

# Village of La Grange



## VILLAGE BOARD MEETING

MONDAY, NOVEMBER 12, 2012

7:30 p.m.

Village Hall Auditorium

53 South La Grange Road

La Grange, IL 60525

Elizabeth M. Asperger  
Village President

Thomas Morsch  
Village Clerk

VILLAGE OF LA GRANGE  
BOARD OF TRUSTEES REGULAR MEETING

Village Hall Auditorium  
53 South La Grange Road  
La Grange, IL 60525

AGENDA

Monday, November 12, 2012 – 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE
  - Trustee Holder*
  - Trustee Horvath*
  - Trustee Kuchler*
  - Trustee Langan*
  - Trustee Nowak*
  - Trustee Palermo*
  - President Asperger*
  
2. PRESIDENT'S REPORT
  - This is an opportunity for the Village President to report on matters of interest or concern to the Village.*
  
3. PUBLIC COMMENTS REGARDING AGENDA ITEMS
  - This is the opportunity for members of the audience to speak about matters that are included on this Agenda.*
  
4. OMNIBUS AGENDA AND VOTE
  - Matters on the Omnibus Agenda will be considered by a single motion and vote because they already have been considered fully by the Board at a previous meeting or have been determined to be of a routine nature. Any member of the Board of Trustees may request that an item be moved from the Omnibus Agenda to Current Business for separate consideration.*
  
  - A. Ordinance – Amendment to Parking Restrictions / 400 Block of S. Park Road
  
  - B. Willow Springs Road Traffic Signal Project: (1) Intergovernmental Agreement; (2) Engineering Task Order; (3) Preliminary Engineering Services Agreement; (4) Local Agency Agreement for Federal Participation
  
  - C. Ordinance – Disposal of Surplus Property
  
  - D. Minutes of the Village of La Grange Board of Trustees Town Meeting Monday, October 22, 2012
  
  - E. Consolidated Voucher 121112

5. CURRENT BUSINESS

*This agenda item includes consideration of matters being presented to the Board of Trustees for action.*

A. La Grange Business Association / 2012 Hometown Holiday / Request for Village Sponsorship: *Referred to Trustee Holder*

B. Preliminary Review of the Proposed 2012 Property Tax Levy Request: *Referred to Trustee Langan*

6. MANAGER'S REPORT

*This is an opportunity for the Village Manager to report on behalf of the Village Staff about matters of interest to the Village.*

A. Pre-Budget Development Workshop – Expenditures

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

*This is an opportunity for members of the audience to speak about Village related matters that are not listed on this Agenda.*

8. EXECUTIVE SESSION

*The Board of Trustees may decide, by a roll call vote, to convene in executive session if there are matters to discuss confidentially, in accordance with the Open Meetings Act.*

9. TRUSTEE COMMENTS

*The Board of Trustees may wish to comment on any matters.*

10. ADJOURNMENT

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The Village of La Grange is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions, regarding the accessibility of the meeting or the Village's facilities, should contact the Village's ADA Coordinator at (708) 579-2315 promptly to allow the Village to make reasonable accommodations for those persons.

**OMNIBUS VOTE**

VILLAGE OF LA GRANGE  
Administration Department

BOARD REPORT

TO: Village President, Village Clerk,  
Board of Trustees and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager  
Andrianna Peterson, Assistant Village Manager

DATE: November 12, 2012

RE: **ORDINANCE – AMENDMENT TO PARKING RESTRICTIONS / 400  
BLOCK OF S. PARK ROAD**

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The Village recently received a petition circulated by a Village resident seeking to modify parking restrictions on both sides of the 400 block of S. Park Road (attached). The request seeks to modify the current parking restrictions from “No Parking 8:00 a.m. to 3:00 p.m. School Days”, to “2 Hour Parking 8:00 a.m. to 3:00 p.m. School Days”.

The petition was signed by twelve homeowners out of twenty-one addresses on the block. One resident indicated on the petition that they were opposed to the change. Nine residents did not respond to the petition. It has been our practice to accept and consider requests for changes to residential parking restrictions on a block-by-block basis where there is majority support for the proposed change by residents living on that block. In this case 11 of 12, or 52.3% of the addresses on the block support the change.

