

PRESIDENT
Dr. James L. Discipio

VILLAGE MANAGER
Julia A. Cedillo

VILLAGE CLERK
Amanda G. Seidel



TRUSTEES
Rimas V. Kozica
Scott F. Mesick
Patricia B. Rocco
Marshall Seeder
Susan M. Storcel
LaVelle Topps

VILLAGE BOARD WORK SESSION

Tuesday, JULY 10, 2012 – 7:30 p.m.

AGENDA

1. **Call meeting to order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Presentation – Tepfer Consulting Group on the Police Pension Actuarial Statement (Art Tepfer) *presentation material found under Village Manager***
5. **Public Participation (Agenda Related Items Only)**
6. **Building & Zoning Committee Items**
 - A. Discussion & Action – Proposed Modifications to the Village’s Municipal Code (language of Section 114.022 be deleted & language added to Section 93.04.C.5)
 - B. Discussion & Action – Noise Restrictions Exception – St. Louise de Marillac Carnival / Summerfest
7. **Public Safety Committee Items**
 - A. Discussion – Purchase of Replacement Mobile & Portable Radios
 - B. Discussion – Purchase of Replacement Batteries for Communication Center UPS
8. **Public Works Committee Items**
 - A. Discussion – South LaGrange Road Water Main Replacement Grant
 - B. Discussion – New Fire Hydrants/Hydrant Modification Kits – Open Purchase Order
9. **Other Reports:**
 - (A) Village Manager
Materials for Presentation – Police Pension Fund Actuarial Valuation
 - (B) Village President
 - (C) Village Clerk
 - (D) Committee

VILLAGE BOARD WORK SESSION MEETING
Tuesday, JULY 10, 2012 – 7:30 p.m.

AGENDA (continued – Page 2

10. **New Business**
11. **Executive Session**
12. **Adjourn**

Next Village Board Meeting: July 24, 2012

Next Village Work Session Meeting: August 14, 2012



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.

Building & Zoning Committee

Rimas Kozica, Chairman
Scott Mesick
Marshall Seeder

Village Board Agenda Memo

Date: July 3, 2012

To: President and Board of Trustees

From: Julia Cedillo, Village Manager 
Dean Maggos, Director of Fire, Building and Emergency Management 

RE: Proposed Modifications to the Village's Municipal Code

PURPOSE

To request direction from the Village Board as to whether certain modifications to the Village Code are desired in an effort to: (1) provide clarity in application as it relates to carnivals; and (2) provide exceptions to the provisions of the Code regarding noise restrictions, to allow for temporary uses.

GENERAL BACKGROUND – CARNIVALS:

St. Louise de Marillac is planning for a summer carnival that would take place in July at their property, located at 1125 Harrison in La Grange Park. In reviewing Village Code requirements regarding carnivals, staff has discovered that there are conflicting code provisions contained within the Village Municipal Code regarding carnivals.

More specifically, Section 114.002 of the Municipal Code, originally passed in 1958, prohibits carnivals within the Village, unless they are sponsored by the Village. Section 153.195.C.1 (Zoning Code) allows carnivals to be approved as a Temporary Use under Code Section 153.195, (as long as they meet basic requirements noted in this code section).

This conflict has been reviewed with our Village Attorney Cathy Keating, who has determined that the Zoning Code prevails, and that carnivals are allowed, as long as they comply with Section 153.195.C.1 of the code. The reason for this is a general provision in Section 10.08 of the Municipal Code, entitled "Conflicting Provisions", which states that if provisions of different sections conflict with each other, the provisions bearing the latest date of passage will prevail.

In addition, Attorney Keating has suggested that in light of the obvious conflict, we should consider repealing Section 114.002.

RECOMMENDATION:

Based upon the conflicting code provisions, and the attorney's suggested direction, staff recommends the Village Board repeal Section 114.002 if they wish for carnivals to be allowed within the Village, even if they are not sponsored by the Village. Again, this would allow carnivals to be approved by Village staff as a Permitted Temporary Use in accordance with Section 153.195.C.1 of the Code.

ACTION REQUESTED:

Discussion and Motion to repeal Section 114.002 of the Village's Municipal Code. There appeared to be consensus at the June 26th Village Board Meeting, and as such, an ordinance repealing this Section has been drafted and is attached for approval.

GENERAL BACKGROUND – NOISE:

Recently, staff from each the Village's departments met with the St. Louise de Marillac's event organizers. The event is scheduled to take place July 19th through July 22nd, with plans on operating until 10:00 p.m. on July 19th, and 11:00 p.m. on July 20th and 21st. As part of this event, there will most likely be noise generated by carnival rides, attendees, and music, as they plan on having a stage where bands will be playing.

As previously stated, Village staff can approve the carnival as a Permitted Temporary Use in accordance with Section 153.195 of the Village Municipal Code. One of the conditions of such approval is that the event must "Comply with all local regulations," even if they are permitted by the Village.

Sections 93.04 and 93.04.C.5 of the Village Municipal Code classifies "all loud and discordant noises or vibrations of any kind between 9:00 p.m. and 7:00 a.m.," as a Nuisance, affecting peace and safety. As such, events such as the proposed carnival, cannot receive Village approval to operate past 9:00 p.m.

In consultation with the Village Attorney, there are no provisions in our Municipal Code to allow for a simple variation from this code requirement. The only way to allow for the proposed event at St. Louise (as well as other similar events), to go past 9:00 p.m. would be to amend Section 93.04.C.5 of the Village Code.

The following is draft code language based upon what was presented and discussed at the Village Board Meeting on June 26th and again in consultation with our Village Attorney.

(5) *All loud and discordant noises or vibrations of any kind between 9:00 p.m. and 7:00 a.m.;*

Exception: Temporary Uses are exempt from the requirement, if specifically approved by the Village Board, but only to the extent that the use is operated within the hours and requirements as specifically approved and permitted.

RECOMMENDATION:

If the Village Board wishes to allow the proposed carnival to operate beyond 9:00 p.m., and other similar events to be allowed to operate outside of the specific hours of the noise regulations as currently contained within the Village Code, then it is recommended that Section 93.04.C.5 of the Village Code is amended as noted.

ACTION REQUESTED:

Discussion and Motion to approve an amendment to Section 93.04.C.5 of the Village Municipal Code. There appeared to be consensus at the Village Board Meeting on June 26th, and as such, a proposed ordinance amending this Section of the code has been drafted and is attached for approval.

DOCUMENTATION:

- Section 114.002 of Village Municipal Code (Carnivals Prohibited)
- Sections 153.195 and 153.195.C.1 of Village Municipal Code (Temporary Uses and Structures)
- Email correspondence from Attorney Keating regarding Carnivals
- Sections 93.04 and 93.04.C.5 of Village Municipal Code (Nuisances)
- Proposed Ordinance Repealing repeal Section 114.002 of Village Municipal Code
- Proposed Ordinance Amending Section 93.04.C.5 of the Village Municipal Code



§ 114.002 CARNIVALS PROHIBITED.

All affairs or events commonly known as carnivals, as specifically defined in ILCS Chapter 65, Act 5, § 11-54.1-1, shall be prohibited within the village, unless such event is sponsored by the village.

(70 Code, § 5-5) (Ord. passed 6-8-58; Ord. 729, passed 8-12-03)



(1) *Carnival/circus*. Carnivals/circuses shall be evaluated on the basis of the adequacy of the parcel size, parking provisions, traffic access, and the absence of undue adverse impact, including noise, on other properties. These uses need not comply with the yard requirements and the maximum height requirements of this Code. The concessionaire responsible for the operation of any such use shall:

- (a) Submit, in advance of the event, a site layout displaying adequate ingress and egress routes for emergency vehicles with no dead-end aisles.
- (b) Comply with all local regulations.
- (c) Provide refuse containers in the number and locations required by the village. All containers shall be properly serviced.
- (d) Provide for thorough clean-up of the site at the completion of the event.
- (e) Provide proof that all amusement devices have been state inspected.
- (f) Upon written notice from the village, immediately stop the use of any amusement device or structure found by the village to pose a threat to the public safety.

Dean Maggos

From: Cathleen M. Keating [cmk@mccslaw.com]

Sent: Thursday, May 31, 2012 8:35 AM

To: Dean Maggos

Cc: Julia Cedillo

Subject: RE: St. Louise Summerfest

Dean:

You are correct that our new Zoning Code (§153.195.C) allows carnivals but Section 114.002 of the Municipal Code (passed in 1958) prohibits them.

Section 10.08 of the Code, entitled "Conflicting Provisions" states that if provisions of different sections conflict with each other, the provisions bearing the latest date of passage will prevail. Thus, the Zoning Code provisions prevail and St. Louise must comply with 153.195.C for its carnival.

In light of the obvious conflict, however, we should consider repealing Section 114.002.

Cathleen M. Keating
Martin, Craig, Chester & Sonnenschein LLP
2215 York Road Suite 550
Oak Brook, Illinois 60523
630-472-3407

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For more information about Martin, Craig, Chester & Sonnenschein LLP please visit our website at <http://www.mccslaw.com/>.

From: Dean Maggos [mailto:dmaggos@lagrangepark.org]

Sent: Wednesday, May 30, 2012 5:06 PM

To: Cathleen M.Keating

Cc: Julia Cedillo

Subject: St. Louise Summerfest

Cathy –

I also left you a voicemail on this but I had a question.

I spoke to a parent of St. Louise who was doing some research on food vendors for a new summer event they are planning for this July 19-22. It's the first I heard of it, and told her I would send her some information, but that there are also various other requirements potentially involving the stage, carnival and liquor.

When I went to research it, I found the following Village Ordinance, which specifically prohibits carnivals not sponsored by the Village...

6/21/2012

§ 114.002 CARNIVALS PROHIBITED.

All affairs or events commonly known as carnivals, as specifically defined in ILCS Chapter 65, Act 5, § 11-54.1-1, shall be prohibited within the village, unless such event is sponsored by the village.

(70 Code, § 5-5) (Ord. passed 6-8-58; Ord. 729, passed 8-12-03)

I am going to let her know, so she can inform others, but if they ask, what would be the process to get past this requirement if there is one?

- Dean

Dean J. Maggos, EFO
Director of Fire, Building and Emergency Management
Village of La Grange Park
447 N. Catherine Ave.
La Grange Park, IL 60526
708-354-0225, x310 / 708-354-0241 fax
dmaggos@lagrangepark.org

*Will You Look For Two Ways Out from Every Building You Enter Today?
Will Your Smoke Detectors Work if You Experience a Fire Tonight?
Have You Considered Installing Home Fire Sprinklers?*

 § 93.04 NUISANCES.

(A) *Nuisance defined.* For the purposes of this section, a public nuisance is a thing, act, occupation, condition or use of property, which shall continue for such length of time as to:

- (1) Substantially annoy, injure or endanger the comfort, health, repose or safety of the public;
- (2) In any way render the public insecure in life or in the use of property;
- (3) Greatly offend the public morals or decency;
- (4) Unlawfully and substantially interfere with, obstruct or tend to obstruct or render dangerous for passage any street, alley, highway, or other public way; or
- (5) Be any nuisance so defined by law.

(B) *Nuisances affecting health.* The following acts, omissions, places, conditions and things are hereby specifically declared to be public health nuisances, but shall not be construed to exclude other health nuisances coming within the definition of this section:

- (1) Carcasses of animals, birds or fowl not lawfully disposed of in a sanitary manner within 24 hours after death;
- (2) Accumulations of decayed animal or vegetable matter, trash, rubbish, rotting lumber, bedding, packing material, abandoned vehicles or machinery, scrap metal or any material in which flies, mosquitoes, disease-carrying insects, rats or other vermin may be harbored or breed;
- (3) All stagnant water in which mosquitoes, flies or other insects can multiply;
- (4) Trash or garbage receptacles that are not fly-tight;
- (5) The escape of smoke, soot, cinders, noxious acids, fumes, gases, fly ash or industrial dust within the village limits in such quantities as to endanger the health of persons of ordinary sensibilities or to threaten or cause substantial injury to property;
- (6) The pollution of any public property, well, cistern, stream, lake, or body of water by sewage, industrial wastes or other substances;
- (7) Any use of property, substances or things within the village emitting or causing any foul, offensive, noisome, nauseous, noxious, or disagreeable odors, effluvia or stenches extremely repulsive to the physical senses of ordinary persons, which annoy, discomfort, injure or inconvenience the health of any appreciable number of persons within the village;
- (8) All abandoned wells not securely covered or secured from public use;
- (9) Any obstruction in or across any watercourse, drainage easement, ditch or ravine; or
- (10) The deposit of garbage, rubbish, or any offensive substance on any street, sidewalk or public place, or on any private property, except as may be permitted by ordinance.

(C) *Nuisances affecting peace and safety.* The following acts, omissions, places, conditions and things are hereby declared to be public nuisances affecting peace and safety, but such enumeration shall not be construed to exclude other nuisances affecting public peace or safety coming within the provisions of this section:

(1) All buildings erected, repaired or altered in violation of the provisions of the code or ordinances of the village relating to materials and manner of construction of buildings and structures;

(2) All unauthorized signs, signals, markings or devices which purport to be or may be mistaken as official traffic-control devices placed or maintained upon or in view of any public highway or railway crossing;

(3) All trees, hedges, or other obstructions which prevent persons driving vehicles on public streets, alleys or highways from obtaining a clear view of traffic when approaching an intersection or pedestrian crosswalk;

(4) All use or display of fireworks except as provided by the laws of the state and code or ordinances of the village;



(5) All loud and discordant noises or vibrations of any kind between 9:00 p.m. and 7:00 a.m.;

(6) All obstructions of streets, alleys, sidewalks or crosswalks and all excavations in or under the same, except as permitted by the code or ordinances of the village or which, although made in accordance with such code or ordinances, are kept or maintained for an unreasonable length of time after the purpose thereof has been accomplished;

(7) All open and unguarded pits, wells, excavations or unused basements freely accessible from any public street, alley or sidewalk;

(8) All abandoned refrigerators or iceboxes from which the doors and other covers have not been removed or which are not equipped with a device for opening from the inside by pushing only with the strength of a small child;

(9) Any unauthorized or unlawful use of property abutting on a public street, alley or sidewalk or of a public street, alley or sidewalk, which causes large crowds of people to gather, obstructing traffic and free use of the streets or sidewalks;

(10) Any advertisements or signs affixed to any building, wall, fence, sidewalk, street or other private or public property without permission of the owner thereof; or

(11) Any sign, marquee or awning, which is in an unsafe condition, or which overhangs any roadway, or which overhangs any sidewalk less than eight feet above the sidewalk surface.

(D) *Nuisances prohibited.* No person shall erect, contrive, cause, continue, maintain or permit to exist any public nuisance within the village.

(E) *Inspection of premises.* The Director of Fire and Building or their designee may inspect or cause to be inspected premises upon which it is believed that a public nuisance exists and shall make a written report of the inspection.

(F) Abatement.

(1) Notice to owner of nuisance. If the inspecting officer shall determine that a public nuisance exists on private property and that there exists a threat to the public health, safety, peace, morals or decency, the Director of Building and Fire, or their designee, may direct that notice is served upon the owner, or, if the owner cannot be found, on the occupant or person causing, permitting or maintaining such nuisance and to post a copy of the notice on the premises. Such notice shall direct the owner, occupant or person causing, permitting or maintaining such nuisance to abate or remove such nuisance within a specified time period as determined to be appropriate and shall state that unless such nuisance is so abated, the village will cause the same to be abated and will charge the cost thereof to the owner, occupant or person causing, permitting or maintaining the same, as the case may be. If the nuisance has an immediate danger to the public, nothing shall prevent the village from taking immediate action to protect the public.

(2) Abatement by village. If the nuisance is not abated within the time provided, or if the owner, occupant or person causing the nuisance cannot be found, the village shall cause the abatement or removal of such public nuisance.

(G) Abatement by court action. If the inspecting officer shall determine that a public nuisance exists on private premises but that the nature of such nuisance is not such as to threaten great and immediate danger to the public health, safety, peace, morals or decency, they shall file a written report of his or her findings and shall cause a court action to abate such nuisance to be commenced in the name of the village.

(H) Cost of abatement. In addition to any other penalty imposed by this section for the erection, contrivance, creation, continuance or maintenance of a public nuisance, the cost of abating a public nuisance by the village shall be collected as a debt from the owner, occupant or person causing, permitting or maintaining the nuisance, and if notice to abate the nuisance has been given to the owner, such cost shall be assessed against the real estate as other special taxes.

ORDINANCE NO. 954

**ORDINANCE AMENDING THE "LA GRANGE PARK MUNICIPAL CODE"
AS AMENDED**

WHEREAS, the Board of Trustees has determined that it is in the best interests of the Village of La Grange Park to repeal Section 114.022 of the La Grange Park Municipal Code.

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

SECTION 1: That the language of Section 114.022 be deleted in its entirety.

SECTION 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: This ordinance shall be in full force and effect immediately after its passage.

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES of the Village of La Grange Park, Cook County, Illinois, this 10th day of July 2012.

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

ATTEST: _____
Amanda G. 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 _____

ORDINANCE NO. 955

**ORDINANCE AMENDING THE "LA GRANGE PARK MUNICIPAL CODE"
AS AMENDED**

WHEREAS, the Board of Trustees has determined that it is in the best interests of the Village of La Grange Park to amend Section 93.04.C.5 of the La Grange Park Municipal Code.

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

SECTION 1: That the following language be added to Section 93.04.C.5 of the Village Municipal Code:

Exception: Temporary Uses are exempt from the requirement, if specifically approved by the Village Board, but only to the extent that the use is operated within the hours and requirements as specifically approved and permitted.

SECTION 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: This ordinance shall be in full force and effect immediately after its passage.

ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES of the Village of La Grange Park, Cook County, Illinois, this 10th day of July 2012.

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

ATTEST: _____
Amanda G. 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 _____

Village Board Agenda Memo

Date: July 3, 2012

To: President and Board of Trustees

From: Julia Cedillo, Village Manager 
Dean Maggos, Director of Fire, Building and Emergency Management 

RE: Noise Restrictions Exception - St. Louise de Marillac Carnival / Summerfest

PURPOSE

To approve an exception to the noise restrictions specific to the planned St. Louise de Marillac Carnival/Summerfest event, which will take place later this month.

GENERAL BACKGROUND

As you are aware, St. Louise de Marillac is planning a Carnival/Summerfest, which is to take place later this month. As part of this event, there will most likely be noise generated by the operation of carnival rides, attendees and music. The carnival rides are planned to be located in the courtyard parking lot along Raymond Ave. There will also be a stage constructed in the parking lot on the west side of the church, adjacent to the intersection of Harrison and 30th. The stage will host live entertainment, including several bands throughout the event.

The specific dates and hours of the event's operation are as follows.

Thursday July 19th 5:00 pm – 10:00 pm

Friday July 20th 5:00 pm – 11:00 pm

Saturday July 21st 1:00 pm – 11:00 pm

Sunday July 22nd 1:00 pm – 6:00 pm

Village staff can approve the event as a Permitted Temporary Use in accordance with Section 153.195 of the Village Municipal Code, but cannot approve for the event to operate past 9:00 pm due to Village noise restrictions. The reason for such is that Sections 93.04 and 93.04.C.5 of the Village Municipal Code classifies "all loud and discordant noises or vibrations of any kind between 9:00 p.m. and 7:00 a.m.," as a Nuisance, affecting peace and safety.

The recently approved amendment to Section 93.04.C.5 of the Municipal Code though, does allow for the Village Board to approve an exception to the noise restrictions for Temporary Uses. As such, should the Village Board approve an exception to noise restrictions specific to the St. Louise de Marillac Carnival/Summerfest, for the proposed hours of operation, Village staff will approve their Temporary Use for the hours requested.

RECOMMENDATION:

Should the Village Board wish to allow for the St. Louise de Marillac Carnival/Summerfest to operate as proposed, then staff recommends the Village Board grant a specific exception to Village noise restrictions, in accordance with their authority as contained in Section 93.04.C.5 of the Municipal Code.

ACTION REQUESTED:

Discussion and Motion to Grant an Exception to the noise regulations contained in Section 93.04.C.5 of the Village Municipal Code, to allow carnival rides and amplified music to remain operational at the St. Louise de Marillac Carnival/Summerfest on Thursday, July 19, 2012 until 10:00 pm, and on Friday, July 20, 2012 and Saturday, July 21, 2012 until 11:00 pm.

