE EAST LINE OF SAID RIGHT OF WAY OF SAID RAILROAD 400 FEET; THENCE EAST AND

PARALLEL WITH THE SOUTH LINE OF SAID BLOCK 26 TO A POINT, WHICH WOULD BE THE CENTER LINE OF BEACH AVENUE AFORESAID, EXTENDED; THENCE SOUTH AND PARALLEL WITH THE EAST LINE OF SAID RIGHT OF WAY OF SAID RAILROAD TO THE PLACE OF BEGINNING, IN THE TOWN OF PROVISO, EXCEPT A TRACT OF LAND DESCRIBED AS FOLLOWS: THAT PART OF BLOCK 26 IN COUNTY CLERK'S DIVISION OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE SOUTH LINE OF SAID BLOCK 26, 632 FEET WEST OF THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 28, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF SAID BLOCK 26, AND THE CENTER LINE OF BEACH AVENUE EXTENDED NORTH, IN ELM TERRACE, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER (EXCEPT THE WEST 30 RODS THEREOF) OF SAID SECTION 28; THENCE NORTH ALONG THE CENTER LINE OF SAID BEACH AVENUE EXTENDED NORTH A DISTANCE OF 400 FEET TO A POINT (SAID POINT IT BEING 631.72 FEET WEST OF THE EAST LINE OF SAID NORTHEAST QUARTER); THENCE WEST ALONG A LINE 400 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID BLOCK 26, 258.46 FEET TO THE EASTERLY RIGHT OF WAY LINE OF THE INDIANA HARBOR BELT RAILROAD; THENCE SOUTH ALONG THE EASTERLY RIGHT OF WAY LINE OF SAID RAILROAD, 107.25 FEET TO A POINT; THENCE EAST ON A LINE PARALLEL TO THE SOUTH LINE OF BLOCK 26, A DISTANCE OF 121.47 FEET TO A POINT (SAID POINT BEING 137 FEET WEST OF CENTER LINE OF SAID BEACH AVENUE EXTENDED NORTH); THENCE SOUTH ALONG A LINE 137 FEET WEST OF AND PARALLEL TO THE CENTER LINE OF SAID BEACH AVENUE EXTENDED NORTH A DISTANCE OF 292.75 FEET TO THE SOUTH LINE OF SAID BLOCK 26; THENCE EAST ALONG THE SOUTH LINE OF SAID BLOCK 26, A DISTANCE OF 137 FEET TO THE PLACE OF BEGINNING.

SITUATED IN THE COUNTY OF COOK IN THE STATE OF ILLINOIS.

PARCEL 2:

THAT PART OF BLOCK 26 IN COUNTY CLERK'S DIVISION OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE SOUTH LINE OF SAID BLOCK 26, 632.0 FEET WEST OF THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 28, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF BLOCK 26, AND THE CENTER LINE OF BEACH AVENUE EXTENDED NORTH IN ELM TERRACE, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER (EXCEPT THE WEST 30 RODS THEREOF) OF SAID SECTION 28, THENCE NORTH ALONG THE CENTER LINE OF SAID BEACH AVENUE EXTENDED NORTH A DISTANCE OF 400 FEET TO A POINT (SAID POINT BEING 631.72 FEET WEST OF THE EAST LINE OF SAID NORTHEAST QUARTER); THENCE ALONG A LINE 400 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID BLOCK 26, 258.46 FEET TO THE EASTERLY RIGHT OF WAY LINE OF THE INDIANA HARBOR BELT RAILROAD; THENCE SOUTH ALONG THE EASTERLY RIGHT OF WAY LINE OF SAID RAILROAD 107.25 FEET TO A POINT; THENCE EAST ON A LINE PARALLEL TO THE SOUTH LINE OF SAID BLOCK 26, A DISTANCE OF 121.47 FEET TO A POINT (SAID POINT BEING 137 FEET WEST OF THE CENTER LINE OF SAID BEACH AVENUE EXTENDED NORTH); THENCE SOUTH ALONG A LINE 137 FEET WEST OF AND PARALLEL TO THE CENTER LINE OF SAID BEACH AVENUE EXTENDED NORTH A DISTANCE OF 292.75 FEET TO THE SOUTH LINE OF SAID BLOCK 26; THENCE EAST

ALONG THE SOUTH LINE OF SAID BLOCK 26, A DISTANCE OF 137 FEET TO THE PLACE OF BEGINNING.

SUBJECT TO A PERPETUAL EASEMENT RESERVED BY THE GRANTOR FOR AND IN CONNECTION WITH THE EXISTING INDUSTRIAL TRACK AND USE OF THE SAME FROM THE INDIANA HARBOR BELT RAILROAD FOR ALL INDUSTRIAL USES, AS SHOWN ON THE PLAT RECORDED IN THE RECORDER'S OFFICE AS NUMBER 12297 120,

PARCEL 3;

AN IRREGULAR STRIP OF LAND ACROSS THE SOUTH END OF THE FOLLOWING DESCRIBED REAL ESTATE: ALL THAT PART OF THE PART OF THE SOUTH 800 FEET OF LOT 26, IN COUNTY CLERK'S DIVISION IN SECTION 28, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF RIGHT OF WAY OF INDIANA HARBOR BELT RAILROAD COMPANY (EXCEPT THAT PART OF LOT 26 AFORESAID DESCRIBED AS FOLLOWS: COMMENCING ON THE SOUTH LINE OF LOT 26 AT A POINT 632 FEET WEST OF THE EAST LINE OF SECTION 28, SAID POINT BEING AN INTERSECTION OF THE SOUTH LINE OF LOT 26 AND THE CENTER LINE OF BEACH AVENUE IN ELM TERRACE, A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 28, THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 26 TO THE RAILROAD RIGHT OF WAY; THENCE NORTH 400 FEET; THENCE EAST PARALLEL TO THE SOUTH LINE OF LOT 26 TO A POINT WHICH WOULD BE ON CENTER LINE OF BEACH AVENUE EXTENDED; THENCE SOUTH TO PLACE OF BEGINNING) SAID IRREGULAR STRIP CONVEYED HEREBY BEING THE FOLLOWING DESCRIBED AREA: BEGINNING AT A POINT IN THE SOUTH LINE OF LOT 26 AFORESAID, (ALSO BEING THE SOUTH LINE OF THE NORTHEAST QUARTER OF SECTION 28) SAID POINT BEING 632 FEET WEST OF THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE NORTH ALONG A LINE (BEING THE CENTER LINE OF BEACH AVENUE EXTENDED NORTH) A DISTANCE OF 33 FEET TO A POINT: THENCE EAST ALONG A LINE PARALLEL TO THE SOUTH LINE OF SAID NORTHEAST QUARTER A DISTANCE OF 20 FEET TO A POINT OF CURVE; THENCE IN A GENERAL EASTERLY DIRECTION ALONG A CURVED LINE TANGENT TO THE LAST DESCRIBED COURSE CONVEX TO THE NORTH AND HAVING A RADIUS OF 537.79 FEET, A DISTANCE OF 102.47 FEET TO A POINT OF REVERSE CURVE; THENCE CONTINUING IN A GENERAL EASTERLY DIRECTION ALONG A CURVED LINE, TANGENT TO THE LAST DESCRIBED COURSE, CONVEX TO THE SOUTH AND HAVING A RADIUS OF 511.89 FEET, A DISTANCE OF 97.53 FEET TO A POINT, THENCE EAST ALONG A STRAIGHT LINE, TANGENT TO THE LAST DESCRIBED COURSE AND 13.95 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 10 FEET TO A POINT; THENCE SOUTH ALONG A LINE SAID LINE BEING 402.93 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 13.95 FEET TO A POINT IN THE SOUTH LINE OF SAID NORTHEAST QUARTER; THENCE WEST ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER TO THE PLACE OF BEGINNING, SITUATED IN THE COUNTY OF COOK IN THE STATE OF ILLINOIS,

PARCEL 4:

LOTS 49 AND 50 IN ELM TERRACE SUBDIVISION OF THE EAST HALF OF THE

SOUTHEAST QUARTER (EXCEPT THE WEST 30 RODS THEREOF) IN SECTION 28, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN,

PARCEL 5;

THAT PART OF THE WEST 30 RODS OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING EAST OF THE EAST LINE OF THE 66 FEET RIGHT OF WAY CONVEYED TO THE CHICAGO, HAMMOND AND WESTERN RAILROAD COMPANY BY DEED OF 3-22-1892 AND RECORDED 3-24-1897 AS DOCUMENT 2513965 IN BOOK 5947, PAGE 436 IN COOK COUNTY.

PARCEL 6;

THAT PART OF 26th STREET AS SHOWN ON THE PLAT OF VACATION RECORDED ON DECEMBER 1, 1986 AS DOCUMENT NUMBER 86570170; SAID VACATED PART OF 26th STREET DESCRIBED AS FOLLOWS: THAT PART OF THE NORTH 33 FEET OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 28. TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST RIGHT OF WAY LINE OF THE INDIANA HARBOR BELT RAILROAD AND WEST OF THE WEST RIGHT OF WAY LINE OF BEACH AVENUE EXTENDED NORTH, IN COOK COUNTY. ILLINOIS.

SECTION 3: That all necessary permits may be issued by the Village of La Grange Park, subject to further compliance with this Ordinance and all other applicable Village Ordinances and Codes.

SECTION 4: That this Ordinance shall become effective and shall be in full force and effect from and after its passage in the manner provided by law.

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES of the Village of La Grange Park, Cook County, Illinois, this 28<sup>th</sup> day of April, 2015.

\_\_\_\_\_  
James L. Discipio, Village President  
Village of La Grange Park

ATTEST: \_\_\_\_\_  
Amanda Seidel  
Village Clerk

Vote taken by the Board of Trustees on passage of the above ordinance:

AYES:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**NOS:**

_____	_____
_____	_____
_____	_____
_____	_____

**CERTIFIED TO BE CORRECT:**

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

**APPROVED AS TO FORM  
VILLAGE ATTORNEY**

**FINDINGS OF FACT  
VILLAGE OF LA GRANGE PARK ZONING BOARD OF APPEALS  
901 W. 26<sup>TH</sup> STREET  
CASE NO. 2015-01**

**WHEREAS**, the Cook County Government Office of Capital Planning and Policy, referred to as the “Applicant,” on or about January 19, 2015, filed an Application for Site Plan Review and an Application for Variations to seek approval to repave and reconstruct an existing parking lot, and install a fence and associated landscaping improvements on property located at 901 W. 26<sup>th</sup> Street, referred to as “Subject Property”; and

**WHEREAS**, as part of its Site Plan Review process for the proposed improvements on the Subject Property, the Applicant is requesting the following variations: 1) to permit construction of a non-residential fence in a front yard; and 2) to permit construction of a fence eight feet (8’) in height; and

**WHEREAS**, a public hearing was held before the Zoning Board of Appeals of the Village of La Grange Park, Illinois, February 17, 2015, pursuant to notice and publication as required by law; and

**WHEREAS**, the public hearing was opened at 7:00 p.m. on February 17, 2015, and pursuant to unanimous vote of the Zoning Board of Appeals on February 17, 2015 the public hearing was concluded; and

**WHEREAS**, at the conclusion of Applicant’s presentation, the Zoning Board of Appeals voted unanimously to approve the Proposed Site Plan for Cook County District 3 Maintenance Facility, prepared by Weaver Boos Consultants, consisting of 1 page (the “Site Plan”); and

**WHEREAS**, based upon documentary evidence and testimony presented by Applicant and members of the public, the Zoning Board of Appeals makes the following Summary of Facts, and pursuant to Section 4.3.F of the La Grange Park Zoning Code, makes the following Findings of Fact:

**SUMMARY OF FACTS.** Cook County is relocating its County Sheriff vehicle storage and service offices from Chicago to the Subject Property. The facility will accommodate up to 23 employees, will service a variety of Sheriff’s vehicles and will also store approximately 50 out-of-service vehicles, along with 5-7 vehicles slated for auction each week. Cook County anticipates that this facility will service approximately 150 passenger vehicles and vans per week; no trailers, buses or large trucks will be serviced at this facility. Salt trucks will continue to be stored in the rear garage.

The proposed improvements include repairing and resurfacing of the parking areas, minor interior and exterior building improvements and repairs including removal of the Department of Highway lettering on the building, installation of a guard shack and gates,

replacement and extension of the existing fence, installation of landscaping, and installation of traffic control signage. Because the proposed use includes the overnight storage of public safety vehicles/equipment, the proposed guard shack will be manned twenty-four hours a day, seven days a week. Ingress and egress to the site is currently provided via 31st Street and via 26th Street and will not change. Traffic control signage will be installed on the property and in the right-of-way along Beach Avenue to discourage use of Beach Avenue and Newberry Avenue by employees and patrons visiting the site.

The Applicant requests the following variations: 1) to permit construction of a non-residential fence in a front yard; and 2) to permit construction of fence eight feet (8') in height.

### FINDINGS OF FACT

- 1. The strict application of the terms of this Zoning Code will result in undue hardship unless the specific relief requested is granted.** Section 12.4.1.2 of the Zoning Code requires that all outdoor storage areas be screened and that the materials stored outside not exceed the height of the screening. Due to the proposed use of the facility, a six foot fence would not sufficiently screen the on-site operations from neighboring uses. Additionally, because the front of the property abuts single-family residential, extending the eight foot fence across the front yard will further screen the operations and provide enhanced site security for the public safety equipment being stored on-site.
- 2. The plight of the owner is due to unique circumstances inherent to the Subject Property and not from the personal situation of the owner.** The property is uniquely situated adjacent to the IHB railroad to the west, single-family residential to the south and southeast and industrial to the north and east. The configuration of the property is also unique, as it has minimal right-of-way frontage. Finally, the proposed use of the property is unique, given that it is a government-owned facility that will be engaging in vehicle maintenance, repair and storage of public safety vehicles, and continue to house winter operations (salt dome, salt trucks) for Cook County. The proposed fence extension and additional height will ensure the property, public safety equipment, and the operations of Cook County are appropriately screened and secured from neighboring properties.
- 3. The variation, if granted, will not alter the essential character of the locality.** The proposed variations will provide increased screening of the property and its operations as well as improve the security and overall aesthetics of the property

Regarding the request for the variations outlined above, the Zoning Board of Appeals voted as follows:

**AYES:** Domagalski, Griffin, Lampert, Studwell, Zaura, Chairman Boyd

**NAYS:** None

ABSENT: Lee

RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of March 2015.

**VILLAGE OF LA GRANGE PARK  
ZONING BOARD OF APPEALS**

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

BEFORE THE VILLAGE OF LAGRANGE PARK  
ZONING BOARD OF APPEALS

IN RE THE MATTER OF: )  
 ) Petition  
Application for Variation for ) #2015-02  
801 Homestead Road )

ZONING BOARD OF APPEALS HEARING  
March 17, 2015  
Seven o'clock P.M.

PROCEEDINGS HAD and testimony taken before  
the VILLAGE OF LA GRANGE PARK ZONING BOARD OF  
APPEALS, taken at the LaGrange Park Village Hall,  
447 North Catherine, LaGrange Park, Illinois,  
before Marlane K. Marshall, C.S.R., License  
#084-001134, a Notary Public qualified and  
commissioned for the State of Illinois.

1 BOARD MEMBERS PRESENT:

2 MR. ERIC BOYD, Chairman  
3 MS. CAROLINE DOMAGALSKI, Member  
4 MS. JAMIE ZAURA, Member  
5 MR. JIM LEE, Member  
6 MR. CHRISTOPHER STUDWELL, Member  
7

8 ALSO PRESENT:

9 MS. EMILY RODMAN, Assistant Village  
Manager  
10  
MS. AMANDA G. SEIDEL, Village Clerk  
11  
MS. CATHLEEN M. KEATING, Village  
12 Attorney.  
13 CHIEF DEAN J. MAGGOS, Director of  
Building and Fire  
14  
MR. PAUL FLOOD, Hancock Engineering  
15  
MR. ROB WIERZBA, Building Inspector  
16

17  
18 PRESENT FOR THE PETITIONER:

19 MR. BOB CAEMMERER, Petitioner,  
20 MS. DARLENE STIRN, Architect  
21  
22  
23  
24

1           CHAIRMAN BOYD: We're next going to proceed to  
2 the public hearing for the 2015-02 matter to consider  
3 application for variation for 801 Homestead Road in  
4 LaGrange Park. First I will read the public notice  
5 that was issued, and then we're going to explain the  
6 process and go from there.

7                       "Notice is hereby given that  
8                       on March 17th, 2015 a public  
9                       hearing will be held before the  
10                      Zoning Board of Appeals of  
11                      LaGrange Park, Illinois in the  
12                      village hall at 447 North  
13                      Catherine Avenue at seven o'clock  
14                      p.m. or soon thereafter for the  
15                      purpose of considering an appli-  
16                      cation for zoning variations on  
17                      property zoned as R-1 Residential  
18                      District located at 801 Home-  
19                      stead Avenue, LaGrange Park,  
20                      Illinois, and legally described  
21                      as --"

22 And I am going to skip the legal description.

23                      "The petitioner is requesting  
24                      a variation to extend an existing

1 garage wall that encroaches  
2 approximately 10 feet into the  
3 required rear setback and to  
4 reduce the required setback of  
5 a front-loaded attached garage  
6 from five feet to four feet from  
7 the main facade of the home.  
8 This variation, if approved,  
9 would allow the reconstruction  
10 of an attached garage.

11 The application for zoning  
12 variation and description of the  
13 proposed use are available for  
14 examination during normal office  
15 hours at the LaGrange Park  
16 Village Hall, 447 North Catherine  
17 Avenue, LaGrange Park, Illinois.

18 All interested persons  
19 are invited and welcome to attend  
20 the hearing. All persons  
21 interested in providing testi-  
22 mony at the hearing are welcome  
23 to do so. Zoning Board of  
24 Appeals, Village of LaGrange

1 Park. Eric Boyd, Chairman."

2 So this proceeding will go as follows. If  
3 anyone would like to present testimony for considera-  
4 tion by the zoning board of appeals we're going to  
5 first ask you to stand and be sworn. But not yet.  
6 We'll have the court reporter do that. Then the  
7 petitioner will present his case to the board. Members  
8 of the audience will thereafter be given a chance to  
9 ask questions and provide their own testimony. We'll  
10 then have the board of appeals ask the staff and the  
11 applicant questions. If all of our questions are  
12 answered and we're satisfied, we'll close the public  
13 hearing portion, the court reporter will no longer  
14 be taking testimony and we will consider the evidence  
15 we have before us and presumably make a decision  
16 tonight.

17 So with that could I have you swear in  
18 anybody who would like to offer testimony? Anybody  
19 who wants to say anything in this particular  
20 proceeding tonight stand up and be sworn in please,  
21 including the applicant.

22 (Whereupon the witness was duly sworn  
23 by the Notary.)

24 CHAIRMAN BOYD: Would you like to -- Actually

1 we have a microphone up here. You want to step up?  
2 And begin when you are ready. State your name and  
3 where you live first.

4  
5 B O B C A E M M E R E R,  
6 having been first duly sworn, testified as follows:

7 My name is Bob Caemmerer. We currently  
8 reside the 410 South Catherine in LaGrange, and my  
9 wife Susan and I purchased this house at 801 Homestead  
10 last year and we will be moving in there next month  
11 pending a few things left to be done on the interior  
12 and Rob doing a final inspection.

13 The last part of the project is we do need  
14 to rebuild the crumbling garage. Even the picture of  
15 the front of it which you were all provided is the  
16 best face of the garage. The rest of it looks much  
17 worse. When it was built in 1930 it was built for  
18 smaller cars. It was built for families that did  
19 not accumulate bicycles, yard toys, all those things  
20 that young families now have. So we're redoing this  
21 house for ourselves. We plan on living there for the  
22 next five years, but we hope that this will be a  
23 house that families can use for another hundred years.

24 The expansion of the garage in the direction

1 towards Monroe Avenue is the best direction for us  
2 to go. Water management on the property is a big  
3 concern for us, so by going towards Monroe we're  
4 putting the garage expansion over an area that current-  
5 ly is driveway. So we're not increasing the impervious  
6 area of the property. If we were to go in any other  
7 direction we'd be moving the building closer to other  
8 people's garages, and we didn't want to do that.

9           In addition to helping with water management  
10 we're changing the pitch of the roof so it goes to  
11 the east. And then we're able to very easily get the  
12 water out to the street using a gutter and a downspout.  
13 Right now it goes to the north. It's all dumped in  
14 the interior of the lot which is a low spot back there.  
15 So we want to change that so we're not dumping water  
16 on our neighbors.

17           Finally, with the setback of the front of  
18 the garage we're going from -- it's five feet required.  
19 We're asking for four feet. This just is giving us  
20 that extra room, the extra length in the garage that's  
21 needed. The current garage is short. As we do this  
22 the picture of the garage shows it kind of has a very  
23 odd-looking castle kind of pediment on it. We wanted  
24 the garage to look more uniform with the house, so

1 we're getting rid of that. I found a company that  
2 will do the limestone trim that matches what exists  
3 on the house. So when that's put in there it'll just  
4 look more uniform. And we're going to recycle the  
5 brick. It's a unique brick. It has little stars in  
6 it. And I think that's about all I have to cover.

7 Oh, one last thing. We did make some changes  
8 on the plan that you have in pencil. Originally when  
9 we did the plan on the initial review we thought that  
10 what we had done the first time would have been able  
11 to be built without a variance. On additional review  
12 it was looked at and said no, well, you would need a  
13 variance for that as it was. So we decided as long  
14 as we have to go for a variance let's get the extra  
15 space to make the garage more usable. So if you  
16 folks have any additional changes we would then put  
17 them all in at once, save some costs, and then we  
18 would have that done by the architect prior to the  
19 next meeting. Thank you very much for your time.

20 CHAIRMAN BOYD: Thank you, Mr. Caemmerer. You  
21 can go ahead and sit down. Is there anyone in the  
22 audience who would like to say anything? And again  
23 if you have not been sworn in I will ask you to be  
24 sworn in before you give any testimony. No? Okay.

1 Well, it's our turn then to ask questions  
2 of either the applicant or our staff. Mr. Lee,  
3 would you like to begin?

4 MR. LEE: I have no questions or comments.

5 CHAIRMAN BOYD: Okay.

6 MR. STUDWELL: I have a couple questions. On  
7 the table in front of us we see that the building  
8 coverage is proposed at 1776 square feet. What is  
9 the current coverage? Anybody know?

10 MR. CAEMMERER: That is on the plan.

11 MR. STUDWELL: Is that on the plan? Same thing  
12 with the impervious coverage -- impervious surface.

13 MR. CAEMMERER: Impervious surface would not  
14 change since we're --

15 MR. STUDWELL: You're moving it forward towards  
16 the street.

17 MR. CAEMMERER: Over what is already impervious,  
18 correct. And the building coverage is increasing by  
19 I believe it's 76 square feet.

20 MR. STUDWELL: Okay. Seventeen hundred.

21 MR. CAEMMERER: We're still under.

22 CHAIRMAN BOYD: Emily, is that right? Are you  
23 doing the math?

24 MR. CAEMMERER: 1757.

1 MS. RODMAN: I was just going to do the  
2 percentage math, but the numbers are correct.

3 (Whereupon the witness was duly sworn  
4 by the Notary.)  
5

6 E M I L Y R O D M A N,  
7 having been first duly sworn, testified as follows:

8 Emily Rodman for the village.

9 MR. STUDWELL: Also on A3 you show that there  
10 is an access into the basement that's being closed.  
11 Is there any access -- is there any service entrance  
12 to this garage?

13 MR. CAEMMERER: Other than the front door, other  
14 than the overhead door I was not going to incorporate  
15 one because it really doesn't go anywhere.

16 MR. STUDWELL: The only problem with that is if  
17 you have a broken spring on that garage door you  
18 can't get in or out.

19 MR. CAEMMERER: Never thought about that.

20 MS. DOMAGALSKI: Through the house.

21 MR. STUDWELL: There's no entrance through the  
22 house, is there?

23 MR. CAEMMERER: There's a small opening that was  
24 in the property about three foot by three foot, and

1 to make it a fireproof door was just too complicated.

2 MR. STUDWELL: I understand that against the  
3 house. I am not worried about the house. I am just  
4 worried about somebody being trapped inside that  
5 building.