A letter was sent to all affected addresses on the 400 block of S. Park Road to provide notice of the proposed change, to confirm support and, subject to additional input which would not alter majority support, advise residents that the matter would be considered at an upcoming meeting (attached). Three additional residents expressed support for the change, increasing the total number of residents in support to fourteen or 66.6%. Two residents indicated that they were not supportive of the change. This brings the total number of objections to three. Four addresses did not respond to either the petition or the Village’s letter.

Attached for your consideration is an ordinance amending the appropriate Chapter of the Village Code.

It is staff’s recommendation that the ordinance be approved.

H-A

## PETITION FOR CHANGE TO STREET PARKING

Applicant/Contact: Jill Nelson

Date: August 20, 2012

Address: 429 South Park Road La Grange, IL 60525

Phone: 312-852-2325

Email: jillbnelson@gmail.com

Location of Parking Change Request: 400 Block of South Park Road (East and West sides of Park Road from 47th Street to Goodman Avenue)

Current Parking Status: NO PARKING 8:00 AM TO 3:00 PM SCHOOL DAYS

Requested Change: 2 HOUR PARKING 8:00 AM TO 3:00 PM SCHOOL DAYS

*All properties on both sides of the affected street are represented on this petition under House Number. Residents agreeing to the requested change are to sign and date the form. Only one signature is required per household. If a resident is opposed to the change, leave the name and signature spaces blank or write in "opposed."*

House Number	Own or Rent?	Printed Name	Signature	Date
433	OWN	Ann Mariduena	<i>[Signature]</i>	9-10-12
412	own	Darlene Stira	<i>[Signature]</i>	9-10-12
422	own	Alice Bingham	<i>[Signature]</i>	9/10/12
400	OWN	KATE BOYLE	<i>[Signature]</i>	9/15/12
415	OWN	PATTY MCKENNA	<i>[Signature]</i>	9/15/12
419	OWN	NANCY BETTER	<i>[Signature]</i> OPPOSED	9-15-12
425	own	Wm Kolento	<i>[Signature]</i>	9/15/12
447	OWN	Rene' Dorba	<i>[Signature]</i>	9/15/12

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House Number	Own or Rent?	Printed Name	Signature	Date
442	OWN	DAN MCCARTHY	<i>Dan McCarthy</i>	9-15-12
426	OWN	Jim Roche	<i>Jim Roche</i>	9-22-12
437				
445				
449				
450				
436	OWN	JOHN O'HANLON	<i>J. O'Hanlon</i>	9-23-12
434				
409	OWN	Dan Moran	<i>Dan Moran</i>	9/23/12
405				
401				

I have made a good faith effort to contact 100% of the residents on the street identified above:

*Joe R. Nelson*  
 Applicant

*10/8/12*  
 Date

House Number	Own or Rent?	Printed Name	Signature	Date
404				
429				

4-A.2

October 22, 2012

\*Address\* (400 block of South Park Road)

Dear \*Greeting\*

The purpose of this letter is to notify you that the Village has received the attached petition signed by eleven out of the twenty-one addresses on the 400 block of South Park Road requesting a change in the current parking restrictions on your block. The petition proposes to change the current parking restrictions from "*NO PARKING 8 A.M. TO 3 P.M. SCHOOL DAYS*", to "*2 HOUR PARKING 8:00 A.M. TO 3:00 P.M. SCHOOL DAYS*".

As this petition indicates that a majority of residents on the 400 block of S. Park Road support this change in parking restrictions, it is our administrative policy to accept and process this request for further consideration.

Village staff has reviewed the petition and does not have any concerns with the proposed change. At this time, we would like to give you an opportunity to provide further comment either in support of or in opposition to the proposed change.

It is our intent to proceed with preparing the necessary report and ordinance for consideration by the Village Board at an upcoming public meeting, subject to any citizen comments which would result in a change in the majority opinion of the block.

Please contact me directly at (708) 579-2315 or via e mail at [apeterson@villageoflagrange.com](mailto:apeterson@villageoflagrange.com) at your earliest convenience with comments, but no later than 5:00 p.m. on Friday, November 2.