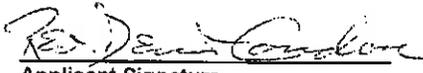
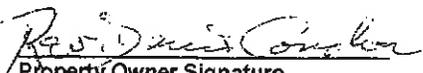
DOCUMENTATION:

- Sections 93.04 and 93.04.C.5 of Village Municipal Code (Nuisances) as recently amended
- St. Louise Temporary Use Permit Application
- Carnival/Summerfest Site Plan
- Carnival/Summerfest Flyer



**APPLICATION FOR
TEMPORARY USE PERMIT
VILLAGE OF LA GRANGE PARK, ILLINOIS**

COPY

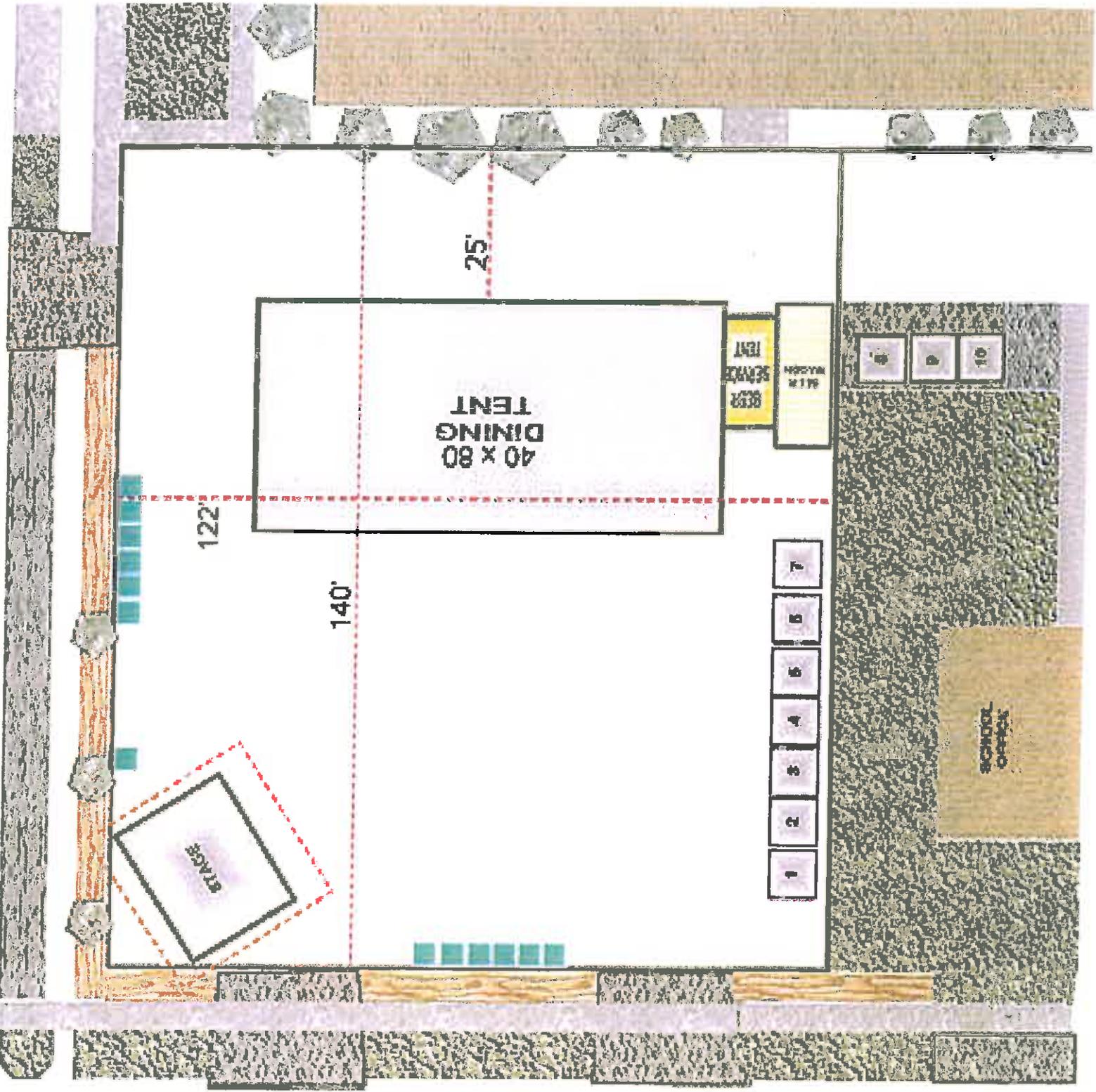
DATE	
Applicant Name, Address & Phone Number St. Louise De Marillac Father Denis Condon 1125 Harrison La Grange Park, IL 60526 708-352-2202 Phone	Property Owner Name, Address & Phone Number (where temporary use is to be located) St. Louise De Marillac Father Denis Condon 1125 Harrison La Grange Park, IL 60526 708-352-2202 Phone
Address of Subject Property St. Louise De Marillac Father Denis Condon 1125 Harrison La Grange Park, IL 60526 708-352-2202 Phone	Zoning District Commercial Current Use of Property Faith based – Church and school
Temporary Uses Permitted by Zoning Code Requiring Temporary Use Permit (Zoning Administrator Approval) Please check applicable temporary use:	
<input checked="" type="checkbox"/> <i>Carnival/Circus</i> <input type="checkbox"/> Arts and Crafts Show, Plant Show (Indoor or Outdoor) <input type="checkbox"/> Temporary Contractor Trailer, Real Estate Model Unit <input type="checkbox"/> Christmas Tree Sales Lot or Pumpkin Patch <input type="checkbox"/> Sidewalk Sales <input type="checkbox"/> Tent (Non-Residential District) <input type="checkbox"/> Farmers Market <input type="checkbox"/> Temporary Retail Stand (Only in C-1, C-2, M-1 and OS Districts)	
Temporary uses not specifically listed above require the specific approval of the Village Board. Such uses may be allowed in any zoning district, provided that such temporary use is consistent with the purpose and intent of the Zoning Code and the zoning district in which it is located.	
Description of Proposed Temporary Use. (Attach sheet if additional space is necessary)	
A carnival on July 19,20,21,22 2012 to be held on the property of St. Louise de Marillac's specifically parking lots (see attachment - A). Carnival rides (DJ Amusements-see attachments B) , food vendors, music (refer to attachment), and beer garden.	
I (We) hereby affirm that all of the above statements and the statements contained in any papers or plans submitted herewith are true to the best of my (our) knowledge and belief.	
I (We) hereby acknowledge my (our) obligation to reimburse the Village of La Grange Park for all necessary and reasonable expenses incurred by the Village in the review and certification of any documents submitted in conjunction with this application.	
 Applicant Signature	Applicant Mailing Address St. Louise De Marillac Father Denis Condon 1125 Harrison La Grange Park, IL 60526 708-352-2202 Phone
 Property Owner Signature	

Description for Temporary Use (Attachment)

The St. Louise De Marillac Summerfest is scheduled for July 19th through the 22nd of 2012 on the grounds of St. Louise de Marillac School and parking lot, 1125 Harrison St., La Grange Park, Illinois. Prior to commencing the planning for this event, Father Denis Condon and the Principal of St. Louise de Marillac School invited the neighbors surrounding the Parish and school to engage them in conversation regarding this fundraising endeavor. There were six residents in attendance who shared their support after a presentation was made regarding the intent of the development committee under the Board of Specified Jurisdiction of St. Louise de Marillac School.

- The event hours: July 19th starting at 5:00pm and ending at 10:00pm, July 20th starting at 5:00pm and ending at 11:00pm, July 21st starting at 1:00pm and ending at 11:00pm, July 22nd starting at 1:00pm and ending at 6:00pm. (refer to poster for additional information)
- Kelly Zawisza has led the discussion with the Police Commander of La Grange Park to coordinate the plan for security/public safety. The strategic parking plan is as follows: Hitzeman Funeral Home has agreed to support parking of vehicles during the event provided there is no funeral. PNC has expressed support as well. The local park district will allow parking at the Yanas Park located at 29th and Harrison to accommodate any overflow of cars on any of the event dates. There will be limited parking allowed on the east side of the Harrison/31st intersection to 28th St., and the west side of the Raymond/31st intersection to 28th St. Parking on 30th St. from Harrison to Raymond will be closed. There will be diagonal parking on the south side of 29th street between Raymond and Harrison. Designated handicap parking will be identified as the first six spots by the school's main entrance located on Harrison. There will signs identifying available parking locations. Identified parking areas will be monitored by a volunteer. The volunteer will walk around the parking lot at the top of every hour to report any incidents that may compromise the safety of the community (please refer to the attachments for a visual schematic of the parking). In addition, the trucks transporting all the rides to the site will park at the St. Barbara's parking lot.
- Kelly Zawisza has also coordinated the security detail needed to support this event. She has been in regular contact with Commander Rompa to discuss the details. The following is the plan of action to support safety priorities of the community: The carnival committee will pay for uniformed police officers for the days Friday and Saturday from opening to closing. In addition, there will be four volunteer police officers who will be assigned to the beer garden and monitor the carnival venue daily. There will be security on all four days of the event, but only on Friday and Saturday will there be a uniformed officer from La Grange Park. The police officers who have agreed to volunteer will wear yellow t-shirts with SECURITY written on back and front to clearly identify them in the crowd. The carnival committee organizers will also add support through diligent observation of the guests to make sure all is well. The La Grange Park Police Department has coordinated with the school to arrange transportation for the money raised by this event.

- There are seven vendors who have agreed to provide specific food. They all have submitted an application with the board of health to secure their spot at this event. (please refer to attachment provided on vendors)
- Tents will be purchased to create a beer garden (tent size 40 by 80) and provide tents (10x10) for each food vendor. (please refer to attachment on dimensions and set up of tents)
- We will secure six portable toilets (one of which will be handicap accessible). We will also have one washing station near the portable toilets.
- We have a dumpster that will be used to dispose of all the refuse. The dumpster on site for the school will be the primary dumpster used and if additional work is needed, we will respond accordingly.
- A system has been identified to responsibly and legally serve liquor. Each day we will have a different color bracelet to identify individuals of legal drinking age. There will be security checking IDs and then allowing a volunteer from the committee to place the bracelet on them.
- Burks Brewery will provide the beer for this event.
- Sheriff's Work Release Alternative Program (SWAP) will provide daily clean-up on the event site and surrounding streets. They are scheduled to do a final clean-up at the end of the event.
- The entertainment for each day is as follows: On Thursday, Dan Spielman and the Evil Burritos (separate acts) will be performing. On Friday, the bands Free Radical and Infinity (Journey Tribute band) will perform. On Saturday, Midwest Rendezvous and Stereo Types will perform. On Sunday, entertainment will be provided by The Sylvies. The entertainment will cease shortly before each day's closing time.
- **The production company owned by Scott Flaws has yet to submit its final application to the village for approval. At present, this is the only item still pending.**
- The carnival owner, Dan Driskill, has completed his application to the village for approval and will be providing the rides for this event. (please refer to attachment for the names of the rides)
- The neighbors within a 2 block radius of the event site will be given a \$5 voucher by Carmen Casas that will provide information of who they can contact to address any issues related to the event (i.e. bothersome guests).



40 x 80
DINING
TENT

SERVICE
TENT

SALE
WAIVER

STAGE

SCHOOL
OFFICE

- 1
- 2
- 3
- 4
- 5
- 6
- 7

122'

140'

25'



1125 Harrison Ave, La Grange Park, IL

feet 400
meters 100



CLOSE UP

CARNIVAL



Google earth

feet 1000
meters 400



- Hitzeman Lot
- PNC LOT
- EAST SIDE OF Harrison 31st-28th
- West side of Raymond 31st-28th
- 30th FROM Harrison to Raymond is closed
- Diagonal parking on ~~North~~^{South} of 29th
- FIRST 6 spots By school main entrance
will Designated Handicapped



Sunday 1-3pm.
Meet Drew Walker &
US 99 prize team. Win
tickets to Jason
Aldean concert
Aug 18th.



St. Louise De Marillac
SummerFest

July 19 July 20 July 21 July 22
5-10PM 5-11PM 1-11PM 1-6PM

31st & Raymond Ave, LaGrange Park

Food

St. Louise Cafe: Snacks & Beverages

Bill's Maple Avenue Creamery: Ice Cream

La Cabanita: Tacos

Al's Pizzeria: Pizza

Paul's Pizza & Hotdog: Beef, Sausage, Eggplant Parmesan

Beer Garden: Beer, Wine, Mike's Hard Lemonade

And more...

Live Bands

July 19: Dan Spielman
Evil Bunnies

July 20: Free Radical, Infrity
Journey Tribute

July 21: Midwest Roadshows,
Stereos Types

July 22: The Sylvies

Carnival Rides

Wind Glider
Funhouse
Merry-Go-Round
Kidie Wheel
Bumper Cars
Tilt-O-Whirl
And More!



Four days of fun with a \$40 pre-paid MEGA-PASS Unlimited Carnival Rides!

Purchase Online at <http://slmparish.org/summerfest>
(Regular price \$50 at event)



Public Safety Committee

LaVelle Topps, Chairman
Susan Storcel
Patricia Rocco

Village Board Agenda Memo

Date: June 28, 2012

To: Village President and Board of Trustees

From: Julia Cedillo, Village Manager 
Daniel L. McCollum, Chief of Police 
Philip Kubisztal, Deputy Chief 

RE: Purchase of Replacement Mobile & Portable Radios

GENERAL BACKGROUND

In 1988, the FCC began what was then called radio spectrum "refarming". It was the desire of the FCC to promote more efficient use of the radio spectrum, by encouraging the use of "narrow-banding" to change radio manufacturing and radio spectrum use from a legacy 25 Khz bandwidth to a 12.5 Khz bandwidth, to make available new public safety radio channels. Since then, the Commission has issued a number of rules and deadline changes for Land/Mobile Radio VHF and UHF licensees. The last Order from the FCC in December of 2004 established a mandatory migration date for all public safety licenses to January 1, 2013. All public safety entities throughout the country, using VHF and UHF radios have to ensure they have radios that comply with the FCC narrow-banding order, and are operating their radio bands within that technical standard by December 31, 2012.

The Police Department conducted an inventory of radios in order to assess the ability to meet the narrow-banding requirements. Mostly due to manufacturing dates before the FCC mandate, several of the Department's vehicle mounted mobile radios, and all of the Department's portable "walkie-talkie" radios, were found not to be compliant with the new standard and would have to be replaced. Being aware of the impending FCC deadline, the department sought and received a U.S. Department of Justice, C.O.P.S. Technology Grant to fund the replacement of Police Department radios. The Department developed specifications and requested proposals for the replacement of the mobile and portable radios. Only, one Illinois Motorola distributor, Illinois Communications Sales, Inc. of Chicago responded to the request.

DOCUMENTATION

June 22, 2012, proposal from Joe Polito of Illinois Communications Sales, Inc. in the amount of \$26,158.00 for the replacement of 10 mobile radios, 25 portable radios, and necessary accessories, charging equipment, software and programming cables.

MOTION/ACTION REQUESTED

Because the dollar amount requested exceeds the spending authority of the Village Manager, this request is being placed on the agenda for the July 10, 2012 Village Board Work Session. If there is consensus to approve the purchase, it will be placed on the Consent Agenda for the July 24, 2012 Regular Village Board Meeting.

RECOMMENDATION

Staff recommends approval of the purchase 10 mobile radios, 25 portable radios, and necessary accessories, charging equipment, software and programming cables, from Illinois Communications Sales, Inc. of Chicago, Illinois in the amount of \$26,158.00, with funding for this purchase as provided by the U.S. Department of Justice, C.O.P.S. Technology Grant, award ending date of 12/15/2012.



Proposed For:
 Deputy Chief Phil Kubisztal
 LaGrange Park Police Department
 447 N Catherine
 LaGrange Park, IL 60526
pkubisztal@lagraangepark.org

Proposed By:
 Joe Polito
 Illinois Communications
 300 N Ogden Avenue
 Chicago, IL 60607
 June 22, 2012

Motorola HT1250 Portable

QTY	DESCRIPTION	UNIT COST	EXTENDED
25	Motorola HT1250, model AAH25KDF9AA5-N/H951/QA00059, 5 watt 128 channel, VHF portable transceiver complete with 1800mAh nickel metal hydride rechargeable battery, display with limited keypad, flexible antenna, single unit rapid charger, 2.5" spring belt clip, and two year parts and labor warranty.	\$579.00	\$14,475.00
25	Motorola model RMN5076(24") or RMN5036(30") , public safety remote speaker/microphone with coiled cord and clothing clip, and stub antenna.	\$119.00	\$2,975.00
25	Model HLN9998/AW, swivel mount leather carrying case.	\$45.00	\$1,125.00
6	Motorola model WPLN4187/NLN7967, six-unit rapid charger with wall mount bracket.	\$389.00	\$2,334.00
1	Model RKN4075, programming cable for HT series or PR860 radios.	\$130.00	\$130.00
1	Model H5177, programming software for HT, EX, CDM, & MTX series radios.	\$299.00	\$299.00
10	Motorola CDM1250, model AAM25KKD9AA2, 45 watt, 64 channel, VHF mobile transceiver, complete with microphone and all hardware necessary for installation.	\$475.00	\$4,750.00
1	Software - included with H5177 quoted above.	Included	Included
1	Motorola model AARKN4083, programming cable for CDM1250 radios.	\$70.00	\$70.00
		Equipment Total	\$26,158.00
		Tax	Exempt
		Total Cost	\$26,158.00

Options:
 QA00060 Lithium ion 2000mAh rechargeable battery \$35.00 each

Village Board Agenda Memo

Date: June 26, 2012

To: Village President and Board of Trustees

From: Julia Cedillo, Village Manager *JC*
Daniel L. McCollum, Chief of Police *DM*
Philip Kubisztal, Deputy Chief *PK*

RE: Purchase of Replacement Batteries for Comm. Center UPS

GENERAL BACKGROUND

In 2008 when the Police Department Communications Center was renovated, the Communications Center, Radio Equipment Closet and Telephone Equipment Room were placed under the protection of a Chloride 20 Kva Three-Phase Uninterruptible Power Supply. This industrial UPS provides several benefits in filtering, conditioning and maintaining the electrical power supplied to the dispatch consoles, 9-1-1 equipment and radio systems. The most important function of this device is to provide an uninterruptible supply of line voltage, to prevent the dispatcher's consoles from shutting down and rebooting, during significant events when an electrical power loss to the Municipal Building occurs and there is a momentary gap in power, before the emergency generator starts.

When the UPS device was installed, it was with the understanding that the unit relies upon consumable batteries, which remain in a state of constant charge and seamlessly provide emergency electrical power during the initial loss of Edison power. The life expectancy of these batteries is estimated at 3 to 5 years. These original sets of batteries have now been in service for over 4 years, since the UPS was placed in service in March of 2008. A recent routine preventative maintenance and readiness inspection was performed on the UPS, with the technician reporting that the UPS batteries are starting to show physical signs of distress and are due for complete replacement. PROTECH Services of Lake Bluff, Illinois has performed the routine servicing of our UPS during the last 4 years, as the only Emerson Network Power - Chloride Industrial Systems provider in Northern Illinois, and is a sole source provider.

DOCUMENTATION

The June 19, 2012 PROTECH Services preventative maintenance field service report and Battery Detail Report recommending complete battery replacement is attached, along with the June 21, 2012 quote from Mr. Russell Tambourine of PROTECH Services in the amount of \$5,137.00 for the replacement of 32 battery jars, model UPS12-100MR.

MOTION/ACTION REQUESTED

Because the dollar amount requested exceeds the spending authority of the Village Manager, this request is being placed on the agenda for the July 10, 2012 Village Board Work Session. If there is consensus to approve this purchase, it will be placed on the Consent Agenda for the July 25, 2012 Regular Village Board Meeting.

RECOMMENDATION

Staff recommends approval of the purchase for replacement, servicing and disposal of 32 battery jars for the Chloride UPS, from PROTECH Services of Lake Bluff, Illinois in the amount of \$5,137.00

PROTECH SERVICES

28915 North Herky Drive, Suite 110
Lake Bluff, Illinois, 60044

FIELD SERVICE REPORT

TICKET

2767449

For Service Call: 800-728-0392
FAX: 847-247-4775

SERVICE DATE 6/19/2012		SITE ID NUMBER 128881	
END USER NAME & EQUIPMENT LOCATION Village of LaGrange Park 447 N. Catherine Ave Mens room closet in basement La Grange IL 60526 Deputy Chief Kubiszki 708-352-7711 option 2		CUSTOMER NAME & ADDRESS OR ALTERNATE CONTACT	
REASON FOR SITE VISIT SOW1 Preventative Maintenance Tag Number 1529997 Chloride CP3020 serial #0817-0206 SOW2 Preventative Maintenance Tag Number 1529998 Intercab:3-20KCH		RECOMMENDED / NECESSARY COURSES OF ACTION Complete battery replacement	
STATUS (Check all that apply)			
ONLINE <input checked="" type="checkbox"/>	ON BATTERY <input type="checkbox"/>	STATIC BYPASS <input type="checkbox"/>	
UPON ARRIVAL	MAINTENANCE BYPASS <input type="checkbox"/>	DEF. BATTERIES <input type="checkbox"/>	DEAD <input type="checkbox"/>
WHEN FINISHED	ONLINE <input checked="" type="checkbox"/>	ON BATTERY <input type="checkbox"/>	STATIC BYPASS <input type="checkbox"/>
	MAINTENANCE BYPASS <input type="checkbox"/>	DEF. BATTERIES <input type="checkbox"/>	DEAD <input type="checkbox"/>
	BATTERY STRING VOLTAGE:	CURRENT:	
SITE / EQUIPMENT CONDITIONS			
ventilation alarm Filters extremely dirty Batteries are 4 years old (typical battery life is 3-5 years) Batteries are showing signs of stress and venting around the jar and container			
PERFORMED ACTIONS			
Recorded all power values Verified all modes of operation: except battery Checked all major components for signs of heat/wear Verified all fans - ok Complete visual and mechanical inspection verified Date and time reset ventilation alarm for 17808 hrs (2 years) downloaded logs Vaccuumed out filters			
CUSTOMER SIGNATURE		FIELD SERVICE ENGINEER	
		ON-SITE FIELD ENGINEERS	
		ENGINEER & CELL PHONE NUMBER Shawn Pryor: 224-279-4062	
EQUIPMENT IDENTIFICATION		EQUIPMENT IDENTIFICATION	
A-B		C-A	
L1-N		L3-N	
L1-L2		L2-N	
VAC		121	
CURRENT		6.2	
% LOADED		12.5	
EQUIPMENT NUMBER		EQUIPMENT TYPE	
1529997		UPS	
1529998		Battery System	
TICKET TYPE		TICKET TYPE	
20		20	
TIME IN		TIME OUT	

General Comments:

Manufacturer: C & D
Model: UPS 12-100MR
of Batts: One string of 32
Date Code: Mar 2008
Installed: 2008
Base line: 3685 uOHMS
Cab Type: internal batteries

06/19/12 - Cellcorder, IR scan, and complete visual inspection

VDC ----- 426.8x
IDC ----- 0.7
RMS VAC ---- 0.35
RMS IAC --- 1.5
Batt Temp -- 81 F to 84 F

RECOMMENDED ACTIONS:

Complete battery replacement

PROTECH SERVICES

Jun 21, 2012

Deputy Chief Phil Kubisztal
VILLAGE OF LAGRANGE PARK
447 N. CATHERINE AVE.
LA GRANGE PARK, IL 60526

Phone: 708-352-2151

Quote No. Q01779051

Email: pkubisztal@lagrangepark.org

We are pleased to submit the following proposal for replacement of your VRLA Battery equipment for your consideration. Please refer to the Scope of Work for specific coverage information. Below is a summary of the service(s) included in this quote.

Site ID: 128881 VILLAGE OF LAGRANGE PARK, 447 N. CATHERINE AVE., LA GRANGE PARK, IL 60526

Tag #	Battery Model	Jars	Cabinet Qty
1529998	UPS12-100MR	32	1

Select Battery Replacement Option:

- Total Replacement Price Normal Hours (M-F 8am to 5pm): \$5,137.00
- Total Replacement Price After Hours (M-F 5pm to 8am, and/or all day Saturday): \$5,825.00
- Total Replacement Price Sunday/Holiday: \$6,632.00

(NOT including tax: any tax required must be included in customer purchase order amount)

Payment Terms: **Net 30 Days**

Signature of this agreement authorizes Protech Services to invoice for services mentioned herein and to utilize the provided purchase order number. If a purchase order number is not used, then the customer authorizes and guarantees Protech Services the payment of such invoices by authority of the signature below.