6 MR. CAEMMERER: The garage.

7 MR. STUDWELL: Right.

8 MR. CAEMMERER: You think we should add an  
9 outside door?

10 MR. STUDWELL: Probably a service door of some  
11 sort. Because, like I said, if that spring goes and  
12 the springs do go, or if you lose power -- I mean  
13 there's back-up power systems, but if you lose power  
14 and the spring goes, then you're in double jeopardy.

15 MR. CAEMMERER: If necessary we can add an  
16 outside door to the property. That is not a  
17 problem.

18 MR. STUDWELL: I think that would be a fire  
19 life safety issue as well. Other than that no other  
20 questions.

21 CHAIRMAN BOYD: Miss Zaura?

22 MS. ZAURA: I just have one question. On the  
23 demolition foundation plan A2, the southeast corner  
24 of the garage, the dimension was changed from two

1 feet to 18 inches. Is that just to keep the existing  
2 setback the same? You had it a little bit wider  
3 before and then it was pencilled out. I am just  
4 wondering is that to keep the setback --

5 MR. CAEMMERER: Which page are you on?

6 MS. ZAURA: A2, the southeast corner of the  
7 garage. There's a dimension that was two feet and  
8 it was crossed over and made 18 inches.

9 MR. CAEMMERER: Maybe my architect could explain  
10 it better than I can.

11 (Whereupon the witness was duly sworn  
12 by the Notary.)

13  
14 D A R L E N E S T I R N,  
15 having been first duly sworn, testified as follows:

16 Darlene Stirn, S-t-i-r-n, LaGrange  
17 Illinois.

18 MR. CAEMMERER: Okay.

19 CHAIRMAN BOYD: When you are ready to talk just  
20 stand up and tell us what you know.

21 MS. STIRN: When we did these plans we were  
22 going to completely redo the foundation on the garage.  
23 And now we're going to keep -- if we can keep that  
24 foundation if it's in good shape we're going to do

1 that. So we moved the dimension back to be the  
2 existing.

3 MS. ZAURA: Okay. Thanks. That's all.

4 CHAIRMAN BOYD: Ms. Domagalski?

5 MS. DOMAGALSKI: I just wanted to know -- Some-  
6 times when we see these kinds of variation requests  
7 we get letters from the adjacent neighbors. Have  
8 your neighbors expressed support or concerns?

9 MR. CAEMMERER: All the neighbors I had spoken  
10 to have expressed support. I believe one of them --  
11 she just ran over the other day and told me she  
12 called the village to let them know that I should be  
13 able to do this. Very sweet. But they have all been  
14 very supportive through the whole process. Not just  
15 this, but as we have been renovating the house they  
16 come over and visit. Lovely neighbors.

17 MS. DOMAGALSKI: And I also just wanted to say  
18 I know when you're in the middle of a construction  
19 project and time is of the essence and then all of a  
20 sudden you have to go before additional zoning and  
21 building authorities it can be frustrating. So I just  
22 want to say we appreciate your willingness to go  
23 through our process and talk to us about these issues.  
24 Thanks.

1 MR. CAEMMERER: Not a problem at all. Rob and  
2 Emily have been very helpful in guiding me to this  
3 point.

4 CHAIRMAN BOYD: Emily, I have two questions,  
5 and I am sure I am just being dense on this.

6 They're asking for a variance from the rear  
7 yard setback. Is it existing legally nonconforming  
8 with respect to the rear yard setback?

9 MS. RODMAN: It is. It's a little confusing  
10 given the unique situation of the property. So by  
11 the zoning code the rear yard is the east property  
12 line and the front yard is going to be the west  
13 property line which is the Homestead frontage. So  
14 even though the house fronts Monroe the front yard  
15 is technically on Homestead. So the required rear  
16 yard setback is that 15% of the lot depth which is  
17 16, I think, .37 feet. But the house is only 6.37  
18 feet from the property line, so it's already over 10  
19 feet into the required rear setback. That's just,  
20 you know, how it was built and how our setbacks are  
21 configured today. So that's an existing encroachment  
22 so it is legal nonconforming in regard to that.

23 The petitioner is not proposing to encroach  
24 further into that setback in terms of reducing it from

1 that 6.36 feet. But what they're proposing to do is  
2 because they're extending the east wall of the garage  
3 further south, they are by the code technically  
4 encroaching further into the setback because they're  
5 extending the wall along the existing setback line.  
6 So that's where that encroachment comes in. It's like  
7 the extension of that wall.

8 CHAIRMAN BOYD: Okay. And just to be clear too,  
9 with respect to the front-loaded garage issue are  
10 they existing legal nonconforming with respect to the  
11 setback for the garage?

12 MS. RODMAN: The existing setbacks -- The code  
13 requires that for attached front-loaded garages the  
14 garage must be offset 5 feet behind the front facade  
15 of the home, primarily an aesthetic regulation to  
16 make sure that you don't -- when you are looking  
17 down the street you don't just see garages. The home  
18 is conforming with regard to that requirement today.  
19 They are -- the garage is 7 feet back from the front  
20 facade of the home.

21 CHAIRMAN BOYD: Oh, okay.

22 MS. RODMAN: Because they're looking to expand  
23 the garage three feet in length they're going to be  
24 reducing that to only a four-foot differential between

1 the front facade and the garage as opposed to the  
2 existing seven.

3 CHAIRMAN BOYD: Okay. And just to be clear, if  
4 we were to -- I suspect we could vote on each of  
5 those requests separately. But if we wanted to vote  
6 on them together how would you suggest we phrase a  
7 motion with respect to those two issues? We could  
8 either refer to specific sections of the code or how  
9 do we do it?

10 MS. RODMAN: If you look at page 3 of the staff  
11 report under staff recommendation -- and the village  
12 attorney can correct me if I am wrong -- but I think  
13 you can just use that wording there. The zoning  
14 board of appeals recommends approval to the village  
15 board of the variations and then the sections are  
16 listed. So I think that's how -- that would be  
17 adequate.

18 CHAIRMAN BOYD: All right. Before we close the  
19 public hearing do we have any other questions for the  
20 applicant or for staff? Does the applicant have  
21 anything else they'd like to say?

22 MR. CAEMMERER: Other than thank you so much  
23 for your time. That is a lot of things to look at.

24 CHAIRMAN BOYD: Thanks for coming in. May I

1 have a motion to close the public hearing?

2 MS. DOMAGALSKI: So moved.

3 CHAIRMAN BOYD: Second?

4 MR. STUDWELL: Second.

5 CHAIRMAN BOYD: All in favor say aye. Any  
6 opposed? Okay.

7 (Which were all the proceedings had  
8 and testimony taken at the public  
9 hearing of the above-entitled cause.)

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<p style="text-align: center;"><b>A</b></p> <p><b>A2</b> 11:23 12:6  <b>A3</b> 10:9  <b>able</b> 7:11 8:10              13:13  <b>above-entitled</b>              17:9 18:9  <b>access</b> 10:10,11  <b>accumulate</b> 6:19  <b>add</b> 11:8,15  <b>addition</b> 7:9  <b>additional</b> 8:11              8:16 13:20  <b>adequate</b> 16:17  <b>adjacent</b> 13:7  <b>aesthetic</b> 15:15  <b>ahead</b> 8:21  <b>allow</b> 4:9  <b>AMANDA</b> 2:10  <b>answered</b> 5:12  <b>anybody</b> 5:18,18              9:9  <b>appeals</b> 1:2,6,11              3:10 4:24 5:4              5:10 16:14  <b>appli-</b> 3:15  <b>applicant</b> 5:11              5:21 9:2 16:20              16:20  <b>application</b> 1:4              3:3 4:11  <b>appreciate</b> 13:22  <b>approval</b> 16:14  <b>approved</b> 4:8  <b>approximately</b>              4:2  <b>architect</b> 2:20              8:18 12:9  <b>area</b> 7:4,6  <b>asking</b> 7:19 14:6  <b>Assistant</b> 2:9  <b>attached</b> 4:5,10              15:13</p>	<p><b>attend</b> 4:19  <b>attorney</b> 2:12              16:12  <b>audience</b> 5:8              8:22  <b>authorities</b>              13:21  <b>available</b> 4:13  <b>Avenue</b> 3:13,19              4:17 7:1  <b>aye</b> 17:5</p> <p style="text-align: center;"><b>B</b></p> <p><b>B</b> 6:5,5  <b>back</b> 7:14 13:1              15:19  <b>back-up</b> 11:13  <b>basement</b> 10:10  <b>believe</b> 9:19              13:10  <b>best</b> 6:16 7:1  <b>better</b> 12:10  <b>bicycles</b> 6:19  <b>big</b> 7:2  <b>bit</b> 12:2  <b>board</b> 1:2,6,10              2:1 3:10 4:23              5:4,7,10 16:14              16:15  <b>Bob</b> 2:19 6:7  <b>Boyd</b> 2:2 3:1 5:1              5:24 8:20 9:5              9:22 11:21              12:19 13:4              14:4 15:8,21              16:3,18,24              17:3,5  <b>brick</b> 8:5,5  <b>broken</b> 10:17  <b>building</b> 2:13,15              7:7 9:7,18 11:5              13:21  <b>built</b> 6:17,17,18              8:11 14:20</p>	<p style="text-align: center;"><b>C</b></p> <p><b>C</b> 6:5 18:2  <b>C.S.R</b> 1:13 18:4  <b>Caemmerer</b> 2:19              6:7 8:20 9:10              9:13,17,21,24              10:13,19,23              11:6,8,15 12:5              12:9,18 13:9              14:1 16:22  <b>called</b> 13:12  <b>CAROLINE</b> 2:3  <b>cars</b> 6:18  <b>case</b> 5:7  <b>castle</b> 7:23  <b>Catherine</b> 1:12              3:13 4:16 6:8  <b>CATHLEEN</b>              2:11  <b>cation</b> 3:16  <b>cause</b> 17:9 18:9  <b>certify</b> 18:7  <b>Chairman</b> 2:2              3:1 5:1,24 8:20              9:5,22 11:21              12:19 13:4              14:4 15:8,21              16:3,18,24              17:3,5  <b>chance</b> 5:8  <b>change</b> 7:15              9:14  <b>changed</b> 11:24  <b>changes</b> 8:7,16  <b>changing</b> 7:10  <b>CHIEF</b> 2:13  <b>CHRISTOPH...</b>              2:6  <b>clear</b> 15:8 16:3  <b>Clerk</b> 2:10  <b>close</b> 5:12 16:18              17:1  <b>closed</b> 10:10</p>	<p><b>closer</b> 7:7  <b>code</b> 14:11 15:3              15:12 16:8  <b>come</b> 13:16  <b>comes</b> 15:6  <b>coming</b> 16:24  <b>comments</b> 9:4  <b>commission</b>              18:18  <b>commissioned</b>              1:15 18:5  <b>company</b> 8:1  <b>complete</b> 18:10  <b>completely</b>              12:22  <b>complicated</b>              11:1  <b>concern</b> 7:3  <b>concerns</b> 13:8  <b>configured</b>              14:21  <b>conforming</b>              15:18  <b>confusing</b> 14:9  <b>consider</b> 3:2              5:14  <b>considera-</b> 5:3  <b>considering</b> 3:15  <b>construction</b>              13:18  <b>Cook</b> 18:6  <b>corner</b> 11:23              12:6  <b>correct</b> 9:18              10:2 16:12              18:10  <b>costs</b> 8:17  <b>County</b> 18:2,6  <b>couple</b> 9:6  <b>court</b> 5:6,13  <b>cover</b> 8:6  <b>coverage</b> 9:8,9              9:12,18  <b>crossed</b> 12:8</p>	<p><b>crumbling</b> 6:14  <b>CSR</b> 18:16  <b>current</b> 7:21 9:9  <b>current-</b> 7:4  <b>currently</b> 6:7</p> <p style="text-align: center;"><b>D</b></p> <p><b>D</b> 10:6 12:14  <b>Darlene</b> 2:20              12:16  <b>day</b> 13:11  <b>DEAN</b> 2:13  <b>decided</b> 8:13  <b>decision</b> 5:15  <b>demolition</b>              11:23  <b>dense</b> 14:5  <b>depth</b> 14:16  <b>described</b> 3:20  <b>description</b> 3:22              4:12  <b>differential</b>              15:24  <b>dimension</b> 11:24              12:7 13:1  <b>direction</b> 6:24              7:1,7  <b>Director</b> 2:13  <b>District</b> 3:18  <b>doing</b> 6:12 9:23  <b>Domagalski</b> 2:3              10:20 13:4,5              13:17 17:2  <b>door</b> 10:13,14,17              11:1,9,10,16  <b>double</b> 11:14  <b>downspout</b> 7:12  <b>driveway</b> 7:5  <b>duly</b> 5:22 6:6              10:3,7 12:11              12:15 18:5  <b>dumped</b> 7:13  <b>dumping</b> 7:15</p>
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# Village Board Agenda Memo

**Date:** April 14, 2015

**To:** President & Board of Trustees

**From:** Emily Rodman, Assistant Village Manager 

Julia Cedillo, Village Manager 

**RE:** SprintCom Inc. Wireless Communication Equipment – Proposed Lease – 937 Barnsdale

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## **BACKGROUND**

At the October 28, 2014 Village Board meeting, the Village Board discussed terms for a proposed lease with SprintCom Inc. for the installation of wireless communication equipment on the Village's water tower. At the conclusion of the discussion, the Village Board expressed a general consensus in support of the proposed terms and directed staff to proceed with further negotiating the lease with Sprint.

On March 17, 2015, the ZBA approved Sprint's request for Site Plan Review to allow the installation of 6 antenna's and ancillary equipment on the Village's water tower located at 937 Barnsdale Road, subject to the condition that the Village Board approve a lease with Sprint.

The proposed lease terms include a lease rate of \$3,000 monthly (\$36,000 annually) with a 3% annual escalator. The lease is for a term of five years, with a renewal option of up to four additional terms. While Sprint has agreed to the majority of the provisions in the lease agreement, they are still working to obtain approval from their legal counsel regarding the insurance language (Section 13).

## **MOTION/ACTION REQUESTED:**

This item is being placed on the April 14, 2015 agenda for discussion only. If there is consensus by the Village Board, the item will be placed on the April 28, 2015 agenda for approval. If approved, Sprint will be required to obtain a building permit prior to installing the equipment.

*Motion to Approve a Rooftop Lease for 937 Barnsdale Road between SprintCom Inc. and the Village of La Grange Park.*

## **DOCUMENTATION:**

- Rooftop Lease
- October 28, 2014 Village Board Agenda Memo
- March 17, 2015 ZBA Memo (previously provided)

# SITE AGREEMENT

Site Name: La Grange Park

Site ID #: CH51XC438

This Site Agreement ("Agreement") is entered into as of \_\_\_\_\_ by SprintCom, Inc., a Kansas corporation ("Sprint/Nextel" or "Tenant") and the Village of La Grange Park ("Owner"). Owner acknowledges receiving One Dollar (\$1.00) and other sufficient consideration for entering into this Agreement.

**1. Premises and Use.** Owner owns the property described on Exhibit A attached ("Owner's Property"). Subject to the provisions of Section 2 below regarding the Due Diligence Period, Owner leases to Sprint/Nextel the site (consisting of a portion of Owner's Property) described below [*Check all appropriate boxes*]:

- Land consisting of approximately \_\_\_\_\_ square feet for construction of:
  - shelters and/or base station equipment and
  - antenna support structure;
- Building interior space consisting of approximately \_\_\_\_\_ square feet for placement of shelters and/or base station equipment;
- Building exterior space consisting of approximately 12' x 20' square feet for placement of shelters and/or base station equipment;
- Building exterior space for attachment of antennas;
- Tower space between the \_\_\_\_\_ foot and \_\_\_\_\_ foot level on the tower for attachment of antennas;

generally in the location(s) shown on Exhibit B attached, as well as riser, conduit and other space required for cable runs to connect its equipment and antennas, and together with all necessary non-exclusive easements for vehicular and pedestrian access thereto, for placement of an underground grounding system, and for access to the appropriate source of electric, telephone and other utilities, in the discretion of Sprint/Nextel (the "Site"). All of the Facilities will remain Sprint/Nextel's personal property and are not fixtures. Any visual or textual representation of the Facilities on Exhibit B is illustrative only, and does not limit the rights of Sprint/Nextel as provided for in this Agreement. Sprint/Nextel will use the Site in a manner which will not unreasonably disturb the occupancy of Owner's other tenants, if any. Sprint/Nextel will have unrestricted access to the Site and the Facilities 24 hours per day, 7 days per week.

**2. Term.** This Agreement becomes effective on the date that both Owner and Sprint/Nextel have executed this Agreement ("Effective Date"). Tenant's lease term shall commence, if at all, at the end of the Due Diligence Period on the Term Commencement Date. The term of Tenant's lease and tenancy, if any, (the "Term") is 5 years, commencing on the "Term Commencement Date" which is defined as the earlier to occur of: (a) the date that Sprint/Nextel commences construction of the Facilities; or 90 days after The Effective Date. The Term will be automatically renewed for 4 additional terms of 5 years each (each a "Renewal Term"), unless Tenant provides Owner with notice of its intention not to renew prior to the expiration of the initial Term or any Renewal Term. The Due Diligence Period is defined as the time between the Effective Date and the Term Commencement Date. During the Due Diligence Period, Sprint/Nextel will be permitted to enter Owner's Property to perform surveys, inspections, investigations and tests, including, without limitation, signal, topographical, geotechnical, structural and environmental tests, in Sprint/Nextel's discretion to determine the physical condition, suitability and feasibility of the Site. If Sprint/Nextel determines, in its discretion, that the Site is not appropriate for Sprint/Nextel's intended use (or if Sprint/Nextel otherwise decides, for any reason or no reason, not to commence the lease Term), then Sprint/Nextel may terminate this Agreement upon notice to Owner at any time prior to the end of the Due Diligence Period. Owner acknowledges that, prior to the Term Commencement Date, Sprint/Nextel has limited access to, but no ownership or control of, any portion of Owner's Property and that Sprint/Nextel's access during the Due Diligence Period shall not cause Sprint/Nextel to be considered an owner or operator of Owner's Property or the Site for purposes of environmental laws or otherwise.

**3. Rent.** Starting on the date that is 30 days after the Term Commencement Date and on the first day of every month thereafter, Tenant will pay rent in advance in equal monthly installments of \$ 3,000.00 with a 3% annual escalation. Rent for any partial months will be prorated based upon a 30-day month. Notwithstanding anything contained in this Section, Tenant's obligation to pay rent is contingent upon Tenant's receipt of an IRS approved W-9 form setting forth the tax identification number of Owner or of the person or entity to whom rent checks are to be made payable as directed in writing by Owner. Rent will be sent to the address shown underneath Owner's signature.

**4. Title and Quiet Possession.** Owner represents and warrants to Tenant and further agrees that: (a) it is the owner of Owner's Property; (b) it has rights of pedestrian and vehicular access from the nearest public roadway to the Site,

which Tenant is permitted to use; (c) it has the right to enter into this Agreement; (d) the person signing this Agreement has the authority to sign; (e) Tenant is entitled to access the Site at all times and to quiet possession of the Site throughout the initial Term and each Renewal Term, so long as Tenant is not in default beyond the expiration of any notice or cure period; Owner will not touch any part of Tenant's equipment.

**5. Assignment/Subletting.** Tenant has the right to sublease (or otherwise transfer or allow the use of) all or any portion of the Site or assign its rights under this Agreement without notice to or consent of Owner.

**6. Notices.** All notices, requests, demands or other communications with respect to this Agreement, whether or not herein expressly provided for, must be in writing and will be deemed to have been delivered upon receipt or refusal to accept delivery after being either mailed by United States first-class certified or registered mail, postage prepaid, return receipt requested or deposited with an overnight courier service for next-day delivery to the parties at the following addresses (the addresses may be changed by either party by giving written notice). Notices to Tenant are to be sent to: Sprint/Nextel Property Services, Mailstop KSOPHT0101-Z2650, 6391 Sprint Parkway, Overland Park, Kansas 66251-2650, with a mandatory copy to: Sprint/Nextel Law Department, Mailstop KSOPHT0101-Z2020, 6391 Sprint Parkway, Overland Park, Kansas 66251-2020, Attn.: Real Estate Attorney. Notices to Owner must be sent to the address shown underneath Owner's signature.

**7. Improvements.** Tenant may, at its expense, make improvements on and to the Site as it deems necessary or desirable from time to time for the operation of the Facilities. Owner agrees to cooperate with Tenant with respect to obtaining any required zoning or other governmental approvals for the Site, the Facilities and contemplated use thereof. Upon termination or expiration of this Agreement, Tenant will remove the above-ground Facilities, and will remove any foundation down to one foot below grade level.

**8. Compliance with Laws.** Owner represents and warrants to Tenant that Owner's Property (including the Site) and all improvements located thereon, are in substantial compliance with building, life/safety, disability and other laws, codes and regulations of applicable governmental authorities. Tenant will substantially comply with all applicable laws relating to its possession and use of the Site.

**9. Interference.** Tenant will resolve technical interference problems that the Facilities might cause (i) with other equipment located at the Site on the Effective Date, or (ii) when Tenant desires to add additional Facilities to the Site, any equipment that became attached to the Site between the Effective Date and such future date. Likewise, Owner will not permit or suffer the installation of any equipment on Owner's Property after the Effective Date that: (a) results in technical interference problems with the Facilities, or (b) encroaches onto the Site.

**10. Utilities.** Owner represents and warrants to Tenant that all utilities adequate for Tenant's intended use of the Site are available at or near the Site. Tenant will pay for all utilities used by it at the Site. Owner grants to Tenant and the local utility companies (as appropriate) any easement(s) reasonably required by Tenant or the utility companies in order to provide utility service required by Tenant for its intended use of the Site throughout the initial Term and each Renewal Term, and Owner will execute, at no cost to Tenant or the utility companies, any instrument(s) reasonably necessary to evidence such rights. If there is a loss of electrical service at the Site, Tenant may, at its expense, install and maintain a temporary generator and fuel storage tank at the Site or on Owner's Property adjacent to the Site.

**11. Termination.** Notwithstanding any provision contained in this Agreement to the contrary, Tenant may, in Tenant's sole and absolute discretion and at any time and for any or no reason, terminate this Agreement without further liability by delivering prior written notice to Owner.

**12. Default.** If either party is in default under this Agreement for a period of 30 days following receipt of written notice from the non-defaulting party, the non-defaulting party may pursue any remedies available to it against the defaulting party at law and in equity, including, but not limited to, the right to terminate this Agreement. If a non-monetary default cannot reasonably be cured within a 30-day period, this Agreement may not be terminated if the defaulting party commences action to cure the default within the 30-day period and proceeds with due diligence to fully cure the default.

**13. Indemnity.** Except with respect to Hazardous Substances, which are defined and provided for in Section 14 below, Owner and Tenant each indemnifies and agrees to defend the other against and holds the other harmless from any and all costs (including reasonable attorneys' fees), damages, claims of liability and losses (collectively, "Claims") which arise out of the negligence or intentional misconduct of the indemnifying party, its agents or contractors. This indemnity is subject to the waiver of recovery in Section 17 below, and does not apply to any claims arising from the negligence or intentional misconduct of the indemnified party, its agents or contractors. The indemnity obligations under this Section will survive termination of this Agreement. Nothing set forth in this Agreement shall be deemed a waiver by the Village/City of any defenses or immunities relating to any person or entity or their property, that are or would be otherwise available to the Village/City or its Representatives under the provisions of the Illinois Local Government and Governmental Employees Tort Immunity Act, or that are otherwise available to local governments and their corporate authorities, officers, employees, agents and volunteers under the common law of the State of Illinois or the United States of America.