Sincerely,  
VILLAGE OF LA GRANGE

Andrianna Peterson  
Assistant Village Manager

cc: Robert Pilipiszyn, Village Manager

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VILLAGE OF LA GRANGE  
ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING CHAPTER 78  
OF THE LA GRANGE CODE OF ORDINANCES  
REGARDING PARKING REGULATIONS

WHEREAS, the President and Board of Trustees of the Village of La Grange have determined that it is appropriate and useful to amend the traffic and parking regulations in the manner provided in this Ordinance;

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

Section 1. Recital. The foregoing recital is incorporated into this Ordinance as a finding of the President and Board of Trustees.

Section 2. Amendment of Chapter 78. Schedule I "Prohibited Parking", Section (B.1) "Parking Shall Be Prohibited During Certain Hours on the Following Streets", of Chapter 78, of the La Grange Code of Ordinances shall be, and is hereby, amended to repeal the following:

<i>Street</i>	<i>Side</i>	<i>Time</i>	<i>Location</i>
Park Road	Both	8:00 a.m. to 3:00 p.m. on School Days	From Goodman Avenue to Forty- Seventh Street

Section 3. Amendment to Chapter 78. Schedule II "Limited Parking", Section (D) "Parking on the Following Streets Shall be Limited to Two Hours During Certain Times", of Chapter 78, of the La Grange Code of Ordinances shall be, and is hereby amended to add thereto the following:

<i>Street</i>	<i>Side</i>	<i>Time</i>	<i>Location</i>
Park Road	Both	8:00 a.m. to 3:00 p.m. on School Days	From Goodman Avenue to Forty- Seventh Street

Section 4. Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law.

4-A.4

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_ 2012 pursuant to a roll call vote as follows:

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

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

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

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

\_\_\_\_\_  
Elizabeth Asperger, Village President

ATTEST:

\_\_\_\_\_  
Thomas Morsch, Village Clerk

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VILLAGE OF LA GRANGE  
Department of Public Works

**BOARD REPORT**

TO: Village President, Village Clerk, Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager  
Ryan Gillingham, Director of Public Works

DATE: November 12, 2012

RE: **WILLOW SPRINGS ROAD TRAFFIC SIGNAL PROJECT: (1) INTERGOVERNMENTAL AGREEMENT; (2) ENGINEERING TASK ORDER; (3) PRELIMINARY ENGINEERING SERVICES AGREEMENT; (4) LOCAL AGENCY AGREEMENT FOR FEDERAL PARTICIPATION**

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A corridor study was initiated several years ago to assess traffic calming and pedestrian safety within the Willow Springs Road Corridor from 47<sup>th</sup> Street on the north to just south of the Adventist La Grange Memorial Hospital south access driveway. This study was a cooperative effort between the Village of La Grange, the Village of Western Springs and Lyons Township High School (LTHS.) The Park District of La Grange (PDLG) and La Grange Memorial Hospital were invited and also participated in the discussions. The purpose of this study was to evaluate existing traffic and pedestrian conditions within the corridor and make recommendations for improvements based on the analysis of the data collected and application of accepted traffic engineering practices. Furthermore, this study is in line with the Village's overall strategy of evaluating and making recommendations for pedestrian improvements throughout the Village.

The report was completed in March, 2011 by KLOA, Inc., La Grange's traffic engineering consultant. From the signal warrant analysis, KLOA determined that a signal is warranted within the corridor at the preferred intersection location of Willow Springs Road and the southern entrance to LTHS based on the total number of pedestrian crossings within the corridor and the anticipated redirected volume of traffic to the future signalized intersection. Furthermore, KLOA recommended that the existing crosswalk at Mason Drive be enhanced to provide greater visibility for pedestrians crossing. Additionally, KLOA recommend that the school speed zone identification signs be enhanced with flashing lights to draw more attention to the school speed zone.

In summary, proposed improvements contained within the report included the following:

1. Installation of a traffic signal at the southern entrance of LTHS.
2. Reconfiguration of internal roadways and drop-off and pick-up procedures within the LTHS campus.
3. Alignment of the driveway entrances at Denning Park with the proposed signal at LTHS.