Thank you for your business.

Proposed By:

Russell Tambourine Date

Accepted By:

X Philip Kubisztal 03/21/2012
Customer Signature Required Date

Philip Kubisztal Deputy Chief
Printed Name Title

Purchase Order must be assigned to:

Protech Services
28915 Herky Rd.
Unit 110
Lake Bluff, IL 60044

Payment remittance address:

Protech Services
PO Box 70474

Chicago, IL 60673

FID# 43-1798453

PO should be mailed to (or faxed to 847-247-4775):

Protech Services
28915 Herky Rd.
Unit 110
Lake Bluff, IL 60044

Attn: Russell Tambourine

Please provide the following information:

Purchase Order Number: _____ *

Phone: 708-352-7711 x210

Billing Contact Person: Deputy Chief Philip Kubisztal

Fax #: 708-354-9223

Person Authorizing Payment: Deputy Chief Philip Kubisztal

Phone: 708-352-7711 x210

Billing Company Name: Village of LaGrange Park

Federal Tax ID # 36-6005954

Billing Address: 447 N. Catherine Avenue

Taxable? Yes No

Billing City, ST Zip: LaGrange Park, Illinois 60526

If non-taxable, please fax copy of tax exempt certificate

* If a Purchase Order Number is provided, a hard copy must be included.

The above-referenced quote for battery replacement includes the following Basic Services:

Battery Selection:

- The battery model listed above or its Liebert approved battery with the same fit, form and function as the battery being replaced.

Basic Installation Services are limited to:

- Removal of existing battery string(s)
- Installation of new battery string(s)
- Recycling/Disposal
- Freight: FOB Factory

Basic Site Requirements for Basic Installation Service:

- Standard dock delivery that accommodates a standard size semi-truck with an onsite forklift or pallet jack(at least 4,000 lb capacity)
- Inside staging area large enough for the batteries being installed and removed
- Inside, staging area must be within 50' of the dock area
- Battery room/cabinets must be within 200' of the staging area
- Doorways at least 34" in width
- Elevators within easy access and be rated for at least 4,000 lbs

In the event that the customer needs a service or has a site requirement that falls outside of the Battery Selection, Basic Installation Services or Basic Site Requirements listed above, Emerson Network Power, Liebert Services will provide the customer with an additional quote for said Special Installation Services or in response to said Special Site Requirements, and if agreed to by the customer, the customer shall be separately invoiced the additional amounts set forth in the quote.

Please notify your salesperson if you require Special Installation Services or have any other Special Site Requirements for which there will be an additional charge.

Special Installation Services and Special Site Requirements for which there will be additional costs and charges include, but are not limited to:

- Inside delivery
- Lift Gate Delivery
- Floor Protection
- Floor Loading Limitations
- Delivery Path Includes Stairways, Ramps or Other Obstructions
- Use of Cranes
- Exclusive labor requirements for deliveries
- Exclusive labor requirements for installations

*** * COVERAGE DETAILS * ***

Parts required to bring equipment back to manufacturers specifications are the responsibility of the customer and billable at the time of the first preventive maintenance visit or service call. All pricing is valid only for service coverage stated and is subject to change if this quote is modified in any way. This quote is valid for 30 days from the date of this quote unless otherwise noted. It is understood that if acceptance of this proposal is acknowledged on the buyer's purchase order, such acceptance will be subject to the terms and conditions of this proposal with the same force and effect as though they were included on the buyer's purchase order.

SERVICES TERMS AND CONDITIONS

Emerson Network Power Liebert Services, Inc. d/b/a Protech Services is herein referred to as the "Seller" and the customer or person or entity purchasing services ("Services") and parts required for Services ("Parts") from Seller is referred to as the "Buyer." These Services Terms and Conditions, any price list or schedule, quotation, acknowledgment, Seller's scope of work, or invoice from Seller relevant to the provision of Services and all documents incorporated by specific reference herein or therein, constitute the complete and exclusive statement of the terms of this agreement ("Agreement") governing the sale of Services and Parts by Seller to Buyer. Any discrepancies between the terms of the above referenced documents shall be resolved by Seller. Seller's acceptance of Buyer's purchase order is expressly conditional on Buyer's assent to all of the terms of this Agreement, including terms and conditions that are different from or additional to the terms and conditions of Buyer's purchase order. Buyer's acceptance of the Services and Parts will manifest Buyer's assent to the terms of this Agreement. Seller reserves the right in its sole discretion to refuse orders.

1. **PRICES:** Unless otherwise specified in writing by Seller, the price quoted or specified by Seller for the Services shall remain in effect for thirty (30) days after the date of Seller's quotation. Seller's scope of work or acknowledgment of Buyer's order for the Services, whichever occurs first, provided an unconditional authorization from Buyer for the performance of the Services is received and accepted by Seller within such time period. If authorization is not received by Seller within such thirty (30) day period, Seller shall have the right to change the price for the Services. All prices are exclusive of taxes, which are to be borne by Buyer. Unless otherwise specified by Seller, Parts will be furnished at Seller's then prevailing prices.

2. **TAXES:** Any current or future tax or governmental charge (or increase in same) affording Seller's costs of Services or costs of production, sale, delivery or shipment of Parts of which Seller is otherwise required to pay or collect in connection with the provision of Services and Parts, shall be for Buyer's account and shall be added to the price or billed to Buyer separately, at Seller's election.

3. **TERMS OF PAYMENT:** Unless otherwise specified by Seller, terms of payment are net 30 days from date of Seller's invoice. Seller shall have the right, among other remedies, either to terminate this Agreement or to suspend further performance under this Agreement and/or other agreements with Buyer in the event Buyer fails to make any payment when due, which other agreements Buyer and Seller hereby amend accordingly. Buyer shall be liable for all expenses, including attorneys' fees, relating to the collection of past due amounts. If any payment owed to Seller is not paid when due, it shall bear interest, at a rate to be determined by Seller, which shall not exceed the maximum rate permitted by law, from the date on which it is due until it is paid. Seller may preserve its interests in payment by enforcing any applicable mechanic's, construction or similar lien rights. Should Buyer's financial responsibility become unsatisfactory to Seller, cash payments or security satisfactory to Seller may be required by Seller for future performance of Services or provision of Parts. If such cash payment or security is not provided, in addition to Seller's other rights and remedies, Seller may discontinue performance of Services and provision of Parts.

4. **SHIPMENT AND DELIVERY:** While Seller will use all reasonable commercial efforts to maintain the performance dates acknowledged or quoted by Seller, all performance dates are approximate and not guaranteed. Seller, at its option, shall not be bound to tender delivery of any Parts for which Buyer has not provided shipping instructions and other required information. If the provision of Services or shipment of the Parts is postponed or delayed by Buyer for any reason, Buyer agrees to reimburse Seller for any and all storage costs and other additional expenses resulting therefrom. Unless otherwise specified by Seller, for sales of Parts in which the end destination of the Parts is outside of the United States, risk of loss and legal title to the Parts shall transfer to Buyer immediately after the Parts have passed beyond the territorial limits of the United States. For all other shipments, risk of loss and legal title shall pass from Seller to Buyer upon delivery to and receipt by carrier at Seller's shipping point. Notwithstanding the above, risk of loss and legal title to Parts shall transfer to Buyer (i) when delivered by the individual providing the Services, or (ii) at the time Parts are placed in storage due to Buyer's delay or postponement. Any claims for shortages or damages suffered in transit are the responsibility of Buyer and shall be submitted by Buyer directly to the carrier. Shortages or damages must be identified and signed for at the time of delivery.

5. **LIMITED WARRANTY:** Subject to the limitations of Section 8, Seller warrants that it will perform the Services as described in this Agreement and will exercise all reasonable skill, care and due diligence in the performance of the Services and shall perform the Services in accordance with professional practice. Seller warrants that all Services performed shall be free from faulty workmanship for a period of thirty (30) days from completion of Services. To the extent assignable, Seller assigns to Buyer any warranties that are made by manufacturers and suppliers of Parts. EXCEPT AS SPECIFIED ABOVE, PARTS FURNISHED HEREUNDER ARE FURNISHED AS-IS, WHERE-IS, WITH NO WARRANTY WHATSOEVER. THE WARRANTIES SET FORTH IN THIS SECTION 5 ARE THE SOLE AND EXCLUSIVE WARRANTIES GIVEN BY SELLER WITH RESPECT TO THE SERVICES AND PARTS AND ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, WITHOUT LIMITATION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHETHER OR NOT THE PURPOSE OR USE HAS BEEN DISCLOSED TO SELLER IN SPECIFICATIONS, DRAWINGS OR OTHERWISE.

This warranty does not extend to any losses or damages due to misuse, accident, abuse, neglect, normal wear and tear, negligence (other than Seller's), unauthorized modification or alteration, use beyond rated capacity, unauthorizable power sources or environmental conditions, improper installation, repair, handling, maintenance or application or any other cause not the fault of Seller. To the extent that Buyer or its agents have supplied specifications, information, representation of operating conditions or other data to Seller that is used in (i) the selection of the Services and/or Parts and (ii) the preparation of Seller's quotation and/or scope of work, and in the event that actual operating conditions or other conditions differ from those represented by Buyer, any warranties or other provisions contained herein that are affected by such conditions shall be null and void.

Buyer assumes all other responsibility for any loss, damage, or injury to persons or property arising out of, connected with, or resulting from the use of Services or Parts, either alone or in combination with other parts.

6. **LIMITATION OF REMEDY AND LIABILITY: THE SOLE AND EXCLUSIVE REMEDY FOR BREACH OF ANY WARRANTY HEREUNDER SHALL BE LIMITED TO, AT SELLER'S SOLE OPTION, EITHER CORRECT PERFORMANCE FOR THAT PORTION OF THE SERVICES FOUND BY SELLER TO BE DEFECTIVE OR REFUND OF THE PRICE PAID FOR SERVICES.**

SELLER SHALL NOT BE LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE AND THE REMEDIES OF BUYER SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE. IN NO EVENT, REGARDLESS OF THE FORM OF THE CLAIM OR CAUSE OF ACTION (WHETHER BASED IN CONTRACT, INFRINGEMENT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), SHALL SELLER'S LIABILITY TO BUYER AND/OR ITS CUSTOMERS EXCEED THE PRICE PAID BY BUYER FOR THE SPECIFIC SERVICES OR PARTS PROVIDED BY SELLER GIVING RISE TO THE CLAIM OR CAUSE OF ACTION.

BUYER AGREES THAT SELLER'S LIABILITY TO BUYER AND/OR ITS CUSTOMERS SHALL NOT EXTEND TO INCLUDE INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. The term "consequential damages" shall include, but not be limited to, loss of anticipated profits, business interruption, loss of use, revenue, reputation and data, costs incurred, including without limitation, for capital, fuel, power and loss of damage to property or equipment.

It is expressly understood that any technical advice furnished by Seller with respect to the use of the Parts and/or Services is given without charge, and Seller assumes no obligation or liability for the advice given, or results obtained, all such advice being given and accepted at Buyer's risk.

7. **INSURANCE:** Seller shall maintain the following insurance or self-insurance coverage: Worker's Compensation in accordance with the statutory requirements of the state in which the work is performed. Employer's Liability with a limit of liability of \$2,000,000 per occurrence for bodily injury by accident or bodily injury by disease. Commercial General Liability (CGL) for bodily injury and property damage with a limit of \$2,000,000 per occurrence and aggregate. CGL Includes Contractual Liability. CGL does not include Products and Completed Operations coverage, which is self-insured. Automobile Liability insurance that covers use of all owned, non-owned and leased vehicles and which is subject to a combined single limit per occurrence of \$2,000,000. Automobile Liability Insurance includes Contractual Liability. Seller may self-insure for coverages. Provisions regarding waiver of subrogation, additional insured status, or the primary nature of Seller's insurance shall be limited to the extent of Seller's negligent acts or omissions. Additional information related to the insurance coverage provided by Seller can be found at www.marsh.com/mofc/Bent=0900.

Buyer expressly acknowledges and agrees that Seller has set its prices and entered into this Agreement in reliance upon the limitations of liability, insurance coverage, and other terms and conditions specified herein, which allocate the risk between Seller and Buyer and form a basis of this bargain between the parties.

8. **EXCUSE OF PERFORMANCE:** Seller shall not be liable for delays in performance or for non-performance due to acts of God; war; epidemic; fire; flood; weather; sabotage; strikes or labor disputes; civil disturbances or riots; governmental restraints, restrictions, allocations, laws, regulations, orders or actions; unavailability of or delays in transportation; default of suppliers; or unforeseen circumstances; acts or omissions of Buyer, including, without limitation, those specified in Section 18; or any events or causes beyond Seller's reasonable control. Performance of Services and deliveries of Parts may be suspended for an appropriate period of time or canceled by Seller upon notice to Buyer in the event of any of the foregoing, but the balance of this Agreement shall otherwise remain unaffected as a result of the foregoing. If Seller determines that its ability to supply the total demand for the Services or Parts or to obtain material used directly or indirectly in the manufacture of the Parts is hindered, limited or made impracticable due

to causes set forth in the preceding paragraph, Seller may delay performance of Services or allocate its available supply of the Parts among its purchasers on such basis as Seller determines to be equitable without liability for any failure of performance which may result therefrom.

9. **CANCELLATION:** Buyer may cancel orders only upon reasonable advance written notice and upon payment to Seller of Seller's cancellation charges which include, among other things, all costs and expenses incurred and to cover commitments made by the Seller, and a reasonable profit thereon. Seller's determination of such cancellation charges shall be conclusive.

10. **CHANGES:** Buyer may request changes or additions to the Services. In the event such changes or additions are accepted by Seller, Seller may revise the price and performance dates. Seller reserves the right to change designs and specifications for the Parts without prior notice to Buyer, except with respect to Parts being made-to-order for Buyer. Seller shall have no obligation to install or make such change in any Parts manufactured prior to the date of such change.

11. **NUCLEAR/MEDICAL: SERVICES AND PARTS SOLD HEREUNDER ARE NOT FOR USE IN CONNECTION WITH ANY NUCLEAR, MEDICAL, LIFE-SUPPORT AND RELATED APPLICATIONS.** Buyer accepts Services and Parts with the foregoing understanding, agrees to communicate the same in writing to any subsequent purchasers or users and to defend, indemnify and hold harmless Seller from any claims, losses, suits, judgments and damages, including incidental and consequential damages, arising from such use, whether the cause of action be based in tort, contract or otherwise, including allegations that the Seller's liability is based on negligence or strict liability.

12. **ASSIGNMENT:** Buyer shall not assign its rights or delegate its duties hereunder or any interest herein without the prior written consent of Seller, and any such assignment or delegation, without such consent, shall be void.

13. **INSPECTION:** Buyer shall have ten (10) days from the date of completion of each portion of the Services to inspect the Services, and in the event of any non-conformity, Buyer must give written notice to Seller within said period stating why the Services are not conforming. Failure by Buyer to give such notice constitutes unqualified acceptance of the Services.

14. **BILLABLE SERVICES:** Additional charges will be billed to Buyer at Seller's then prevailing labor rates for any of the following: a) any Services not specified in Seller's quotation, Seller's order acknowledgment, Seller's scope of work, or other documents referenced herein and therein; b) any Services performed at times other than Seller's normal service hours; c) if timely and reasonable site and/or equipment access is denied the Seller service representative; d) if it is necessary, due to local circumstances, to use union labor or hire an outside contractor, Seller Service personnel will provide supervision only and the cost of such union or contract labor will be charged to Buyer; e) if Service or repair is necessary to return equipment to proper operating condition as a result of other than Seller (i) maintenance, repair, or modification (including, without limitation, changes in specifications or incorporation of attachments or other features), (ii) misuse or neglect, (including, without limitation, failure to maintain facilities and equipment in a reasonable manner), (iii) failure to operate equipment in accordance with applicable specifications, and (iv) catastrophe, accident, or other causes external to equipment; f) Seller's performance is made more burdensome or costly as a result of Buyer's failure to comply with its obligations herein, or (g) any additional obligations or requirements, including but not limited to those related to insurance requirements, service delivery, building entry or technical training.

15. **DRAWINGS:** Seller's documentation, prints, and drawings ("Documents") (including without limitation, the underlying technology) furnished by Seller to Buyer in connection with this Agreement are the property of Seller and Seller retains all rights, including without limitation, exclusive rights of use, licensing and sale. Notwithstanding the foregoing, Buyer may use the Documents in connection with the Services and Parts.

16. **EXPORT/IMPORT:** Buyer agrees that all applicable import and export control laws, regulations, orders and requirements, including without limitation those of the United States, and the jurisdictions in which the Seller and Buyer are established or from which Services and Parts may be supplied, will apply to their receipt and use. In no event shall Buyer use, transfer, release, import, or export Parts in violation of such applicable laws, regulations, orders or requirements.

17. **NON-SOLICITATION:** Buyer shall not solicit, directly or indirectly, or employ any employee of Seller during the period any Services are being provided to Buyer and for a period of one (1) year after the last provision of Services.

18. **GENERAL PROVISIONS:** These Services Terms and Conditions supersede all other communications, negotiations and prior oral or written statements regarding the subject matter of these Services Terms and Conditions. No change, modification, rescission, discharge, abandonment, or waiver of these Services Terms and Conditions shall be binding upon the Seller unless made in writing and signed on its behalf by a duly authorized representative of Seller. No conditions, usage of trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain, or supplement this Agreement shall be applicable to this Agreement by Seller's receipt, acknowledgment, or acceptance of purchase orders, shipping instruction forms, or other documentation containing terms at variance with or in addition to those set forth herein. Any such modifications or additional terms are specifically rejected and deemed a material alteration hereof. If this document shall be deemed an acceptance of a prior offer by Buyer, such acceptance is expressly conditional upon Buyer's assent to any additional or different terms set forth herein. Seller reserves the right to subcontract Services to others. No waiver by either party with respect to any breach or default of any right or remedy, and no course of dealing, shall be deemed to constitute a continuing waiver of any other breach or default of any other right or remedy, unless such waiver be expressed in writing and signed by the party to be bound. All typographical or clerical errors made by Seller in any quotation, acknowledgment or publication are subject to correction.

The validity, performance, and all other matters relating to the interpretation and effect of this Agreement shall be governed by the law of the state of Ohio without regard to its conflict of laws principles. Buyer and Seller agree that the proper venue for all actions arising in connection with this Agreement shall be only in the county of Franklin, state of Ohio, and the parties agree to submit to such jurisdiction. No action, regardless of form, arising out of transactions relating to this contract, may be brought by either party more than two (2) years after the cause of action has accrued. The U.N. Convention on Contracts for the International Sales of Goods shall not apply to this Agreement.

19. **ADDITIONAL SERVICE CONDITIONS:** The Buyer shall furnish to Seller, at no cost, suitable working space, storage space, adequate heat, telephone, light, ventilation, regulated electric power and outlets for testing purposes. The facilities shall be within a reasonable distance from where the Services are to be provided. Seller and its representative shall have full and free access to the equipment in order to provide the necessary Services. Buyer authorizes Seller to send a service technician or an authorized agent to access any site requested by Buyer to perform Services, including services on different scopes of work and equipment as requested by Buyer. Buyer shall provide the means to shut-off and secure electric power to the equipment and provide safe working conditions. Seller is under no obligation to remove or dispose of Parts or equipment unless specifically agreed upon in Seller's scope of work. Buyer shall immediately inform Seller, in writing, but not limited to, the presence of asbestos or asbestos-containing substance or condition at the site, including, but not limited to, the presence of asbestos or asbestos-containing materials, and shall provide Seller with any applicable Material Data Safety Sheets regarding the same. Any losses, costs, damages, claims and expenses incurred by Seller as a result of Buyer's failure to so advise Seller shall be borne by Buyer. Seller, in its sole discretion and without cost or penalty, reserves the right to cancel its performance under this Agreement or any order immediately upon written notice to Buyer following Seller discovery of unsafe or hazardous site substance or condition or any other circumstance altering Seller performance of Services. Buyer shall appoint a representative familiar with the site and the nature of the Services to be performed by Seller to be accessible at all times that Seller personnel are at the site. Seller shall not be liable for any expenses incurred by Buyer in removing, replacing or refurbishing any Buyer equipment or any part of Buyer's building structure that restricts Seller access. Buyer personnel shall cooperate with and provide all necessary assistance to Seller. Seller shall not be liable or responsible for any work performed by Buyer.

20. **INDEMNITY:** Each party shall indemnify and hold the other party harmless from loss, damage, liability or expense resulting from damage to personal property of a third party, or injuries, including death, to third parties to the extent caused by a negligent act or omission of the party or its subcontractors, agents or employees during performance of services hereunder. Such indemnification shall be reduced to the extent damage or injuries are attributable to others. The indemnifying party shall defend the other party in accordance with and to the extent of the above indemnification, provided that the indemnifying party is: i) promptly notified by the other party, in writing, of any claims, demands or suits for such damages or injuries; ii) given all reasonable information and assistance by the other party; iii) given full control over any resulting negotiation, arbitration or litigation, including the right to choose counsel and settle claims, or the indemnifying party's obligations herein shall be deemed waived.

Public Works Committee

Scott Mesick, Chairman
LaVelle Topps
Marshall Seeder

Village Board Agenda Memo

Date: July 5, 2012

To: President and Board of Trustees

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

RE: South La Grange Road Water Main Replacement Grant

PURPOSE: To request authorization at the July Village Board Meeting to authorize the Village Manager to execute the Project Partnership Agreement.

BACKGROUND: The Fiscal Year 2012/13 Water Fund Budget includes \$890,000 (\$115,000 for engineering and \$775,000 for construction) for the South La Grange Road Water Main. The ACOE has allocated \$600,000 for this project, of which they retain \$100,000 to fund project management.

The project will replace the six inch water main from Brewster to Oak with a ten inch water main. In order to meet federal regulations related to the grant and maximize the dollars available to the Village, it is necessary to break the project into two segments. The first segment will be done through the ACOE's grant. The second segment will be bid and overseen by the Village using the remaining water funds budgeted for this project. The first segment runs from Brewster to Woodlawn. The second segment starts at Woodlawn and ends at Oak. The water main will be under the sidewalk on La Grange Road. Daily lane closures will occur between 9:00 A.M. and 3:00 P.M.

The ACOE is coordinating with Hancock Engineering to finalize the engineering plans and prepare the bid specifications. The Solicitation Notice is scheduled to be issued in Late July with a Pre-Bid Conference to take place on August 14th. The bid opening and award of contract would then take place in September. Construction would commence in Spring 2013. Following the ACOE's Bid Award, the Village will issue the bid documents for our segment of the project (Brewster to Woodlawn) and our construction would follow the ACOE's segment.