**14. Hazardous Substances.** Owner represents and warrants to Tenant that it has no knowledge of any substance, chemical or waste on or affecting Owner's Property that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation (collectively, "Hazardous Substance"). Notwithstanding any provision contained in this Agreement to the contrary, Owner will have sole responsibility for the identification, investigation, monitoring and remediation and cleanup of any Hazardous Substance discovered on Owner's Property. Owner agrees to indemnify, defend and hold harmless Tenant from any and all Claims relating to any Hazardous Substance present on or affecting Owner's Property prior to or on the Term Commencement Date, unless the presence or release of the Hazardous Substance is caused by the activities of Tenant. Tenant will not introduce or use any Hazardous Substance on the Site in violation of any applicable law, and Tenant will indemnify, defend and hold harmless Owner from and against all Claims arising out of Tenant's breach of this sentence. Owner will not introduce or use any Hazardous Substance on Owner's Property in violation of any applicable law, and Owner will indemnify, defend and hold harmless Tenant from and against all Claims arising out of Owner's breach of this sentence. The provisions of this Section will apply as of the Effective Date. The indemnity obligations under this Section will survive termination of this Agreement.

**15. Subordination and Non-Disturbance.** This Agreement is subordinate to any mortgage or deed of trust of record against the Site as of the Effective Date. Promptly after this Agreement is fully executed, however, Owner will obtain a non-disturbance agreement in a form reasonably acceptable to Tenant from the holder of any mortgage or deed of trust.

**16. Property Taxes.** Tenant will pay Owner any increase in Owner's real property taxes that is directly and solely attributable to improvements to the Site made by Tenant. Owner must pay prior to delinquency, all property taxes and assessments attributable to Owner's Property. Within 60 days after receipt of evidence of Owner's payment and a completed Tax Increase Worksheet in the form of Exhibit C attached, Tenant will pay to Owner any increase in Owner's real property taxes which Owner demonstrates, to Tenant's satisfaction, is directly and solely attributable to any improvements to the Site made by Tenant.

**17. Insurance.** During the initial Term and all Renewal Terms, each party will procure and maintain commercial general liability insurance, with limits of not less than \$1,000,000 combined single limit per occurrence, and \$2,000,000 aggregate, and will make the other party an additional insured on such policy. Within 30 days after receipt of a written request from the other party, each party will provide the requesting party with a Certificate of Insurance evidencing the required coverage. Each party will cause each insurance policy obtained by it to provide that the insurance company waives all rights of recovery by subrogation against the other party in connection with any damage covered by the policy. Each party waives its right of recovery against the other for any loss or damage covered by any property insurance policies maintained by the waiving party.

**18. Maintenance.** Tenant will be responsible for repairing and maintaining the Facilities and any other improvements installed by Tenant at the Site in a proper operating and reasonably safe condition; provided, however, if any repair or maintenance is required due to the acts or omissions of Owner, its

agents, contractors or employees, Owner will promptly reimburse Tenant for the reasonable costs incurred by Tenant to restore the damaged areas to the condition which existed immediately prior thereto. Owner will maintain and repair all other portions of Owner's Property in a proper operating and reasonably safe condition.

**19. Miscellaneous.** (a) This Agreement applies to and binds the heirs, successors, executors, administrators and assigns of the parties to this Agreement; (b) this Agreement is governed by the laws of the state in which the Site is located; (c) Owner agrees to promptly execute and deliver to Tenant a recordable Memorandum of Agreement in the form of Exhibit D, attached; (d) each party will execute, within 20 days after written request, an estoppel certificate or statement certifying that this Agreement is unmodified and in full force and effect or, if modified, describing such modification(s), and that the other party is not in default (beyond applicable cure periods), except as specified in the statement. The estoppel certificate may also certify the current rent amount and whether any rent has been paid in advance; (e) this Agreement (including the Exhibits and Riders) constitutes the entire agreement between the parties and supersedes all prior written and verbal agreements, representations, promises or understandings between the parties. Any amendments to this Agreement must be in writing and executed by both parties; (f) if any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of the provision to persons other than those as to whom it is held invalid or unenforceable, will not be affected and each provision of this Agreement will be valid and enforceable to the fullest extent permitted by law; and (g) the prevailing party in any action or proceeding in court or mutually agreed upon arbitration proceeding to enforce the terms of this Agreement is entitled to receive its reasonable attorneys' fees and other reasonable enforcement costs and expenses from the non-prevailing party.

**20. Non-Binding Until Fully Executed.** This Agreement is for discussion purposes only and does not constitute a formal offer by either party. This Agreement is not and will not be binding on either party until and unless it is fully executed by both parties.

The following Exhibits and Riders are attached to and made a part of this Agreement: Exhibits A, B, C, and D and \_\_\_\_\_

**OWNER:**

*Village of La Grange Park*

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

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

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

Date: \_\_\_\_\_

Taxpayer ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

Email address: \_\_\_\_\_

See Addendum to Site Agreement for continuation of Owner signatures

**TENANT:**

*SprintCom, Inc.*

a(n) Kansas Corporation

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

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

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

Date: \_\_\_\_\_

**EXHIBIT A  
TO SITE AGREEMENT**

**Legal Description of Owner's Property**

The Owner's Property located at 937 Barnsdale in the Village of La Grange Park, County of Cook, State of Illinois commonly described as follows:

**Insert Legal Description:**

SITUATED IN THE COUNTY OF COOK, STATE OF ILLINOIS:

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9 AND 10 IN BLOCK SEVEN (7) IN H. O. STONE AND COMPANY'S ADDITION TO LAGRANGE PARK, BEING A SUBDIVISION IN THE EAST HALF OF THE NORTHEAST QUARTER AND THE NORTH EAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION THIRTY THREE (33), TOWNSHIP THIRTY NINE (39) NORTH, RANGE TWELVE (12) EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED MARCH 29, 1924 AS DOCUMENT 8339801, EXCEPT RIGHT OF WAY AND THE LANDS CONVEYED TO THE CHICAGO HAMMOND AND WESTERN RAILROAD, CHICAGO AND WEST TOWN RAILROAD COMPANY, THE INDIANA HARBOR BELT RAILROAD COMPANY AND THE SUBURBAN RAILROAD COMPANY, IN COOK COUNTY, ILLINOIS.

**EXHIBIT B  
TO SITE AGREEMENT**

**Site Plan**

The Site is described as follows:

**Insert Site Plan:**

SEE ATTACHED

**Note:** Owner and Sprint may, at Sprint's option, replace this Exhibit with an exhibit setting forth the legal description of the Site, or an as-built drawing depicting the Site. Any visual or textual representation of the Facilities is illustrative only, and does not limit the rights of Sprint as provided for in the Agreement. Without limiting the generality of the foregoing:

1. The Site may be setback from the boundaries of Owner's Property as required by the applicable governmental authorities.
2. The access road's width may be modified as required by governmental authorities, including police and fire departments.
3. Without limiting Sprint's right to make future changes, Sprint intends to initially install up to twelve (12) antennas, fifteen (15) coaxial cables and three (3) GPS signal units and connections (the type, number, mounting positions and locations of which are illustrative only; actual types, numbers, mounting positions and locations may vary from what is shown or described above).
4. The locations of any access and utility easements are illustrative only. Actual locations may be determined by Sprint and/or the servicing utility company in compliance with local laws and regulations.



**EXHIBIT C  
TO SITE AGREEMENT**

**Memorandum of Agreement**

This Memorandum of Agreement ("Memorandum") dated \_\_\_\_\_, 20\_\_, evidences that a Site Agreement (the "Agreement") dated \_\_\_\_\_, 20\_\_ (the "Effective Date"), was made and entered into between \_\_\_\_\_ ("Owner") and SprintCom, Inc. ("Sprint" or "Sprint").

The Agreement provides in part that Sprint has the right to enter upon certain real property owned by Owner and located at 6201 South Fairfield Avenue situated in the of City of Chicago, County of Cook, State of Illinois , as further described in the Agreement (the "Site") for the purpose of performing investigations and tests and, upon finding the Site appropriate, to lease the Site for the purpose of installing, operating and maintaining a communications facility and other improvements. The Site is further described in Exhibit A attached hereto.

The term of Sprint's lease and tenancy under the Agreement is 5 years commencing on the latter of the two dates that both Owner and Sprint have executed the Agreement ("Commencement Date"), and is subject to 5 renewal terms of 5 years each that may be exercised by Sprint.

The parties have executed this Memorandum as of the day and year first above written.

**OWNER**  
THE CATHOLIC BISHOP OF CHICAGO, *an Illinois corporation sole*

**SprintCom, Inc.**  
*a Kansas Corporation*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Contact Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Attach Exhibit A - Site Description*

**OWNER NOTARY BLOCK:**

STATE OF

COUNTY OF

The foregoing instrument was (choose one)  attested or  acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by (choose one)  \_\_\_\_\_ as an individual,  \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of the corporation, or  \_\_\_\_\_, partner or agent on behalf of \_\_\_\_\_, a \_\_\_\_\_ partnership.

(AFFIX NOTARIAL SEAL)

\_\_\_\_\_  
(OFFICIAL NOTARY SIGNATURE)  
NOTARY PUBLIC STATE OF

My commission expires:

\_\_\_\_\_  
(PRINTED, TYPED OR STAMPED NAME OF NOTARY)  
COMMISSION NUMBER:

STATE OF

COUNTY OF

The foregoing instrument was (choose one)  attested or  acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by (choose one)  \_\_\_\_\_ as an individual,  \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of the corporation, or  \_\_\_\_\_, partner or agent on behalf of \_\_\_\_\_, a \_\_\_\_\_ partnership.

(AFFIX NOTARIAL SEAL)

\_\_\_\_\_  
(OFFICIAL NOTARY SIGNATURE)  
NOTARY PUBLIC STATE OF

My commission expires:

\_\_\_\_\_  
(PRINTED, TYPED OR STAMPED NAME OF NOTARY)  
COMMISSION NUMBER:

**SPRINT NOTARY BLOCK:**

STATE OF

COUNTY OF

The foregoing instrument was (choose one)  attested or  acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by (choose one)  \_\_\_\_\_ as an individual,  \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of the corporation, or  \_\_\_\_\_, partner or agent on behalf of \_\_\_\_\_, a \_\_\_\_\_ partnership.

(AFFIX NOTARIAL SEAL)

\_\_\_\_\_  
(OFFICIAL NOTARY SIGNATURE)  
NOTARY PUBLIC STATE OF

My commission expires:

\_\_\_\_\_  
(PRINTED, TYPED OR STAMPED NAME OF NOTARY)

**ADDENDUM  
TO SITE AGREEMENT**

**Continuation of Owner Signatures**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Taxpayer ID: \_\_\_\_\_  
Address: \_\_\_\_\_  
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Contact Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
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Email Address: \_\_\_\_\_

**ADDENDUM TO  
Memorandum of Agreement  
Continuation of Owner Signatures**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Taxpayer ID: \_\_\_\_\_  
Address: \_\_\_\_\_  
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Address: \_\_\_\_\_  
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Contact Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

# Village Board Agenda Memo

Date: October 28, 2014

To: President & Board of Trustees

From: Emily Rodman, Assistant Village Manager

Julia Cedillo, Village Manager

RE: Proposed Sprint Wireless Equipment

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## **GENERAL BACKGROUND:**

The Village currently leases space on its water tower located at 937 Barnsdale Road to five companies including four wireless providers. This past spring, U.S. Cellular notified the Village that it would be decommissioning its equipment located on the tower and terminating their lease agreement with the Village, effective October 31, 2014. With the termination of the agreement the Village will lose approximately \$27,000 in annual revenue.

Shortly after receiving this notice, Sprint contacted the Village and indicated that they are interested in taking over the space leased by U.S. Cellular and installing their own wireless equipment. Sprint would like to install nine antennas on the tower and construct a concrete pad along with two equipment cabinets (with space reserved for a third cabinet) at the base of the tower. Sprint has agreed to a proposed lease rate of \$3,000 monthly (\$36,000 annually), with an annual escalator of three percent. They would prefer a five year lease term, with a renewal option of up to five additional terms. If approved, Sprint would be paying the third highest lease rate among the providers on the tower.

## **MOTION/ACTION REQUESTED:**

*This item is for discussion only. Village staff is seeking direction from the Village Board as to whether the Board is generally in agreement with the proposed lease rate and term. If there is a consensus on the proposed rate, Sprint will be required to obtain Site Plan Approval from the Zoning Board of Appeals, which would be conditioned upon the Village Board approving a lease with Sprint.*

# Village Board Agenda Memo

**Date:** April 14, 2015

**To:** Village President & Board of Trustees

**From:** Emily Rodman, Assistant Village Manager 

Julia Cedillo, Village Manager 

**RE:** Little Free Libraries

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## BACKGROUND

At the March 17, 2015 Village Board Meeting, during the public comment portion of the meeting, a resident requested that the Village Board consider allowing residents to install “Little Free Libraries” on private properties.

According to their website ([www.littlefreelibrarie.org](http://www.littlefreelibrarie.org)), the Little Free Library is a worldwide movement with a mission to “promote literacy and the love of reading by building free book exchanges” and “to build a sense of community as we share skills, creativity, and wisdom across generations.” A property owner may purchase a “ready made” library, or construct one of their own. The libraries are typically installed near public sidewalks for easy access to the public and to generate the most interest. The owner initially fills the library with books and anyone may stop by and pick up a book and then bring back a book to share. The movement has become so popular and localized, that the La Grange Business Association will be showcasing 30 Little Free Libraries in their 10<sup>th</sup> annual Outdoor Art Fair.

The Village’s Zoning Ordinance does not contemplate the utilization of “little free libraries” and therefore, they are not currently permitted in the community. If a resident were interested in erecting a library, they would either need to apply for a text amendment to the Village Zoning Code (at a cost of approximately \$1,000) or apply for a Temporary Use Permit (at a cost of \$25-\$50) under Section 12.6 of the Zoning Code. However, since Little Free Libraries are not listed as a permitted Temporary use, each individual request would require approval by the Village Board.

## RECOMMENDATION

Given the community benefits of Little Free Libraries and the likelihood of increased interest in installing them due to the upcoming La Grange Outdoor Art Fair, staff recommends that the Village Board consider allowing the installation of Little Free Libraries under Section 12.6 “Temporary Uses and Structures” of the Zoning Code on a temporary basis until such time as the Village is able to amend the Village Code to include them as a permitted use. Should the Village Board grant approval of Little Free Libraries as an allowable temporary use under Section 12.6, staff would proceed with drafting some basic regulations governing their installation (distance from sidewalk, maximum height, etc.). This would allow residents who desire to install a Little Free Library to apply for a Temporary Use Permit, which could then be approved administratively.

**MOTION/ACTION REQUESTED**

*Motion to allow Little Free Libraries as a permitted temporary use/structure under Section 12.6 of the Village of La Grange Park Zoning Code, until such time as the Village amends its Zoning Code to formally address the use/structure.*

**DOCUMENTATION**

- March 12, 2015 *Doings* Article "Art Exhibit to Feature Mini Libraries"

# Art exhibit to feature mini libraries

## Reading focus of La Grange fair

BY JANE MICHAELS  
Pioneer Press

No library card is needed to check out the upcoming summer art exhibit, Adventures in La Grange, showcasing books with a creative flair.

Organizers for the town's 10th annual outdoor art fair have chosen 30 Little Free Libraries—plain storage boxes on a post—as the vehicle for artists' creativity, sponsored by businesses and community groups.

The artworks, which will be displayed from May through Labor Day, are sponsored by the La Grange Business Association and the village of La Grange.

In addition to the library boxes, six "head in hole" placards will be offered for creative sponsors to illustrate as a favorite book cover with a spot for fun-loving visitors to peek through.

"We're giving families the opportunity to take a photo in one of their favorite book covers," said Nancy Cummings, LGBA executive director. "The placards could be part of a social media campaign for posting photos and giving it a much broader reach."

Nicole Zimmermann, coordinator of the summer art exhibit, said organizers strive to choose an item, which will be useful as well as decorative.

"We're really looking forward to seeing the final results and hearing the buzz and interest in the community," Zimmermann said.

Zimmermann, marketing and public relations coordinator for the La Grange Public Library, said the Friends of the Library group, plans to help stock the library boxes with do-



Jim Ruggiero of Ruggiero's Custom Carpentry stands with a prototype of a Little Free Library he's created for decorating in La Grange's summer outdoor art festival.

NICOLE ZIMMERMANN/HANDOUT

**"We're already seeing a lot of interest from the artists who are anxious for an assignment. It's such an interesting opportunity"**

—Nancy Cummings, LGBA executive director

nated items and books no longer in circulation.

Little Free Libraries started in Minnesota with the idea to take a book and leave a book. The concept promotes a no-frills recycling of literary masterpieces, how-to books and murder mystery thrillers, as well as children's picture books and beginning reader

chapter books.

"That's my favorite part of the whole thing. We'll be able to stock the little libraries and make them useful," she said. "It's not just a display. You drop a book and take a book."

Zimmermann said the art program's theme also celebrates the community's culture of literacy through

active library use and good local schools.

"We have a really high percentage of library card holders at 81 or 82 percent, which is huge in the library community," she said.

Cummings said the art project also is designed to have visitors to La Grange linger longer and shop or dine in town.

The decorated Little Free Libraries will be secured to sidewalks and stationed throughout town before being auctioned to benefit charities at the West End Art Festival in September.

Zimmermann said those who bid on and buy one of the little libraries may choose to continue operating it and register with the national organization that maintains a database and interactive online map at [littlefreelibrary.org](http://littlefreelibrary.org).

Cummings said past summer art programs have featured 50 items for sponsorship and auction. But organizers decided to offer fewer items this year and expect sponsorships to sell out quickly.

By March 18, sponsorships cost \$275 for a library box and \$200 for one of six

placards for LGBA members. The cost rises by \$25 after the deadline and is \$100 for non-members, which can be applied toward membership for the following year.

"We're already seeing a lot of interest from the artists who are anxious for an assignment," Cummings said. "It's such an interesting opportunity. One of the most exciting parts of the exhibit is when they all come back from the artists and are seal-coated before they go on display."

[jmichaels@pioneerlocal.com](mailto:jmichaels@pioneerlocal.com)

# **Public Works Committee**

**Scott Mesick, Chairman**

**Michael Sheehan**

**Mario Fotino**

# Village Board Agenda Memo

**Date:** 04/08/15

**To:** President and Board of Trustees

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

**RE:** Street Pavement Mill and Overlay – Cleveland Avenue (26<sup>th</sup> to 30<sup>th</sup>)

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**PURPOSE:** Staff is seeking the Board's approval to award a contract for the mill and asphalt overlay project for Cleveland Avenue from 26<sup>th</sup> Street to 30<sup>th</sup> Street.

**GENERAL BACKGROUND:**

Cleveland Avenue is the top ranked local street needing resurfacing. The street has deteriorated to a point where Public Works Crews are limited in what can economically be done to extend its life.

The 2015/16 budget includes \$229,400 in the Capital Projects Fund and \$46,290 in the Sewer Fund for Cleveland Avenue paving improvements. The scope of work for this project includes repairs to minor sections of curb/gutter/sidewalks/driveway aprons, repair and/or replacement of defective drainage structures, restoration of parkways, pavement base repair and new asphalt overlay on Cleveland Avenue (from 26<sup>th</sup> Street to 30<sup>th</sup> Street).

Actual work on this project will not begin until after May 1<sup>st</sup>, when the 2015/16 Budget has been formally approved and adopted.

Hancock Engineering has prepared the necessary bid specifications and the bid opening was Held on April 8, 2015. The lowest bidder was GA Paving LLC. in the amount of \$236,961.20. The bid results and recommendation are attached.

**STAFF RECOMMENDATION:**

Staff recommends that the Board accept the Engineer's recommendation.

**MOTION/ACTION REQUESTED:**

Motion to award a contract to the lowest bidder, **GA PAVING LLC.** in the amount of \$236,961.20.

**DOCUMENTATION:**

- Recommendation Letter and Bid Results from Hancock Engineering dated April 8, 2015.

April 8, 2015

President and Board of Trustees  
Village of LaGrange Park  
447 North Catherine Avenue  
LaGrange Park, Illinois 60526

Re: Cleveland Avenue Resurfacing Project  
Bid Opening Results

Dear President and Board of Trustees:

Bids were received for the above referenced project on April 8, 2015. We offer the following comments and recommendations on the bid results.

The plans and specifications for the project were obtained by nine (9) contractors, and the Village received bids from seven (7) qualified companies. A summary of the bids received is as follows:

GA Paving LLC	\$236,961.20
Crowley-Sheppard Asphalt, Inc.	\$264,846.25
Chicagoland Paving Contractor, Inc.	\$274,900.00
Schroeder Asphalt Services, Inc.	\$279,953.05 *
ALamp Concrete Contractors, Inc.	\$288,137.80
Brother's Asphalt Paving, Inc.	\$290,324.00
G&M Cement Construction, Inc.	\$294,316.80
Engineer's Estimate	\$275,690.00

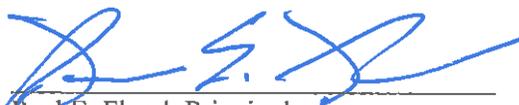
The bids were checked and found to be in order, except one (\*) minor arithmetic error in the summation. The lowest bidder GA Paving LLC, is a well-qualified, local Chicago area contractor who has satisfactorily completed municipal projects in the suburban area surrounding Chicago. Therefore, we recommend that the Village accept the bid proposal submitted by GA Paving LLC in the amount of \$236,961.20.

We have enclosed a copy of the bid tabulation for the project and the original bid proposals.

Please feel free to contact our office should you have any questions or require additional information.

Very truly yours,

EDWIN HANCOCK ENGINEERING CO.