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4. Installation of east-west sidewalk through Denning Park to provide connectivity to existing neighborhood sidewalk system.
5. Enhanced crosswalk at Mason Drive.
6. Enhanced school speed zone signs with flashing yellow beacons.

The consensus of the intergovernmental team was to pursue the implementation of the recommendations identified in the corridor study. Based on the scope of work and cost estimates in the corridor study, La Grange and Western Springs applied for and received a grant through the Federal Surface Transportation Program (STP) allocated by the Central Council of Mayors for the engineering and construction of the project in the total amount of \$231,000. Since the STP funding requires a 30% matching contribution, La Grange with the assistance of State Representative Jim Durkin was able to repurpose a State grant in the amount of \$90,000 towards this project. These Federal and State grant funds represent a significant cost savings to the stakeholders for this project.

An intergovernmental agreement was then drafted in order to establish cost participation for the remaining \$9,000 of estimated project expenses, define the responsibilities of the project participants, and create the framework for granting easements. The agreement establishes La Grange as the lead participant with financial participation by La Grange, Western Springs and LTHS. The agreement states that permanent easements will be granted by LTHS and PDLG for the traffic signal in order to allow the placement of traffic signal equipment and detector loops on their property. Additionally, the agreement states that La Grange and Western Springs will enter into a future traffic signal maintenance agreement in which the costs for the maintenance of the traffic signal will be split. We have reviewed the agreement and found it to be acceptable. Similarly, Village Attorney Mark Burkland has reviewed the document and he concurs with our assessment.

The recommended improvements identified on LTHS and PDLG property are to be coordinated and funded by these organizations. Specifically the alignment of the driveway entrances at Denning Park with the proposed signal and the installation of an east-west sidewalk through Denning Park have been completed. LTHS has indicated that the reconfiguration of the internal roadways and drop-off and pick-up procedures are to coincide with the traffic signal installation work.

Once the intergovernmental agreement is executed by all participants, La Grange as the lead participant would then enter into contracts for the engineering work and with IDOT for the federal STP funding. Based on past experience, knowledge of the Village and familiarity with this project, staff requested a proposal from the team of Baxter & Woodman and KLOA to complete the plans and specifications for both the civil engineering and traffic signal work. Since this project is supported by federal STP funds, federal and IDOT guidelines must be followed for the development and approval of the plans and specifications. Baxter & Woodman provided a proposal in the amount of \$40,000 to complete the engineering work. Attached for your consideration are the following engineering agreements with Baxter & Woodman and associated funding agreements with IDOT:

1. Preliminary Engineering Services Agreement
2. Local Agency Agreement For Federal Participation

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3. Task Order Agreement No. 25 – Municipal Engineering Contract

Staff recommends approval of these agreements.

As noted above, funding for this project is split between Federal, State and local funding sources as indicated in the below budget table.

<b>Willow Springs Road Traffic Signal Project</b>	<b>BUDGET</b>
Expenses	
<b>Engineering</b>	
Phase 2 - Development of Plans and Specifications	40,000
Phase 3 – Construction Engineering	26,000
<b>Subtotal</b>	<b>66,000</b>
<b>Construction</b>	<b>264,000</b>
<b>Total</b>	<b>330,000</b>
Revenues	
Federal Surface Transportation Program Funding (STP) - FY13	28,000
Federal Surface Transportation Program Funding (STP) - FY14	203,000
State of Illinois - Legislative Appropriation – DCEO	90,000
Village of La Grange	3,000
Village of Western Springs	3,000
Lyons Township High School District 204	3,000
<b>Total</b>	<b>330,000</b>

*4-B.2*

Based on the current IDOT letting schedule, we anticipate the following schedule for the project:

<b>Phase 2 – Development of Plans and Specifications</b>	
Notice To Proceed	January, 2013
Complete Survey	February, 2013
Complete Intersection Design Study	March, 2013
IDOT IDS Approval	May, 2013
Final IDOT plan submittal	July, 2013
IDOT Design Approval	September, 2013
<b>Phase 3 – Construction</b>	
IDOT Bid Opening	November, 2013
Construction Start	March, 2014
Construction Finish	June, 2014

Please note the above schedule is predicated upon receiving approval of the federal engineering agreements in Springfield in approximately 3 months. Any delay in receiving these approvals will result in adjustments to the schedule.