This project will benefit La Grange Park residents by improving area water flows available for fire protection, replacing aging infrastructure and reducing the risk for water main breaks that can impact La Grange Road traffic.

WORKSHOP ACTION REQUESTED: This item is for discussion purposes and is seeking approval to place on the agenda for approval at the July Village Board Meeting an agenda item authorizing the Village Manager to execute the Project Partnership Agreement.

AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
VILLAGE OF LA GRANGE PARK, COOK COUNTY, ILLINOIS
FOR
DESIGN AND CONSTRUCTION
ASSISTANCE
FOR THE
VILLAGE OF LA GRANGE PARK, ILLINOIS
LAGRANGE ROAD WATER MAIN REPLACEMENT PROJECT

THIS AGREEMENT is entered into this _____ day of _____, _____, by and between the Department of the Army (hereinafter the "Government"), represented by the U.S. Army Engineer, Chicago District and the Village of La Grange Park, Cook County, Illinois (hereinafter the "Non-Federal Sponsor"), represented by the Village Manager.

WITNESSETH, THAT:

WHEREAS, the Secretary of the Army is authorized to provide design and construction assistance for designated water-related environmental infrastructure and resource protection and development projects pursuant to Section 219 of the Water Resources Development Act of 1992, Public Law 102-580, as amended (hereinafter the "Section 219 Program");

WHEREAS, the provision of design and construction assistance for the water-related infrastructure and resource protection and development (hereinafter the "Section 219 Assistance Project") at Cook County, Illinois was authorized by Section 219(f)(54) of the Water Resources Development Act of 1992, Public Law 102-580, as amended;

WHEREAS, the Government and the Non-Federal Sponsor desire to enter into an agreement (hereinafter the "Agreement") for the provision of design and construction assistance for the Village of La Grange Park, LaGrange Road Water Main Replacement Project (an element of the Section 219 Assistance Project and hereinafter the "*Project*", as defined in Article I.A. of this Agreement);

WHEREAS, Section 219 of the Water Resources Development Act of 1992, Public Law 102-580, as amended, specifies the cost-sharing requirements applicable to the *Project*;

WHEREAS, Section 219(f)(54) of the Water Resources Development Act of 1992, Public Law 102-580, as amended, provides that \$35,000,000 in Federal funds is authorized for design and construction assistance for the Section 219 Assistance Project;

WHEREAS, the Non-Federal Sponsor intends to provide a design or portion thereof, at no cost to the *Project*, for use by the Government in constructing the *Project* if such design, or portion thereof, is determined by the Government to be acceptable for such purpose;

WHEREAS, the Government and Non-Federal Sponsor have the full authority and capability to perform as hereinafter set forth and intend to cooperate in cost-sharing and financing of the *Project* in accordance with the terms of this Agreement; and

WHEREAS, the Government and the Non-Federal Sponsor, in connection with this Agreement, desire to foster a partnering strategy and a working relationship between the Government and the Non-Federal Sponsor through a mutually developed formal strategy of commitment and communication embodied herein, which creates an environment where trust and teamwork prevent disputes, foster a cooperative bond between the Government and the Non-Federal Sponsor, and facilitate the successful implementation of the *Project*.

NOW, THEREFORE, the Government and the Non-Federal Sponsor agree as follows:

ARTICLE I - DEFINITIONS

A. The term "*Project*" shall mean replacing approximately 1400 feet of six inch waterline with larger diameter ten inch pipe to improve water flow and pressure within the Village of La Grange Park in Cook County, Illinois as generally described in the Village of La Grange Park Waterline Improvements Project Letter Report, dated June 22, 2012 and approved by U.S. Army Engineer, Chicago District on June 25, 2012.

B. The term "*total project costs*" shall mean the sum of all costs incurred by the Non-Federal Sponsor and the Government in accordance with the terms of this Agreement directly related to design and construction of the *Project*. Subject to the provisions of this Agreement, the term shall include, but is not necessarily limited to: the Government's design costs not incurred pursuant to any other agreement for the *Project*; the Government's costs of preparation of environmental compliance documentation in accordance with Article II.A.4. of this Agreement; the Government's costs of review and modifications to the design, or any portion thereof, provided by the Non-Federal Sponsor in accordance with Article II.A.1. of this Agreement; the Non-Federal Sponsor's and the Government's costs of investigations to identify the existence and extent of hazardous substances in accordance with Article XIV.A. of this Agreement; the Government's costs of historic preservation activities in accordance with Article XVII.A. and Article XVII.B.1. of this Agreement; the Government's actual construction costs; the Government's supervision and administration costs; the Non-Federal Sponsor's and the Government's costs of participation in the Project Coordination Team in accordance with Article V of this Agreement; the Government's costs of contract dispute settlements or awards; the value of lands, easements, rights-of-way, and *relocations* for which the Government affords credit in accordance with Article IV of this Agreement but not to exceed 25 percent of total project costs; and the

Non-Federal Sponsor's and the Government's costs of audit in accordance with Article X.B. and Article X.C. of this Agreement. The term does not include any costs for operation, maintenance, repair, rehabilitation, or replacement of the *Project*; any costs of *betterments* under Article II.H.2. of this Agreement; any costs of dispute resolution under Article VII of this Agreement; the Government's costs for data recovery activities associated with historic preservation in accordance with Article XVII.B.2. and Article XVII.B.3. of this Agreement; or the Non-Federal Sponsor's costs of negotiating this Agreement. The term also shall not include any costs incurred by the Non-Federal Sponsor, its contractors, or others on behalf of the Non-Federal Sponsor for preparing or providing a design, or any portion thereof, for the *Project* in accordance with Article II.A.1. of this Agreement.

C. The term "*period of design and construction*" shall mean the time from the effective date of this Agreement to the date that construction of the *Project* is complete, as determined by the Government, or the date that this Agreement is terminated in accordance with Article II.C. or Article XIII or Article XIV.C. of this Agreement, whichever is earlier.

D. The term "*financial obligations for design and construction*" shall mean the financial obligations of the Government that result or would result in costs that are or would be included in *total project costs* except for obligations pertaining to the provision of lands, easements, and rights-of-way, and the performance of *relocations*.

E. The term "*non-Federal proportionate share*" shall mean the ratio of the Non-Federal Sponsor's total contribution of funds required by Article II.B.2. of this Agreement to *financial obligations for design and construction*, as projected by the Government.

F. The term "*highway*" shall mean any highway, roadway, street, or way, including any bridge thereof, that is owned by a public entity.

G. The term "*relocation*" shall mean providing a functionally equivalent facility to the owner of a utility, cemetery, *highway*, railroad, or public facility when such action is authorized in accordance with applicable legal principles of just compensation. Providing a functionally equivalent facility may take the form of alteration, lowering, raising, or replacement and attendant demolition of the affected facility or part thereof.

H. The term "*betterment*" shall mean a difference in the design or construction of an element of the *Project* that results from the application of standards that the Government determines exceed those that the Government would otherwise apply to the design or construction of that element. The term does not include any design or construction for features not included in the *Project* as defined in paragraph A. of this Article.

I. The term "*Federal program funds*" shall mean funds provided by a Federal agency, other than the Department of the Army, plus any non-Federal contribution required as a matching share therefor.

J. The term “*Section 219 Project Limit*” shall mean the statutory limitation on the Government’s financial participation in the design and construction of the Section 219 Assistance Project as specified in Section 219(f) of the Water Resources Development Act of 1992, Public Law 102-580, as amended. As of the effective date of this Agreement, such limitation is \$35,000,000.

K. The term “*fiscal year*” shall mean one year beginning on October 1 and ending on September 30.

ARTICLE II - OBLIGATIONS OF THE GOVERNMENT AND THE NON-FEDERAL SPONSOR

A. The Government, subject to receiving funds appropriated by the Congress of the United States (hereinafter the “Congress”) and using those funds and funds provided by the Non-Federal Sponsor, expeditiously shall design and construct the *Project* utilizing the portion of the design provided by the Non-Federal Sponsor that the Government determines to be acceptable in accordance with paragraph A.1. of this Article, and applying those procedures usually applied to Federal projects, in accordance with Federal laws, regulations, and policies.

1. The Non-Federal Sponsor expeditiously shall prepare and provide to the Government a design, or the portion thereof that the Non-Federal Sponsor has specified in writing that it intends to provide, for use in constructing the *Project*. The Government shall review such design, or portion thereof, to ensure compliance with applicable Federal laws, regulations, and policies including those related to bidability, constructability, operability and environmental acceptability. The Government, in its sole discretion, may accept, modify, or reject such design, or any portion thereof, for use in constructing the *Project*. Prior to commencement of review by the Government of such design, the Non-Federal Sponsor shall provide a written certification and warranty to the Government that the design provided by the Non-Federal Sponsor is free from any legal encumbrances and use restrictions, including but not limited to, any intellectual property rights and outstanding licensing requirements.

2. If the Non-Federal Sponsor fails to provide a design, or the specified portion thereof, for the *Project*, or the Government determines that the design, or any portion thereof, provided by the Non-Federal Sponsor is inadequate for any reason, the Government, subject to the availability of funds and the *Section 219 Project Limit*, may design the *Project* or complete the design of the *Project*.

3. The Government shall not issue the solicitation for the first contract for design of the *Project*, commence design of the *Project* using the Government’s own forces, or commence review of a design, or any portion thereof, provided by the Non-Federal Sponsor in accordance with paragraph A.1. of this Article, until the Non-Federal Sponsor has confirmed in writing its willingness to proceed with the *Project*.

4. The Government shall develop and coordinate as required, an Environmental Assessment and Finding of No Significant Impact or an Environmental Impact Statement and Record of Decision, as necessary, to inform the public regarding the environmental impacts of the *Project* in accordance with the National Environmental Policy Act of 1969 (hereinafter “NEPA”) (42 U.S.C. 4321–4370e). However, the Government shall not issue the solicitation for the first construction contract for the *Project* or commence construction of the *Project* using the Government’s own forces until all applicable environmental laws and regulations have been complied with, including, but not limited to NEPA and Section 401 of the Federal Water Pollution Control Act (33 U.S.C. 1341).

5. The Government shall afford the Non-Federal Sponsor the opportunity to review and comment on the solicitations for all contracts, including relevant plans and specifications, prior to the Government’s issuance of such solicitations. To the extent possible, the Government shall afford the Non-Federal Sponsor the opportunity to review and comment on all proposed contract modifications, including change orders. In any instance where providing the Non-Federal Sponsor with notification of a contract modification is not possible prior to execution of the contract modification, the Government shall provide such notification in writing at the earliest date possible. To the extent possible, the Government also shall afford the Non-Federal Sponsor the opportunity to review and comment on all contract claims prior to resolution thereof. The Government shall consider in good faith the comments of the Non-Federal Sponsor, but the contents of solicitations, award of contracts or commencement of design or construction using the Government’s own forces, execution of contract modifications, resolution of contract claims, and performance of all work on the *Project* shall be exclusively within the control of the Government.

6. At the time the U.S. Army Engineer, Chicago District (hereinafter the “District Engineer”) furnishes the contractor with the Government’s Written Notice of Acceptance of Completed Work for each contract awarded by the Government for the *Project*, the District Engineer shall furnish a copy thereof to the Non-Federal Sponsor.

7. Notwithstanding paragraph A.5. of this Article, if the award of any contract for design or construction of the *Project*, or continuation of design or construction of the *Project* using the Government’s own forces, would result in *total project costs* exceeding \$851,000, the Government and the Non-Federal Sponsor agree to defer award of that contract, award of all remaining contracts for design or construction of the *Project*, and continuation of design or construction of the *Project* using the Government’s own forces until such time as the Government and the Non-Federal Sponsor agree in writing to proceed with further contract awards for the *Project* or the continuation of design or construction of the *Project* using the Government’s own forces, but in no event shall the award of contracts or the continuation of design or construction of the *Project* using the Government’s own forces be deferred for more than three years. Notwithstanding this general provision for deferral, in the event the Assistant Secretary of the Army (Civil Works) makes a written determination that the award of such contract or contracts or continuation of design or construction of the *Project* using the

Government's own forces must proceed in order to comply with law or to protect human life or property from imminent and substantial harm, the Government, after consultation with the Non-Federal Sponsor, may award a contract or contracts, or continue with design or construction of the *Project* using the Government's own forces.

B. The Non-Federal Sponsor shall contribute 25 percent of *total project costs* in accordance with the provisions of this paragraph.

1. In accordance with Article III of this Agreement, the Non-Federal Sponsor shall provide all lands, easements, and rights-of-way, including those required for *relocations*, the borrowing of material, and the disposal of dredged or excavated material, and shall perform or ensure performance of all *relocations* that the Government determines to be required or to be necessary for construction, operation, and maintenance of the *Project*.

2. The Non-Federal Sponsor shall provide funds in accordance with Article VI.B. of this Agreement in the amount necessary to meet the Non-Federal Sponsor's required share of 25 percent of *total project costs* if the Government projects at any time that the collective value of the following contributions will be less than such required share: (a) the value of the Non-Federal Sponsor's contributions under paragraph B.1. of this Article, as determined in accordance with Article IV of this Agreement that do not exceed 25 percent of *total project costs*; and (b) the value of the Non-Federal Sponsor's contributions under Article V, Article X, and Article XIV.A. of this Agreement.

3. The Government, subject to the availability of funds and as limited by the *Section 219 Project Limit*, shall refund or reimburse to the Non-Federal Sponsor any contributions in excess of 25 percent of *total project costs* if the Government determines at any time that the collective value of the following contributions has exceeded 25 percent of *total project costs*: (a) the value of the Non-Federal Sponsor's contributions under paragraph B.2. of this Article; (b) the value of the Non-Federal Sponsor's contributions under paragraph B.1. of this Article, as determined in accordance with Article IV of this Agreement that do not exceed 25 percent of *total project costs*; and (c) the value of the Non-Federal Sponsor's contributions under Article V, Article X, and Article XIV.A. of this Agreement.

4. The Government shall not include in *total project costs* any costs that were incurred by the Non-Federal Sponsor, its contractors, or others on behalf of the Non-Federal Sponsor for preparing or providing a design, or any portion thereof, to the Government in accordance with paragraph A.1. of this Article and the Non-Federal Sponsor shall not be entitled to any credit, refund, or reimbursement for such costs.

C. Notwithstanding any other provision of this Agreement, Federal financial participation in the *Project* is limited by the following provisions of this paragraph.

1. As of the effective date of this Agreement, \$2,181,000 of Federal funds have been provided by Congress for the Section 219 Assistance Project of which \$638,250 is currently projected to be available for the *Project*. The Government makes

no commitment to request Congress to provide additional Federal funds for the Section 219 Assistance Project or the *Project*. Further, the Government's financial participation in the *Project* is limited to the Federal funds that the Government makes available to the *Project*.

2. In the event the Government projects that the amount of Federal funds the Government will make available to the *Project* through the then-current *fiscal year*, or the amount of Federal funds the Government will make available for the *Project* through the upcoming *fiscal year*, is not sufficient to meet the Federal share of *total project costs* and the Federal share of costs for data recovery activities associated with historic preservation in accordance with Article XVII.B.2. and Article XVII.B.3. of this Agreement that the Government projects to be incurred through the then-current or upcoming *fiscal year*, as applicable, the Government shall notify the Non-Federal Sponsor in writing of such insufficiency of funds and of the date the Government projects that the Federal funds that will have been made available to the *Project* will be exhausted. Upon the exhaustion of Federal funds made available by the Government to the *Project*, future performance under this Agreement shall be suspended and the parties shall proceed in accordance with Article XIII.B. of this Agreement.

3. If the Government determines that the total amount of Federal funds provided by Congress for the Section 219 Assistance Project has reached the *Section 219 Project Limit*, and the Government projects that the Federal funds the Government will make available to the *Project* within the *Section 219 Project Limit* will not be sufficient to meet the Federal share of *total project costs* and the Federal share of costs for data recovery activities associated with historic preservation in accordance with Article XVII.B.2. and Article XVII.B.3. of this Agreement, the Government shall notify the Non-Federal Sponsor in writing of such insufficiency of funds and of the date the Government projects that the Federal funds that will have been made available to the *Project* will be exhausted. Upon the exhaustion of Federal funds made available by the Government to the *Project* within the *Section 219 Project Limit*, the parties shall terminate this Agreement and proceed in accordance with Article XIII.E. of this Agreement.

D. When the District Engineer determines that the entire *Project*, or a portion thereof, is complete, the District Engineer shall so notify the Non-Federal Sponsor in writing and furnish the Non-Federal Sponsor with a final Operation, Maintenance, Repair, Rehabilitation, and Replacement Manual (hereinafter the "OMRR&R Manual") or, if the final OMRR&R Manual is not available, an interim OMRR&R Manual for the entire *Project* or such completed portion. Upon such notification, the Government also shall furnish to the Non-Federal Sponsor a copy of all final as-built drawings for the entire *Project* or such completed portion if such drawings are available. Not later than 6 months after such notification by the Government that the entire *Project* is complete, the Government shall furnish the Non-Federal Sponsor with the final OMRR&R Manual and all final as-built drawings for the entire *Project*. In the event the final OMRR&R Manual or all final as-built drawings for the entire *Project* cannot be completed within the 6 month period, the Government shall provide written notice to the Non-Federal Sponsor,

and the Government and the Non-Federal Sponsor shall negotiate an acceptable completion date for furnishing such documents. Further, after completion of all contracts for the *Project*, copies of all of the Government's Written Notices of Acceptance of Completed Work for all contracts for the *Project* that have not been provided previously shall be provided to the Non-Federal Sponsor.

E. Upon notification from the District Engineer in accordance with paragraph D. of this Article, the Non-Federal Sponsor shall operate, maintain, repair, rehabilitate, and replace the entire *Project*, or the completed portion thereof as the case may be, in accordance with Article VIII of this Agreement.

F. Upon conclusion of the *period of design and construction*, the Government shall conduct an accounting, in accordance with Article VI.C. of this Agreement, and furnish the results to the Non-Federal Sponsor.

G. The Non-Federal Sponsor shall not use *Federal program funds* to meet any of its obligations for the *Project* under this Agreement unless the Federal agency providing the Federal portion of such funds verifies in writing that expenditure of such funds for such purpose is expressly authorized by Federal law.

H. The Non-Federal Sponsor may request the Government to perform or provide, on behalf of the Non-Federal Sponsor, one or more of the services (hereinafter the "additional work") described in this paragraph. Such requests shall be in writing and shall describe the additional work requested to be performed or provided. If in its sole discretion the Government elects to perform or provide the requested additional work or any portion thereof, it shall so notify the Non-Federal Sponsor in a writing that sets forth any applicable terms and conditions, which must be consistent with this Agreement. In the event of conflict between such a writing and this Agreement, this Agreement shall control. The Non-Federal Sponsor shall be solely responsible for all costs of the additional work performed or provided by the Government under this paragraph and shall pay all such costs in accordance with Article VI.D. of this Agreement.

1. Acquisition of lands, easements, and rights-of-way or performance of *relocations* for the *Project*. Notwithstanding acquisition of lands, easements, and rights-of-way or performance of *relocations* by the Government, the Non-Federal Sponsor shall be responsible, as between the Government and the Non-Federal Sponsor, for any costs of cleanup and response in accordance with Article XIV.C. of this Agreement.

2. Inclusion of *betterments* in the design or construction of the *Project*. In the event the Government elects to include any such *betterments*, the Government shall allocate the costs of the *Project* features that include *betterments* between *total project costs* and the costs of the *betterments*.

ARTICLE III - LANDS, EASEMENTS, RIGHTS-OF-WAY, RELOCATIONS, AND COMPLIANCE WITH PUBLIC LAW 91-646, AS AMENDED

A. The Government, after consultation with the Non-Federal Sponsor, shall determine the lands, easements, and rights-of-way required for construction, operation, and maintenance of the *Project*, including those required for *relocations*, the borrowing of material, and the disposal of dredged or excavated material. The Government in a timely manner shall provide the Non-Federal Sponsor with general written descriptions, including maps as appropriate, of the lands, easements, and rights-of-way that the Government determines the Non-Federal Sponsor must provide, in detail sufficient to enable the Non-Federal Sponsor to fulfill its obligations under this paragraph, and shall provide the Non-Federal Sponsor with a written notice to proceed with acquisition of such lands, easements, and rights-of-way. Prior to the issuance of the solicitation for each Government contract for construction of the *Project*, or prior to the Government incurring any *financial obligations for design and construction* of a portion of the *Project* using the Government's own forces, the Non-Federal Sponsor shall acquire all lands, easements, and rights-of-way the Government determines the Non-Federal Sponsor must provide for that work and shall provide the Government with authorization for entry thereto. Furthermore, prior to the end of the *period of design and construction*, the Non-Federal Sponsor shall acquire all lands, easements, and rights-of-way required for construction, operation, and maintenance of the *Project*, as set forth in such descriptions, and shall provide the Government with authorization for entry thereto. The Non-Federal Sponsor shall ensure that lands, easements, and rights-of-way that the Government determines to be required for the *Project* and that were provided by the Non-Federal Sponsor are retained in public ownership for uses compatible with the authorized purposes of the *Project*.

B. The Government, after consultation with the Non-Federal Sponsor, shall determine the *relocations* necessary for construction, operation, and maintenance of the *Project*, including those necessary to enable the borrowing of material or the disposal of dredged or excavated material. The Government in a timely manner shall provide the Non-Federal Sponsor with general written descriptions, including maps as appropriate, of such *relocations* in detail sufficient to enable the Non-Federal Sponsor to fulfill its obligations under this paragraph, and shall provide the Non-Federal Sponsor with a written notice to proceed with such *relocations*. Prior to the issuance of the solicitation for each Government contract for construction of the *Project*, or prior to the Government incurring any *financial obligations for design and construction* of a portion of the *Project* using the Government's own forces, the Non-Federal Sponsor shall prepare or ensure the preparation of plans and specifications for, and perform or ensure the performance of, all *relocations* the Government determines to be necessary for that work. Furthermore, prior to the end of the *period of design and construction*, the Non-Federal Sponsor shall perform or ensure performance of all *relocations* as set forth in such descriptions.

C. The Non-Federal Sponsor shall comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended (42 U.S.C. 4601-4655), and the Uniform Regulations contained in 49 C.F.R. Part 24, in acquiring lands, easements, and rights-of-way required for

construction, operation, and maintenance of the *Project*, including those required for *relocations*, the borrowing of material, or the disposal of dredged or excavated material, and shall inform all affected persons of applicable benefits, policies, and procedures in connection with said Act.