  
Paul E. Flood, Principal

Enclosures

cc: Ms. Julia Cedillo, Village Manager (W/Bid Tab)  
Mr. Brendan McLaughlin, Director of Public Works (W/Bid Tab)

BID TABULATION  
 BID DATE & TIME: Wednesday, April 8, 2015 @ 10:00 a.m.  
 PROJECT: Cleveland Avenue Resurfacing Project  
 x:\databases\LAGRANG\PK15-403-Cleveland

DESCRIPTION	QUANTITY	UNIT	ENGINEER'S ESTIMATE		GA PAVING		CROWLEY-SHEPPARD		CHICHLAND		SCHROEDER ASPHALT		ALAMP CONCRETE		BROS ASPHALT		GSM CEMENT	
			UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
1. Combination Curb and Gutter Removal	1,250	FT	3.50	4,375.00	10.00	12,500.00	6.50	8,125.00	4.00	5,000.00	4.20	5,250.00	5.00	6,250.00	5.00	6,250.00	7.00	8,750.00
2. Sidewalk Removal	1,800	SF	1.75	3,150.00	2.00	3,600.00	1.25	2,250.00	1.00	1,800.00	1.05	1,890.00	2.00	3,600.00	1.50	2,700.00	1.50	2,700.00
3. Driveway Pavement Removal	485	SY	13.00	6,045.00	13.00	6,045.00	13.75	6,393.75	9.00	4,364.25	9.45	4,594.25	15.00	7,275.00	12.00	5,820.00	15.00	7,275.00
4. HMA Surface Removal (Var Depth)	5,800	SY	4.25	24,550.00	3.77	21,866.00	4.00	23,200.00	2.15	12,470.00	3.60	20,880.00	4.50	26,100.00	3.50	20,300.00	4.15	24,075.00
5. Structure to be Adjusted	26	EA	310.00	8,060.00	290.00	7,540.00	400.00	10,400.00	480.00	12,480.00	470.00	12,220.00	400.00	10,400.00	450.00	11,700.00	460.00	11,700.00
6. Structure to be Reconstructed	6	EA	1,500.00	9,000.00	1,200.00	7,200.00	2,310.00	13,860.00	1,485.00	8,910.00	1,470.00	8,820.00	800.00	4,800.00	1,400.00	15,840.00	1,400.00	8,400.00
7. Frame and Lids, Type 1	4	EA	350.00	1,400.00	425.00	1,700.00	420.00	1,680.00	425.00	1,700.00	420.00	1,680.00	500.00	2,000.00	400.00	1,600.00	400.00	1,600.00
8. Combination Curb and Gutter, Type B-4.12 (Modiflet)	1,250	FT	19.00	23,750.00	14.25	17,812.50	19.50	24,375.00	23.50	29,375.00	23.10	28,875.00	24.00	30,000.00	20.00	25,000.00	20.00	25,000.00
9. Portland Cement Concrete Sidewalk, 5"	1,800	SF	5.00	9,000.00	3.90	7,020.00	4.75	8,550.00	6.75	12,150.00	6.05	10,890.00	6.00	10,800.00	5.00	9,000.00	5.00	9,000.00
10. Delectable Warnings	120	SF	25.00	3,000.00	25.00	3,000.00	25.00	3,000.00	44.30	5,316.00	42.00	5,040.00	35.00	4,200.00	35.00	4,200.00	30.00	3,600.00
11. Portland Cement Concrete Driveway Pavement, 7"	450	SY	48.00	21,600.00	50.00	22,500.00	44.30	20,034.00	63.00	28,350.00	63.00	28,350.00	55.00	24,750.00	46.00	20,700.00	46.00	20,700.00
12. Class "D" Patches, Type II, 6"	225	SY	48.00	10,800.00	38.00	8,544.00	55.00	12,375.00	50.00	11,250.00	52.00	11,700.00	45.00	10,125.00	65.00	14,625.00	65.00	14,625.00
13. Class "D" Patches, Type III, 6"	225	SY	49.00	11,025.00	37.00	8,325.00	55.00	12,375.00	50.00	11,250.00	52.00	11,700.00	45.00	10,125.00	65.00	14,625.00	65.00	14,625.00
14. Class "D" Patches, Type III, 6"	225	SY	50.00	11,250.00	36.00	8,100.00	55.00	12,375.00	49.00	11,025.00	52.00	11,700.00	40.00	9,000.00	60.00	13,500.00	60.00	13,500.00
15. Protective Coat	890	SY	1.00	890.00	1.25	1,112.50	0.75	667.50	2.50	2,225.00	2.10	1,851.00	2.00	1,780.00	1.00	890.00	1.00	890.00
16. Bituminous Materials (Primes Coat)	2,880	LB	1.00	2,880.00	0.39	1,123.20	0.75	2,160.00	0.01	28.80	0.01	28.80	0.01	28.80	0.55	1,584.00	0.01	28.80
17. Leveling Birdier (Machine Method), N50, 3/4"	340	TONS	90.00	30,600.00	88.00	29,920.00	82.00	27,880.00	89.00	30,260.00	86.00	28,240.00	90.00	30,600.00	102.00	34,680.00	90.00	30,600.00
18. HMA Surface Course, Mix "D", N50, 2"	700	TONS	85.00	59,500.00	79.00	55,300.00	82.00	57,400.00	85.00	59,500.00	88.00	61,600.00	90.00	63,000.00	80.00	56,000.00	90.00	63,000.00
19. Incidental Hot-Mix Asphalt Surfacing	15	SY	125.00	1,875.00	85.00	1,275.00	150.00	2,250.00	50.00	750.00	75.00	1,125.00	200.00	3,000.00	35.00	525.00	125.00	1,875.00
20. Topsoil Placement, 3"	850	SY	4.00	3,400.00	4.75	4,037.50	5.00	4,250.00	4.90	3,400.00	1.90	1,615.00	3.00	2,550.00	10.80	9,180.00	4.00	3,400.00
21. Sodding	850	SY	8.00	6,800.00	3.85	3,272.50	6.50	5,525.00	8.00	6,800.00	14.70	12,465.00	9.00	7,650.00	14.40	12,240.00	7.00	5,950.00
22. Traffic Control and Protection Standard 701501	1	LS	11,000.00	11,000.00	2,430.00	2,430.00	4,200.00	4,200.00	14,528.20	14,528.20	6,200.00	6,200.00	18,000.00	18,000.00	8,500.00	8,500.00	11,000.00	11,000.00
23. Traffic Control and Protection Standard 701801	1	LS	11,000.00	11,000.00	1,960.00	1,960.00	50.00	50.00	100.00	100.00	31.00	31.00	1.00	1.00	100.00	100.00	100.00	100.00
24. Domestic Water Service Boxes to be Adjusted	8	EA	100.00	800.00	100.00	800.00	200.00	1,600.00	130.00	1,040.00	126.00	1,008.00	150.00	1,200.00	300.00	2,400.00	130.00	1,040.00

TOTAL AMOUNT OF BID

\$ 275,860.00

\$ 238,961.20

\$ 264,846.25

\$ 274,900.00

\$ 288,137.80

\$ 290,324.00

\$ 294,316.80

Correction from "As-read" Amount

\$ 275,953.05

# **Finance Committee**

**Patricia Rocco, Chairwoman**

**Scott Mesick**

**James Kucera**

## **Village Board Agenda Memo**

Date: April 8, 2015

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

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

Re: Fiscal Year 2014-15 Budget Amendment

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### **PURPOSE**

To approve an amendment to the fiscal year 2014-15 budget.

### **BACKGROUND**

Village policy requires that the Village Board amend the annual budget if a department's total expenditures will exceed the approved budget. The Village Board may amend the budget by a two-thirds vote.

The FY 2014-15 Public Works Department budget requires amending for two reasons. First, although the total annual property and liability insurance contribution for the Village has decreased, the proportion assigned to Public Works was greater than budgeted due to a change in the recommended allocation from the Village's risk management pool. Second, the Village Board approved the purchase of additional road salt in order to take advantage of lower pricing. The total of \$57,000 in budget increases for these two Public Works line items will be entirely offset by reductions in Administration and Police insurance line items, which are projected to be under budget for the year.

The FY 2014-15 Sewer Fund Administration budget requires amending due to the 2006 bond refunding. The bond refunding process necessitated the use of legal and financial consultants. The costs of these services were paid with bond proceeds. The proposed budget increases will be offset entirely by a reduction in the capital improvements line item of the Sewer Fund Operation and Maintenance budget.

### **STAFF RECOMMENDATION**

Staff recommends approval of the budget amendment.

### **ACTION REQUESTED**

Approve the attached budget amendment resolution at the April 28, 2015 Village Board meeting.

***"Motion to approve a Resolution Amending the Budget for Fiscal Year 2014-15 for the Village of La Grange Park."***

### **DOCUMENTATION**

- Budget Amendment Resolution

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AMENDING THE BUDGET  
FOR FISCAL YEAR 2014-15  
FOR THE VILLAGE OF LA GRANGE PARK**

WHEREAS the Village of La Grange Park operates on a May 1 through April 30 fiscal year; and

WHEREAS throughout the fiscal year unanticipated expenses may occur resulting in shortfalls within specific line items and departments; and

WHEREAS the Budget Act allows municipalities to amend the budget by a two-thirds vote of the Board of Trustees;

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

SECTION 1: That the Fiscal Year 2014-15 budget is amended according to the revisions identified in Exhibit A.

SECTION 2: That the Village Clerk is hereby directed to file a certified copy of this resolution with the County Clerk of Cook County, Illinois.

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES of the Village of La Grange Park, Cook County, Illinois, this 28<sup>th</sup> day of April, 2015.

YES:

NO:

ABSENT:

Approved this 28<sup>th</sup> day of April, 2015.

\_\_\_\_\_  
Dr. James L. Discipio, Village President

ATTEST: \_\_\_\_\_  
Amanda G. Seidel, Village Clerk

**Exhibit A**  
**Fiscal Year 2014-15 Budget Amendment**

<b>Fund</b>	<b>Department</b>	<b>Account</b>	<b>Description</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Change</b>
General	Administration	01-41-6-600	Property & Liability Insurance	29,000	14,000	(15,000)
General	Police	01-42-6-600	Property & Liability Insurance	135,000	124,000	(11,000)
General	Police	01-42-6-610	Health & Life Insurance	395,000	364,000	(31,000)
General	Public Works	01-44-5-574	Materials For Streets	75,000	106,000	31,000
General	Public Works	01-44-6-600	Property & Liability Insurance	39,000	65,000	26,000
				<b>General Fund Change</b>		<u>-</u>
Sewer	Administration	05-41-2-200	Legal Fees	3,500	11,500	8,000
Sewer	Administration	05-41-2-290	Other Professional Services	5,700	32,700	27,000
Sewer	Operations & Maintenance	05-44-4-420	Capital Improvements	367,210	332,210	(35,000)
				<b>Sewer Fund Change</b>		<u>-</u>

## **Village Board Agenda Memo**

Date: April 9, 2015  
To: President Discipio and Board of Trustees  
From: Julia Cedillo, Village Manager   
Re: **Finance Committee Review**  
**Draft FY 2015-2016 Budget**

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### **PURPOSE**

The purpose of this memo is to provide an overview of the Finance Committee's recommendation to the Village Board for the FY 2015 – 2016 Budget.

### **BACKGROUND**

The Finance Committee met on March 10, 2015 to review the draft Budget and Five Year Plan. The minutes, and notes with questions with follow-up related to the Committee's discussion are included in the Budget Binder.

### **CHANGES TO THE DRAFT BUDGET**

As a result of the Finance Committee's discussion, the Committee recommends that an additional table be added to the Budget to illustrate how administrative salaries are distributed between the funds (General Fund, Water Fund and Sewer Fund). This change has been included in the April 14, 2015 draft, as the new Table VI (page 13).

No other changes are recommended.

### **ACTION REQUESTED**

A public hearing on the FY 2015-16 Budget will be held on April 14, 2015 at 7:15 p.m. The Budget and Five Year Plan will be on the Work Session Agenda for discussion. Action is anticipated for the April 28, 2015 Village Board Meeting. The Finance Committee recommends that the Village Board consider the following actions:

- **Motion to approve a Resolution Approving FY 2015-2016 Operating Budget.**
- **Motion to approve the addition of a new Table VI, Position Cost Allocation by Fund Table.**
- **Motion to approve the Five Year Plan FY 2015/16 – 2019/20.**

### **DOCUMENTATION**

- Resolution Approving FY 2015-2016 Operating Budget
- New Table VI, Position Cost Allocation By Fund, Fiscal Year 2015/16

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING FY 2015-2016  
OPERATING BUDGET**

WHEREAS, the Village of La Grange Park is required to adopt an annual budget prior to the start of the fiscal year; and

WHEREAS, the Village of La Grange Park operates on a May 1 through April 30 fiscal year; and

WHEREAS, the Village Board has reviewed and has conducted a public hearing on the proposed FY 2015-2016 budget.

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

SECTION ONE: That the FY 2015-2016 Operating Budget is hereby approved.

SECTION TWO: That May 1, 2015 shall be the effective date of the annual operating budget.

ADOPTED BY THE PRESIDENT AND THE BOARD OF TRUSTEES of the Village of La Grange Park, Cook County, Illinois this 28<sup>th</sup> day of April, 2015.

YES:

NOS:

ABSENT:

Approved this 28<sup>th</sup> day of April, 2015.

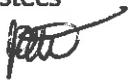
\_\_\_\_\_  
James J. Discipio, Village President  
Village of La Grange Park

ATTEST: \_\_\_\_\_  
Amanda Seidel  
Village Clerk

**Table VI  
VILLAGE OF LA GRANGE PARK  
POSITION COST ALLOCATION BY FUND  
FISCAL YEAR 2015/16**

Position	General Fund Administration	General Fund Police	General Fund Fire	General Fund Public Works	General Fund Building	Water Fund Administration	Water Fund Distribution	Sewer Fund Administration	Sewer Fund Operations
<i>Full-time</i>									
Village Manager	78%								
Assistant Village Manager	78%							10%	
Executive Secretary	78%					12%		10%	
Finance Director	78%					12%		10%	
Principal Fiscal Assistant	78%					12%		10%	
Senior Fiscal Assistant	12%		14%		50%	13%		11%	
Fiscal Assistant	78%					12%		10%	
Administrative Clerk	78%					12%		10%	
Police Chief		100%							
Deputy Police Chief		100%							
Commander		100%							
Sergeant		100%							
Police Officer		100%							
Dispatcher		100%							
Police Secretary		100%							
Police Records Clerk		100%							
Director of Fire & Building									
Public Works Director			66.67%		30.00%	1.67%		1.67%	
PW Foremen				78%			12%		10%
Water Operator				70%			25%		5%
Mechanic				45%			50%		5%
PW Maintenance Worker				70%			15%		
Building Inspector					100%		25%		5%
<i>Part-time</i>									
Village Clerk	78%								
Village Treasurer	78%							10%	
Auxiliary Police Officer		100%				12%		10%	
Crossing Guard		100%							
Dispatcher			100%						
Fire Division Chief			100%						
Fire Captain			100%						
Fire Lieutenant			100%						
Fire Inspector			100%						
Firefighter			100%						
Fire Seasonal Intern									
PW Seasonal Maintenance Worker				70%				5%	
PW Seasonal Plow				100%					
PW Executive Secretary				78%					
Project Coordinator					100%			10%	
Seasonal Code Enforcement Officer								100%	

# Village Board Agenda Memo

Date: March 26, 2015  
To: Village President & Board of Trustees  
From: Julia Cedillo, Village Manager   
RE: Resolution Approving 2015-2016 Pay Plan

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## GENERAL BACKGROUND

Every May 1 the Village implements a revision to the pay plan that adjusts the starting and maximum rates for each position. This approval also applies a cost of living adjustment (COLA) to employee wages. The Village's Personnel Policy provides that employees not covered by a collective bargaining agreement may be granted adjustments based upon either of the two following alternatives, with the higher alternative recommended to increase the maximum of the salary range:

1. The percentage increase of the consumer Price Index (Chicago-U) for the twelve months ending in December of the previous year (January 2014 – December 2014); or
2. The May 1 percentage increase of any collective bargaining agreement in effect at that time. If more than one collective bargaining agreement shall be in effect, the mean percentage increase of the agreements shall be applicable. The Public Works Local 150 contract provides for a 2.0% adjustment while the FOP collective bargaining agreement for Patrol Officers expires April 30, 2015.

The Personnel Policy further provides that "if financial conditions warrant, the Village Board may provide for a reduction or suspension of the increases prescribed."

Attached please find the tables detailing the monthly and annual changes in the CPI-U (Chicago) published by the U.S. Department of Labor Bureau of Labor Statistics. Those figures show that the CPI-U (Chicago) increased by 1.5%. One year ago, a 2.0% COLA increase was implemented for non-union employees, while the twelve month CPI change measured 0.5%. This year, it is recommended that non-union employees receive the same adjustment as what is afforded to employees covered under the IUOE Local 150 Contract for Public Works Employees.

The attached Resolution and Schedule of Authorized Positions reflects a COLA of 2.0% for non-union employees.

## MOTION/ACTION REQUESTED

**Motion:** Move to approve a "Resolution Approving Pay Plan and Schedule of Authorized Positions for FY2015-2016."

### **STAFF RECOMMENDATION**

It is recommended that the Village Board approve the attached resolution approving the pay plan schedule of authorized positions for FY2015-2016. The schedule as prepared and included with the resolution provides for a 2.0% COLA for those positions not covered by a collective bargaining agreement.

### **DOCUMENTATION:**

- CPI-U (Chicago) data published by the Bureau of Labor Statistics
- Resolution Approving Pay Plan and Schedule of Authorized Positions for FY 2015-2016
- Schedules of Authorized Positions and Compensation for Full-time and Part-time Employees

**Table A. Chicago CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted**

Month	2011		2012		2013		2014	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January	0.8	1.4	0.6	2.1	0.2	1.2	0.9	1.2
February	0.5	1.8	0.0	1.6	1.1	2.3	0.5	0.7
March	0.8	2.3	1.2	2.1	-0.1	0.9	1.1	1.9
April	0.4	2.7	0.0	1.7	0.0	0.9	0.5	2.4
May	0.8	3.3	-0.1	1.0	0.5	1.5	-0.1	1.8
June	0.0	3.8	-0.1	0.9	0.1	1.7	0.4	2.0
July	-0.4	3.2	-0.2	1.1	-0.2	1.7	-0.4	1.9
August	0.2	3.2	0.6	1.5	0.1	1.1	0.1	1.9
September	0.2	3.1	0.3	1.6	-0.2	0.7	0.0	2.1
October	-0.2	2.9	-0.2	1.7	-0.3	0.5	-0.4	2.0
November	-0.2	2.9	-0.4	1.5	-0.3	0.6	-0.8	1.6
December	-0.5	2.1	-0.3	1.7	-0.3	0.5	-0.4	1.5

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING PAY PLAN AND SCHEDULE  
OF AUTHORIZED POSITIONS FOR FY 2015-16**

WHEREAS, the Village of La Grange Park has adopted a pay plan that establishes ranges and pay rates for employees; and

WHEREAS, the Village of La Grange Park amends the pay plan annually to coincide with the adoption of the annual budget.

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

Section 1: That the Pay Plan and Schedule of Authorized Positions attached is hereby approved.

Section 2: That May 1, 2015, shall be the effective date of the Pay Plan and Schedule of Authorized Positions.

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES of the Village of La Grange Park, Cook County, Illinois this 28<sup>th</sup> day of April 2015.

AYES:

NAYS:

ABSENT:

Approved this 28<sup>th</sup> day of April 2015.

\_\_\_\_\_  
James L. Discipio  
Village President

ATTEST:

\_\_\_\_\_  
Amanda Seidel  
Village Clerk

**SCHEDULE OF AUTHORIZED POSITIONS AND COMPENSATION  
FULL-TIME EMPLOYEES  
FISCAL YEAR 2015-16**

	<b><u>AUTHORIZED POSITIONS</u></b>	<b><u>SALARY RANGE</u></b>	
<b>ADMINISTRATION &amp; FINANCE</b>			
Village Manager	1	<i>VB Determines</i>	
Finance Director	1	\$ 77,997	\$ 118,905
Assistant Village Manager	1	\$ 70,745	\$ 109,067
Executive Secretary	1	\$ 45,603	\$ 68,200
Principal Fiscal Assistant	1	\$ 43,433	\$ 62,323
Senior Fiscal Assistant	1	\$ 39,393	\$ 56,719
Administrative Clerk	1	\$ 35,731	\$ 51,663
Fiscal Assistant	1	\$ 35,731	\$ 51,663
<b>FIRE/BUILDING DEPARTMENT</b>			
Director of Fire & Building	1	\$ 81,898	\$ 122,596
Building Inspector	1	\$ 50,838	\$ 72,623
<b>POLICE DEPARTMENT</b>			
Police Chief	1	\$ 81,898	\$ 122,596
Deputy Police Chief	1	\$ 70,745	\$ 110,158
Commander	1	\$ 69,848	\$ 96,287
Sergeants	4	\$ 69,848	\$ 96,287
Police Officers	14	<i>Union Contract</i>	
Telecommunicators	4	\$ 39,393	\$ 54,306
Secretary	1	\$ 39,393	\$ 54,306
Records Clerk	1	\$ 35,731	\$ 51,663
<b>PUBLIC WORKS DEPARTMENT</b>			
Public Works Director	1	\$ 77,997	\$ 118,905
Crew Foreman	1	<i>Union Contract</i>	
Mechanic	1	<i>Union Contract</i>	
Water Operator	1	<i>Union Contract</i>	
Maintenance Worker	5	<i>Union Contract</i>	

**SCHEDULE OF AUTHORIZED POSITIONS AND COMPENSATION  
PART-TIME & SEASONAL EMPLOYEES  
FISCAL YEAR 2015-16**

	<b><u>AUTHORIZED POSITIONS</u></b>	<b><u>COMPENSATION</u></b>		
<b>ADMINISTRATION &amp; FINANCE</b>				
Village Clerk	1	\$	11,875	/ Year
Village Treasurer	1	\$	10,578	/ Year
Summer Intern	0	\$	11.13	/ Hour
<b>POLICE DEPARTMENT</b>				
Police Officers	3	\$	23.00	/ Hour
Auxiliary Officers	4	\$	15.71	/ Hour
Auxiliary Officers-Sergeant	0	\$	16.43	/ Hour
Telecommunicators	3	\$	18.92	- \$ 22.14 / Hour
Crossing Guards	9	\$	14.29	/ Hour
<b>PUBLIC WORKS DEPARTMENT</b>				
Seasonal Maint Workers	5	\$	10.81	/ Hour (Year 1)
		\$	12.00	/ Hour (Year 2)
		\$	13.13	/ Hour (Year 3)
Executive Secretary	1	\$	21.69	- \$ 32.78 / Hour
<b>FIRE DEPARTMENT</b>				
Division Chief	3	\$	29.37	- \$ 41.25 / Hour
Captain	2	\$	27.99	- \$ 39.29 / Hour
Lieutenant	4	\$	25.38	- \$ 35.65 / Hour
Fire Inspector	4	\$	23.02	- \$ 32.33 / Hour
Firefighter	40	\$	23.02	- \$ 32.33 / Hour
Seasonal Summer Intern	1	\$	12.00	/ Hour
<b>BUILDING DEPARTMENT</b>				
Building Inspector	0	\$	28.33	- \$ 38.99 / Hour
Project Coordinator	1	\$	28.33	- \$ 38.99 / Hour
Seasonal Code Enforcement	1	\$	24.03	/ Hour

## Village Board Agenda Memo

Date: March 31, 2015

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

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

Re: **Village Sewer Rate**

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### PURPOSE

To approve a sewer rate increase of \$0.11/100 cubic feet effective with bills issued after May 1, 2015 in order to fund a sewer backup prevention cost share program for Village homeowners.

### BACKGROUND

The proposed FY 2015-16 Sewer Fund budget includes a 5.2% increase in the Village's sewer rate from \$2.10/100 cubic feet to \$2.21/100 cubic feet. The additional revenue generated will fund a residential sewer backup prevention cost share program. The goal of the program is to encourage homeowners to install additional protection against the backup of sewage in their basements during severe rain events. The program will offer homeowners a 50% reimbursement of up to \$3,000 to install backflow devices and up to \$5,000 to install an overhead sewer system. The proposed rate increase will allow for a total of \$50,000 in reimbursements during FY 2015-16.

The Village has not increased the sewer rate since December 2005 when the sewer improvement bonds were issued. For a typical family of four using 2400 cubic feet of water per quarter, the quarterly sewer bill will increase \$2.64 from \$50.40 to \$53.04. The minimum quarterly sewer bill based on 600 cubic feet will increase \$0.66 from \$12.60 to \$13.26.

### STAFF RECOMMENDATION

Staff recommends approval of the rate increase.

### ACTION REQUESTED

Approve the attached rate ordinance at the April 28, 2015 Village Board meeting.

***Motion to approve "An Ordinance Amending Chapter 50, Section 50.61 of the Village of La Grange Park Municipal Code Establishing Wastewater Service Charges."***

### DOCUMENTATION

- Sewer Rate Ordinance
- Public Works Director Memo Regarding Sewer Backup Proposals

ORDINANCE NO. \_\_\_\_

**AN ORDINANCE AMENDING CHAPTER 50, SECTION 50.61  
OF THE VILLAGE OF LA GRANGE PARK MUNICIPAL CODE  
ESTABLISHING WASTEWATER SERVICE CHARGES**

WHEREAS, the Village of La Grange Park operates and maintains a municipal sewer system; and

WHEREAS, the President and Board of Trustees, so as to provide a sewer backup prevention cost share program, have determined that an increase in the sewer rate charged to customers of the Village of La Grange Park water system is necessary;

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: That Section 50.61 of Chapter 50 of the Village of La Grange Park Municipal Code is repealed and the following is substituted therefor:

**50.61 CHARGES ESTABLISHED.**

The wastewater service charge which shall be paid by all users of the village wastewater facilities shall be as follows:

- (A) \$2.21 for each 100 cubic feet of water if the payment is received by the due date printed on the bill.
- (B) \$2.43 for each 100 cubic feet of water if the payment is received after the due date printed on the bill.
- (C) A minimum bill shall be calculated on the basis of 600 cubic feet for those persons using less than 600 cubic feet of water during the billing period.
- (D) The above rates are effective for bills issued after May 1, 2015.

SECTION 2: All ordinances of this Village in conflict herewith are hereby repealed.

SECTION 3: 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 28<sup>th</sup> day of April, 2015.

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Dr. James L. Discipio  
Village President

ATTEST:

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Amanda Seidel  
Village Clerk



To: Julia Cedillo, Village Manager  
From: Brendan McLaughlin, Public Works Director  
Date: December 20, 2014  
Re: Budget Proposals related to Sewer Backups

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**Purpose:** To present proposals related to sanitary sewer backups for consideration in the 2015/16 Budget.

**Context:** This past summer saw three different storm events that caused residential backups of combined sewage. The trend has been for summer storms to be more severe and more frequent than in prior decades. Residents look to the Village to see what can be done to prevent sewer backups in their homes. Unfortunately, there is little the Village can do related to the sewer mains. Viable options relate to homeowner alterations to their sewer service line (lateral) and run between \$3,000 and \$12,000. Our employees are often asked if there is any financial assistance the Village can provide. The Village provided assistance in the past and neighboring communities do offer financial assistance.