Once the intergovernmental agreement has been approved by all participants, staff will start the process of working with LTHS and PDLG on the drafting the permanent easements for Board consideration. Additionally, staff will draft an agreement between La Grange and Western Springs for traffic signal maintenance for Board consideration. Finally, staff will develop engineering and federal participation agreements for construction for Board consideration once the project plans have been approved by IDOT. We anticipate that the construction agreements will be presented in the Fall / Winter of 2013.

In summary it is our recommendation that the Village Board approve the intergovernmental agreement between La Grange, Western Springs, LTHS and PDLG for the Willow Springs Road Traffic Signal Project. We also recommend that the Village Board approve agreements with Baxter & Woodman for engineering services in the amount of \$40,000. Finally we recommend that the Village Board approve agreements between the Village and IDOT for use of the federal STP funds in amounts of \$28,000. The approval of these documents is required in order to receive the federal STP fund for the project.

4-B.3

AN INTERGOVERNMENTAL AGREEMENT  
AMONG FOUR LOCAL GOVERNMENTAL BODIES  
FOR TRAFFIC SIGNAL AND OTHER IMPROVEMENTS  
ON WILLOW SPRINGS ROAD

THIS AGREEMENT is entered into by the Village of La Grange (“*La Grange*”), the Village of Western Springs (“*Western Springs*”), the Park District of La Grange (the “*Park District*”), and the Board of Education of Lyons Township High School District 204 (“*LTHS*”) (collectively the “*Participants*”) dated as of November 1, 2012 (the “*Effective Date*”).

W I T N E S S E T H:

WHEREAS, the Participants are authorized under applicable law to enter into this Agreement; and

WHEREAS, each Participant represents and warrants that it has properly approved this Agreement and has properly authorized its representatives signing this Agreement to do so and to bind the Participant to the terms of this Agreement; and

WHEREAS, the centerline of Willow Springs Road between 53rd Place and 47th Street forms a portion of the common corporate boundary of the La Grange and Western Springs; and

WHEREAS, access to the LTHS South Campus located in Western Springs is from Willow Springs Road between Mason Drive to 51st Street on the west side of the street; and

WHEREAS, access to the Park District’s Denning Park in La Grange is from Willow Springs Road between Mason Drive and 50th Street on the east side of the street; and

WHEREAS, the Participants desire to improve traffic movement along Willow Springs Road, access to the facilities noted above and others, and pedestrian safety along Willow Springs Road between 53rd Place and 47th Street (the “*Corridor*”); and

WHEREAS, the Participants completed a preliminary engineering study for improvements to Willow Springs Road relating to various vehicle and pedestrian safety improvements within the Corridor that include, among other things, a traffic signal (the “*Traffic Signal*”) within Willow Springs Road and portions of LTHS and Park District property at the southern entrances of the LTHS South Campus and Denning Park (collectively, including all design engineering, construction, construction management, and related costs, referred to as the “*Project*”); and

WHEREAS, the Participants desire to undertake the Project; and

WHEREAS, the Project area is about one-half within the corporate limits of Western Springs and one-half within the corporate limits of La Grange; and

WHEREAS, La Grange and Western Springs submitted a joint application to the Central Council of Mayors (“*Mayors Council*”) for approximately \$192,500 in funding from the federal Surface Transportation Program (the “*STP*”) to pay for engineering construction costs associated with the Project (the “*STP Grant*”).