ARTICLE IV - CREDIT FOR VALUE OF LANDS, EASEMENTS, RIGHTS-OF-WAY, AND RELOCATIONS

A. The Government shall include in *total project costs* and afford credit toward the Non-Federal Sponsor's share of *total project costs* for the value of the lands, easements, and rights-of-way that the Non-Federal Sponsor must provide pursuant to Article III.A. of this Agreement and for the value of the *relocations* that the Non-Federal Sponsor must perform or for which it must ensure performance pursuant to Article III.B. of this Agreement. However, no amount shall be included in *total project costs* and no credit shall be afforded for the value of any lands, easements, rights-of-way, or *relocations* that have been provided previously as an item of cooperation for another Federal project. In addition, no amount shall be included in *total project costs* and no credit shall be afforded for the value of lands, easements, rights-of-way, or *relocations* that were acquired or performed using *Federal program funds* unless the Federal agency providing the Federal portion of such funds verifies in writing that affording credit for the value of such items is expressly authorized by Federal law. Finally, no amount shall be included in *total project costs*, no credit shall be afforded pursuant to this Article, and no reimbursement shall be provided to the Non-Federal Sponsor, for any value in excess of 25 percent of *total project costs*.

B. The Non-Federal Sponsor in a timely manner shall provide the Government with such documents as are sufficient to enable the Government to determine the value of any contribution provided pursuant to Article III.A. or Article III.B. of this Agreement. Upon receipt of such documents, the Government in a timely manner shall determine the value of such contributions and include in *total project costs* the amount of such value that does not exceed 25 percent of *total project costs*.

C. For the purposes of determining the value to be included in *total project costs* and the amount of credit to be afforded in accordance with this Article and except as otherwise provided in paragraph E. of this Article, the value of lands, easements, and rights-of-way, including those required for *relocations*, the borrowing of material, and the disposal of dredged or excavated material, shall be the fair market value of the real property interests, plus certain incidental costs of acquiring those interests, as determined in accordance with the provisions of this paragraph.

1. Date of Valuation. The fair market value of lands, easements, or rights-of-way owned by the Non-Federal Sponsor on the effective date of this Agreement shall be the fair market value of such real property interests as of the date the Non-Federal Sponsor provides the Government with authorization for entry thereto. The fair market value of lands, easements, or rights-of-way acquired by the Non-Federal Sponsor after the effective

date of this Agreement shall be the fair market value of such real property interests at the time the interests are acquired.

2. General Valuation Procedure. Except as provided in paragraph C.3. or paragraph C.5. of this Article, the fair market value of lands, easements, or rights-of-way shall be determined in accordance with the provisions of this paragraph.

a. The Non-Federal Sponsor shall obtain, for each real property interest, an appraisal that is prepared by a qualified appraiser who is acceptable to the Non-Federal Sponsor and the Government. The Non-Federal Sponsor shall provide the Government with the appraisal no later than 6 months after the Non-Federal Sponsor provides the Government with an authorization for entry for such real property interest. The appraisal must be prepared in accordance with the applicable rules of just compensation, as specified by the Government. The fair market value shall be the amount set forth in the Non-Federal Sponsor's appraisal, if such appraisal is approved by the Government. In the event the Government does not approve the Non-Federal Sponsor's appraisal, the Non-Federal Sponsor may obtain a second appraisal, and the fair market value shall be the amount set forth in the Non-Federal Sponsor's second appraisal, if such appraisal is approved by the Government. In the event the Government does not approve the Non-Federal Sponsor's second appraisal, the Non-Federal Sponsor chooses not to obtain a second appraisal, or the Non-Federal Sponsor does not provide the first appraisal as required in this paragraph, the Government shall obtain an appraisal, and the fair market value shall be the amount set forth in the Government's appraisal, if such appraisal is approved by the Non-Federal Sponsor. In the event the Non-Federal Sponsor does not approve the Government's appraisal, the Government, after consultation with the Non-Federal Sponsor, shall consider the Government's and the Non-Federal Sponsor's appraisals and determine an amount based thereon, which shall be deemed to be the fair market value.

b. Where the amount paid or proposed to be paid by the Non-Federal Sponsor for the real property interest exceeds the amount determined pursuant to paragraph C.2.a. of this Article, the Government, at the request of the Non-Federal Sponsor, shall consider all factors relevant to determining fair market value and, in its sole discretion, after consultation with the Non-Federal Sponsor, may approve in writing an amount greater than the amount determined pursuant to paragraph C.2.a. of this Article, but not to exceed the amount actually paid or proposed to be paid. If the Government approves such an amount, the fair market value shall be the lesser of the approved amount or the amount paid by the Non-Federal Sponsor, but no less than the amount determined pursuant to paragraph C.2.a. of this Article.

3. Eminent Domain Valuation Procedure. For lands, easements, or rights-of-way acquired by eminent domain proceedings instituted after the effective date of this Agreement, the Non-Federal Sponsor, prior to instituting such proceedings, shall submit to the Government notification in writing of its intent to institute such proceedings and an appraisal of the specific real property interests to be acquired in such proceedings. The Government shall have 60 calendar days after receipt of such a notice and appraisal within which to review the appraisal, if not previously approved by the Government in writing.

a. If the Government previously has approved the appraisal in writing, or if the Government provides written approval of, or takes no action on, the appraisal within such 60 day period, the Non-Federal Sponsor shall use the amount set forth in such appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

b. If the Government provides written disapproval of the appraisal, including the reasons for disapproval, within such 60 day period, the Government and the Non-Federal Sponsor shall consult in good faith to promptly resolve the issues or areas of disagreement that are identified in the Government's written disapproval. If, after such good faith consultation, the Government and the Non-Federal Sponsor agree as to an appropriate amount, then the Non-Federal Sponsor shall use that amount as the estimate of just compensation for the purpose of instituting the eminent domain proceeding. If, after such good faith consultation, the Government and the Non-Federal Sponsor cannot agree as to an appropriate amount, then the Non-Federal Sponsor may use the amount set forth in its appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

c. For lands, easements, or rights-of-way acquired by eminent domain proceedings instituted in accordance with paragraph C.3. of this Article, fair market value shall be either the amount of the court award for the real property interests taken, to the extent the Government determined such interests are required for construction, operation, and maintenance of the *Project*, or the amount of any stipulated settlement or portion thereof that the Government approves in writing.

4. Incidental Costs. For lands, easements, or rights-of-way acquired by the Non-Federal Sponsor within a five year period preceding the effective date of this Agreement, or at any time after the effective date of this Agreement, the value of the interest shall include the documented incidental costs of acquiring the interest, as determined by the Government, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. In the event the Government modifies its determination made pursuant to Article III.A. of this Agreement, the Government shall afford credit for the documented incidental costs associated with preparing to acquire the lands, easements, or rights-of-way identified in the original determination, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. Such incidental costs shall include, but not necessarily be limited to, closing and title costs, appraisal costs, survey costs, attorney's fees, plat maps, mapping costs, actual amounts expended for payment of any relocation assistance benefits provided in accordance with Article III.C. of this Agreement, and other payments by the Non-Federal Sponsor for items that are generally recognized as compensable, and required to be paid, by applicable state law due to the acquisition of a real property interest in accordance with Article III of this Agreement. The value of the interests provided by the Non-Federal Sponsor in accordance with Article III.A. of this Agreement shall also include the documented costs of obtaining appraisals pursuant to paragraph C.2. of this Article, as determined by the

Government, and subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

5. Waiver of Appraisal. Except as required by paragraph C.3. of this Article, the Government may waive the requirement for an appraisal pursuant to this paragraph if it determines that an appraisal is unnecessary because the valuation is uncomplicated and that the estimated fair market value of the real property interest is \$10,000 or less based upon a review of available data. In such event, the Government and the Non-Federal Sponsor must agree in writing to the value of such real property interest in an amount not in excess of \$10,000.

D. After consultation with the Non-Federal Sponsor, the Government shall determine the value of *relocations* in accordance with the provisions of this paragraph.

1. For a *relocation* other than a *highway*, the value shall be only that portion of *relocation* costs that the Government determines is necessary to provide a functionally equivalent facility, reduced by depreciation, as applicable, and by the salvage value of any removed items.

2. For a *relocation* of a *highway*, the value shall be only that portion of *relocation* costs that would be necessary to accomplish the *relocation* in accordance with the design standard that the State of Illinois would apply under similar conditions of geography and traffic load, reduced by the salvage value of any removed items.

3. *Relocation* costs shall include, but not necessarily be limited to, actual costs of performing the *relocation*; planning, engineering and design costs; supervision and administration costs; and documented incidental costs associated with performance of the *relocation*, as determined by the Government. *Relocation* costs shall not include any costs due to *betterments*, as determined by the Government, nor any additional cost of using new material when suitable used material is available. *Relocation* costs shall be subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

4. Any credit afforded under the terms of this Agreement for the value of *relocations* performed within the *Project* boundaries is subject to satisfactory compliance with applicable Federal labor laws covering non-Federal construction, including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)). Notwithstanding any other provision of this Agreement, credit may be withheld, in whole or in part, as a result of the Non-Federal Sponsor's failure to comply with its obligations under these laws.

E. Where the Government, on behalf of the Non-Federal Sponsor pursuant to Article II.H.1. of this Agreement, acquires lands, easements, or rights-of-way, or performs *relocations*, the value to be included in *total project costs* and the amount of credit to be

afforded in accordance with this Agreement shall be the costs of such work performed or provided by the Government that are paid by the Non-Federal Sponsor in accordance with Article VI.D. of this Agreement. In addition, the value to be included in *total project costs* and the amount of such credit to be afforded in accordance with this Agreement shall include the documented costs incurred by the Non-Federal Sponsor in accordance with the terms and conditions agreed upon in writing pursuant to Article II.H.1. of this Agreement subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

ARTICLE V - PROJECT COORDINATION TEAM

A. To provide for consistent and effective communication, the Non-Federal Sponsor and the Government, not later than 30 calendar days after the effective date of this Agreement, shall appoint named senior representatives to a Project Coordination Team. Thereafter, the Project Coordination Team shall meet regularly until the end of the *period of design and construction*. The Government's Project Manager and a counterpart named by the Non-Federal Sponsor shall co-chair the Project Coordination Team.

B. The Government's Project Manager and the Non-Federal Sponsor's counterpart shall keep the Project Coordination Team informed of the progress of design and construction and of significant pending issues and actions, and shall seek the views of the Project Coordination Team on matters that the Project Coordination Team generally oversees.

C. Until the end of the *period of design and construction*, the Project Coordination Team shall generally oversee the *Project*, including matters related to: design; completion of all necessary environmental coordination and documentation; plans and specifications; scheduling; real property and *relocation* requirements; real property acquisition; contract awards and modifications; contract costs; the application of and compliance with 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)) for *relocations*; the investigations to identify the existence and extent of hazardous substances in accordance with Article XIV.A. of this Agreement; historic preservation activities in accordance with Article XVII of this Agreement; the Government's cost projections; final inspection of the entire *Project* or completed portions thereof as the case may be; preparation of the proposed OMRR&R Manual; anticipated requirements and needed capabilities for performance of operation, maintenance, repair, rehabilitation, and replacement of the *Project* including issuance of permits; and other matters related to the *Project*. This oversight of the *Project* shall be consistent with a project management plan developed by the Government after consultation with the Non-Federal Sponsor.

D. The Project Coordination Team may make recommendations to the District Engineer on matters related to the *Project* that the Project Coordination Team generally

oversees, including suggestions to avoid potential sources of dispute. The Government in good faith shall consider the recommendations of the Project Coordination Team. The Government, having the legal authority and responsibility for design and construction of the *Project*, has the discretion to accept or reject, in whole or in part, the Project Coordination Team's recommendations.

E. The Non-Federal Sponsor's costs of participation in the Project Coordination Team shall be included in *total project costs* and shared in accordance with the provisions of this Agreement, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. The Government's costs of participation in the Project Coordination Team shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

ARTICLE VI - METHOD OF PAYMENT

A. In accordance with the provisions of this paragraph, the Government shall maintain current records and provide to the Non-Federal Sponsor current projections of costs, financial obligations, contributions provided by the parties, and the value included in *total project costs* for lands, easements, rights-of-way, and *relocations* determined in accordance with Article IV of this Agreement.

1. As of the effective date of this Agreement, *total project costs* are projected to be \$851,000; the Non-Federal Sponsor's contribution of funds required by Article II.B.2. of this Agreement is projected to be \$211,750; the *non-Federal proportionate share* is projected to be 24.9 percent; the Non-Federal Sponsor's contribution of funds required by Article XVII.B.3. of this Agreement is projected to be \$0; the value included in *total project costs* for lands, easements, rights-of-way, and *relocations* determined in accordance with Article IV of this Agreement is projected to be \$1,000; and the Government's total financial obligations for the additional work to be incurred and the Non-Federal Sponsor's contribution of funds for such costs required by Article II.H. of this Agreement are projected to be \$0. These amounts and percentage are estimates subject to adjustment by the Government, after consultation with the Non-Federal Sponsor, and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsor.

2. By October 1, 2012 and by each quarterly anniversary thereof until the conclusion of the *period of design and construction* and resolution of all relevant claims and appeals and eminent domain proceedings, the Government shall provide the Non-Federal Sponsor with a report setting forth all contributions provided to date and the current projections of the following: *total project costs*; the Non-Federal Sponsor's total contribution of funds required by Article II.B.2. of this Agreement; the *non-Federal proportionate share*; the Non-Federal Sponsor's total contribution of funds required by Article XVII.B.3. of this Agreement; the value included in *total project costs* for lands, easements, rights-of-way, and *relocations* determined in accordance with Article IV of this Agreement; and the Government's total financial obligations for additional work

incurred and the Non-Federal Sponsor's contribution of funds for such costs required by Article II.H. of this Agreement.

B. The Non-Federal Sponsor shall provide the contributions of funds required by Article II.B.2. and Article XVII.B.3. of this Agreement in accordance with the provisions of this paragraph.

1. Not less than 30 calendar days prior to the scheduled date for: (a) issuance of the solicitation for the first contract for review of the design, or portion thereof, provided by the Non-Federal Sponsor; (b) commencement of review of the design, or portion thereof, provided by the Non-Federal Sponsor using the Government's own forces; (c) issuance of the solicitation for the first contract for design of the *Project*; or (d) commencement of design of the *Project* using the Government's own forces, whichever is scheduled to first occur, the Government shall notify the Non-Federal Sponsor in writing of such scheduled date and the funds the Government determines to be required from the Non-Federal Sponsor to meet its projected share under Article II.B.2. and Article XVII.B.3. of this Agreement. Not later than such scheduled date, the Non-Federal Sponsor shall provide the Government with the full amount of such required funds by delivering a check payable to "FAO, USAED, CHICAGO" to the District Engineer, or verifying to the satisfaction of the Government that the Non-Federal Sponsor has deposited such required funds in an escrow or other account acceptable to the Government, with interest accruing to the Non-Federal Sponsor, or by presenting the Government with an irrevocable letter of credit acceptable to the Government for such required funds, or by providing an Electronic Funds Transfer of such required funds in accordance with procedures established by the Government.

2. The Government shall draw from the funds provided by the Non-Federal Sponsor such sums as the Government deems necessary to cover: (a) the *non-Federal proportionate share of financial obligations for design and construction* incurred prior to the commencement of the *period of design and construction*; (b) the *non-Federal proportionate share of financial obligations for design and construction as financial obligations for design and construction* are incurred; and (c) the Non-Federal Sponsor's share of financial obligations for data recovery activities associated with historic preservation pursuant to Article XVII.B.3. of this Agreement as those financial obligations are incurred. If at any time the Government determines that additional funds will be needed from the Non-Federal Sponsor to cover the Non-Federal Sponsor's share of such financial obligations, the Government shall notify the Non-Federal Sponsor in writing of the additional funds required and provide an explanation of why additional funds are required. Within 60 calendar days from receipt of such notice, the Non-Federal Sponsor shall provide the Government with the full amount of such additional required funds through any of the payment mechanisms specified in paragraph B.1. of this Article.

C. Upon conclusion of the *period of design and construction* and resolution of all relevant claims and appeals and eminent domain proceedings, the Government shall conduct a final accounting and furnish the Non-Federal Sponsor with written notice of the results of such final accounting. If outstanding relevant claims and appeals or

eminent domain proceedings prevent a final accounting from being conducted in a timely manner, the Government shall conduct an interim accounting and furnish the Non-Federal Sponsor with written notice of the results of such interim accounting. Once all outstanding relevant claims and appeals and eminent domain proceedings are resolved, the Government shall amend the interim accounting to complete the final accounting and furnish the Non-Federal Sponsor with written notice of the results of such final accounting. The interim or final accounting, as applicable, shall determine *total project costs* and the costs of any data recovery activities associated with historic preservation. In addition, for each set of costs, the interim or final accounting, as applicable, shall determine each party's required share thereof, and each party's total contributions thereto as of the date of such accounting.

1. Should the interim or final accounting, as applicable, show that the Non-Federal Sponsor's total required shares of *total project costs* and the costs of any data recovery activities associated with historic preservation exceed the Non-Federal Sponsor's total contributions provided thereto, the Non-Federal Sponsor, no later than 90 calendar days after receipt of written notice from the Government, shall make a payment to the Government in an amount equal to the difference by delivering a check payable to "FAO, USAED, CHICAGO" to the District Engineer or by providing an Electronic Funds Transfer in accordance with procedures established by the Government.

2. Should the interim or final accounting, as applicable, show that the total contributions provided by the Non-Federal Sponsor for *total project costs* and the costs of any data recovery activities associated with historic preservation exceed the Non-Federal Sponsor's total required shares thereof, the Government, subject to the availability of funds and as limited by the *Section 219 Project Limit*, shall refund or reimburse the excess amount to the Non-Federal Sponsor within 90 calendar days of the date of completion of such accounting. In the event the Non-Federal Sponsor is due a refund or reimbursement and funds are not available to refund or reimburse the excess amount to the Non-Federal Sponsor, the Government shall seek such appropriations as are necessary to make the refund or reimbursement.

D. The Non-Federal Sponsor shall provide the contribution of funds required by Article II.H. of this Agreement for additional work in accordance with the provisions of this paragraph.

1. Not less than 60 calendar days prior to the scheduled date for the first financial obligation for additional work, the Government shall notify the Non-Federal Sponsor in writing of such scheduled date and of the full amount of funds the Government determines to be required from the Non-Federal Sponsor to cover the costs of the additional work. No later than 30 calendar days prior to the Government incurring any financial obligation for additional work, the Non-Federal Sponsor shall provide the Government with the full amount of the funds required to cover the costs of such additional work through any of the payment mechanisms specified in paragraph B.1. of this Article.

2. The Government shall draw from the funds provided by the Non-Federal Sponsor such sums as the Government deems necessary to cover the Government's financial obligations for such additional work as they are incurred. If at any time the Government determines that the Non-Federal Sponsor must provide additional funds to pay for such additional work, the Government shall notify the Non-Federal Sponsor in writing of the additional funds required and provide an explanation of why additional funds are required. Within 30 calendar days from receipt of such notice, the Non-Federal Sponsor shall provide the Government with the full amount of such additional required funds through any of the payment mechanisms specified in paragraph B.1. of this Article.

3. At the time the Government conducts the interim or final accounting, as applicable, the Government shall conduct an accounting of the Government's financial obligations for additional work incurred and furnish the Non-Federal Sponsor with written notice of the results of such accounting. If outstanding relevant claims and appeals or eminent domain proceedings prevent a final accounting of additional work from being conducted in a timely manner, the Government shall conduct an interim accounting of additional work and furnish the Non-Federal Sponsor with written notice of the results of such interim accounting. Once all outstanding relevant claims and appeals and eminent domain proceedings are resolved, the Government shall amend the interim accounting of additional work to complete the final accounting of additional work and furnish the Non-Federal Sponsor with written notice of the results of such final accounting. Such interim or final accounting, as applicable, shall determine the Government's total financial obligations for additional work and the Non-Federal Sponsor's contribution of funds provided thereto as of the date of such accounting.

a. Should the interim or final accounting, as applicable, show that the total obligations for additional work exceed the total contribution of funds provided by the Non-Federal Sponsor for such additional work, the Non-Federal Sponsor, no later than 90 calendar days after receipt of written notice from the Government, shall make a payment to the Government in an amount equal to the difference by delivering a check payable to "FAO, USAED, CHICAGO" to the District Engineer or by providing an Electronic Funds Transfer in accordance with procedures established by the Government.

b. Should the interim or final accounting, as applicable, show that the total contribution of funds provided by the Non-Federal Sponsor for additional work exceeds the total obligations for such additional work, the Government, subject to the availability of funds, shall refund the excess amount to the Non-Federal Sponsor within 90 calendar days of the date of completion of such accounting. In the event the Non-Federal Sponsor is due a refund and funds are not available to refund the excess amount to the Non-Federal Sponsor, the Government shall seek such appropriations as are necessary to make the refund.

ARTICLE VII - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both parties. Each party shall pay an equal share of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE VIII - OPERATION, MAINTENANCE, REPAIR, REHABILITATION, AND REPLACEMENT (OMRR&R)

A. Upon receipt of the notification from the District Engineer in accordance with Article II.D. of this Agreement and for so long as the *Project* remains authorized, the Non-Federal Sponsor, pursuant to Article II.E. of this Agreement, shall operate, maintain, repair, rehabilitate, and replace the entire *Project* or a completed portion thereof as the case may be, at no cost to the Government. The Non-Federal Sponsor shall conduct its operation, maintenance, repair, rehabilitation, and replacement responsibilities in a manner compatible with the *Project's* authorized purposes and in accordance with specific directions prescribed by the Government in the interim or final OMRR&R Manual and any subsequent amendments thereto.

B. The Non-Federal Sponsor hereby gives the Government a right to enter, at reasonable times and in a reasonable manner, upon property that the Non-Federal Sponsor now or hereafter owns or controls for access to the *Project* for the purpose of inspection, if the Government determines an inspection to be necessary. If an inspection shows that the Non-Federal Sponsor for any reason is failing to perform its obligations under this Agreement, the Government shall send a written notice describing the non-performance to the Non-Federal Sponsor.

ARTICLE IX – HOLD AND SAVE

The Non-Federal Sponsor shall hold and save the Government free from all damages arising from design, construction, operation, maintenance, repair, rehabilitation, and replacement of the *Project* and any *betterments*, except for damages due to the fault or negligence of the Government or its contractors.