**Discussion:** Since the Village Board last discussed a cost share program for backup prevention systems in 2011, both Westchester and Brookfield have adopted cost share programs. La Grange chose to eliminate permit and inspection charges for backup prevention systems. Additionally, the Village has had additional large rain events.

There are benefits to the village in having its housing stock equipped with systems that prevent sewer backups. The most important benefit is that it protects the public health from bacteria, fecal material, viruses and other organisms that may cause disease. Additional benefits include the ability for people to improve their basements, improve their home value, and offer a home for future sale that has the benefit of a backup prevention system.

There is a concern that residents have paid for adding backup prevention systems to their homes without benefit of a cost share program. Adding a cost share program now could have some of those residents arguing it is inequitable. The only argument I can offer is that it is in the village's collective best interest to see more homes equipped with these devices as it improves the housing stock.

There are some residents who find the cost of a backup prevention system more difficult to undertake. These include seniors on fixed incomes and lower income families. The village may want to consider a separate cost share and/or payment program for this group of residents. Contracts could be drawn up that requires monthly payments and could include a requirement to payoff any outstanding balance prior to sale of the home. A lien can be placed against the home to protect the village.

**Decision Points:**

- 1) Does the Village want to a 50/50 cost sharing program for sewer backup prevention?
- 2) Should the Village waive permit and inspection fees for sewer backup prevention?
- 3) Does the Village want to consider a loan program for low income residents?
- 4) Does the Village want to consider a loan program for older residents?
- 5) If the Village wants a 50/50 cost share program in place, what should the caps be?
  - a. Backflow device – up to \$3,000
  - b. Overhead sewer – up to \$5,000

It is staff's recommendation that a cost share program be put in place with the \$3,000 and \$5,000 caps and a loan program for low income residents. Staff recommends waiving permit and inspection fees. Staff is recommending a budget of \$50,000 from the sewer fees be allocated for this program. If the annual allotment it expended, residents could be placed on a reimbursement wait list for the next fiscal year.

**Proposed Fiscal Year 15/16 Budget:**

The proposed budget includes \$50,000 to implement a 50/50 cost sharing program and waives fees for permitting and inspection of sewer backup devices. The caps on the 50/50 cost share program are \$3,000 for backflow devices and \$5,000 for overhead sewers. The proposed budget does not include a loan program for low income or older residents.

## Village Board Agenda Memo

Date: April 8, 2015

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

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

Re: **Village Pension Funding Policy**

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### PURPOSE

To approve a Village pension funding policy.

### BACKGROUND

The Governmental Accounting Standards Board (GASB) has mandated new standards that direct how local governments account for pension plans in their financial statements. These standards, known as GASB statements 67 and 68, will soon change how the Village reports financial information for both the Police Pension Fund and the Illinois Municipal Retirement Fund (IMRF).

With statements 67 and 68, GASB has separated pension accounting from pension funding. Previously, GASB set the parameters for how the Village determined its Actuarial Required Contribution (ARC) for accounting purposes. Like many other local governments, the Village used the ARC as the basis for its annual funding policy. GASB has now focused on the reporting of pension liabilities, which is an accounting concern, rather than the funding of pensions, which is a policy issue. Since GASB is no longer providing a basis for funding guidance, the Government Finance Officers Association, along with other state and local government associations, has recommended that local governments adopt a pension funding policy. The primary purpose of a pension funding policy is to guide the Village in determining annual pension contributions. Additionally, a funding policy provides the public and other parties, such as credit rating agencies, assurance that the Village is prudently managing its pension obligations. It is important to note that GASB has no authority over local government pensions other than for financial reporting purposes and the new statements do not require the Village to change the method or assumptions previously used to calculate the annual Police Pension Fund contribution.

As part of its GASB 67/68 implementation plan, the Village chose to thoroughly review how its pensions are funded. In October 2014, the Village formed a working group that included two members from both the Village Board and the Police Pension Board. The GASB 67/68 Working Group was tasked with selecting and working with an actuary to review the actuarial assumptions used to calculate the Village's annual police pension contribution and to incorporate those assumptions into a recommended pension funding policy for the Village. The cost of the annual actuarial report would be split between the Village and the Police Pension Fund.

In developing a pension funding policy for the Village, the Working Group's focus was on the Police Pension Fund. This is because the Village's other pension plan, IMRF, is a multiple employer plan and IMRF sets the policy for all participating employers based on State law. While State law does mandate the actuarial calculation for the minimum annual contribution for the Police Pension Fund, the Village may use a professional actuary to calculate an annual contribution using methods and assumptions more appropriate for the Village's plan as long as the contribution is above the statutory minimum.

The Working Group held its first public meeting in early November to set the process for selecting an actuary. Following that meeting, a request for proposals was sent out to local actuarial firms. The Working Group held two public meetings in January to review proposals and to participate in conference calls with the finalists. Based on the submitted proposals, the conference calls, and comments from the firms' references, the Working Group unanimously selected a highly regarded national firm, Foster and Foster.

At two public meetings in February, the Working Group reviewed actuarial methods and assumptions with Jason Franken, the lead actuary for the Village from Foster and Foster, and developed the attached recommended funding policy. Jason Franken provided the Working Group with an informative presentation on the many actuarial assumptions utilized in calculating the annual police pension contribution. He also provided recommended adjustments to assumptions used in the actuarial calculations for the Police Pension Fund. The recommendations are based on matching the assumptions with the experience and expectations of the fund. If all of the recommendations were implemented at once, the Village's annual contribution would increase by an estimated \$241,000.

The Working Group reviewed the recommendations with Mr. Franken to determine the appropriate assumptions for the police pension fund. The Working Group decided that the current assumptions for the investment rate of return and rate of inflation remained appropriate. Recognizing the impact on the Village's budget, the Working Group's recommended policy would implement other assumption adjustments incrementally. The most important recommendation in the auditor's opinion is a change to the mortality table, and is implemented immediately, as is including an interest payment based on the timing of the annual contribution. The estimated increases from these two adjustments is partially offset by adjustments to demographic tables for retirement, disability and termination as well as a change to the unfunded amortization period to match the timing set by the State. The Working Group also included a change to the payroll growth assumption that will be implemented over the following four years. The result of the adjustments included in the recommended policy is an estimated increase in the annual contribution of approximately \$30,000 for the first year of the policy with additional estimated increases of \$13,500 in each of the four following years. It is important to note that these are estimated increases based on preliminary calculations by Foster and Foster. The actual contributions are subject to change based on other factors such as investment returns and plan experience. As such, the Working Group's recommended policy also includes a provision for the Village Board and Police Pension Board to annually meet to review the actuarial report and to determine if any changes to the actuarial assumptions are necessary.

#### **STAFF RECOMMENDATION/ACTION REQUESTED**

Staff recommends approval of the Working Group's recommended pension funding policy at the April 28, 2015 Village Board meeting.

#### **DOCUMENTATION**

- GASB 67/68 Working Group's recommended Village Pension Funding Policy
- October 7, 2014 Village Board Agenda Memo regarding GASB 67/68 Implementation Plan
- Foster and Foster Resumes
- Foster and Foster Presentation
- Minutes from GASB 67/68 Working Group meetings

# Village of La Grange Park

## Pension Funding Policy

### Applicability

The Village's full-time employees participate in two pension plans as required by State statutes; (1) the Police Pension Fund for all full-time sworn police officers, and (2) the Illinois Municipal Retirement Fund (IMRF) for all other full-time employees. The Village has adopted this pension funding policy to ensure that the costs of pension benefits are funded in a sustainable and transparent manner.

### Policy Objectives

1. To maintain a pension funding plan that is based on an actuarially determined contribution that incorporates both the cost of accrued benefits in the current year and the amortization of any unfunded actuarial accrued liabilities.
2. A commitment to make timely, actuarially determined contributions to the plans to ensure that sufficient assets are available to meet the Village's pension obligations.
3. To maintain intergenerational equity so that the cost of employee benefits are paid by the generation of taxpayers who receives the services from those employees.
4. To manage employer contributions so that employer costs remain consistent as a percentage of payroll over time.
5. To require clear reporting of the financial status of the pension plans by providing detail of how and when the plans will be fully funded.

### Funding Policy

#### ***Illinois Municipal Retirement Fund***

1. As a multi-employer agent plan, IMRF determines the Village's employer contribution rate as a percentage of covered payroll each year in accordance with the IMRF's pension funding policy (Exhibit A).
2. The Village will contribute the required percentage of covered payroll each month to IMRF.

#### ***Police Pension Fund***

1. The Village Board and the Police Pension Board will jointly engage a professional actuary to calculate an annual actuarially determined contribution which will include both:
  - a. A factor for normal cost for current service based upon the plan's benefit provisions;
  - b. A factor to amortize any under or over funded amount.

2. Normal cost will be calculated using the Entry Age Normal level percentage of payroll and the following assumptions:

- a. Asset Valuation Method: 5 year smoothing of investment gains/losses with 20% corridor.
- b. Investment rate of return: 7.00%
- c. Inflation: 2.0%
- d. Salary Increases: Tiered based on service.
- e. Non-economic assumptions, such as rates of separation, disability, retirement, mortality, etc. will be selected based on consultation with the Village's actuary to best reflect current experience.

3. Amortization of under or over funded amounts will be based on a level percentage of payroll using the following assumptions:

- a. Payroll Growth: 4.0% as of May 1, 2015 then decreasing by 0.25% each year until reaching 3.0%.
- b. A 30 year closed period that began in 2011 until it reaches 15 years at which time it will switch to a 15 year open period.

4. The Village's actuary will present the annual plan evaluation and actuarially determined contribution to a joint meeting of the Village Board and Police Pension Board.

5. The Village will annually levy an amount based on the most recent actuarially determined contribution.

### **Accountability**

The Village will report information relating to the pension funds in its annual financial statements as required by the Governmental Accounting Standards Board (GASB).

### **Review of Funding Policy**

Funding a defined benefit pension plan requires a long-term horizon. Assumptions and inputs into the policy should focus on long-term trends, not year-to-year shifts in the economic or non-economic environments. Assumptions or inputs should be evaluated and changed if long-term economic or non-economic inputs have fundamentally changed or are no longer reasonable. As such, the Village Board and the Police Pension Board will review this policy at their joint annual actuarial evaluation meeting to determine if changes are required to ensure adequate funding.

## EXHIBIT A



# Illinois Municipal Retirement Fund

Drake Oak Brook Plaza Suite 500 2211 York Road Oak Brook IL 60523-2374 630/368-1010

Service Representatives 1-800-ASK-IMRF

[www.imrf.org](http://www.imrf.org)

## Funding Policy of the Illinois Municipal Retirement Fund

### Background

The fundamental financial objective of a public employee defined benefit pension plan is to fund the long-term cost of benefits promised to the plan participants. In order to assure that pension benefits will remain sustainable, the governmental plan sponsor should accumulate adequate resources for future benefit payments in a systematic and disciplined manner during the active service life of the benefitting employees. In pursuit of this objective, the Illinois Municipal Retirement Fund (IMRF) has adopted a funding policy targeting a 100 percent funded ratio.

IMRF believes that its funding policy and its implementation meets the recently released draft "Pension Funding Policy Guidelines" for state and local governments which address the following general policy objectives:

- Ensure pension funding plans are based on actuarially determined contributions
- Build funding discipline into the policy to ensure promised benefits can be paid
- Maintain intergenerational equity so the cost of employee benefits is paid by the generation of taxpayers who receive services
- Make employer costs a consistent percentage of payroll
- Require clear reporting to show how and when pension plans will be adequately funded

### Implementation of Funding Policy

In order to actualize the aforementioned funding policy, the IMRF Board will set employer contribution rates required to fully fund promised benefits utilizing the following principles:

1. An actuarially determined annual required contribution expressed as a percentage of payroll will be calculated which will include a factor for normal cost for current service for each eligible plan and tier based upon the benefit provisions in the Illinois Pension Code and a factor to collect or refund any under or over funded amount.
2. Annual employer contributions will be calculated utilizing the annual required contribution rate.

3. In situations where the annual contributions based upon the annual required contribution rate times employer payroll are insufficient to reduce an unfunded liability, a minimum contribution will be calculated which will pay down the unfunded liability over a closed 20 year period.
4. Normal cost will be calculated using the entry age normal level percentage of payroll actuarial cost method utilizing the following:
  - a. Economic assumptions based upon the latest applicable triennial experience study. The current economic assumptions are as follows:
    - i. Investment rate of return – 7.5%
    - ii. Assumed wage inflation rate – 4%
  - b. Non-economic assumptions based upon the latest applicable triennial experience study including the following:
    - i. Rates of quitting among actives
    - ii. Rates of disability among actives
    - iii. Patterns of merit and longevity increases among actives
    - iv. Rates of retirements
    - v. Rates of mortality
5. Amortization of under or over funded status will be determined based upon the following:
  - a. Actuarial assets will be determined using a five-year smooth market related basis with a 20% corridor
  - b. Amortization will be based on a level percentage of payroll
  - c. The amortization period for taxing bodies will be a closed 29 years until it reaches 15 years at which time it will switch to a 15 year open period
  - d. The amortization period for non-taxing bodies will be a 10 year open period
6. IMRF will annually furnish employers information on the annual required contributions and the actual contributions received and a schedule of funding progress based on the above actuarial principles and assumptions.

All aspects of the funding policy and the individual factors in the calculation of the employer contribution rate which is the resultant of the above process are subject to the review and approval of the IMRF Board of Trustees and are subject to change if deemed appropriate and in the best interests of IMRF sponsors and participants.

Adopted by the IMRF Board of Trustees on December 21, 2012

## Village Board Agenda Memo

Date: October 7, 2014

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

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

Re: **GASB 67/68 Implementation Plan**

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### PURPOSE

To approve a plan to begin implementing GASB Statements 67 and 68.

### BACKGROUND

The Governmental Accounting Standards Board (GASB) has issued new standards that direct how state and local governments account for pension costs in their financial statements. These standards, referred to as GASB Statements 67 and 68, will change the way the Village reports information about both the Police Pension and the Illinois Municipal Retirement Fund (IMRF) in its annual financial report. GASB 67 focuses on pension plan financial reporting and is effective for the Village's fiscal year 2014/15. GASB 68 addresses how pension information is reported by employers and is effective for the Village's fiscal year 2015/16.

With Statements 67 and 68, GASB has separated pension accounting from pension funding. Previously, GASB had set the parameters for how the Village should determine its Actuarial Required Contribution (ARC) for accounting purposes. The Village, like many other local governments, currently uses the ARC as the basis for its annual funding policy. GASB is now focused on reporting pension liabilities, which is an accounting concern, rather than funding the cost of pensions, which is a policy issue. As GASB is no longer providing a basis for funding guidance, the Government Finance Officers Association, along with other state and local government associations, has recommended that local governments adopt a pension funding policy. The primary purpose of a pension funding policy is to guide the Village in making pension decisions, such as annual contributions. Additionally, a funding policy provides the public and other parties, such as credit rating agencies, assurance that the Village is prudently managing its pension obligations.

In developing a pension funding policy for the Village, the focus will be on the Police Pension plan. This is because the IMRF plan is a multiple employer plan and sets the policy for all participating employers based on State law. While State law does mandate the actuarial method required to calculate the minimum annual contribution to the Police Pension plan, the Village has the option to use a professional actuary to calculate a funding level it deems appropriate as long as it is above the minimum. The Village's funding policy will determine how the annual Police Pension contribution is calculated by an actuary. It is important to note that GASB 67 and 68 do not require the Village to change the method or assumptions used to calculate the Police Pension plan contribution.

### STAFF RECOMMENDATION

Developing a funding policy will require the Village to select the method and assumptions utilized by an actuary to calculate the ARC, such as the investment rate of return and projected salary increases. The Village and Police Pension Board should also engage an actuary soon after the close of each fiscal year so that the most current information is available for the Village's annual financial report, which includes the Police Pension plan financial statements.

Staff recommends forming a working group that would include members from both the Village Board and the Police Pension Board. The working group will select and work with an actuary to set the required assumptions to calculate the annual pension contribution. The working group will then incorporate those assumptions into a recommended Pension Funding Policy for the Village Board to consider in early 2015. The cost of the annual actuarial report would be split between the Village and the Pension Board.

#### **ACTION REQUESTED**

No formal action is required at this time. Staff is seeking Village Board consensus to proceed with the formation of the Pension Funding Policy working group. The working group's recommendation for a Police Pension funding policy will be brought to the Village Board for formal approval in early 2015.

#### **DOCUMENTATION**

- Proposed Village GASB 67/68 Implementation Timeline
- Press Release and Summary of Pension Funding Guidelines from the "Big 7"
- Pension Funding: A Guide For Elected Officials from the "Big 7"
- IMRF Press Release regarding GASB 67/68
- IMRF Funding Policy
- GASB's New Pension Standards: Setting the Record Straight

**Village of La Grange Park  
Proposed Pension Funding Working Group Timeline  
10/07/2014**

Oct 2014	Village Board and Pension Board create working group -2 Village Board members -2 Pension Board members -Village Treasurer -Village Manager -Finance Director
Oct/Nov 2014	Working group meets to review GASB 67/68 requirements
Nov/Dec 2014	Request for Proposals for actuary
Dec 2014	Working group reviews proposals and reaches consensus on actuary
Jan 2014	Working group meets with selected actuary to review and set actuarial assumptions
Feb 2014	Village Board and Pension Board approve actuarial assumptions and discuss funding policy
Feb 2015	Village Board adopts Pension Funding Policy
May 2015	FY2015 information in sent to actuary
July/Aug 2015	FY2016 Actuarial report is completed
Sep/Oct 2015	Joint Village Board and Pension Board meeting to review actuarial report and required contribution based on funding policy
Nov 2015	2015 Tax levy is based on FY2016 actuarial report





# News Release

FOR IMMEDIATE RELEASE

March 26, 2013



## STATE AND LOCAL GOVERNMENTS FOCUS ON PENSION FUNDING POLICY



The Council of State Governments  
Sharing capitol ideas.

WASHINGTON—The “Big 7” state and local government associations and the Government Finance Officers Association (GFOA) today released Pension Funding: A Guide for Local Officials to provide key facts about public pension plans and a brief overview of which issues state and local officials should address. The guide explores why developing a pension funding policy is essential and offers guidelines to follow when developing that policy.



Last year, the Governmental Accounting Standards Board (GASB) issued new standards that focused on how state and local governments should account for pension benefit costs but did not address how employers should calculate the annual required contribution (ARC) necessary to fund those pensions. To assist state and local government employers, the Big 7 and GFOA established a Pension Funding Task Force (Task Force) to develop policy objectives and guidelines. The policy objectives were released last October.



“These new GASB accounting standards will change the way public pensions and their sponsoring governments report their pension liabilities. In fact, the new GASB standards end the relationship between pension accounting and the funding of the ARC, which is how many governments budget their pension plans each year,” said **Robert J O’Neill, International City/County Management Association executive director and the current chair of the Big 7.** “Because some ratings agencies could use another set of criteria to assess creditworthiness that could dramatically affect the issuance of municipal bonds, it is critical for both the financial community and the public to have an objective set of guidelines on which to present their financial reports. Thus, the most important step here is for state and local governments to base their policy on actuarially determined contributions that use these guidelines.”



The Task Force recommends that pension funding policies be based on the following five general policy objectives:



Leaders at the Core of Better Communities

- Have a pension funding policy that is based on actuarially determined contributions;
- Build funding discipline into the policy to ensure promised benefits can be paid;
- Maintain intergenerational equity so the cost of employee benefits is paid by the generation of taxpayers who receives services;
- Make employer costs a consistent percentage of payroll; and
- Require clear reporting to show how and when pension plans will be fully funded.



The Big 7 is a coalition of seven national associations in Washington, D.C., whose members represent state and local governments. Members of the Big 7 include the National Governors Association, the National Conference of State Legislatures, The Council of State Governments, the National Association of Counties, the National League of Cities, The U.S. Conference of Mayors and the International City/County Management Association.



In addition, the National Association of State Auditors, Comptrollers and Treasurers; the National Association of State Retirement Administrators; and the National Council on Teacher Retirement serve on the Task Force. The Center for State and Local Government Excellence is the convening organization.

###

Jodi Omeear, NGA, 202-624-5346  
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Kelley Arnold, CSG, 859-244-8258  
Jim Philipps, NACo, 202-942-4220  
Gregory Minchak, NLC, 202-626-3003  
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Michele Frisby, ICMA, 202-962-3658  
Barrie Tabin Berger, GFOA, 202-393-8467

*The Big 7 is a coalition of seven national associations in Washington, D.C., whose members represent state and local governments. The leadership of these organizations works together regularly to discuss issues of mutual interest affecting state and local governments. Members of the "Big 7" include: The National Governors Association, the National Conference of State Legislatures, The Council of State Governments, the National Association of Counties, the National League of Cities, The U.S. Conference of Mayors and the International City/County Management Association.*

# PENSION FUNDING GUIDELINES

The Governmental Accounting Standards Board (GASB) has issued new standards for how state and local government employers should account for pension benefit costs. Significantly, the calculation of the employer pension expense will no longer be related to the employer funding requirements. Under this new approach, the GASB will require employers to report an actuarially determined annual required contribution (ARC) only if they voluntarily decide to calculate one. GASB will no longer set the parameters within which an employer calculates the ARC.<sup>1</sup>

Recognizing the need for action, the “Big 7” (National Governors Association, National Conference of State Legislatures, Council of State Governments, National Association of Counties, National League of Cities, U.S. Conference of Mayors, and the International City/County Management Association), established a pension funding task force. In addition to representatives from the Big 7, the National Association of State Auditors, Comptrollers and Treasurers, Government Finance Officers Association, National Association of State Retirement Administrators, and National Council on Teacher Retirement serve on it. The Center for State and Local Government Excellence is the convening organization for the task force.

The task force continues to follow closely at work in progress by the actuarial community and others in order to develop pension funding policy guidelines that are designed around five general policy objectives, starting with an actuarially determined **annual required contribution (ARC)**.<sup>2</sup> The funding policy guidelines should address **three core elements**: (1) actuarial cost method; (2) asset smoothing; and (3) amortization policy.

Draft guidelines have been developed to identify practices for the systematic funding and consistent reporting of funding progress. Recognizing that some accepted practices are more restrictive than current practice, the task force is exploring options that might

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<sup>1</sup> The new GASB standards no longer use the term “annual required contribution “ or “ARC”. Instead, the new standards refer to the disclosure of an “actuarially determined contribution”. However, these guidelines use the ARC terminology as it is already established in industry practice.

<sup>2</sup> Many public sector retirement systems have a fixed contribution rate that is set by statute or other legal guidance. Other systems determine contributions using other methodologies. Such systems should evaluate their contribution rates relative to their ARC determined in accordance with these Guidelines.

be needed to phase in the new practices over a period of years.<sup>3</sup> The task force notes that these guidelines likely will be updated periodically to reflect changes in actuarial practice with regard to funding policy.