WHEREAS, the STP Grant covers only about 80 percent of the estimated costs for the Project; and

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WHEREAS, the Illinois Department of Commerce and Economic Opportunity (“DCEO”) has granted additional funding for the Project in the amount of \$90,000 (the “DCEO Funds”) as the matching component for the STP Grant; and

WHEREAS, La Grange will serve as the Lead Participant for the Project and among other things will enter into an agreement with the State of Illinois related to the DCEO Funds and will enter into the contracts necessary to complete the engineering and construction for the Project; and

WHEREAS, the Participants anticipate that the combined total of the STP Grant and the DCEO Funds will cover the costs of the Project, an estimated budget for which is attached to and made a part of this Agreement as Exhibit A; and

WHEREAS, the Participants agree to use the STP Grant and DCEO Funds to pay for the Project and further agree to pay, in equal shares, all costs of the Project that exceed the total amount of the STP Grant and DCEO Funds; and

WHEREAS, the Park District already has expended more than \$97,000 to improve the infrastructure within the Project area; and

WHEREAS, the Participants have agreed, as provided in Section 9 of this Agreement, to enter into a traffic signal maintenance agreement for the purpose of sharing the costs and responsibilities for maintenance of the Traffic Signal (the “Traffic Signal Maintenance Agreement”); and

WHEREAS, the Park District and LTHS each will grant to La Grange and Western Springs an easement over specified portions of their property adjacent to the Traffic Signal in location and scope sufficient for the maintenance of the Traffic Signal (the “Traffic Signal Maintenance Easements”);

NOW, THEREFORE, the Participants agree as follows:

Section 1. Recitals. The foregoing recitals are incorporated into this Agreement as substantive provisions of this Agreement.

Section 2. Commencement and Term of Agreement. This Agreement commences on the Effective Date. This Agreement terminates after (A) all Work has been complete, inspected, and approved by the Participants, (B) La Grange, as the Lead Participant, has been fully reimbursed for all costs and expenses related to the Project and the Work, as provided in this Agreement, and (C) the Traffic Signal Maintenance Agreement has been approved and executed by all of the Participants.

Section 3. Description of Work. The work on the Project, as depicted in Exhibit B attached to and made a part of this Agreement, includes the following elements:

A. Installation of a traffic signal at the intersection of Willow Springs Road and the southern entrances of LTHS and Denning Park;

B. Drafting, approving, and recording the Traffic Signal Maintenance Easements and the Traffic Signal Maintenance Agreement for maintenance of the Traffic Signal;

- C. Enhancements to the existing crosswalk at the intersection of Mason Drive and Willow Springs Road (the “Crosswalk”);
- D. Installation of advanced warning signs for the Crosswalk;
- E. Interconnection of the new Traffic Signal with the traffic signal at the intersection of 47th Street and Willow Springs Road;
- F. Curb replacement in various locations;
- G. Various drainage structure adjustments;
- H. Landscaping and other restoration;
- I. Sidewalk replacement in various places;
- J. Various minor work ancillary to the elements described in Paragraphs A through I above such as other signage and pavement markings, cleaning, miscellaneous repairs, and similar work;
- K. All related engineering and project management services necessary to prepare plans, specifications, bidding and contract documents, IDOT submittals, and permit applications for the Project and to properly conduct the construction phase of the Project;
- L. All miscellaneous costs and expenses directly related to Paragraphs A through K above such as shipping and mailing costs, supplies costs, and similar items; and
- M. Legal fees incurred by La Grange as the Lead Participant in the preparation of bidding and contract documents and in providing general legal services solely related to the Project during the course of the Work.

(collectively the “Work”). Any improvements or work outside of the Willow Springs Road right-of-way are not included in the Project and are not part of this Agreement.

Section 4. Responsibilities of the Lead Participant. La Grange, as the Lead Participant, has the following responsibilities related to the Project:

- A. Coordinating the Phase II — Design Engineering Work, including preparation of contract documents, plans, and specifications (the “Work Documents”).
- B. Submission of the Work Documents and other submissions to the Illinois Department of Transportation (“IDOT”) and coordinating the alignment of the contract bidding process with IDOT regulations.
- C. Entering into a contract with the State of Illinois for the Project pursuant to IDOT procedures for construction.
- D. In conjunction with IDOT, awarding a contract for construction of the Project.
- E. Coordinating the drafting, approval, and recording of the Traffic Signal Maintenance Easements and the Traffic Signal Maintenance Agreement for maintenance of the Traffic Signal.