ARTICLE X - MAINTENANCE OF RECORDS AND AUDIT

A. Not later than 60 calendar days after the effective date of this Agreement, the Government and the Non-Federal Sponsor shall develop procedures for keeping books,

records, documents, or other evidence pertaining to costs and expenses incurred pursuant to this Agreement. These procedures shall incorporate, and apply as appropriate, the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments at 32 C.F.R. Section 33.20. The Government and the Non-Federal Sponsor shall maintain such books, records, documents, or other evidence in accordance with these procedures and for a minimum of three years after completion of the accounting for which such books, records, documents, or other evidence were required. To the extent permitted under applicable Federal laws and regulations, the Government and the Non-Federal Sponsor shall each allow the other to inspect such books, records, documents, or other evidence.

B. In accordance with 32 C.F.R. Section 33.26, the Non-Federal Sponsor is responsible for complying with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507), as implemented by Office of Management and Budget (OMB) Circular No. A-133 and Department of Defense Directive 7600.10. Upon request of the Non-Federal Sponsor and to the extent permitted under applicable Federal laws and regulations, the Government shall provide to the Non-Federal Sponsor and independent auditors any information necessary to enable an audit of the Non-Federal Sponsor's activities under this Agreement. The costs of any non-Federal audits performed in accordance with this paragraph shall be allocated in accordance with the provisions of OMB Circulars A-87 and A-133, and such costs as are allocated to the *Project* shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

C. In accordance with 31 U.S.C. 7503, the Government may conduct audits in addition to any audit that the Non-Federal Sponsor is required to conduct under the Single Audit Act Amendments of 1996. Any such Government audits shall be conducted in accordance with Government Auditing Standards and the cost principles in OMB Circular No. A-87 and other applicable cost principles and regulations. The costs of Government audits performed in accordance with this paragraph shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

ARTICLE XI - FEDERAL AND STATE LAWS

In the exercise of their respective rights and obligations under this Agreement, the Non-Federal Sponsor and the Government shall comply with all applicable Federal and State laws and regulations, including, but not limited to: Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d) and Department of Defense Directive 5500.11 issued pursuant thereto; Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army"; and all applicable Federal labor standards requirements including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)).

ARTICLE XII - RELATIONSHIP OF PARTIES

A. In the exercise of their respective rights and obligations under this Agreement, the Government and the Non-Federal Sponsor each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other.

B. In the exercise of its rights and obligations under this Agreement, neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights the other party may have to seek relief or redress against that contractor either pursuant to any cause of action that the other party may have or for violation of any law.

ARTICLE XIII - TERMINATION OR SUSPENSION

A. If at any time the Non-Federal Sponsor fails to fulfill its obligations under this Agreement, the Assistant Secretary of the Army (Civil Works) shall terminate this Agreement or suspend future performance under this Agreement unless he determines that continuation of work on the *Project* is in the interest of the United States.

B. In the event future performance under this Agreement is suspended pursuant to Article II.C.2. of this Agreement, such suspension shall remain in effect until such time that the Government notifies the Non-Federal Sponsor in writing that sufficient Federal funds are available to meet the Federal share of *total project costs* and the Federal share of costs for data recovery activities associated with historic preservation in accordance with Article XVII.B.2. and Article XVII.B.3. of this Agreement the Government projects to be incurred through the then-current or upcoming *fiscal year*, or the Government or the Non-Federal Sponsor elects to terminate this Agreement.

C. In the event that the Government and the Non-Federal Sponsor determine to suspend future performance under this Agreement in accordance with Article XIV.C. of this Agreement, such suspension shall remain in effect until the Government and the Non-Federal Sponsor agree to proceed or to terminate this Agreement. In the event that the Government suspends future performance under this Agreement in accordance with Article XIV.C. of this Agreement due to failure to reach agreement with the Non-Federal Sponsor on whether to proceed or to terminate this Agreement, or the failure of the Non-Federal Sponsor to provide funds to pay for cleanup and response costs or to otherwise discharge the Non-Federal Sponsor's responsibilities under Article XIV.C. of this Agreement, such suspension shall remain in effect until: 1) the Government and Non-Federal Sponsor reach agreement on how to proceed or to terminate this Agreement; 2) the Non-Federal Sponsor provides funds necessary to pay for cleanup and response costs and otherwise discharges its responsibilities under Article XIV.C. of this Agreement; 3) the Government continues work on the *Project*; or 4) the Government terminates this Agreement in accordance with the provisions of Article XIV.C. of this Agreement.

D. If after completion of the design portion of the *Project* the parties mutually agree in writing not to proceed with construction of the *Project*, the parties shall conclude their activities relating to the *Project* and conduct an accounting in accordance with Article VI.C. of this Agreement.

E. In the event that this Agreement is terminated pursuant to this Article or Article II.C. or Article XIV.C. of this Agreement, both parties shall conclude their activities relating to the *Project* and conduct an accounting in accordance with Article VI.C. of this Agreement. To provide for this eventuality, the Government may reserve a percentage of total Federal funds made available for the *Project* and an equal percentage of the total funds contributed by the Non-Federal Sponsor in accordance with Article II.B.2. and Article XVII.B.3. of this Agreement as a contingency to pay costs of termination, including any costs of resolution of contract claims and contract modifications.

F. Any termination of this Agreement or suspension of future performance under this Agreement in accordance with this Article or Article II.C. or Article XIV.C. of this Agreement shall not relieve the parties of liability for any obligation previously incurred. Any delinquent payment owed by the Non-Federal Sponsor shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13 week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3 month period if the period of delinquency exceeds 3 months.

ARTICLE XIV - HAZARDOUS SUBSTANCES

A. After execution of this Agreement and upon direction by the District Engineer, the Non-Federal Sponsor shall perform, or ensure performance of, any investigations for hazardous substances that the Government or the Non-Federal Sponsor determines to be necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (hereinafter "CERCLA") (42 U.S.C. 9601-9675), that may exist in, on, or under lands, easements, and rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for construction, operation, and maintenance of the *Project*. However, for lands, easements, and rights-of-way that the Government determines to be subject to the navigation servitude, only the Government shall perform such investigations unless the District Engineer provides the Non-Federal Sponsor with prior specific written direction, in which case the Non-Federal Sponsor shall perform such investigations in accordance with such written direction.

1. All actual costs incurred by the Non-Federal Sponsor for such investigations for hazardous substances shall be included in *total project costs* and shared in accordance with the provisions of this Agreement, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

2. All actual costs incurred by the Government for such investigations for hazardous substances shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

B. In the event it is discovered through any investigation for hazardous substances or other means that hazardous substances regulated under CERCLA exist in, on, or under any lands, easements, or rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for construction, operation, and maintenance of the *Project*, the Non-Federal Sponsor and the Government, in addition to providing any other notice required by applicable law, shall provide prompt written notice to each other, and the Non-Federal Sponsor shall not proceed with the acquisition of the real property interests until the parties agree that the Non-Federal Sponsor should proceed.

C. The Government and the Non-Federal Sponsor shall determine whether to initiate construction of the *Project*, or, if already in construction, whether to continue with construction of the *Project*, suspend future performance under this Agreement, or terminate this Agreement for the convenience of the Government, in any case where hazardous substances regulated under CERCLA are found to exist in, on, or under any lands, easements, or rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for construction, operation, and maintenance of the *Project*. Should the Government and the Non-Federal Sponsor determine to initiate or continue with construction of the *Project* after considering any liability that may arise under CERCLA, the Non-Federal Sponsor shall be responsible, as between the Government and the Non-Federal Sponsor, for the costs of cleanup and response, including the costs of any studies and investigations necessary to determine an appropriate response to the contamination. Such costs shall not be considered a part of *total project costs*. In the event the Non-Federal Sponsor does not reach agreement with the Government on whether to proceed or to terminate this Agreement under this paragraph, or fails to provide any funds necessary to pay for cleanup and response costs or to otherwise discharge the Non-Federal Sponsor's responsibilities under this paragraph upon direction by the Government, the Government, in its sole discretion, may either terminate this Agreement for the convenience of the Government, suspend future performance under this Agreement, or continue work on the *Project*.

D. The Non-Federal Sponsor and the Government shall consult with each other in accordance with Article V of this Agreement in an effort to ensure that responsible parties bear any necessary cleanup and response costs as defined in CERCLA. Any decision made pursuant to paragraph C. of this Article shall not relieve any third party from any liability that may arise under CERCLA.

E. As between the Government and the Non-Federal Sponsor, the Non-Federal Sponsor shall be considered the operator of the *Project* for purposes of CERCLA liability. To the maximum extent practicable, the Non-Federal Sponsor shall operate, maintain, repair, rehabilitate, and replace the *Project* in a manner that will not cause liability to arise under CERCLA.

ARTICLE XV - NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or sent by telegram or mailed by first-class, registered, or certified mail, as follows:

If to the Non-Federal Sponsor:
Village Manager
Village of La Grange Park
447 N. Catherine Avenue
La Grange Park, Illinois 60526

If to the Government:
U.S. Army Engineer, Chicago District
111 N. Canal St., Ste. 600
Chicago, IL 60606

B. A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

C. Any notice, request, demand, or other communication made pursuant to this Article shall be deemed to have been received by the addressee at the earlier of such time as it is actually received or seven calendar days after it is mailed.

ARTICLE XVI - CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.

ARTICLE XVII - HISTORIC PRESERVATION

A. The Government, as it determines necessary for the *Project*, shall perform any identification, survey, or evaluation of historic properties. Any costs incurred by the Government for such work shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

B. The Government, as it determines necessary for the *Project*, shall perform or ensure the performance of any mitigation activities or actions for historic properties or that are otherwise associated with historic preservation including data recovery activities.

1. Any costs incurred by the Government for such mitigation activities, except for data recovery activities associated with historic preservation, shall be included in *total project costs* and shared in accordance with the provisions of this Agreement.

2. As specified in Section 7(a) of Public Law 86-523, as amended by Public Law 93-291 (16 U.S.C. 469c(a)), the costs of data recovery activities associated with historic preservation for this *Project* and all other elements of the Section 219 Assistance Project shall be borne entirely by the Government up to the statutory limit of one percent of the total amount authorized to be appropriated to the Government for the Section 219 Assistance Project. None of the costs of data recovery activities associated with historic preservation up to such one percent limit shall be included in *total project costs*.

3. The Government shall not incur costs for data recovery activities associated with historic preservation that exceed the statutory one percent limit specified in paragraph B.2. of this Article unless and until the Assistant Secretary of the Army (Civil Works) has waived that limit and the Secretary of the Interior has concurred in the waiver in accordance with Section 208(3) of Public Law 96-515, as amended (16 U.S.C. 469c-2(3)). Any costs of data recovery activities associated with historic preservation that exceed the one percent limit shall not be included in *total project costs* but shall be shared between the Non-Federal Sponsor and the Government consistent with the cost sharing requirements for the Section 219 Program, as follows: 25 percent will be borne by the Non-Federal Sponsor and 75 percent will be borne by the Government.

C. If, during its performance of *relocations* in accordance with Article III of this Agreement, the Non-Federal Sponsor discovers historic properties or other cultural resources that have not been evaluated by the Government pursuant to this Article, the Non-Federal Sponsor shall provide prompt written notice to the Government of such discovery. The Non-Federal Sponsor shall not proceed with performance of the *relocation* that is related to such discovery until the Government provides written notice to the Non-Federal Sponsor that it should proceed with such work.

ARTICLE XVIII - THIRD PARTY RIGHTS, BENEFITS, OR LIABILITIES

Nothing in this Agreement is intended, nor may be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever in any third person not party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the U.S. Army Engineer, Chicago District.

DEPARTMENT OF THE ARMY

VILLAGE OF LA GRANGE PARK

BY: _____
FREDERIC A. DRUMMOND, JR
COL, EN
Commanding

BY: _____
JULIA CEDILLO
Village Manager
Village of La Grange Park, Illinois

DATE: _____

DATE: _____

CERTIFICATE OF AUTHORITY

I, _____, do hereby certify that I am the principal legal officer of the Village of La Grange Park, Cook County, Illinois, that the Village of La Grange Park, Cook County, Illinois is a legally constituted public body with full authority and legal capability to perform the terms of the Agreement between the Department of the Army and the Village of La Grange Park, Cook County, Illinois in connection with the Village of La Grange Park, LaGrange Road Water Main Replacement Project , and to pay damages, if necessary, in the event of the failure to perform in accordance with the terms of this Agreement and that the persons who have executed this Agreement on behalf of the Village of La Grange Park, Cook County, Illinois have acted within their statutory authority.

IN WITNESS WHEREOF, I have made and executed this certification this _____ day of _____ 20____.

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Julia Cedillo
Village Manager
Village of La Grange Park, Illinois

DATE: _____

VILLAGE BOARD AGENDA MEMO

DATE: July 5, 2012

TO: Village President and Board of Trustees

FROM: Rick Radde, Chief Water Operator *RR*
Brendan McLaughlin, Director of Public Works *BSM*
Julia Cedillo, Village Manager *JC*

RE: New Fire Hydrants/Hydrant Modification Kits – Open Purchase Order

GENERAL BACKGROUND

The Public Works Department is seeking approval from the Board to have an open Purchase Order with HD Supply Waterworks, for the purchase of new fire hydrants and/or fire hydrant modification kits. The Purchase Order would have a "not to exceed" total amount of \$40,000.

The Department budgeted \$40,000 (#03-44-5-472, Water Distribution – Supplies, Materials for Water Mains) in the FY2012-2013 Budget for hydrant purchases.

In 2009 the PW Department purchased the necessary tools to allow the rebuilding of current fire hydrants, instead of replacing them with new fire hydrants. By rebuilding the fire hydrants the Village is able to save a substantial amount of money in both hardware and labor for the installation.

Currently the Department is in need of 10 hydrant modification kits, with each kit costing approximately \$2,100 to \$2,365 (depending on the type of hydrant), to upgrade leaking fire hydrants. An open Purchase Order, not to exceed \$40,000, would allow the Department to purchase modification kits throughout the 2012-2013 budget year, instead of storing a large number on-site. This open Purchase Order would also allow the Department to purchase new fire hydrants, should it become necessary (caused by accidents where the hydrant cannot be repaired).

HD Supply Waterworks is the Village's vendor for all water and sewer parts and supplies.

MOTION / ACTION REQUESTED

Motion approving an Open Purchase Order, not to exceed a total amount of \$40,000.00, with HD Supply Waterworks for the purchase of fire hydrant modification kits or new fire hydrants.

RECOMMENDATION

Staff recommends the approval from the Board of an Open Purchase Order, not to exceed \$40,000, with HD Supply Waterworks for the purchase of fire hydrant modification kits or new fire hydrants.

Village Manager's Report

Village Board Agenda Memo

Date: July 5, 2012

To: President and Board of Trustees

From: Julia Cedillo, Village Manager *JC*

Re: **Presentation – Police Pension Fund Actuarial Valuation**

BACKGROUND

The FY 12-13 Budget includes a Police Pension Payment in the amount of \$730,000. This level of funding is in accordance with 36f of Statement No. 25 of the Governmental Accounting Standards Board (GASB) of \$729,058, or 42.65% of payroll.

As the Board may recall, funding at this level is a departure from the Village's past practice of funding according to the State's Actuarially Determined Tax Levy. As a result of recent changes to Illinois Pension law, the State of Illinois was not positioned to release their annual notice of Actuarially Determined Tax Levy to municipalities. Therefore, this year, the Police Pension Board enlisted the services of an independent actuarial valuation for the fund. The actuarial report provided by Tepfer Consulting Group, Ltd. provided three levels of funding for the Village to consider:

- In accordance with 40 ILSC 5/3, Section 125 (Statutorily Required Contribution) of \$651,352 or 38.10% of member payroll.
- A Tepfer recommended contribution of \$849,803 or 49.71% of payroll.
- A required contribution in accordance with paragraph 36f of Statement No. 25 of the Governmental Accounting Standards Board (GASB) of \$729,058, or 42.65% of payroll.

Upon the approval of the FY 2012-13 Budget, the Finance Committee recommended and the Village Board approved funding the Police Pension at the GASB level. It was determined that funding the police pension contribution at this level would improve the overall funding level of the Police Pension Fund and avoid the notation of a Net Pension Obligation in our financial statement.

FOLLOW UP

Art Tepfer of Tepfer Consulting Group will provide a brief presentation on the Police Pension Fund Actuarial Statement at the July Work Session. Mr. Tepfer will explain the three levels of funding outlined in his November 2011 report. This presentation provides the Village Board an opportunity to ask questions regarding the actuarial process and understand the methodologies and assumptions used with regard to each actuarial funding level.

MOTION/ACTION REQUESTED

For presentation and discussion only.

ATTACHMENT

Police Pension Fund Actuarial Valuation, dated November 2011 (*Previously distributed with the FY 2012-2013 Budget*)

**VILLAGE OF LAGRANGE PARK
POLICE PENSION FUND**

**ACTUARIAL VALUATION
AS OF MAY 1, 2011 FOR THE
FISCAL YEAR ENDING APRIL 30, 2012**

November 1, 2011

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Tepfer Consulting Group, Ltd. was retained by the Village of LaGrange Park and the Village of LaGrange Park Police Pension Fund to perform an independent actuarial valuation for the Police Pension Fund. This valuation is permitted under 40 ILCS 5/22, Section 503.2.

The actuarial valuation was performed for the year ended April 30, 2012 and indicates a statutorily required contribution in accordance with 40 ILCS 5/3, Section 125 of \$651,352 or 38.10% of member payroll, a recommended minimum contribution of \$849,803 or 49.71% of payroll, and an Annual Required Contribution in accordance with paragraph 36f of Statement No. 25 of the Governmental Accounting Standards Board of \$729,058 or 42.65% of payroll. These contributions are net of contributions made by active member police officers during the fiscal year.

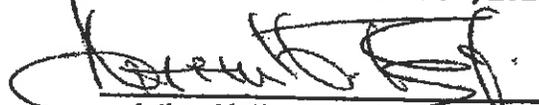
The results shown in this report have been calculated under the supervision of a qualified Actuary as defined in appropriate State statutes. All results are based upon demographic data submitted by the Police Pension Fund, financial data submitted by the Police Pension Fund, applications of actuarial assumptions, and generally accepted actuarial methods.

In our opinion, all calculations and procedures are in conformity with generally accepted actuarial principles and practices; and the results presented comply with the requirements of the applicable State statute, Actuarial Standards Board, or Statements of Governmental Accounting Standards, as applicable.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and future expectations, and represent a reasonable and adequate approach to the financing of the retirement program. The costs, actuarial liabilities and other information presented in this report, in our opinion, fully and fairly disclose the actuarial position of the plan.

I, Arthur H. Tepfer, am an Enrolled Actuary in good standing under the Employee Retirement Income Security Act of 1974. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I certify that the results presented in this report are accurate and correct to the best of my knowledge.

TEPFER CONSULTING GROUP, LTD.



**Arthur H. Tepfer, A.S.A., M.A.A.
Enrolled Actuary #11-02352**

November 1, 2011

VALUATION OBJECTIVES

The Village of LaGrange Park Police Pension Fund provides benefits to members when they retire, die, become disabled or terminate employment. As with any plan providing these types of benefits, an appropriate budgeting pattern must be established to enable appropriate funds to be accumulated to meet all payments when due. The actual cost of the plan can best be expressed in the following simplistic manner:

ACTUAL COST EQUALS

Benefits Paid

Plus

Expenses Paid

Less

Investment Income Earned

If the actual cost is incurred on a "pay as you go" basis, then the future generations of members will be paying for the benefits of current plan participants. Proper financial planning calls for budgeting the actual cost of the plan over the working lifetime of current plan membership in order to establish an equitable allocation. An actuarial valuation is the procedure used to determine an appropriate amount to be contributed to the pension plan each year in order to attain this equity.

An actuarial valuation is an estimate at a particular point in time of the predicted incidence of the future benefit costs. Since the total actual cost of the plan is essentially unknown, pre-funding (budgeting for future benefit costs) requires certain assumptions about future events. Assumptions are made for such things as salary increases, terminations of participants, disablement of participants, death of participants and anticipated investment earnings. These assumptions, although not affecting the actual costs of the plan, will affect the incidence of predicted future costs. For proper funding, it is required that the Actuary select assumptions which are appropriate in light of the economic, demographic, and legislative environment as they relate to the pension program. The assumptions we have made concerning these future events are described more fully in Appendix 2 of this report. Based on these assumptions, a projection of future benefits was made and a current contribution level sufficient to provide the anticipated benefit payments was determined through the use of an actuarial cost method.

VALUATION OBJECTIVES
(Continued)

Selection of the Actuarial Cost Method

An actuarial cost method, sometimes called a "funding method", therefore, is essentially an approach to budgeting the estimated future costs. There are many actuarial cost methods which are available to the actuary and each method operates differently. However, all funding methods accomplish the same objective—to assign to each fiscal year of the employer the portion assumed to have accrued in that year. The portion of the actuarial value of benefits assigned to a particular year in respect of an individual participant or the fund as a whole is called the *normal cost*. All funding methods are described by how the normal cost is calculated.

The actuarial cost method prescribed by the State statutes to determine the *statutorily minimum required contribution* for periods on or after January 1, 2011 is the Projected Unit Credit Cost Method. Under this actuarial cost method, the ongoing cost as a percentage of total payroll will increase. In this method, the normal cost is determined by first calculating the projected dollar amount of each participant's accumulated benefit under the plan as of both the first day of the fiscal year and as of the last day of the fiscal year and then determining the difference between these two amounts. The second step in deriving the normal cost for a given participant is to multiply the dollar amount of this difference by the actuarial present value of \$1 of benefit.

The actuarial cost method selected by our firm to determine the *recommended plan contribution* is the Entry Age Normal Cost Method. Under this actuarial cost method, ideally, the ongoing cost as a percentage of total payroll should remain fairly stable. In this method, the normal cost is determined by assuming each participant covered by the plan entered the plan under the same conditions that will apply to future plan entrants. The annual normal cost assigned to each year of an employee's career is calculated as a level percentage of the employee's assumed earnings each year. These normal costs accumulate to the present value of the employee's benefit at retirement age.

Under both the Entry Age Normal Cost Method and the Projected Unit Credit Cost Method, the total funding of projected benefit costs is allocated between an unfunded liability, representing past benefit history, and future normal costs. This allocation is based on the assumption that the municipality will pay the normal cost for each plan year on a regular basis. It should be noted that although the term "unfunded liability" is applied to both funding methods, the resulting amount is different because of the method of calculation. Another feature of these methods is that only the unfunded liability is affected by the experience of the plan, and therefore any adjustments are made in the future amortization payments.