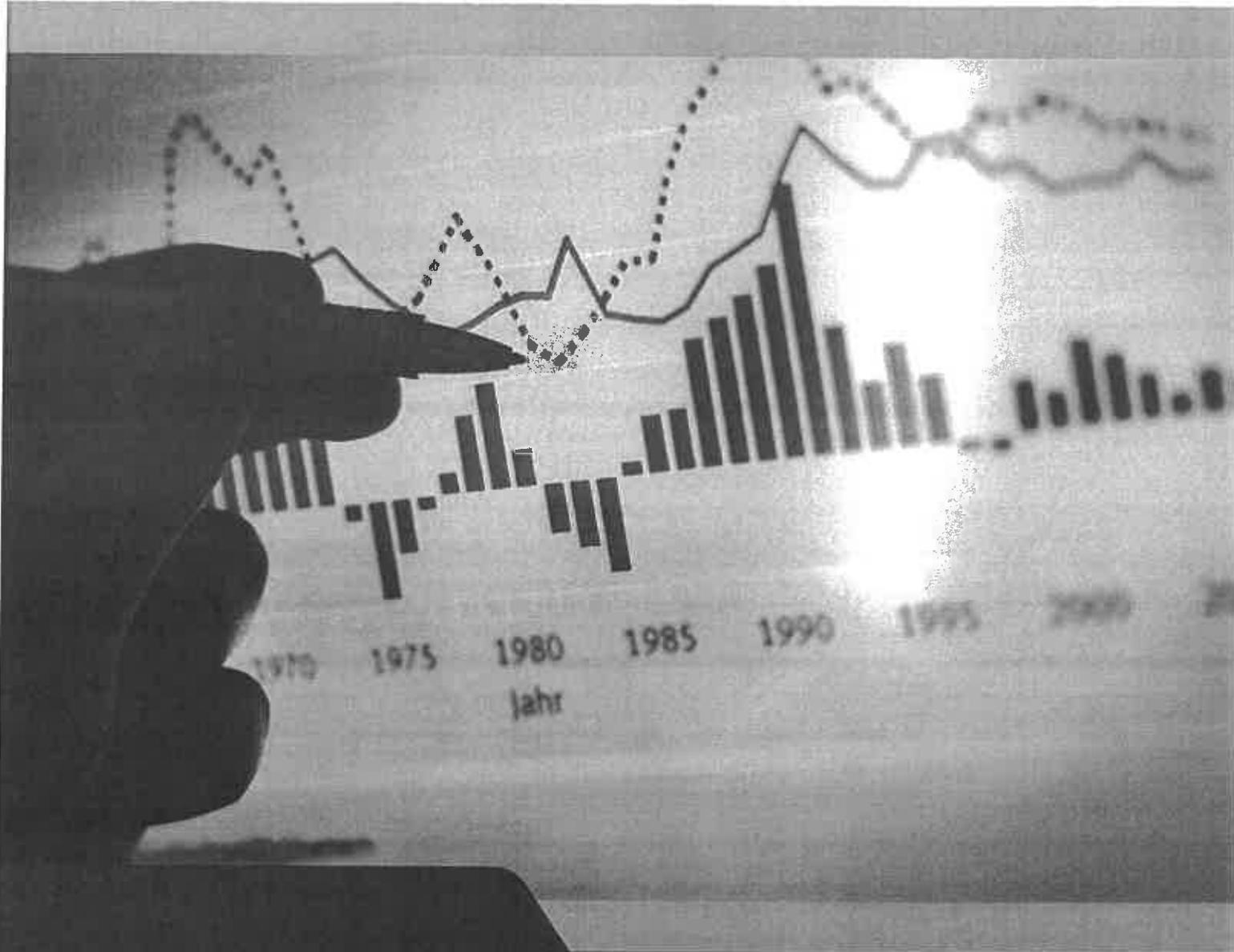
## GENERAL POLICY OBJECTIVES

**State and local governments should have a pension funding policy that is based upon an actuarially determined annual required contribution (ARC), and that meets the following five policy objectives in an integrated way. Governments likely will need to strike a balance between competing objectives and determine the most appropriate time frame in which to meet their goals.**

- **Actuarially Determined Contributions.** A pension funding plan should be based upon an actuarially determined annual required contribution (ARC) that incorporates both the cost of benefits in the current year and the amortization of the plan's unfunded actuarial accrued liability.
- **Funding Discipline.** A commitment to make timely, actuarially determined contributions to the retirement system is needed to ensure that sufficient assets are available for all current and future retirees.
- **Intergenerational equity.** Annual contributions should be reasonably related to the expected and actual cost of each year of service so that the cost of employee benefits is paid by the generation of taxpayers who receives services from those employees.
- **Contributions as a stable percentage of payroll.** Contributions should be managed so that employer costs remain consistent as a percentage of payroll over time.
- **Accountability and transparency.** Clear reporting of pension funding should include an assessment of whether, how, and when the plan sponsor will ensure sufficient assets are available for all current and future retirees.

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<sup>3</sup> These Pension Funding Guidelines are developed for ongoing pension plans that provide a lifetime income according to a defined benefit formula based on the member's salary. Other funding policy consideration may apply to other types of plans, including terminated or frozen plans, retiree only plans, plans that have matched investment and benefit cash flows ("immunized" plans), retiree medical plans, other non-pay-related benefits and defined contribution plans. There are also some plan features that may require special consideration, including floor offset plans, cash balance plans and plans with "gain sharing" features.



# PENSION FUNDING:

## A Guide for Elected Officials

Report from the Pension Funding Task Force 2013

**Issued by:**

- National Governors Association (NGA)
- National Conference of State Legislatures (NCSL)
- The Council of State Governments (CSG)
- National Association of Counties (NACo)
- National League of Cities (NLC)
- The U.S. Conference of Mayors (USCM)
- International City/County Management Association (ICMA)
- National Council on Teacher Retirement (NCTR)
- National Association of State Auditors, Comptrollers and Treasurers (NASACT)
- Government Finance Officers Association (GFOA)
- National Association of State Retirement Administrators (NASRA)



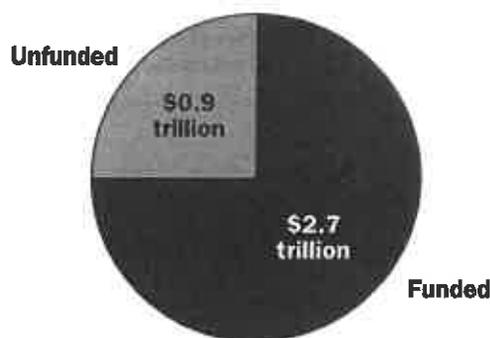
# PENSION FUNDING: A Guide for Elected Officials

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## Introduction

Defined benefit pension plans have a long history in public sector compensation. These plans are typically funded through a combination of employer and employee contributions and earnings from investments. Public pension plans hold more than \$3 trillion in assets in trust on behalf of more than 15 million working and 8 million retired state and local government employees and their surviving family members. The pie chart below illustrates the 2011 funded status of 109 state-administered plans and 17 locally administered plans. These plans represent 85 percent of total state and local government pension assets and members.

**Figure 1.** Funding of Aggregate Pension Liability, 2011



Source: BC-CRR Estimates based on *Public Plans Database* (PPD).

The value of securities held by public and private retirement plans declined significantly following the economic crisis of 2008–2009, causing an increase in unfunded pension liabilities. The range of those unfunded public pension liabilities varies widely among governments. These same governments also have enacted major changes in their retirement plans over the past decade. Today, some public pension plans are well funded, while others have seen their funded status decline.

Now another change is on the horizon: new pension accounting standards issued by the Governmental Accounting Standards Board (GASB) in 2012. GASB Statement No. 67, *Financial Reporting for Pension Plans*, takes effect for pension plan fiscal years beginning after June 15, 2013 (fiscal years ending on or after June 30, 2014). GASB Statement No. 68, *Accounting and Reporting for Pensions*, applies to employers (and contributing nonemployers) in fiscal years beginning after June 15, 2014 (fiscal years ending on or after June 30, 2015).

These new accounting standards will change the way public pensions and their sponsoring governments report their pension liabilities. In particular, the new standards no longer provide guidance on how to calculate the actuarially determined annual required contribution (ARC), which many governments have used not only for accounting, but also to budget their pension plan contribution each year. In fact, these new GASB accounting standards end the relationship between pension accounting and the funding of the ARC.

In addition to GASB's new accounting standards, policymakers should be aware that rating agencies such as Moody's may use yet another set of criteria to assess the impact of pension obligations on the creditworthiness of a municipal bond issuer. If the ratings agencies publicize their pension calculations, state and local officials would be faced with the challenge of interpreting three sets of pension numbers: an accounting number to comply with the GASB's financial reporting requirements, an actuarial calculation to determine funding requirements for budgeting purposes, and a financial analysis figure produced by bond rating agencies to evaluate and compare issuers of municipal debt.

This guide provides key facts about public pension plans, why it is essential to have a pension funding policy, a brief overview of the new GASB standards, and which issues state and local officials need to address. The guide also offers guidance for policy makers to use when developing their pension plan's funding policy.

## Pension funding background

In the 1970s, it was not uncommon for state and local governments to fund their pensions on a pay-as-you-go basis. Following the passage of ERISA, which set private sector funding requirements, state and local officials took steps to fully advance-fund their pensions. They were further encouraged to meet their actuarial funding obligations by new accounting and reporting standards issued by the GASB in 1986.

The trend to improve pension funding continued over the next decade. When the GASB issued Statements 25 and 27 in 1994, employers were required to disclose information on plan assets and liabilities in their financial reports. More important, to comply with GASB, employers also had to disclose their actuarially determined ARC and the percentage of the ARC the employer actually paid. The GASB defined the ARC to include the normal cost of pensions for today's employees plus a contribution to pay for any unfunded liabilities, typically amortized over a maximum 30-year period. Paying the full ARC has been an important measure of whether or not a pension plan is on track to fund its pension promises.

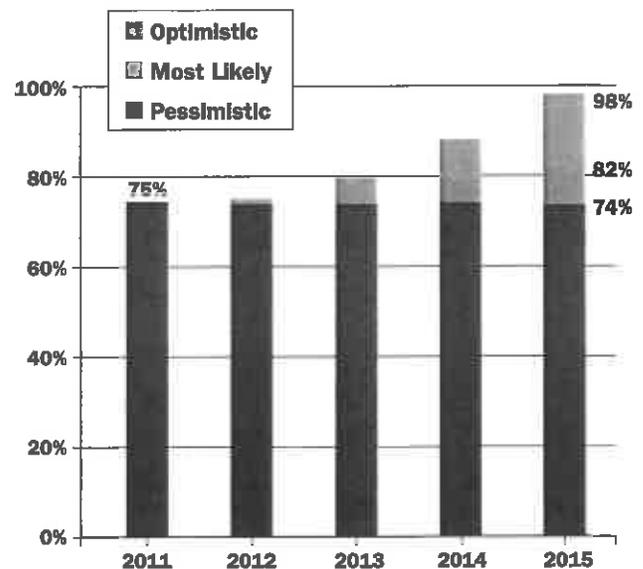
By the turn of the century, public pensions were as well funded as private pensions. In fact, most public plans were nearly 100 percent funded in 2000. Unfortunately, the last decade of economic upheaval and the wide swings in the stock market have reduced pension assets in both public and private plans.

In 2011, the estimated aggregate ratio of assets to liabilities slipped to 75 percent<sup>1</sup>. State and local officials have stepped up their efforts to restore pension funding. According to the National Conference of State Legislatures, 44 states have enacted major changes in state retirement plans from 2009–2012.<sup>2</sup> Changes have included increases in employee contributions to pension plans, longer vesting periods, reduced benefit levels, higher retirement ages, and lower cost-of-living adjustments. Some modifications may apply to new workers only, while others affect current employees and/or retirees.

## Pension funding policies

A variety of state and local laws and policies guide decisions concerning pension funding practices. Many state and local governments have passed legislation that stipulates how pensions should be funded. Others

**Figure 2.** Projected State and Local Funding Ratios Under Three Scenarios, 2011–2015



Source: BC-CRR estimates for 2011–2015 based on *Public Plans Database (PPD)*.

have policies that address how pension assets are to be invested or if pension reserves must be maintained.

Generally speaking, employers with well-funded pension plans take a long-term approach to estimating investment returns, adjust their demographic and other assumptions as needed, and consistently pay their annual required contribution in full.

A clear pension funding policy is important because it:

- Lays out a plan to fund pensions;
- Provides guidance in making annual budget decisions;
- Demonstrates prudent financial management practices;
- Reassures bond rating agencies; and
- Shows employees and the public how pensions will be funded.

## GASB's new approach

Under prior GASB statements, there was a close link between accounting and funding measures. That link has now been broken. The new GASB standards

1 Munnell, Alicia H., Aubrey, Jean-Pierre, Hurwitz, Josh, Medina, Madeline, and Quinby, Laura, "The Funding of State and Local Pensions: 2011–2015," Center for State and Local Government Excellence, May 2012.

2 Snell, Ron, "State Retirement Legislation 2009–2012," National Conference of State Legislatures, July 31, 2012.

focus entirely on accounting measurements of pension liabilities and no longer on how employers fund the cost of benefits or calculate their ARC. This is a significant change for government employers because the ARC historically served as a guide for policy makers, employees, bond rating agencies and the public to determine whether pension obligations were being appropriately funded. The ARC also often was used to inform budget decisions.

Today, employers report a liability on the face of their financial statements only if they fail to fully fund their ARC (just as a homeowner would report a liability only for mortgage payments in arrears). Thus, many government employers today do *not* report a liability for pensions on the face of their financial statements. However, if the plan they sponsor does have an unfunded pension liability, it is reported in the notes to the financial statements, which are considered an integral part of financial reporting. In contrast, under the new GASB standards, employers will report their unfunded pension liability on the face of their financial statements, even if they fully fund each year's ARC (just as a homeowner would report a mortgage liability even if all monthly mortgage payments are paid on time, in full). Thus, in the future, all employers will report any unfunded pension liability on the face of their financial statements, and that amount may be substantial for many.

Furthermore, those seeking to know how much an employer should be contributing each year to the pension plan and how much the employer actually contributed (funding information) today can find that information in the employer's financial report. In contrast, under the new GASB pension accounting standards, employers will no longer *automatically* be required to obtain an actuarially determined ARC and then include information concerning that amount and actual employer contributions in their financial report.

## Filling the gap in funding guidance

Because the GASB's new standards focus entirely on how state and local governments should account for pension liabilities and no longer focus on how employers fund the costs of benefits or calculate their ARC, a new source of guidance is needed.

To help fill that gap, the national associations representing local and state governments established a Pension Funding Task Force (Task Force) to develop policy guidelines.

The "Big 7" (National Governors Association, National Conference of State Legislatures, Council of State Governments, National Association of Counties, National League of Cities, U.S. Conference of Mayors, and the International City/County Management Association) and the Government Finance Officers Association established a pension funding task force in 2012. The National Association of State Auditors, Comptrollers and Treasurers; the National Association of State Retirement Administrators; and the National Council on Teacher Retirement also serve on it. The Center for State and Local Government Excellence is the convening organization for the Task Force.

The Task Force has monitored the work of the actuarial community and the rating agencies, as well as considered recommendations from their own organizations to develop guidelines for funding standards and practices and to identify methods for voluntary compliance with these standards and practices.

The actuarial and finance communities have been working on the pension funding issues and will be invaluable resources as governments make needed changes. Indeed, the California Actuarial Advisory Panel and the Government Finance Officers Association have issued guidelines consistent with the Task Force's recommendations, but with a greater level of specificity. The Conference of Consulting Actuaries is also preparing similar guidance. State and local officials are encouraged to review the guidelines and best practices of these organizations.

It also is important to note that some governments with well-funded pension plans will determine that they need to make few, if any, changes to their funding policies, while others may face many challenges. Keep in mind that changes can be made over time. A transition plan can address changes that may need to be phased in over a period of years. For example, an employer or retirement board that currently amortizes its unfunded liabilities over 30 years could adopt a transition plan to continue that schedule (as a fixed, decreasing period) for current unfunded liabilities and to amortize any new unfunded liabilities over 25 years. In five years, that pension plan would have completed its transition to a 25-year amortization period.

In many cases, governments will need to strike a balance between competing objectives to determine the most appropriate timeframe in which to meet their goals.

## Task force recommendations

States and localities have established distinct statutory, administrative and procedural rules governing

how retirement benefits are financed. While nothing in the new GASB standards or the possible credit rating agency changes *requires* a change in funding policy, the Task Force recommends pension funding policies be based on the following five general policy objectives:

1. Have a pension funding policy that is based on an actuarially determined contribution.
2. Build funding discipline into the policy to ensure that promised benefits can be paid.
3. Maintain intergenerational equity so that the cost of employee benefits is paid by the generation of taxpayers who receives services.
4. Make employer costs a consistent percentage of payroll.
5. Require clear reporting to show how and when pension plans will be fully funded.

A sound pension funding policy should address at least the following three core elements of pension funding in a manner consistent with the policy objectives:

- Actuarial cost method;
- Asset smoothing method; and
- Amortization policy.

These core elements should be consistent with the parameters established by GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with which most governmental entities currently comply. Such parameters specify an actuarially determined ARC that should comply with applicable Actuarial Standards of Practice (ASOP No. 4), be based on an estimated long-term investment yield for the plan, and should amortize unfunded liabilities over no more than 30 years. The actuarially determined ARC, the parameters for determining the ARC, and the percentage of the ARC the employer actually paid should be disclosed and reassessed periodically to be sure that they remain effective. To that end, the Task Force recommends that state and local governments not only stay within the ARC calculation parameters established in GASB 27, but also consider the following policy objectives when reviewing each core element of their funding policy:

**Actuarial Cost Method:** the method used to allocate the pension costs (and contributions) over an employee's working career.

**Policy Objectives:**

1. Each participant's benefit should be fully funded under a reasonable allocation method by the expected retirement date.

2. The benefit costs should be determined as a level percentage of member compensation and include expected income adjustments.

The Entry Age Normal (level percentage of payroll) actuarial cost method is especially well-suited to meeting these policy objectives.

**Asset Smoothing Method:** the method used to recognize gains or losses in pension assets over some period of time to reduce the effects of market volatility and provide stability to contributions.

**Policy Objectives:**

1. The funding policy should specify all components of asset smoothing, such as the amount of return subject to smoothing and the time period(s) used for smoothing a specific gain or loss.
2. The asset smoothing method should be the same for both gains and losses and should not be reset or biased toward high or low investment returns.

The use of a five-year period for "smoothing" investment experience is especially well-suited to meeting these policy objectives.

**Amortization Policy:** the policy that determines the length of time and structure of payments required to systematically fund accrued employee benefits not covered by the actuarial value of assets.

**Policy Objectives:**

1. The adjustments to contributions should be made over periods that appropriately balance intergenerational equity against the goal of keeping contributions level as a percentage of payroll over time.
2. The amortization policy should reflect explicit consideration of (a) gains and losses actually experienced by a plan, (b) any changes in assumptions and methods, and (c) benefit or plan changes.
3. The amortization of surplus requires special consideration consistent with the goal of stable costs and intergenerational equity.

Amortizing the various components of the unfunded actuarial accrued liability over periods that focus on matching participant demographics but also, except for plan amendments, consider managing contribution volatility, is especially well-suited to meeting these policy objectives.

## Conclusion

The most important step for local and state governments to take is to base their pension funding policy on an actuarially determined contribution (ADC). The ADC should be obtained on an annual or biannual basis. The pension policy should promote fiscal discipline and intergenerational equity, and clearly report when and how pension plans will be fully funded.

Other issues to address in the policy are periodic audits and outside reviews. The ultimate goal is to ensure that pension promises can be paid, employer costs can be managed, and the plan to fund pensions is clear to everyone.

## Resources

1. GFOA best practice, *Guidelines for Funding Defined Benefit Pension Plans*, at: [www.gfoa.org](http://www.gfoa.org)
2. GASB Statements No. 67 and 68 at: [www.GASB.org](http://www.GASB.org)
3. GASB Statement 27: [http://www.gasb.org/cs/ContentServer?site=GASB&c=Document\\_C&pagename=GASB%2FDocument\\_C%2FGASBDocumentPage&cid=1176160029312](http://www.gasb.org/cs/ContentServer?site=GASB&c=Document_C&pagename=GASB%2FDocument_C%2FGASBDocumentPage&cid=1176160029312)
4. Moody's Request for Comments: Adjustments to US State and Local Government Reported Pension Data at: [http://www.wikipension.com/wiki/Moodys\\_Request\\_For\\_Comments](http://www.wikipension.com/wiki/Moodys_Request_For_Comments)
5. National Conference of State Legislatures, changes to state pension plans at: <http://www.ncsl.org/documents/employ/2012-LEGISLATION-FINAL-Aug-31-2012.pdf>
6. The National Association of State Retirement Administrators for examples of state funding policies at: [www.NASRA.org](http://www.NASRA.org)
7. Center for State and Local Government Excellence for examples of changes to state and local government pension plans at: <http://slge.org>
8. California Actuarial Advisory Panel at: <http://www.sco.ca.gov/caap.html>
9. Conference of Consulting Actuaries at: <http://www.ccactuaries.org/index.cfm>

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# Illinois Municipal Retirement Fund

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## **IMRF Adopts New Financial Reporting Procedures**

— *Pension plan changes accounting based on new rules from Governmental Accounting Standards Board* —

**OAK BROOK, Ill. — October 2, 2014** — The Illinois Municipal Retirement Fund (IMRF) has modified how it reports its financial position to comply with new reporting requirements from the Governmental Accounting Standards Board (GASB).

The accounting rule changes required by GASB Statement No. 67, which apply to pension plans such as IMRF, are reflected in IMRF's Comprehensive Annual Financial Report for the year ending Dec. 31, 2013.

Many IMRF employers — including municipalities, park districts and county governments — will now change how they report their financial position to conform with GASB Statement No. 68, which applies to local units of government participating in pension plans. The new accounting rules for those employers will take effect in the fiscal year that ends June 30, 2015 or thereafter.

The new GASB requirements only impact how IMRF and its employers report their financial position. These new accounting rules have no impact on IMRF's assets (\$33.2 billion as of Dec. 31, 2013) or its funded status (96.7 percent). These new guidelines also have no impact on how much IMRF collects from its employers and members, how it invests these funds or how much it distributes to retirees.

"Adjusting the way we now report financials does not affect the financial position or health of our plan," IMRF Executive Director Louis Kosiba. "Over a 30-year time horizon, our total rate of return on investments has been 10.38 percent – well in excess of our goal. We will continue to collect the required contributions from our employers and members, invest them prudently and pay modest benefits. IMRF calculations always have conformed with generally accepted accounting principles, and they will continue to do so."



For IMRF employers, the most notable change will occur on the “statement of net position” (i.e., balance sheet). Instead of recording a plan’s unfunded actuarial liability in the footnotes, an employer will list it on the balance sheet. The amount of the liability will not change.

GASB believes the new rules — which will also prohibit “smoothing” of investment returns in financial reporting and will require plans to recognize pension expenses as they occur — will increase the transparency, consistency and comparability of pension information across state and local governments. While GASB is not a federal agency, it sets standards of financial accounting and reporting for state and local governments.

Other financial report modifications that GASB Statement 67 required of pension plans, such as IMRF as of Dec. 31, 2013, include:

1. Changing the calculation of liabilities for each employer’s pension plan;
2. In some instances, reporting assets and liabilities “as of” a consistent measurement date (e.g., the last day of its fiscal year);
3. Helping the local government pension plan determine whether to discount pension liabilities using the long-term assumed rate of return on investments, or by a blended rate involving the assumed rate of return and a municipal bond rate.

Other financial report modifications that GASB Statement 68 requires of local government employers as of June 30, 2015 or thereafter include:

1. Starting to report the unfunded actuarial liability for its pension on the balance sheet, rather than in its footnotes;
2. Utilizing a combination of the long-term assumed rate of return on investments and a municipal bond rate to discount future pension liabilities;
3. Stopping the reporting of the annual required contribution as an expense;
4. Continuing to include the liability-calculation factors for expected future service and future salary increases and any ad hoc post-retirement benefit increases, including cost-of-living-adjustments (COLAs), if those will be substantially automatic;
5. Reporting assets and liabilities “as of” a consistent measurement date (e.g., the last day of its fiscal year).

#### **ABOUT IMRF**

The Illinois Municipal Retirement Fund (IMRF) was created by the Illinois General Assembly. Since 1941, IMRF has partnered with local units of government to provide retirement, disability and death benefits for public employees. With a funded status of 96 percent and \$33 billion in assets, IMRF is well-funded and sustainable. Today, IMRF has about 400,000 members and retirees, and serves nearly 3,000 different units of government, including towns and villages, libraries and park districts, and counties and school districts (non-teaching personnel). The average member who retired in 2013 had 22 years of service and received an annual benefit of about \$16,500. For more information, visit [www.imrf.org](http://www.imrf.org).



# Illinois Municipal Retirement Fund

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## Funding Policy of the Illinois Municipal Retirement Fund

### Background

The fundamental financial objective of a public employee defined benefit pension plan is to fund the long-term cost of benefits promised to the plan participants. In order to assure that pension benefits will remain sustainable, the governmental plan sponsor should accumulate adequate resources for future benefit payments in a systematic and disciplined manner during the active service life of the benefitting employees. In pursuit of this objective, the Illinois Municipal Retirement Fund (IMRF) has adopted a funding policy targeting a 100 percent funded ratio.