In addition to the methodology changes described above, P.A. 96-1495 also addressed the valuation of pension fund assets—the second component in the determination of the unfunded liability. The statute now provides that the actuarial value of a pension fund's assets be set equal to the market value of the assets on March 30, 2011 and that, in determining the actuarial value of assets after that date, any actuarial gains or losses from investment returns incurred in a fiscal year be recognized in equal amounts over the 5-year period following that fiscal year.

**VALUATION OBJECTIVES
(Continued)**

The actuarial valuation process is usually repeated each year and is to a certain extent self-correcting. As part of these actuarial cost methods, any deviation of actual experience from the chosen actuarial assumptions will be reflected in future contributions. A complete description of these actuarial cost methods is explained in Appendix 4 of this report.

Appendix 3 of this report contains a summary of the principal provisions of the applicable statute.

Despite the statutory language which requires an application of the Projected Unit Credit method, we feel that funding under this method as a *level percentage of payroll* severely undermines the benefit security of the retirement system and transfers the payment for currently earned pensions to future generations of taxpayers. For these reasons, our valuation report presents a recommended minimum contribution which will operate to maintain the fundamental fiscal soundness of the retirement program, although a statutorily required contribution has also been calculated. The calculation of the recommended minimum contribution is based upon an amortization payment of 90% of any unfunded accrued liabilities as a *level dollar amount* over 30 years from January 1, 2011, the effective date of P.A. 96-1495. The calculation of the statutorily required contribution is based upon an amortization payment of 90% of any unfunded accrued liabilities as a *level percentage of payroll* over 30 years from January 1, 2011, the effective date of P.L. 96-1495.

Although, I do not agree with the statutorily required level percentage of payroll methodology of determining the amortization of the unfunded accrued liability, I would be remiss if I did not advise my funds as to a "statutorily" acceptable calculation under the State law. *I patently consider the calculation methodology under the statute to be actuarially unsound for funding of municipal retirement programs.*

Effective for periods beginning after June 15, 1996, the Governmental Accounting Standards Board has issued Statement No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans". This Statement establishes a financial reporting framework for defined benefit pension plans that distinguishes between two categories of information: (a) current financial information about plan assets and financial activities and (b) actuarially determined information, from a long-term perspective, about the funded status of the plan and the progress being made in accumulating sufficient assets to pay benefits when due. The calculation of the Annual Required Contribution (ARC) is described in paragraph 36f of the Statement and is based upon an amortization payment of any unfunded accrued liabilities as either a level dollar amount or a level percentage of total payroll over a maximum of 40 years from the effective date of the Statement. Any significant increase in the total unfunded actuarial liability resulting from a change in actuarial methodology should be amortized over a period not less than 10 years.

Factors Influencing the Choice of Actuarial Assumptions

As part of the consulting process, it is our policy to talk with selected members of the Board of Trustees and the Sponsor's representatives for the Village of LaGrange Park Police Pension Fund in order to obtain information which will enable the Actuary to properly choose the actuarial assumptions which are most appropriate for the current cost determination for the pension fund.

VALUATION OBJECTIVES
(Continued)

Prior to the meeting, statistics are compiled concerning historical investment returns, salary increases, retirement incidence and other factors which are influential in the actuarial assumption setting process. Based upon an analysis of the specifics as they relate to the Village of LaGrange Park Police Pension Fund and a general understanding of the inter-relationships of the actuarial assumptions, the Board, the Sponsor and the Actuary reach a mutual agreement as to the assumptions which will be used in the current actuarial valuation.

Published statistics regarding experience for police and firefighters are available from the State of Illinois Department of Insurance. These statistics form the basis of the actuarial assumptions selected by the State Actuary in the valuation of pension funds covered under the Downstate Pension System. We have found in our consulting, that whenever appropriate, the actuarial assumptions used by the State Actuary are relied upon as a starting point. However, in order to make the calculations more "LaGrange Park-sensitive", the analysis of the actual historical performance is carefully examined.

Demographic considerations

For this valuation it was noted that the force is reasonably stable as to its size and demographic composition. In the current valuation, it was observed that the number of inactive participants (22, exclusive of terminated participants who are due a refund of their contributions) as compared to active participants (21) in the Fund is measurably higher than the State average (51% of the total participants are inactive as compared to a State average of 38%); however on a liability basis the Fund is at the State averages. Approximately 53%-56% of the Fund's total liability is attributed to inactive participants compared to a State average of about 53%. This means that the fund is in a similar demographic position compared to other Police funds in the State. Additionally, the average age and service of the active participating group is similar to the State average.

There are currently 2 police officers who are eligible to retire and 4 officers who will become eligible in the next 5 years. This represents about 28% of the current active group. For the short term, pension payments are now generally fixed and overall financial planning can be achieved. Absent a large growth in the active force, with proper funding, the fund's position should become even more favorable for the foreseeable future. The fund is in a reasonably strong financial position.

Unfortunately, a large portion of the assets available for investment (110%) has been committed to provide benefits for existing pensioners and beneficiaries. This means that all of the assets in the plan are already dedicated to cover the liabilities for the currently retired participants. Additionally, pension disbursements on an annual basis total approximately \$1 million and investment earnings are currently sufficient to provide for these payments on an ongoing basis and have been for the past years.

Even with improved investment returns, the maturing of the employee group requires that the fund be carefully monitored during the next few years to assure that an orderly funding progress is maintained. If investment income becomes insufficient to pay the existing pensioners, then Village and participant contributions must be used.

VALUATION OBJECTIVES
(Continued)

As indicated earlier, the average age and service of the active participating group is at the State average, and at this time, the pension rolls are not rapidly growing, but liabilities continue to increase. We will monitor closely the retirement patterns which emerge in later years to assure that the appropriate retirement rates are in place for our analysis.

Financial considerations

In these uncertain times, the fund continues to experience very limited short-term investment growth as can be noted in the charts in Section 5B and 5C of this valuation. Furthermore, the fund continues to maintain adequate funded ratios. The fund continues to earn marginal rates of return over the long term. As shown in Exhibit 5-C of our report, the composite rate of return for the fund since 2006 is 5.64%.

Selection of assumptions

For a variety of reasons, we find the demographic assumptions used by the Department of Insurance and the prior actuary to be inappropriate for the Downstate system. As a result of the publication of a recent independent study analyzing demographic experience among police and fire pension funds in the Downstate System, we have chosen to change the retirement, disability and withdrawal assumptions.

Additionally, recent improvements in mortality dictate the use of a more modern mortality table than used by the prior actuary. We have chosen to use a blue collar modification of the recently published RP-2000 Mortality Table to properly reflect recent mortality improvements.

Comparative salary increases and the average rates of investment return over the past years indicate that the general financial assumptions used by the prior actuary are inappropriate for this Fund.

Based mainly upon the comparative rate of funding (53%-56%), as well as a comparison of actual rates of investment return to salary increases, a 7.00% assumed investment return rate was deemed acceptable as a long-term assumption to be used in determining the funding requirements for the year May 1, 2011 to April 30, 2012. This rate was chosen to reflect the portfolio composition, investment philosophy and historical performance as compared to other funds in the State. This 6.50% rate includes an inflation component of 2.00%.

Furthermore, as a result of a recent study performed by our firm, we are changing the actuarial assumption with regard to salary increases for active participants to a table which is more representative of increases in the Downstate system. The results of this study indicate that salaries increase more rapidly in the earlier years of employment and level off in the later years. The prior actuary's assumption anticipated a constant annual increase in salaries and we believe that in our current environment and in analyzing the recent actual salary growth in your fund, which is reasonably flat, this approach is inappropriate. Consistent with the investment assumption, these tabular rates include an inflation component of 2.00%.

**VALUATION OBJECTIVES
(Continued)**

In an effort to further our generalized approach to provide a smooth contribution pattern of funding, in our calculations of the statutory minimum contribution we have selected a 4.50% static payroll growth assumption rather than a dynamic assumption based upon actual experience each year. This methodology will produce a more stable and manageable contribution throughout the life of the program.

Finally, a change in the method of valuing assets, which will be mandated by State Law as of March 30, 2011, was early implemented beginning with this valuation to properly account for the market value fluctuations which may occur in a managed portfolio. Retroactively starting with assets as of May 1, 2009, we have chosen to use the mandated actuarial smoothing methodology to record only a portion of the portfolio's performance each year. A complete description of this method is contained in Appendix 2.

Comparison with Other Funds

We are including a comparison to certain State averages which may prove helpful in assessing how the fund compares to similarly situated programs.

	<u>La Grange Park (2011)</u>		<u>State*</u>
	<u>EANC</u>	<u>PUC</u>	
Funded Ratio	53.22%	55.82%	56.18%
Percentage of Liability for Inactives	65.75%	68.97%	52.55%
Percentage of Total Assets for Inactives (market basis)	110.33%		93.52%

* Based upon published reports for FYE 2008

Thirty-year Projection of Liabilities

The final section of our report illustrates projected payments from the Trust Fund for a 30-year period commencing with the valuation date. These projections are based upon the actuarial assumptions selected for the fund concerning death, disability and retirement actually occurring. Care should be taken in interpreting or relying on these results— particularly for Funds with fewer than 200 participants. The credibility of this type of projection is rarely realized beyond 10 years. Exhibit 5D presents this projection.

RESULTS OF VALUATION

The following exhibits present the results of our actuarial valuation of the Village of LaGrange Park Police Pension Fund for the fiscal year May 1, 2011 through April 30, 2012.

Exhibit 1 indicates that the recommended minimum contribution, calculated using the Entry Age Normal Cost method (EANC), from the Village is \$849,803 or 49.71% of total participating payroll. Under the Entry Age Normal actuarial cost method selected, this percentage of payroll should remain reasonably level over the lifetime of the plan.

Exhibit 1 also indicates that the statutory minimum contribution, calculated using the Projected Unit Credit method (PUC), from the Village is \$651,352 or 38.10% of total participating payroll. Under the Projected Unit Credit actuarial cost method selected, this percentage of payroll should increase over the lifetime of the plan.

Exhibits 2 and 3 provide specific information used to develop the recommended minimum and statutorily required Village contribution.

Exhibit 4 presents a brief description of the demographic characteristics of the current member group.

Exhibit 5 shows information relating to the pension assets.

Appendix 1 provides information in accordance with the Governmental Accounting Standards Board relating to financial disclosure of pension costs in the auditor's report.

**GENERAL VALUATION RESULTS FOR FISCAL YEAR
MAY 1, 2011 THROUGH APRIL 30, 2012**

Recommended Minimum Contribution

1.	Entry Age Normal Cost:	\$ 386,354
2.	Unfunded Actuarial Accrued Liability (or Surplus):	9,346,548
3.	Actuarial Value of Assets:	10,632,244
4.	Annual Salaries of Active Police Officers:	1,635,939
5.	Recommended Minimum Contribution from the Village:	849,803
	Contribution Percentage:	49.71%*

Statutory Minimum Contribution

1.	Projected Unit Credit Normal Cost:	\$ 453,706
2.	Unfunded Actuarial Accrued Liability (or Surplus):	8,415,665
3.	Actuarial Value of Assets:	10,632,244
4.	Annual Salaries of Active Police Officers:	1,635,939
5.	Statutory Minimum Contribution from the Village:	651,352
	Contribution Percentage:	38.10%*

* Projected for the fiscal year ending April 30, 2012.

VILLAGE OF LAGRANGE PARK
POLICE PENSION FUND

SUMMARY OF RESULTS
EXHIBIT 2

SUMMARY OF SPECIFIC VALUATION RESULTS

	<u>Number</u>	<u>Actuarial Present Value of Projected Benefits</u>	<u>Entry Age Normal Cost</u>	<u>Projected Unit Credit Normal Cost</u>
1. Active Police Officers:	21			
Retirement Pension:		\$8,707,543	\$269,226	\$372,390
Survivors Pension:		297,403	16,396	18,712
Disability Pension:		1,062,629	72,709	51,857
Withdrawal Pension:		291,592	28,023	15,747
TOTAL	21	\$10,359,167	\$386,354	\$453,706
2. Inactive Police Officers and Survivors:				
Normal Retirees:	19	\$11,532,443		
Widows (Survivors):	1	190,215		
Children (Survivors):	0	0		
Disabled Retirees:	2	1,414,699		
Deferred Vested:	0	0		
Terminated/Separated:	0	0		
TOTAL	22	\$13,137,357		

**VILLAGE OF LAGRANGE PARK
POLICE PENSION FUND**

**SUMMARY OF RESULTS
EXHIBIT 2**

**SUMMARY OF SPECIFIC VALUATION RESULTS
(Continued)**

	<u>Entry Age Normal (EAN)</u>	<u>Projected Unit Credit (PUC)</u>
3. Total Actuarial Present Value of Projected Benefits:	\$23,496,524	N/A
4. Actuarial Present Value of Future Normal Costs:	3,517,732	N/A
5. Actuarial Accrued Liability: [(3) - (4)]	19,978,792	19,047,909
6. Actuarial Value of Assets:	10,632,244	10,632,244
7. Unfunded Actuarial Accrued Liability (or Surplus): [(5) - (6)]	9,346,548	8,415,665
8. Funded Ratio Percentage: [(6) ÷ (5)] x 100	53.22%	55.82%

DEVELOPMENT OF RECOMMENDED MINIMUM VILLAGE CONTRIBUTION

	Fiscal Year May 1, 2011 through <u>April 30, 2012</u>
1. Entry Age Normal Cost:	\$386,354
2. Recommended Minimum Payment to Amortize 90 % of the Entry Age Normal Unfunded Accrued Liability as a level dollar amount over 29.00205 Years from May 1, 2011:	559,370
3. Interest on (1) and (2):	66,201
4. Credit for Surplus:	0
5. Initial Recommended Minimum Contribution for Fiscal Year 2012: [(1) + (2) + (3) + (4)]	1,011,925
6. Statutory Minimum Contribution (Exhibit 3B line 5):	813,474
7. Total Recommended Minimum Contribution for Fiscal Year 2012: [Greater of Line 5 and Line 6]	1,011,925
8. Active Member Contributions (9.91% of Salaries):	162,122
9. Net Recommended Minimum Village Contribution: [(7) - (8)]	849,803

**DEVELOPMENT OF STATUTORILY REQUIRED VILLAGE CONTRIBUTION
(NOTE THAT THIS CONTRIBUTION CALCULATION IS NOT RECOMMENDED)**

	Fiscal Year May 1, 2011 through <u>April 30, 2012</u>
1. Projected Unit Credit Normal Cost:	\$453,706
2. Minimum Payment to Amortize 90% of the Projected Unit Credit Unfunded Accrued Liability as a level percentage of payroll over 29.00205 Years from May 1, 2011:	306,550
3. Interest on (1) and (2):	53,218
4. Credit for Surplus:	0
5. Total Statutorily Required Contribution for Fiscal Year 2012: [(1) + (2) + (3) + (4)]:	813,474
6. Active Member Contributions (9.91% of Salaries):	162,122
7. Net Statutorily Required Village Contribution: [(5) - (6)]:	651,352

SUMMARY OF DEMOGRAPHIC INFORMATION AS OF MAY 1, 2011

	<u>Number</u>	<u>Projected Annual Salaries (Fiscal Year 2012)</u>
Active Police Officers:	21	\$1,635,939

	<u>Number</u>	<u>Total Monthly Benefits</u>
Normal Retirees:	19	\$ 77,165
Survivors (Widows):	1	1,700
Survivors (Children):	0	0
Disabled Retirees:	2	6,877
Deferred Vested:	0	0
Terminated/Separated:	0	0 *

* Return of Contributions

The actuarial valuation was performed as of May 1, 2011 to determine contribution requirements for fiscal year 2012.

VILLAGE OF LAGRANGE PARK
POLICE PENSION FUND

SUMMARY OF RESULTS
EXHIBIT 4-B

AGE AND SERVICE DISTRIBUTION

Attained Age	COMPLETED YEARS OF SERVICE										Total	Average Salaries	
	0-1	2-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+			
15-19												0	
20-24	1											1	55,959
25-29		6										5	60,775
30-34		1	2									3	78,476
35-39		1		1								2	74,949
40-44			1	1								2	83,211
45-49				1	1	3						5	83,696
50-54							1					1	85,126
55-59								1				2	94,911
60-64												0	
TOTAL	1	7	3	4	1	3	2	0	0			21	75,902

Age = 38.85 Years

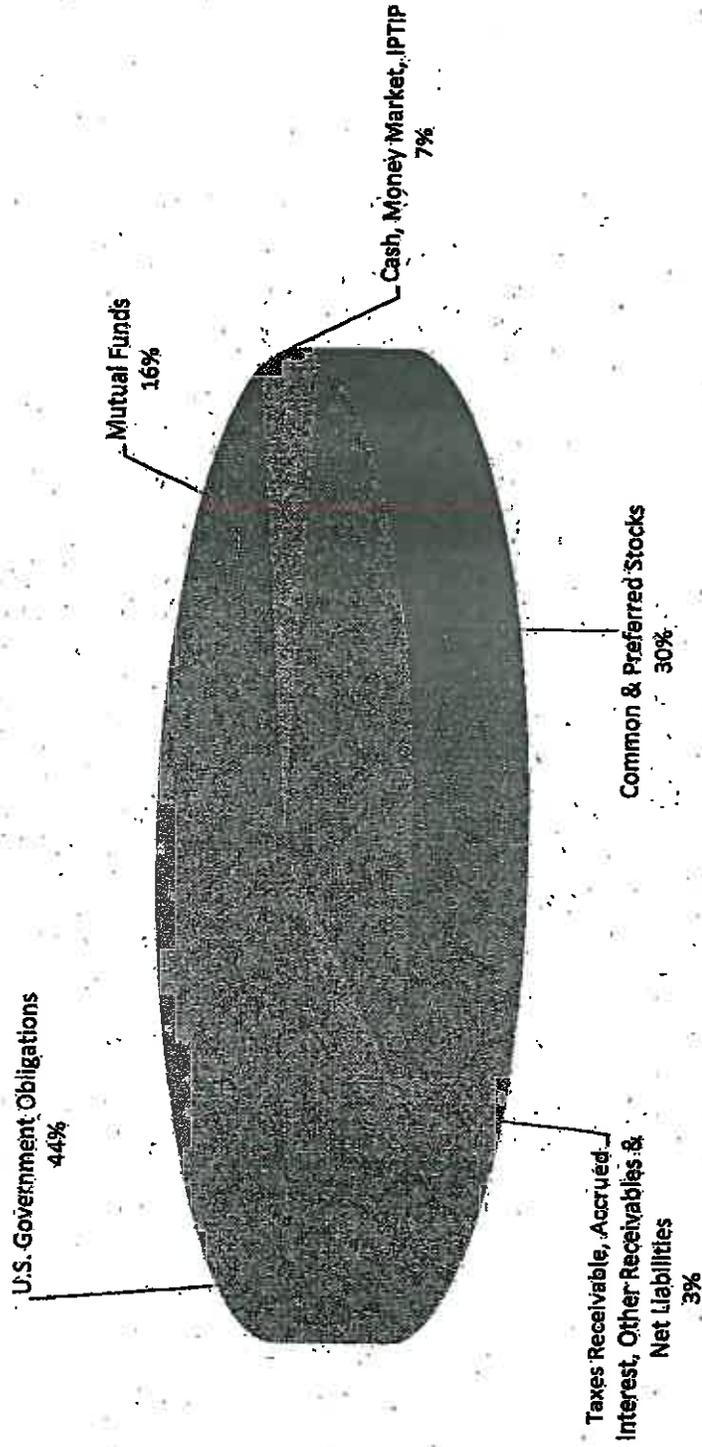
Service = 11.76 Years

ASSET INFORMATION

Cash, Money Market, IPTIP	\$886,422
Certificates of Deposit	0
State and Local Obligations	0
U.S. Government Obligations	5,191,402
Insurance Company Contracts	0
Pooled Investment Accounts	0
Mutual Funds	1,908,126
Common & Preferred Stocks	3,547,300
Taxes Receivable	340,443
Accrued Interest	25,705
Other Receivables	9,546
Net Liabilities	1,735
Net Present Assets at Market Value	<u>\$11,907,209</u>

The chart on the following page shows the percentage of invested assets.

ASSET INFORMATION



DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

1.	Market Value of Assets, May 1, 2009			9,233,141
2.	Actual Income and Disbursements in prior year weighted for timing			
	Contributions Received During 2009-2010	Amount	Weight for Timing	Weighted Amount
	Miscellaneous Revenue	670,465	50.00%	335,233
	Benefit Payments and Expenses Made During 2009-2010	0	50.00%	0
	Total	1,007,257	(50.00)%	(503,629)
				(168,396)
3.	Market Value of assets adjusted for actual income disbursements [(1) + 2(d)]			9,064,745
4.	Assumed rate of return on plan assets for the year		7.00%	
5.	Expected return on assets [(3) x (4)]			634,532
6.	Market Value of Assets, May 1, 2009			9,233,141
7.	Income (less investment income) for prior year			670,465
8.	Disbursements paid in prior year			1,007,257
9.	Market Value of Assets, May 1, 2010			\$10,866,174
10.	Actual Return [(9) + (8) - (7) - (6)]			-1,969,825
11.	Investment Gain/(Loss) for Prior Year [(10) - (5)]			1,335,293

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS
(Continued)

12. Market Value of Assets, May 1, 2010:					\$10,866,174
13. Deferred investment gains and (losses) for last 4 years:					
	<u>Plan Year Beginning</u>	<u>Gain/(Loss)</u>	<u>Percent Deferred</u>		<u>Deferred Amount</u>
a)	2,010**	\$1,335,293	80%		\$1,068,234
b)	2,009	\$ 0	60%		\$ 0
c)	2,008	\$ 0	40%		\$ 0
d)	2,007	\$ 0	20%		\$ 0
e)	Total	\$1,335,293			\$1,068,234
14. Actuarial value of plan assets for funding, May 1, 2010: Item (12) less Item 13(e):					9,797,940
15. Taxes receivable:					340,443
16. Actuarial value of plan assets for GASB reporting May 1, 2010 Item (14) less Item (15):					9,457,497

Notes: * excluding taxes receivable

**The calculated value is determined by adjusting the market value of assets to reflect investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at the rate of 20% per year. For the actuarial value of plan assets as of March 31, 2011, the actuarial value of assets was set to the market value of assets.