IMRF believes that its funding policy and its implementation meets the recently released draft "Pension Funding Policy Guidelines" for state and local governments which address the following general policy objectives:

- Ensure pension funding plans are based on actuarially determined contributions
- Build funding discipline into the policy to ensure promised benefits can be paid
- Maintain intergenerational equity so the cost of employee benefits is paid by the generation of taxpayers who receive services
- Make employer costs a consistent percentage of payroll
- Require clear reporting to show how and when pension plans will be adequately funded

### Implementation of Funding Policy

In order to actualize the aforementioned funding policy, the IMRF Board will set employer contribution rates required to fully fund promised benefits utilizing the following principles:

1. An actuarially determined annual required contribution expressed as a percentage of payroll will be calculated which will include a factor for normal cost for current service for each eligible plan and tier based upon the benefit provisions in the Illinois Pension Code and a factor to collect or refund any under or over funded amount.
2. Annual employer contributions will be calculated utilizing the annual required contribution rate.

3. In situations where the annual contributions based upon the annual required contribution rate times employer payroll are insufficient to reduce an unfunded liability, a minimum contribution will be calculated which will pay down the unfunded liability over a closed 20 year period.
4. Normal cost will be calculated using the entry age normal level percentage of payroll actuarial cost method utilizing the following:
  - a. Economic assumptions based upon the latest applicable triennial experience study. The current economic assumptions are as follows:
    - i. Investment rate of return – 7.5%
    - ii. Assumed wage inflation rate – 4%
  - b. Non-economic assumptions based upon the latest applicable triennial experience study including the following:
    - i. Rates of quitting among actives
    - ii. Rates of disability among actives
    - iii. Patterns of merit and longevity increases among actives
    - iv. Rates of retirements
    - v. Rates of mortality
5. Amortization of under or over funded status will be determined based upon the following:
  - a. Actuarial assets will be determined using a five-year smooth market related basis with a 20% corridor
  - b. Amortization will be based on a level percentage of payroll
  - c. The amortization period for taxing bodies will be a closed 29 years until it reaches 15 years at which time it will switch to a 15 year open period
  - d. The amortization period for non-taxing bodies will be a 10 year open period
6. IMRF will annually furnish employers information on the annual required contributions and the actual contributions received and a schedule of funding progress based on the above actuarial principles and assumptions.

All aspects of the funding policy and the individual factors in the calculation of the employer contribution rate which is the resultant of the above process are subject to the review and approval of the IMRF Board of Trustees and are subject to change if deemed appropriate and in the best interests of IMRF sponsors and participants.

Adopted by the IMRF Board of Trustees on December 21, 2012



## **GASB's New Pension Standards: Setting the Record Straight**

The Governmental Accounting Standards Board's (GASB) recent pension standards substantially improve the accounting and financial reporting of public employee pensions by state and local governments. The new standards are:

- Statement No. 67, *Financial Reporting for Pension Plans*, which applies to financial reporting by most pension plans.
- Statement No. 68, *Accounting and Financial Reporting for Pensions*, which applies to financial reporting by most governments that provide their employees with pension benefits.

Below are questions and answers that should help clarify common misperceptions about the new pension Statements.

### **1. Do the new GASB Statements establish requirements for how governments should fund their pensions?**

No. In the past, the accounting and financial reporting standards were closely associated with the approach that many governments take to funding their benefits—that is, toward contributing sufficient resources to a defined benefit pension plan to finance benefit payments when they come due. Consequently, many governments have established funding policies based on the GASB's standards. However, after reexamining the prior standards for pensions, the GASB concluded that approaches to funding are not necessarily the best approach to accounting for and reporting pension benefits. Therefore, the new Statements mark a definitive separation of accounting and financial reporting from funding.

### **2. Will governments have to pay more each year for pensions because of the GASB's new Statements?**

As just stated, the new pension Statements relate only to accounting and financial reporting, or how pension costs and obligations are measured and reported in external financial reports. How much governments actually contribute each year to a pension plan is a policy issue. Governments will likely report pension expense more quickly than under the prior standards; however, how or whether this information is used in assessing the amounts that governments will contribute to their pension plans is a public policy decision made by government officials.

### **3. Do governments have to use a municipal bond rate for discounting as punishment for not fully funding their pensions?**

No. The selection of an appropriate interest rate for discounting projected future benefit payments to their present value is based on what resources are projected to be used to make those payments: (1) assets of the plan that have been invested using an investment strategy to achieve the assumed long-term expected rate of return and their earnings; or (2) the general resources of the government employer. As long as the projected plan net position related to current employees and inactive employees exceeds the projected benefit payments for

those employees, the long-term expected rate of return on investments will serve as the basis for discounting. This asset-based rate is appropriate because the earnings on the plan's investments reduce the amount an employer will need to contribute to the plan.

If a government reaches a *crossover point*—when projected benefit payments for current employees and inactive employees exceed projected plan net position related to those employees—then benefit payments projected to be made from that point forward will be discounted using a high-quality municipal bond interest rate. This liability-based rate is appropriate because the plan would no longer be expected to have sufficient assets related to those employees to produce investment income that will reduce how much an employer will have to contribute. The pension liability would then resemble the employer's outstanding debt and other typical long-term liabilities.

However, it is true—all other factors being equal— that the less well-funded a pension plan is, the more likely it will reach a crossover point and therefore have to discount some projected benefit payments using the municipal bond index rate. Under current economic conditions, municipal bond rates are lower than long-term expected returns on pension plan investments. Using a lower discount rate increases the present value of projected benefit payments and, thereby, increases the size of the pension liability.

#### **4. Do the GASB's standards allow governments to make their liabilities look smaller by using a discount rate based on unrealistically high expected rates of investment return?**

No. The new Statements require that governments measure their pension liabilities using assumptions that are consistent with the standards of practice of the actuarial profession. If a government assumes a rate of return that is out of line with the actuarial standards, then it is misapplying the accounting standards rather than exploiting a loophole in the standards.

It is important to note that examining a pension plan's investment return in any short-term period is not appropriate for drawing conclusions about the appropriateness of a government's assumption about *long-term* investment earnings. The investment return in any given year or short-term period is likely to be either higher or lower than the assumed long-term return. However, an appropriate long-term investment return assumption will reflect the expected average earnings over a long period, even though it may not be the same as actual earnings in any particular single or short-term period.

Governments will disclose information about their long-term investment return assumptions in the notes to the financial statements to assist in evaluating the reasonableness of those assumptions. The information will include a brief description of how the long-term expected rate of return was determined, significant methods and assumptions used for that purpose, the assumed asset allocation of the pension plan's portfolio, and the long-term expected real rate of return for each major asset class.

#### **5. Is the discount rate the most important factor in determining the size of a government's pension liability?**

The guidance put forth in the new Statements pertaining to the selection of a discount rate is certainly an important element but it is only one part of the determination. Discounting is one of the basic three steps involved in measuring a government's total pension liability—projecting, discounting, and attributing. (The measurement process is more fully described in separate fact sheets about accounting and financial reporting by governments that provide pension benefits.)

The amount of a government's pension liability also depends on a variety of other factors such as:

- The types of benefits a government has promised
- The length of service of employees and their salaries in the final years of their employment
- The life expectancy of retirees, which determines how long they will continue to receive benefits
- The inflation rate, which affects both salaries and rates of return on investments.

**6. Can the information reported by governments under the new Statements be compared?**

Yes. The comparability of the pension information that will result from the new Statements has been significantly improved. One of the features of the prior standards that many financial statement users have criticized is the variety of choices that employers could make when attributing the present value of projected benefit payments to past, present, and future periods. Governments previously were allowed to select from six different actuarial cost allocation methods, each of which could be applied in two ways—as a level dollar amount each year or as a level percentage of payroll in each year. In the view of many users, these options seriously diminished comparability. The new Statements, however, require that all governments use one type of actuarial cost method—called *entry age*—and apply it only as a level percentage of payroll.

It should be noted that, although governments are required to measure their pensions within the same parameters set forth in the standards, the resulting amounts will be different because of differences in the terms of the governments' respective pension plans, differences in the demographics of the plan members, and differences in other relevant factors. In other words, because the governments are in different circumstances, their measurements will employ different assumptions.

It has been suggested that comparability would be greatly improved if all governments were required to use the same assumptions. However, taking a one-size-fits-all approach would ignore significant differences between governments—such as the mix of their investment portfolios and their actual earnings experience—that are relevant to determining the amount that governments are obligated to provide for pensions.

**7. Has the GASB determined that state and local government pension plans are underfunded by \$3 trillion?**

No. The GASB has never conducted research regarding the extent to which pension plans are funded in the aggregate. Funding relates to a public policy issue that is beyond the scope of the GASB's activities.

## RESUMES

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**Jason Franken** will be the lead actuarial consultant and the day-to-day contact person for the Village of Wilmette Police and Fire Pension Funds. He brings over 17 years of actuarial pension experience. Jason is a Fellow of the Society of Actuaries, an Enrolled Actuary per ERISA and a member of the Academy of Actuaries. He consults clients on a wide range of retirement plan issues, including statutory funding requirements, accounting for pension and postretirement medical plans, plan administration, experience studies and plan design. Jason will coordinate the valuation production, deliver results at meetings, conduct special actuarial analyses, and ensure the work product adheres to the rules, regulations, and guidelines set forth by the United States Government and the Actuarial Standards of Practice.

**Heidi Andorfer** recently joined the firm and has over 18 years of actuarial pension experience. Heidi is one of few thousand actuaries worldwide who is both a Fellow of the Society of Actuaries and an Enrolled Actuary per ERISA. Heidi will assist Jason in managing the project, delivering valuation results at meetings, and ensuring that the work product adheres to the rules, regulations, and guidelines set forth by the United States Government, the State of Illinois, and the Actuarial Standards of Practice.

**John Bartz** is an actuary with more than 35 years of experience in the consulting industry with broad experience in plan design for Fortune 500 companies and large municipalities. Prior to joining Foster & Foster in 2009, he was a practice leader at Watson Wyatt. John is an Associate of the Society of Actuaries (ASA) and will provide a final review all of the work products before they are delivered to the Village.

**Tyler Koftan** is a 2011 graduate of the University of Iowa with a B.S. in actuarial science. Tyler has been with Foster & Foster since January 2013 as an actuarial student, and plans to achieve ASA credentials by the end of the year. Tyler's focus will assist the team with the valuation report.

**Geena Zaval** has over 5 years of experience as an administrative assistant. Geena provides office services by implementing administrative systems, procedures and policies, and monitoring projects.

**Mary Jean Gloudeman** will be the lead data and administrator consultant. She will handle the data manipulation and general administrative inquires.

# Village of LaGrange Park Police Pension Fund

Working Group Discussion

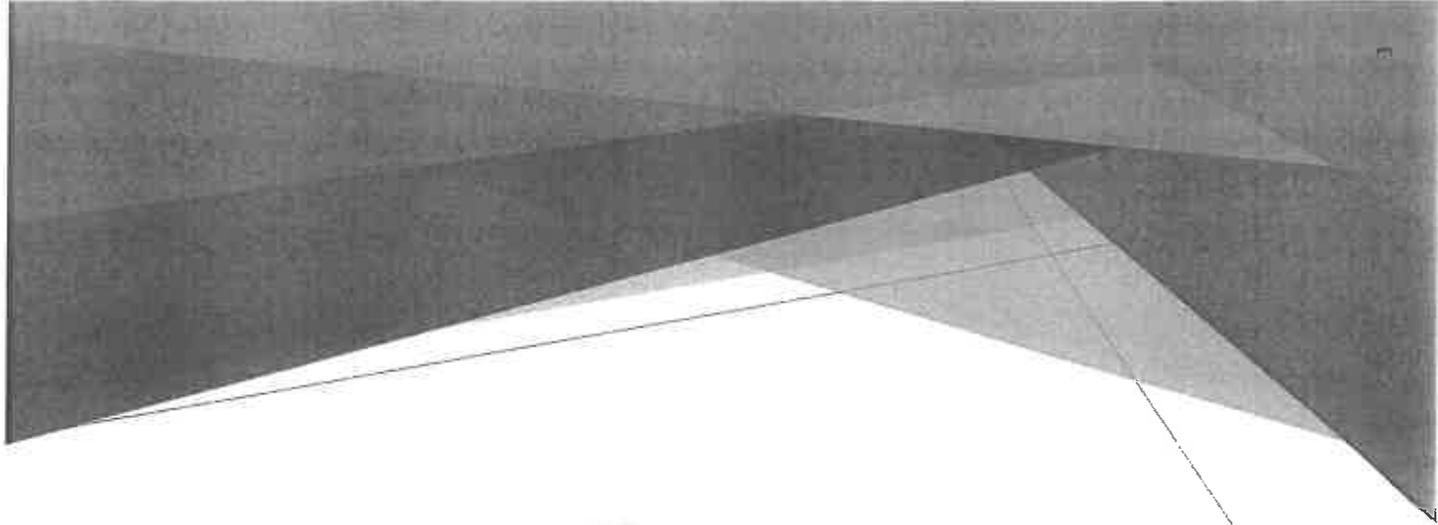


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ACTUARIES AND CONSULTANTS

# Agenda

- Actuarial Assumptions
- Funding Policy
- GASB 67/68 Issues

# Actuarial Assumptions



# Actuarial Assumptions

- Background on actuarial assumptions
  - The American Academy of Actuaries outlines methods and procedures for setting pension assumptions in its Actuarial Standards of Practice (“ASOPs”)
  - All actuarial results should be determined with these guidelines in mind
  - Selecting unrealistic assumptions that understate the liability and contribution requirements is contrary to these standards
    - Can provide a false sense of security and lead to severe underfunding
  - Under new GASB requirements, support for your actuarial assumptions is more critical

# Actuarial Assumptions

- Economic assumptions
  - Inflation
  - Investment return
  - Salary increases
  - Payroll growth
- Demographic assumptions
  - Mortality
  - Retirement
  - Disability
  - Termination
  - Spousal age
  - Married percentage

# Actuarial Assumptions

- Inflation assumption
- Inflation impacts all the economic assumptions including investment return, salary increase and payroll growth
- Average inflation over prior periods
  - Last 20 years = 2.37%
  - Last 30 years = 2.78%
  - Last 40 years = 4.00%
- Current assumption = 2.00%
- Recommendation = Increase inflation assumption to 2.50% to be more in line with future expectations

# Actuarial Assumptions

- Investment return assumption
- Investment return assumption based on the asset allocation of the Fund
- Increased equity exposure supports a higher return rate
  - What is current split between equities/fixed income?
  - Any plans to modify the mix of equities/fixed income in the future?
- Current assumption = 7.00% net-of-fees
- Recommendation = Consider lowering to 6.75% unless investment policy allows for at least 60% to be invested in equities
- Estimated impact = If a change to 6.75% is warranted, the estimated contribution would increase by approximately \$43,000

# Actuarial Assumptions

- **Salary increase assumption**
  - This assumption determines how the pay for an individual member increases during his career
  - Current assumption = Based on age grading down from 4.86% at age 25 to 1.12% at age 55; Additional inflation allowance of 2.00%
    - Are these increases consistent with expectations?
    - Are there any other aspects of compensation that influence the benefit at retirement (e.g. longevity increases, special bonuses in final year of employment, etc.)?
  - Recommendation = Increase inflation assumption to 2.50% to make the assumption more reasonable
  - Estimated impact = Increases the contribution by about \$32,000

# Actuarial Assumptions

- Payroll growth assumption
  - This assumption determines how the pay for the entire department increases each year
  - Usually less than the salary increase assumption since higher paid members retire and are replaced by lower paid new hires
  - Used to determine the annual amortization payment on unfunded liabilities when the level percentage of payroll amortization period is used
    - Lowering the assumption increases the annual payment
  - Current assumption = N/A under the actuary's "recommended" numbers; 4.00% per year in the GASB 25 calculation
  - Recommendation = Transition to a payroll growth assumption of 3.00% by 0.25% per year
  - Estimated impact = Each of the four steps of the transition increases the contribution by approximately \$13,000

# Actuarial Assumptions

- Mortality table
  - Current assumption = RP-2000 blue collar table with a 200% load for members less than age 50 and 125% for members age 50 and over
    - The current table drastically understates life expectancies
  - Average life expectancies for a 50-year old male
    - 1971 GAM table = 26.9 years
    - Current table = 27.7 years
    - RP-2000 blue collar table = 29.7 years
    - RP-2000 combined healthy table = 30.8 years
    - RP-2000 blue collar table projected to 2015 with Scale AA = 31.3 years
- Recommendation
  - Adopt the RP-2000 blue collar table
  - Transition to the RP-2000 blue collar table projected to the valuation date each year
- Estimated impact = Adopting the RP-2000 blue collar table increases the contribution by approximately \$55,000
  - Moving to the RP-2000 blue collar table projected to the valuation date adds another \$40,000

# Actuarial Assumptions

- Other demographic assumptions
  - Current assumption = Age-based tables for retirement, disability and termination
  - Recommendations
    - Change the retirement, disability and termination assumptions to be consistent with the police rates developed by the State of Illinois Department of Insurance in its September 26, 2012 experience study
      - Provides sound documentation for selected assumptions
    - Change the in-line of duty disability assumption from 15% to 85% to better reflect expectations
- Estimated impact = Decreases the contribution by \$37,000

# Funding Policy

# Funding Policy

- What is a funding policy?
  - Written statement of specific procedures used to determine pension contribution amount
  - Agreed upon processes related to actuarial calculations
  - Discussion of monitoring and updating progress in funding of the pension plan

# Funding Policy

- Goals of a funding policy?
  - Ensure contributions are based on actuarially sound techniques
  - Secure the benefits promised to the members of the plan
  - Create stable and predictable contribution requirements
  - Maintain intergenerational equity so the cost of the benefits is paid by the taxpayers who receive the services
  - Provide transparency on the financial status of the plan

# Funding Policy

- Actuarial cost method
  - An actuarial cost method is a budgeting mechanism used to accumulate money over a member's working career so that there is enough money to pay their pension benefits in retirement
  - The actuarial cost method determines the normal cost and the actuarial accrued liability
  - Entry Age Normal (EAN) cost method
    - Creates a level contribution pattern during a member's career
    - Used by over 90% of public pension funds since it produces a more predictable contribution pattern
  - Projected Unit Credit (PUC) cost method
    - Contributions are based on the value of the benefits that accrue each year
    - Benefits accruing near retirement are much more valuable than those early in a member's career
    - Contribution pattern is back-loaded

# Funding Policy

- Actuarial cost method
  - GASB 67/68 requires the use of the Entry Age Normal cost method for accounting purposes
  - Recommendation = Use the Entry Age Normal cost method for funding and accounting purposes

# Funding Policy

- Asset smoothing method
  - Asset smoothing is a standard actuarial practice that helps eliminate volatility resulting from the financial markets
  - As of March 30, 2011, Illinois Pension Code requires investment gains and losses to be recognized over a five year period
  - The actuarial value of assets (smoothed assets) is used in determining the funded ratio, unfunded liability and contribution requirement
  - If unrecognized investment gains exist, the market value of assets will be larger than the actuarial value
  - If unrecognized investment losses exist, the actuarial value of assets will be larger than the market value
  - The two values converge if you consistently earn your investment return assumption
  - Recommendation = Continue with the current 5-year asset smoothing method with a 20% corridor

# Funding Policy

- Amortization of unfunded liabilities
  - The actuarial cost method determines the actuarial accrued liability
  - In the actuarial valuation, the accrued liability is compared to the actuarial value of assets
  - If the accrued liability is larger, unfunded liabilities exist and need to be paid down, similar to a mortgage
  - Currently, the amortization period in Illinois Pension Code ends in 2040 (target is funded status of 90% of accrued liability)

# Funding Policy

- Amortization of unfunded liabilities
- Payments can be made on a level dollar or level percentage of payroll basis
- Level dollar is equivalent of standard mortgage
  - Same amount is paid every year
- The payments in the level percentage of payroll method increase each year by the payroll growth assumption
  - The current payment is less than the level dollar approach since future payments get larger each year
  - The level dollar method is the same as the level percentage approach with a 0% payroll growth assumption

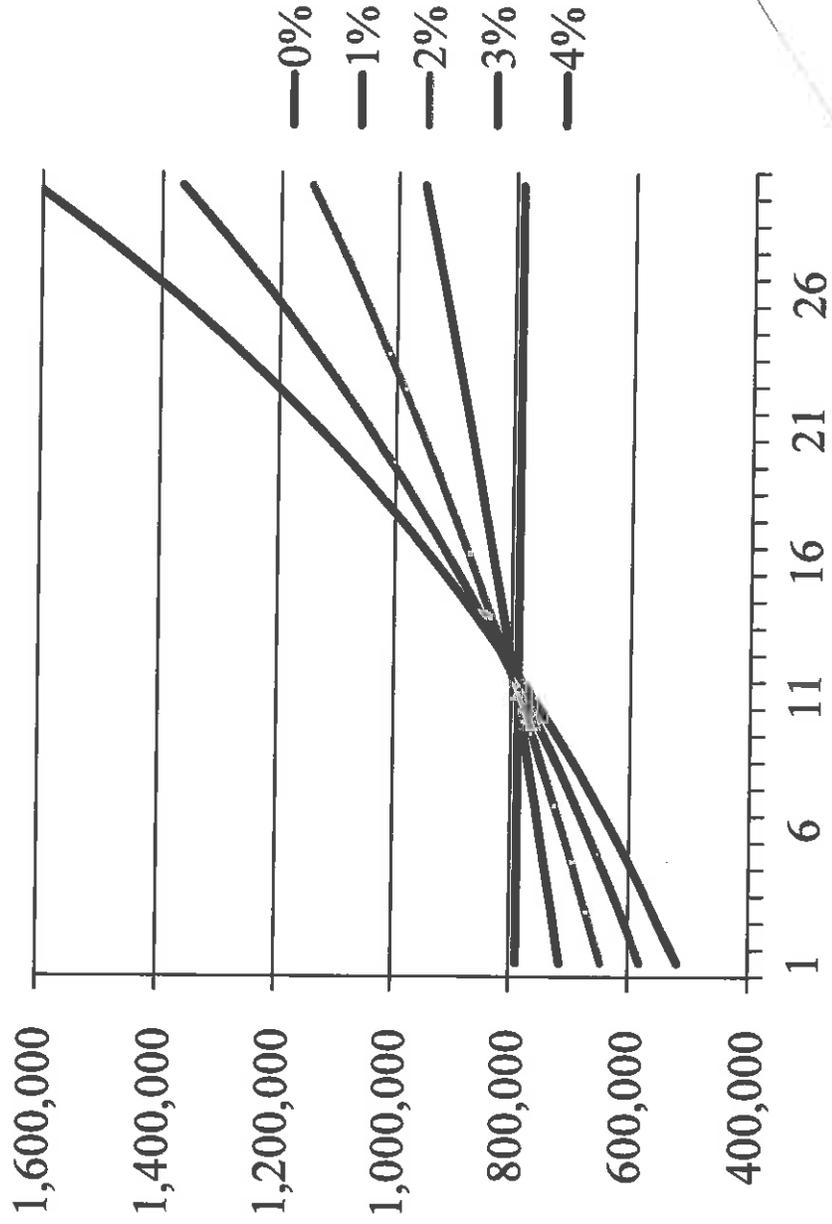
# Funding Policy

- Amortization of unfunded liabilities
  - The payroll growth assumption determines how unfunded liabilities are paid off
  - Example - 30-year amortization
    - Unfunded Actuarial Liability = \$10,000,000
    - Interest Rate = 7.50%

Payroll Growth Rate	UAL Payment	Decrease as % of Level \$
0% (Level \$)	\$787,639	N/A
1%	\$714,678	-9%
2%	\$645,095	-18%
3%	\$579,179	-26%
4%	\$517,177	-34%

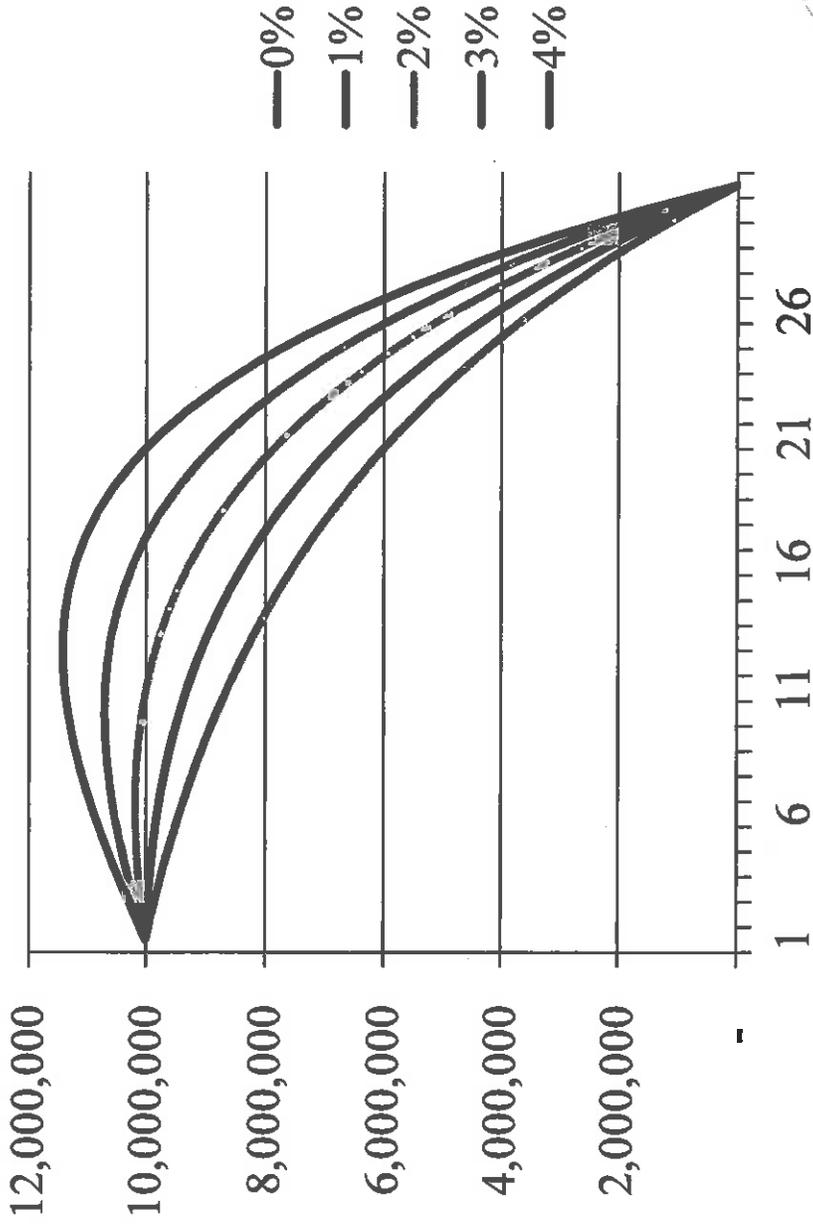
# Funding Policy

- How do the amortization payments change over the 30-year period?



# Funding Policy

- What happens to the unfunded liabilities?



# Funding Policy

- Amortization of unfunded liabilities
  - Current approach = For GASB 25, level dollar over a closed 23-year period
  - Recommended approach:
    - Level percentage of payroll - transition to a 2.50% payroll growth assumption
    - Continue with the closed period until it reaches 15 years
    - Once it reaches 15 years, it remains at 15 years (open amortization period)
  - This recommended approach is consistent with that adopted by the IMRF

# Funding Policy

- Timing of contribution
  - In the current GASB 25 calculations, the annual required contribution as of the valuation date
  - If the contribution is made on that date, the amount is correct
  - If not, interest should be added to account for the timing of the payment
  - Recommendation = Include one full year of interest on the contribution to better reflect the timing of the contribution
  - Estimated impact = Increases the contribution amount by \$65,000 based on current contribution
    - Impact may be larger depending on other changes

GASB 67/68

# Valuation Date

- GASB 67 allows the entities to use the current valuation date or the prior year's valuation date with a roll-forward to the end of the current year
  - For the 4/30/2015 disclosure, the plan can use either the 4/30/2014 or the 4/30/2015 valuation dates to determine the liabilities
  - Using last year's valuation date enables the information to be completed sooner
- GASB 68 allows the entities to use a measurement date of the end of either the current or prior fiscal years
  - The Village can use the calculations as of 4/30/2015 or 4/30/2016 for its 4/30/2016 financial statements
    - Using 4/30/2015 would allow the Village to have all of the required information prior to the end of the fiscal year

# Sample Report

- See additional handout for the information we expect to include in our report
- The auditor and investment consultant will need to provide information to help us complete the disclosure

# Issues to Address

- Election of GASB assumptions
  - Collaboration between Village and Board to set funding/GASB assumptions
  - GASB assumptions can be different than funding assumptions but the same assumptions need to be used for 67 and 68

# Have Questions?

## Contact Information:

Jason Franken, FSA, EA, MAAA

(630) 620-0200

[jason@foster-foster.com](mailto:jason@foster-foster.com)

Village of La Grange Park  
**GASB 67/68 Working Group Meeting**  
November 11, 2014

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A GASB Working Group Meeting of the Village of La Grange Park, Illinois was held in the Conference Room of the La Grange Park Municipal Building on November 11, 2014.

Finance Director Larry Noller called the meeting to order at 6:00 pm. He asked Village Clerk Seidel to call the roll.

Working Group Members in attendance were:

Trustee Patty Rocco  
Trustee Mario Fotino  
Police Pension Board Member Mike Sabella  
Police Pension Board Member Phil Kubisztal

Also in Attendance were:

Village Manager: Julia Cedillo  
Village Finance Director: Larry Noller  
Village Treasurer: Chad Chevalier  
Village Clerk: Amanda Seidel  
Village Trustee: Jim Kucera  
Village Trustee: Scott Mesick  
Village President: Jim Discipio  
Village Auditor: Hank Demlow

Clerk Seidel informed Finance Director Noller a quorum was present.

The next item on the Agenda was Public Comment. There were no citizens present at the GASB 67/68 Working Group.

Finance Director Noller moved on to Review and Discussion of GASB 67/68. Finance Director Noller discussed the GASB 67/68 Implementation Plan and how the Village's approach/plan to fund pension. GASB was discussed in regards to criteria for the annual contribution regarding funding and budget by Village Manager Cedillo and Finance Director Noller. Auditor Hank Demlow discussed an overview of the changes to GASB and the focus of liability. Discussion moved to actuarial value asset, net pension liability, note disclosure statement, change in assumption, calculation changes, and components. The factors were discussed and how the changes effect budget planning. Discussion moved to an overview of the history of GASB, the GASB PR Task Force, and the effects on bond rating agency, IMRF, and municipalities. Police Pension Board Member Mike Sabella discussed more funding to the Police Pension fund and the responsibility and goal of the Committee. Finance Director Noller moved discussion to the Proposed Pension Funding Working Group Timeline beginning in October 2014 and ending in November 2015.

Finance Director Noller moved on to Actuarial Services. Deputy Chief Kubisztal discussed fiduciary responsibilities, state minimum contribution and recommendation of the Police Pension Fund. Deputy Chief Kubisztal passed out a Memorandum of Retirement/Pension System Actuarial Services; TCG Public Consulting, Lauterbach & Amen, Timothy Sharpe, Foster and Foster, Goldstein & Associates. MWM Consulting and Gabriel Rotar Smith were two firms that Finance Director Noller also mentioned. The seven mentioned firms were discussed. Finance Director Noller discussed the process to look for based on the RFP process including philosophy and references. Auditor Hank Demlow mentioned suggestions for best approach and process to find an actuary. At the end of discussion the Working Group reached a consensus to send an RFP to the seven mentioned firms. It was asked for Finance Director Noller to send the RFP to Police Pension Board Members Phil Kubisztal and Mike Sabella for review.

The educational components were discussed and to put a link on the Village Website of GASB 67/68 for the residents of La Grange Park.

The next meeting of the GASB Working Group 67/68 was scheduled for Tuesday January 6<sup>th</sup>, 2015 to review the RFP responses. Since there was no further business to be brought before the GASB 67/68 Working Group that evening. The GASB Working Group 67/68 adjourned at 7:00 pm.

Respectfully submitted,

Amanda G. Seidel  
Village Clerk

Village of La Grange Park  
**GASB 67/68 Working Group Meeting**  
January 6, 2015, 2014

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A GASB Working Group Meeting of the Village of La Grange Park, Illinois was held in the Conference Room of the La Grange Park Municipal Building on January 6, 2015.

Finance Director Larry Noller called the meeting to order at 6:10 pm. He asked Village Clerk Seidel to call the roll.

Working Group Members in attendance were:

Trustee Patty Rocco  
Trustee Mario Fotino  
Police Pension Board Member Phil Kubisztal

Also in Attendance were:

Village Manager: Julia Cedillo  
Village Finance Director: Larry Noller  
Village Treasurer: Chad Chevalier  
Village Clerk: Amanda Seidel  
Village Trustee: Robert Lautner  
Village President: Jim Discipio  
Village Auditor: Hank Demlow

Clerk Seidel informed Finance Director Noller a quorum was present.

The next item on the Agenda was Public Comment. There were no citizens present at the GASB 67/68 Working Group.

Finance Director Noller moved on to Approval of Minutes. *Member Rocco made a motion to approve the Minutes of November 11, 2014. The motion to approve was seconded by Member Fotino. The motion passed unanimously by voice.*

Finance Director Noller moved on to Actuarial Services. Finance Director Noller passed out a RFP Results comparison of cost for the three firms that submitted RFP's. The Group discussed the pros and cons of each Group: Foster & Foster, Lauterbach & Amen LLP, and TCG Public Consulting. It was noted that Lauterbach & Amen submitted their proposal late and that they are the Accounting Firm for the Police Pension Fund. Finance Director Noller discussed his pros and cons for the three firms. The experience, national presence, detailed and well written proposal, and qualified actuaries were discussed for Foster & Foster. The relationship with the Village, single actuary, weak proposal was discussed regarding Lauterback & Amen. The fact that Art Tepfer is the Pension Funds current actuary, experience, relationship with the Village, and that Art is not local were discussed regarding TCG Public Consulting. Village Treasurer Chevalier shared his pros and cons for the three firms. Deputy Chief Kubisztal discussed the history and relationship the Police Pension Fund has had with Art Tepfer and TCG Public Consulting.

The Working Group discussed their concern regarding separation of duties and the fact that Lauterbach & Amen is the Accounting Firm for the Police Pension Fund, with this as a concern the Working Group decided not to move forward with Lauterbach & Amen. The Working Group moved on to discuss the different philosophies and expertise for Foster & Foster and TCG Consulting. The costs of the two firms were discussed since the total fee for Foster & Foster was \$19,700 and the total fee for TCG Consulting was \$13,200. It was asked if the cost for Foster & Foster could be reduced. The total cost for a consulting Actuary will be a 50/50 split between the Village and the Police Pension Board.

The Working Group moved on to next steps. Finance Director Noller said he would check references of Foster&Foster and TCG Consulting, ask Foster & Foster for a lower fee, and set up a conference call. The Working Group had some questions for the firms or references including: satisfaction of municipalities, the quality the firm made themselves available, availability to meet our needs, wiliness to meet and talk with us regarding assumptions, would we get lost as a small municipality, the impact on quality of service for large firm versus small firm, approach of the facilitating group, and has the firm already transitioned other communities to GASB 67/68 or is this a new endeavor. Finance Director Noller discussed the next meeting as a conference call to get a feel of the two firm's response and interaction.

The next meeting of the GASB Working Group 67/68 was scheduled for Tuesday January 20<sup>th</sup>, 2015 at 6pm. There was no further business to be brought before the GASB 67/68 Working Group that evening. *Member Fotino made a motion to adjourn; the motion was seconded by Member Rocco and passed unanimously by voice vote.* The GASB Working Group 67/68 adjourned at 7:12 pm.

Respectfully submitted,

Amanda G. Seidel  
Village Clerk

Village of La Grange Park  
**GASB 67/68 Working Group Meeting**  
January 20, 2015

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A GASB Working Group Meeting of the Village of La Grange Park, Illinois was held in the Conference Room of the La Grange Park Municipal Building on January 20, 2015.

Finance Director Larry Noller called the meeting to order at 6:00 pm. He asked Village Clerk Seidel to call the roll.

Working Group Members in attendance were:

Trustee Patty Rocco  
Trustee Mario Fotino  
Police Pension Board Member Phil Kubisztal  
Police Pension Board Member Mike Sabella (via teleconference)

Also in Attendance were:

Village Manager: Julia Cedillo  
Village Finance Director: Larry Noller  
Village Clerk: Amanda Seidel  
Village Trustee: Robert Lautner

Clerk Seidel informed Finance Director Noller a quorum was present.

*Trustee Fotino made a motion to allow Police Pension Board Member Mike Sabella to participate via teleconference. The motion was seconded by Trustee Rocco. The motion passed unanimously.*

The next item on the Agenda was Public Comment. There were no citizens present at the GASB 67/68 Working Group.

Finance Director Noller moved on to Approval of Minutes. Village Clerk Seidel mentioned that Auditor Demlow was not present at the last meeting and she will add Police Pension Board Member Mike Sabella was not in attendance. *Trustee Rocco made a motion to approve the Minutes of January 6, 2014 as amended. The motion to approve was seconded by Trustee Fotino. The motion passed unanimously by voice.*

Finance Director Noller moved on to Actuarial Services. There were two conference calls scheduled for the night to select an actuary to assist with police pension funding policy and produce actuarial reports. The first Conference Call was with Jason Franken and Heidi Andorfer of Foster & Foster Actuaries and Consultants. Their Power Point Presentation Packet was handed to each member of the Working Group. Their firm, people, clients, process, consulting team, selection of actuarial assumptions, GASB Implementation, and proposed fees were discussed. Foster & Foster mentioned in response that they could reduce their fee. Projects outside the retainer were discussed. Their ProVal software was discussed as well as their specifics to get to an assumption. They also discussed true cost calculation and experience study which provide a

more detailed project. The second conference call was with Art Tepher of TCG Consulting. Art Tepher discussed how he reaches the 3 different calculations, funding method and methodology. He discussed his software and data from the Department of Insurance. Art Tepher clarified concern on how he handles many clients and stays within the projected timeframe and deadlines. The Working Group asked many questions to each group including; setting actuarial assumptions, experience with implementing GASB 67/68, facilitating funding policy, and pros and cons of small firms versus large firms.

At the end of the Conference Call discussion began over the pros and cons. It was discussed that Foster & Foster was more professional, better presentation and a few members of the work group mentioned their confidence in handling the work load. There was concern that Foster & Foster did not have many Illinois clients, the fee was higher than all other firms. Discussion moved to TCG. Art Tepher's respect and current satisfactory job with the Police Pension Board was discussed. There was concern that Art Tepher resides in Panama and the concern if something were to happen. Discussion moved to references. Finance Director passed out a packet of questions and answers that were asked to references. The Working Group mentioned that Foster & Foster received more responses and detailed responses from their references. The submitted proposals, conference call, and references were discussed for each firm. At the end of discussion the Working Group unanimously consented to retaining Foster & Foster for their Actuarial Services due to: justification of cost, availability, and their ability to lower the fee, back up plan, ability to respond, and their experience with GASB. *Police Pension Board Member Mike Sabella made a motion to retain the firm Foster & Foster for Actuarial Services. Trustee Fotino seconded the motion and the motion passed unanimously by voice vote.*

The Working Group moved on to next steps. Finance Director Noller said he would formalize the agreement with Foster & Foster. Finance Director also mentioned he will set up a time for Foster & Foster to meet with the Group to work on crafting a recommended funding policy.

The next meeting of the GASB Working Group 67/68 was scheduled for February 12th, 2015 at 6pm. There was no further business to be brought before the GASB 67/68 Working Group that evening. *Police Pension Board Member Kubistalz made a motion to adjourn; the motion was seconded by Trustee Fotino and passed unanimously by voice vote.* The GASB Working Group 67/68 adjourned at 8:30 pm.

Respectfully submitted,

Amanda G. Seidel  
Village Clerk

Village of La Grange Park  
GASB 67/68 Working Group Meeting  
February 12, 2015

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A GASB Working Group Meeting of the Village of La Grange Park, Illinois was held in the Conference Room of the La Grange Park Municipal Building on February 12, 2015.

Finance Director Larry Noller called the meeting to order at 6:00 pm. He asked Village Clerk Seidel to call the roll.

Working Group Members in attendance were:

Trustee Patty Rocco  
Police Pension Board Member Phil Kubisztal  
Police Pension Board Member Mike Sabella

Working Group Members absent were:

Trustee Mario Fotino

Also in Attendance were:

Village Manager: Julia Cedillo  
Village Finance Director: Larry Noller  
Village Clerk: Amanda Seidel

Clerk Seidel informed Finance Director Noller a quorum was present.

The next item on the Agenda was Public Comment. There were no citizens present at the GASB 67/68 Working Group.

Finance Director Noller moved on to Approval of Minutes. *Trustee Rocco made a motion to approve the Minutes of January 20, 2015. The motion to approve was seconded by Mike Sabella. The motion passed unanimously by voice.*

Finance Director Noller moved on to Actuarial Presentation by Foster & Foster. Jason Franken went through the Power Point Packet Village of LaGrange Park Police Pension Fund Working Group Discussion. Jason Franken began with the agenda. He moved on to Actuarial Assumptions and gave a brief back ground. He moved on to discuss different assumptions including: economic, demographic, inflation, investment return, salary increase, payroll growth, mortality table and other demographic assumptions. He discussed the current assumption, recommendation and estimated impact of each. He moved on to Funding Policy by discussing goals, actuarial cost method, asset smoothing method, amortization of unfunded liabilities, and timing of contribution. He moved on to GASB 67/68 discussing valuation date, sample report, and issues to address. He ended his presentation with questions from the Working Group. His recommendation of increase inflation assumption to 2.50% to be more in line with future expectations was discussed. Lowering the Investment return assumption from 7% to 6.75% was discussed. The Mortality table was discussed in detail including the recommendation to adopt the RP-2000 blue collar table and transition to the RP-2000 blue collar table projected to the valuation date each year. Finance Director Noller and Village Manager Cedillo discussed the fiscal impact on the Village.

The Working Group moved on to Funding Policy. Finance Director Noller passed out sample policies from Downers Grove, Flossmoor, Glen Ellyn, and Woodridge. The goals, methods, and amortization were discussed. The proposed recommended changes from Foster & Foster were discussed including the large \$163,000 financial impact. The changes to the mortality table were discussed. The options were discussed. The funding policy and investment table policy were discussed. The Working Group discussed some of the items they would like to see included in the Funding Policy, Finance Director Noller said he would put some items together for the next meeting.

The Working Group discussed next steps to decide assumptions and a funding policy. The Group discussed assumption as well as how the Village will fund, and criteria for adjustment. The next meeting of the GASB Working Group 67/68 was scheduled for February 26th, 2015 at 6pm. There was no further business to be brought before the GASB 67/68 Working Group that evening. *Trustee Rocco made a motion to adjourn; the motion was seconded by Police Pension Board Member Kubistalz and passed unanimously by voice vote.* The GASB Working Group 67/68 adjourned at 8:30 pm.

Respectfully submitted,

Amanda G. Seidel  
Village Clerk

Village of La Grange Park  
GASB 67/68 Working Group Meeting  
February 26, 2015

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A GASB Working Group Meeting of the Village of La Grange Park, Illinois was held in the Conference Room of the La Grange Park Municipal Building on February 26, 2015.

Finance Director Larry Noller called the meeting to order at 6:00 pm. He asked Village Clerk Seidel to call the roll.

Working Group Members in attendance were:

Trustee Patty Rocco  
Trustee Scott Mesick  
Police Pension Board Member Phil Kubisztal  
Police Pension Board Member Mike Sabella

Also in Attendance were:

Village Manager: Julia Cedillo  
Village Finance Director: Larry Noller  
Village Clerk: Amanda Seidel  
Trustee: Robert Lautner  
Actuary: Jason Franken of Foster & Foster

Clerk Seidel informed Finance Director Noller a quorum was present.

The next item on the Agenda was Public Comment. There were no citizens present at the GASB 67/68 Working Group.

Finance Director Noller moved on to Approval of Minutes. *Member Mike Sabella made a motion to approve the Minutes of February 12, 2015 with the change of spelling of Deputy Chief's name. The motion to approve was seconded by Trustee Rocco. The motion passed unanimously by voice.*

Finance Director Noller moved on to Funding Policy. The Working Group discussed the Village of LaGrange Park Police Pension Fund Funding Policy Assumptions handout that was provided. The current, initial policy and Foster& Foster recommendation were discussed in regards to the fiscal impact of \$241,000 versus \$26,000. Jason Franken discussed interest rate, 2 parts inflation & merit increase, and mortality table and what items he sees as a priority. Interest on tax levy based on timing and the mortality table were items of priority to change. Police Pension Board Member Sabella mentioned his fiduciary responsibility as a member of the Police Pension Board. The financial impact to the budget was discussed and how \$241,000 would impact services of the Village. A possible referendum and ways to leverage additional funds were discussed. Discussion moved to how the Village is working in the right direction and how other Villages are handling police pension. Village Manager Cedillo discussed transparency and the annual budget presentation; she also discussed ramping up to Jason Franken's recommendations. Finance Director Noller discussed amounts for budget levels and levy levels as well as a timeline for implementation of suggested changes. At the end of discussion on the Table it was discussed to

change mortality table, interest based on timing, move 4% payroll growth to 3.75% and phase in the other changes.

Discussion moved to the Village of LaGrange Park Pension Funding Policy handout. Applicability, policy objectives, funding policy, accountability, and review of Funding Policy were discussed. The following changes to the Funding Policy were discussed. Under Funding Policy Police Pension Fund #1 the Group wanted to change “the Village” to “The Village/Police Pension Board”. In #2D it was agreed to change “Tiered based on age” to “based on service”. In #4 it was agreed to change “the Villages actuary” adding “joint with the Police Pension Board”. It was agreed to change #3A “Payroll Growth from 4% to decreasing to 3% over a 5 year period”. The last change to be discussed was to clarify the last sentence on page to say “The Village Board and Police Pension Board will meet annually after actuarial evaluation whether changes shall be made per the subsequent year”.

The Working Group discussed next steps. There was no further business to be brought before the GASB 67/68 Working Group that evening. *Trustee Rocco made a motion to adjourn; the motion was seconded by Trustee Mesick and passed unanimously by voice vote.* The GASB Working Group 67/68 adjourned at 8:10 pm.

Respectfully submitted,

Amanda G. Seidel  
Village Clerk

## **Items of Interest**

**VILLAGE OF LA GRANGE PARK**  
**La Grange Park Village Hall, 447 N. Catherine Ave., La Grange Park, Illinois**

**Wednesday, April 29<sup>th</sup>**

**WCMC Legislative Drive-Down  
Springfield (dinner @ 7:00 pm)**

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**2015 MEETINGS REMINDER**

April 28, 2015	Village Board Meeting	7:30 p.m.	Village Hall
May 12, 2015	Work Session Meeting	7:30 p.m.	Village Hall
May 26, 2015	Village Board Meeting	7:30 p.m.	Village Hall
June 9, 2015	Work Session Meeting	7:30 p.m.	Village Hall
June 23, 2015	Village Board Meeting	7:30 p.m.	Village Hall
July 14, 2015	Work Session Meeting	7:30 p.m.	Village Hall
July 28, 2015	Village Board Meeting	7:30 p.m.	Village Hall
August 11, 2015	Work Session Meeting	7:30 p.m.	Village Hall
August 25, 2015	Village Board Meeting	7:30 p.m.	Village Hall
September 8, 2015	Work Session Meeting	7:30 p.m.	Village Hall
September 22, 2015	Village Board Meeting	7:30 p.m.	Village Hall
October 13, 2015	Work Session Meeting	7:30 p.m.	Village Hall
October 27, 2015	Village Board Meeting	7:30 p.m.	Village Hall
November 10, 2015	Work Session Meeting	7:30 p.m.	Village Hall
November 24, 2015	Village Board Meeting	7:30 p.m.	Village Hall
December 8, 2015	Work Session Meeting	7:30 p.m.	Village Hall