VILLAGE OF LAGRANGE PARK
POLICE PENSION FUND

SUMMARY OF RESULTS
EXHIBIT 5-B

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

1.	Market Value of Assets, May 1, 2010:				10,866,174
2.	Actual income and Disbursements in prior year weighted for timing:				
	Contributions Received During 2010-2011:	Amount	Weight for Timing	Weighted Amount	
	Miscellaneous Revenue	0	50.00%	403,114	
	Benefit Payments and Expenses Made During 2010-2011	1,107,516	(50.00)%	(553,758)	
	Total			(150,644)	
3.	Market Value of assets adjusted for actual income disbursements [(1) + 2(d)]				10,715,530
4.	Assumed rate of return on plan assets for the year				7.00%
5.	Expected return on assets [(3) x (4)]				760,087
6.	Market Value of Assets, May 1, 2010:				10,866,174
7.	Income (less investment income) for prior year				806,228
8.	Disbursements paid in prior year				1,107,516
9.	Market Value of Assets, May 1, 2011				\$11,907,209
10.	Actual Return [(9) + (8) - (7) - (6)]				1,342,323
11.	Investment Gain/(Loss) for Prior Year [(10) - (5)]				592,236

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS
(Continued)

	Plan Year Beginning	Gain/(Loss)	Percent Deferred	Deferred Amount
12. Market Value of Assets, May 1, 2011:				\$11,907,209
13. Deferred investment gains and (losses) for last 4 years:				
a)	2,011**	\$ 592,236	80%	\$ 473,789
b)	2,010	\$1,335,293	60%	\$ 801,176
c)	2,009	\$ 0	40%	\$ 0
d)	2,008	\$ 0	20%	\$ 0
e) Total		\$1,927,529		\$1,274,965
14. Actuarial value of plan assets for funding, May 1, 2011, Item (12) less Item 13(e):				10,632,244
15. Taxes receivable:				340,443
16. Actuarial value of plan assets for GASB reporting May 1, 2011 item (14) less item (15)*:				10,291,801

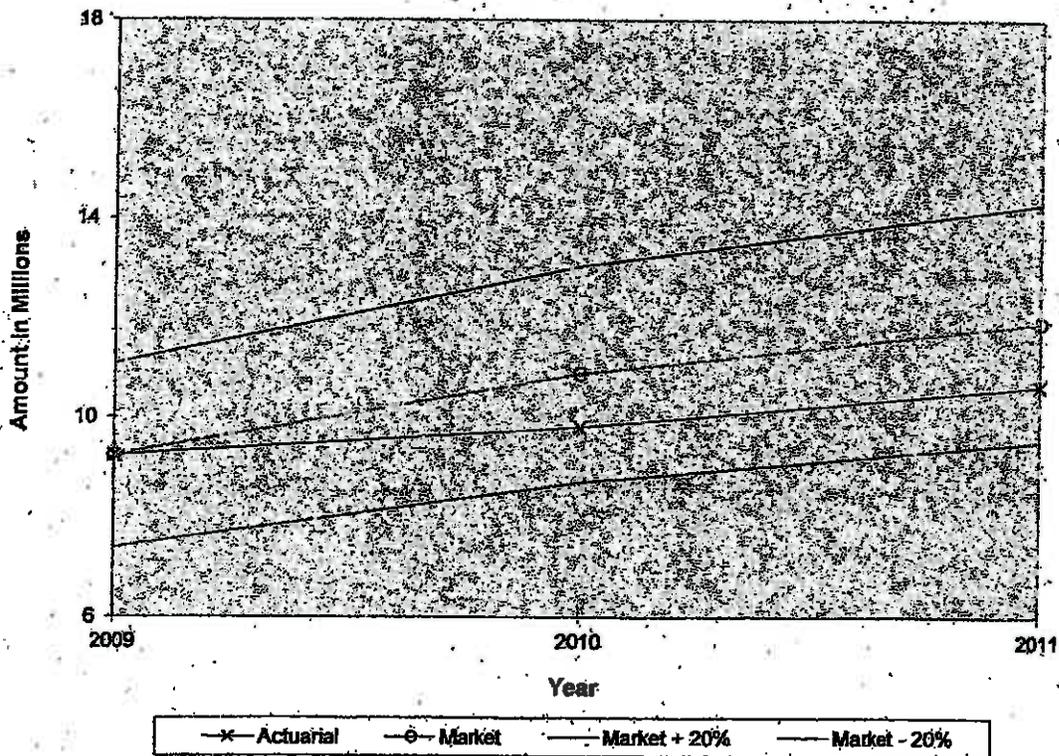
Notes: * excluding taxes receivable

** The calculated value is determined by adjusting the market value of assets to reflect investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at the rate of 20% per year. For the actuarial value of plan assets as of March 31, 2011, the actuarial value of assets was set to the market value of assets.

ASSET HISTORY

<u>For the Year beginning May 1</u>	<u>Actuarial Value of Assets</u>	<u>Market Value of Assets</u>
2011	\$10,632,244	\$11,907,209
2010	9,797,940	10,866,174
2009	9,233,141	9,233,141

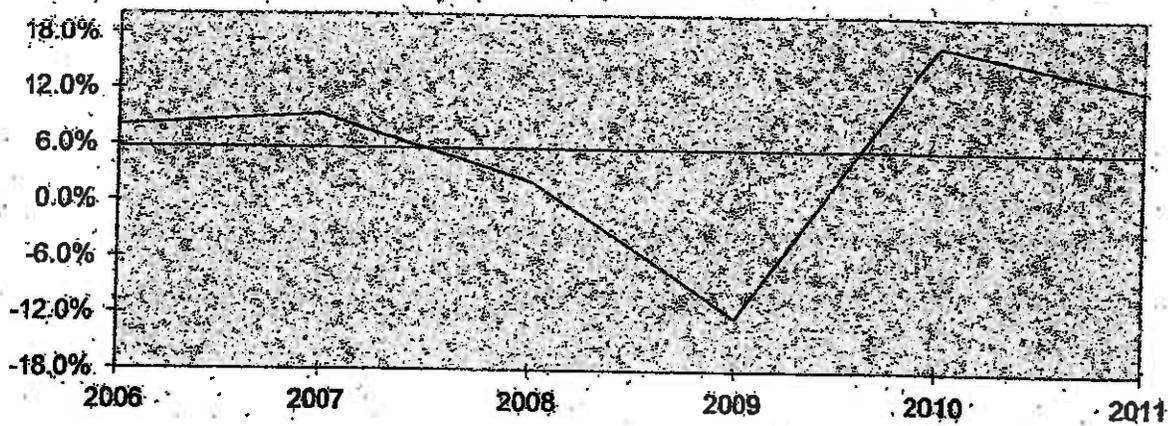
The chart below presents a comparison between the Actuarial Value of Assets and the Market Value of Assets for the current year and the two preceding years. The chart also illustrates the corridor 20% above and 20% below the Market Value of Assets.



ANALYSIS OF INVESTMENT RETURN

<u>Fiscal Year Ending April 30</u>	<u>Annual Rate of Return</u>
2011	12.41%
2010	16.99
2009	-12.32
2008	2.13
2007	9.24
2006	8.00
<u>Composite</u>	
2006-2011	5.64%

The following chart presents a progression of these percentages in graphical form.



VILLAGE OF LAGRANGE PARK
POLICE PENSION FUND

SUMMARY OF RESULTS
EXHIBIT 5-D

THIRTY - YEAR PROJECTION OF PAYMENTS

Year	Termination		Fayouts from Active Group Upon		Retirement	Disability	Fayouts from		Total
	Lump Sum	Deferred Pension	Death	Non-Death			Retired Group	Deferred Pensioners	
2011	8,601	0	5,242	21,367	5,904	1,028,920	0	1,070,034	
2012	9,678	0	6,805	78,703	10,812	1,023,897	0	1,129,895	
2013	2,671	0	6,882	131,893	15,824	1,011,565	0	1,168,835	
2014	876	0	8,966	194,545	21,256	1,005,087	0	1,230,730	
2015	989	0	11,132	244,898	26,919	991,229	0	1,275,167	
2016	1,057	0	12,558	288,452	32,701	975,350	0	1,310,118	
2017	1,093	0	14,229	331,235	38,048	957,649	0	1,342,254	
2018	0	0	15,813	365,949	43,319	938,190	0	1,363,271	
2019	0	0	17,723	418,879	47,767	917,031	0	1,401,400	
2020	0	0	19,274	454,516	52,298	912,840	0	1,438,928	
2021	0	0	21,027	483,110	57,116	889,564	0	1,450,817	
2022	0	0	22,566	517,526	63,107	880,804	0	1,484,003	
2023	0	0	24,197	546,229	69,098	856,260	0	1,495,784	
2024	0	0	25,637	574,777	76,538	830,660	0	1,507,612	
2025	0	0	27,158	621,698	82,491	804,237	0	1,535,584	
2026	0	0	28,303	672,780	88,221	777,031	0	1,566,335	
2027	0	0	29,808	712,386	93,971	749,125	0	1,585,290	
2028	0	0	30,816	780,683	99,003	720,588	0	1,631,090	
2029	0	0	32,104	821,938	105,619	691,345	0	1,651,006	
2030	0	0	33,031	857,256	110,103	661,344	0	1,661,734	
2031	0	0	34,121	906,324	116,333	630,547	0	1,687,325	
2032	0	0	34,615	937,687	120,457	598,911	0	1,691,670	
2033	0	0	35,542	988,226	126,034	566,339	0	1,716,141	
2034	0	0	35,660	1,037,517	129,514	532,838	0	1,735,529	
2035	0	0	36,348	1,106,123	135,592	498,514	0	1,776,577	
2036	0	0	36,178	1,159,188	141,117	463,576	0	1,800,059	
2037	0	0	36,621	1,189,752	143,391	428,312	0	1,798,076	
2038	0	0	35,953	1,213,340	150,362	393,045	0	1,792,700	
2039	0	0	35,885	1,230,460	151,317	358,094	0	1,775,756	
2040	0	0	35,077	1,245,063	151,275	323,812	0	1,755,227	

GASB STATEMENT NO. 25 DISCLOSURE INFORMATION

DEVELOPMENT OF THE ANNUAL REQUIRED CONTRIBUTION OF THE MUNICIPALITY

	Fiscal Year May 1, 2011 through April 30, 2012
1. Entry Age Normal Cost	\$386,354
2. Actuarial Accrued Liability	19,978,792
3. Actuarial Value of Assets	10,291,801
4. Unfunded Actuarial Accrued Liability	9,686,991
5. Payment to Amortize Unfunded Actuarial Accrued Liability Over 40 Years from Effective Date of Application of GASB-25 (26 years remaining)	504,826
6. Total Annual Required Contribution for Fiscal Year April 30, 2012: [(1) + (5)]	891,180
7. Active Member Contributions (9.91% of Salaries):	162,122
8. Annual Required Contribution (ARC) payable at the beginning of the current fiscal year: [(6) - (7)]	729,058

GASB STATEMENT NO. 25 DISCLOSURE INFORMATION
(Continued)

NOTES:

- The Annual Required Contribution as of May 1, 2011 has been determined under the Governmental Accounting Standards Board Statement No. 25 and is required disclosure for the fiscal year ending April 30, 2012. The Entry Age Normal Cost and the Actuarial Accrued Liability were determined using the Entry Age Normal Cost Actuarial Cost Method.
- The Entry Age Normal Cost has been determined as a level percentage of projected payroll of the active members of the group. The amortization method for the Unfunded Actuarial Accrued Liability is determined as a level percentage of payroll amount over a closed Amortization Period as permitted in Governmental Accounting Standards Board Statement No. 25.
- All values were determined on the basis of the actuarial assumptions and methods as more fully described in Appendix 2 of this report.

**ACTUARIAL ASSUMPTIONS
(Economic)**

Investment Return

7.00% per annum, compounded annually (net of expenses).

Salary Increases

Representative values of assumed salary increases are as follows:

<u>Age</u>	<u>Increase %</u>
25	4.8611
30	2.9848
35	2.0341
40	1.5239
45	1.3083
50	1.1846
55	1.1220

An additional inflation allowance of 2.00% per year is added to the above.

Payroll Growth

It was assumed that payroll will grow 4.50% per year.

Actuarial Asset Basis

The Pension Fund previously used market value of assets for both government accounting and funding purposes. Starting with the actuarial valuation as of May 1, 2011, the actuarial value of assets recognizes future gains and losses based on a 5-year smoothed market method.

In a 5-year smoothed market method, the current market value of assets is reduced (increased) for the current year and each of three succeeding years, by a portion of the gain/(loss) in market value during the prior year. Such gain/(loss) is determined as the excess/(deficit) of the current market value of assets over the market value of assets as of the prior year, increased to reflect interest at the actuarial rate and adjusted to reflect contributions and benefit payments during the prior year. The portion of such gain/(loss) by which the current market value of assets is reduced (increased) shall be 80% in the current year, 60% in the first succeeding year, 40% in the second succeeding year and 20% in the third succeeding year.

For the May 1, 2011 actuarial valuation, this methodology has been applied retroactively starting with the market value for the plan year beginning May 1, 2009.

**ACTUARIAL ASSUMPTIONS
(Demographic)**

Mortality

Active Lives

RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over. Five percent (5%) of deaths amongst active police officers are assumed to be in the performance of their duty.

Non-Active Lives

RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over.

Termination

Illustrative rates of withdrawal from the plan for reasons other than death or disability are as follows:

<u>Age</u>	<u>Rate of Withdrawal</u>
25	.0734
30	.0416
35	.0223
40	.0119
45	.0102
50	—

It is assumed that terminated police officers will not be rehired.

Disability Rates

Incidence of disability amongst police officers eligible for disability benefits:

<u>Age</u>	<u>Rate</u>
25	.0013
30	.0026
35	.0044
40	.0071
45	.0108
50	.0159

15% of disabilities amongst active police officers are assumed to be in the performance of their duty.

**ACTUARIAL ASSUMPTIONS
(Demographic)**

Retirement Rates

Retirements are assumed to occur between the ages of 50 and 69 in accordance with the following table:

<u>Age</u>	<u>Rate of Retirement</u>	<u>Age</u>	<u>Rate of Retirement</u>
50	.36	60	.22
51	.22	61	.30
52	.18	62	.39
53	.19	63	.48
54	.19	64	.57
55	.20	65	.65
56	.20	66	.74
57	.20	67	.83
58	.21	68	.91
59	.21	69	1.00

Marital Status

85% of police officers are assumed to be married.

Spouse's Age

Wives are assumed to be 3 years younger than their husbands.

**ACTUARIAL ASSUMPTIONS
(Additional)**

Expenses

None assumed.

Actuarial Cost Method:

Projected Unit Credit for statutory minimum
Entry Age Normal for recommended and GASB reporting

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Definitions

Tier 1 – For Police Officers first entering Article 3 prior to January 1, 2011

Tier 2 – For Police Officers first entering Article 3 after December 31, 2010

Police Officer (3-106): Any person appointed to the police force and sworn and commissioned to perform police duties.

Persons excluded from Fund (3-109): Part-time officers, special police officer, night watchmen, traffic guards, clerks and civilian employees of the department. Also, police officers who fail to pay the required fund contributions or who elect the Self-Managed Plan option.

Creditable Service (3-110): Time served by a police officer, excluding furloughs in excess of 30 days, but including leaves of absences for illness or accident and periods of disability where no disability pension payments have been received and also including up to 3 years during which disability payments have been received provided contributions are made.

Pension (3-111)

Normal Pension Age

Tier 1 - Age 50 with 20 or more years of creditable service.

Tier 2 - Age 55 with 10 or more years of creditable service.

Normal Pension Amount

Tier 1 - 50% of the greater of the annual salary held in the year preceding retirement or the annual salary held on the last day of service, plus 2½% of such annual salary for service from 20 to 30 year (maximum 25%).

Tier 2 - 2½% of Final Average salary for each year of service. Final Average Salary is the highest salary based on the highest consecutive 96 months of the final 120 months of service.

Early Retirement at age 50 with 10 or more years of service but with a penalty of ½% for each month prior to age 55.

Annual Salary capped at \$106,800 increased yearly by the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%.

Minimum Monthly Benefit: \$1,000

Maximum Benefit Percentage: 75% of salary

**SUMMARY OF PRINCIPAL PLAN PROVISIONS
(Continued)**

Termination Retirement Pension Date

Separation of service after completion of between 8 and 20 years of creditable service.

Termination Pension Amount

Commencing at age 60, 2½% of annual salary held in the year preceding termination times years of creditable service or refund of contributions, or for persons terminating on or after July 1, 1987, 2½% of annual salary held on the last day of service times years of creditable service, whichever is greater.

Pension Increase

Non-Disabled

Tier 1 - 3% increase of the original pension amount after attainment of age 55 for each year elapsed since retirement, followed by an additional 3% of the original pension amount on each January thereafter. Effective July 1, 1993, 3% of the amount of pension payable at the time of the increase including increases previously granted, rather than 3% of the originally granted pension amount.

Tier 2 - The lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

Disabled

3% increase of the original pension amount after attainment of age 60 for each year he or she received pension payments, followed by an additional 3% of the original pension amount in each January 1 thereafter.

Pension to Survivors (3-112)

Death of Retired Member

Tier 1 - 100% of pension amount to surviving spouse (or dependent children).

Tier 2 - 66 2/3% of pension amount to surviving spouse (or dependent children), subject to the following increase: the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

Death While in Service (Not in line of duty)

With 20 years of creditable service, the pension amount earned as of the date of death.

With between 10 and 20 years of creditable service, 50% of the salary attached to the rank for the year prior to the date of death.

Death in Line of Duty

100% of the salary attached to the rank for the last day of service year prior to date of death.

SUMMARY OF PRINCIPAL PLAN PROVISIONS
(Continued)

Minimum Survivor Pension

\$1,000 per month to all surviving spouses.

Disability Pension - Line of Duty (3-114.1)

Eligibility

Suspension or retirement from police service due to sickness, accident or injury while on duty.

Pension

Greater of 65% of salary attached to rank at date of suspension or retirement and the retirement pension available. Minimum \$1,000 per month.

Disability Pension - Not on Duty (3-114.2)

Eligibility

Suspension or retirement from police service for any cause other than while on duty.

Pension

50% of salary attached to rank at date of suspension or retirement. Minimum \$1,000 per month.

Other Provisions

Marriage After Retirement (3-120)

No surviving spouse benefit available.

Refund (3-124)

At death prior to completion of 10 years of service, contributions are returned without interest to widow.

At termination with less than 20 years of service, contributions are refunded upon request.

Contributions by Police Officers (3-125.1)

Beginning January 1, 2001, 9.91% of salary including longevity, but excluding overtime pay, holiday pay, bonus pay, merit pay or other cash benefit.

GLOSSARY

Actuarial Accrued Liability

See *Entry Age Normal Cost Method and Projected Unit Credit Cost Method*.

Actuarial Assumptions

The economic and demographic predictions used to estimate the present value of the plan's future obligations. They include estimates of investment earnings, salary increases, mortality, withdrawal and other related items. The *Actuarial Assumptions* are used in connection with the *Actuarial Cost Method* to allocate plan costs over the working lifetimes of plan participants.

Actuarial Cost Method

The method used to allocate the projected obligations of the plan over the working lifetimes of the plan participants. Also referred to as an *Actuarial Funding Method*.

Actuarial Funding Method

See *Actuarial Cost Method*

Actuarial Gain (Loss)

The excess of the actual *Unfunded Actuarial Accrued Liability* over the expected *Unfunded Actuarial Accrued Liability* represents an *Actuarial Loss*. If the expected *Unfunded Actuarial Accrued Liability* is greater, an *Actuarial Gain* has occurred.

Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of *Actuarial Assumptions*.

Actuarial Value of Assets

The asset value derived by using the plan's *Asset Valuation Method*.

Asset Valuation Method

A valuation method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of employer contributions.

Employee Retirement Income Security Act of 1974 (ERISA)

The primary federal legislative act establishing funding, participation, vesting, benefit accrual, reporting, and disclosure standards for pension and welfare plans.

GLOSSARY
(Continued)

Entry Age Normal Cost Method

One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The portion of this *Actuarial Present Value* not provided for at a valuation date by the *Actuarial Present Value* of future *Normal Costs* is called the *Actuarial Accrued Liability*.

Normal Cost

The portion of the *Present Value of Projected Plan Benefits* that is allocated to a particular plan year by the *Actuarial Cost Method*. See *Entry Age Normal Cost Method* for a description of the Normal Cost under the *Entry Age Normal Cost Method*. See *Projected Unit Credit Cost Method* for a description of the Normal Cost under the *Projected Unit Credit Cost Method*.

Present Value of Future Normal Costs

The present value of future normal costs determined based on the *Actuarial Cost Method* for the plan. Under the *Entry Age Normal Cost Method*, this amount is equal to the excess of the *Present Value of Projected Plan Benefits* over the sum of the *Actuarial Value of Assets* and *Unfunded Actuarial Accrued Liability*.

Present Value of Projected Plan Benefits

The present value of future plan benefits reflecting projected credited service and salaries. The present value is determined based on the plan's actuarial assumptions.

Projected Unit Credit Cost Method

One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated by a consistent formula to valuation years. The *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The *Actuarial Present Value* of benefits allocated to all periods prior to a valuation year is called the *Actuarial Accrued Liability*.

Statement No. 25 of the Governmental Accounting Standards Board (GASB No. 25)

The accounting statement that established the standards of financial accounting and reporting for the financial statements of defined benefit pension plans.

Unfunded Actuarial Accrued Liability

The excess of the *Actuarial Accrued Liability* over the *Actuarial Value of Assets*.

Items of Interest

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

Traffic, Safety & Engineering Mtg.

Wednesday, July 11
7:00 p.m.

Public Works Garage Committee Mtg.

Monday, July 16
7:00 p.m.

Proviso Municipal League Golf Outing
Fresh Meadows Golf Club

Wednesday, July 18
3:00 p.m. start

2012 MEETINGS REMINDER

July 24, 2012	Village Board Meeting	7:30 p.m.	Village Hall
August 14, 2012	Work Session Meeting	7:30 p.m.	Village Hall
August 28, 2012	Village Board Meeting	7:30 p.m.	Village Hall
September 11, 2012	Work Session Meeting	7:30 p.m.	Village Hall
September 25, 2012	Village Board Meeting	7:30 p.m.	Village Hall
October 9, 2012	Work Session Meeting	7:30 p.m.	Village Hall
October 23, 2012	Village Board Meeting	7:30 p.m.	Village Hall
November 13, 2012	Work Session Meeting	7:30 p.m.	Village Hall
November 27, 2012	Village Board Meeting	7:30 p.m.	Village Hall
December 11, 2012	Work Session Meeting	7:30 p.m.	Village Hall