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F. Administering the construction project, including coordination of the Work, contract payments, change orders, and every other element of the Project.

G. Coordinating the Phase III — Construction Engineering Work, including management, inspection, and coordination of the Work.

H. Paying all costs for the Design Engineering Work and Construction Engineering Work (collectively the “*Professional Engineering Services*”).

I. Paying all costs for the construction work.

Section 5. Responsibilities of the Participants. Each Participant has the following responsibilities related to the Project. La Grange is included as having these responsibilities unless the context dictates otherwise.

A. Review by all Participants of the Work Documents within 10 calendar days after receipt and submit any revisions to La Grange for incorporation into the Work Documents before they are submitted by La Grange to IDOT and other entities for approval. The Participants agree to cooperate in good faith to finalize the Work Documents to each other’s reasonable satisfaction. The Participants will assume that a Participant that does not submit revisions to La Grange within the 10-day time period has approved the Work Documents without revision.

B. Prompt execution by all Participants of all Project-related documents as requested by La Grange or as required by any federal or State agency with jurisdiction over the Project.

C. Reimbursement by Western Springs and LTHS to La Grange, within 30 days after the date of any invoice from La Grange, of each of those two Participants’ full 33.3 percent share of all costs for Work that has been completed and that is not covered in its entirety by the STP Grant and the DCEO Funds, including without limitation Professional Engineering Services, construction costs including change orders, and cost-overruns. The duty of those two Participants’ to reimburse La Grange is not subject to set-off, withholding, or any other claim or action, under any circumstances. Payments are due as provided in this Subsection C regardless of any issue, dispute, disagreement, or any other matter under this Agreement or in any way related to the Project or the Work.

D. Approving and executing a Traffic Signal Maintenance Agreement and, for the Park District and LTHS, approving and executing the Traffic Signal Maintenance Easements.

Section 6. Changes to the Work. If any Participant (A) requests a change to the Work that affects or benefits only that Participant’s jurisdiction or facility or (B) increases the scope or extent of the Work to be performed beyond the scope provided in this Agreement, (either (A) or (B) being a “*Participant Change Order*”) then that Participant must pay to La Grange all costs and expenses related to that Participant Change Order (the “*Total Change Order Cost*”) in advance of commencement of the work provided for in that Participant Change Order. The Total Change Order Cost includes not only the costs and expenses related to changed Work or additional Work such as engineering, construction, inspection, and all related costs, but also all costs and expenses incurred as a result of the impact of the Participant Change Order on the original scope of the Work. The Participant’s payment of Total Change Order Cost must be made to La Grange prior to the issuance of a contract change order to the contractor. La Grange will apply the money paid to La Grange to the costs of the work covered by the Participant

Change Order. If the Total Change Order Cost for the Participant Change Order exceeds the amount of money paid to La Grange, then the Participant must reimburse La Grange the full amount of that excess cost within 30 business days after notice from La Grange of the amount of that excess cost.

Section 7. Lead Participant Authority; Limitation on Claims.

A. Authority. La Grange, as the Lead Participant, has the following authority:

- (i) To make, in the absence of a consensus of a majority of the Participants, final decisions on Project and Work matters that are consistent with the intended purposes of the Project.
- (ii) To coordinate and oversee the Work in a commercially reasonable manner as determined in La Grange's exercise of its judgment and discretion.
- (iii) To stop the Work or any portion of it in the event of any dispute under this Agreement or under a contract with a contractor, when La Grange determines in the exercise of its judgment and discretion that a Work stoppage is reasonable.

B. Waiver of Right to Make Claims Against La Grange. In consideration of the terms of this Agreement, Western Springs, the Park District, and LTHS each, individually and collectively, hereby waives any right it may have at any time to assert any claim or action of any type whatsoever against La Grange for any act, omission, action, or inaction of La Grange related in any way to this Agreement, the Project, or the Work, except only an action for a specific breach of a specific term of this Agreement by La Grange. And in that event, the Participants waive any right they have or may have to seek any decision or judgment against La Grange for money or any consideration other than specific performance, and any claim or action of any type by any Participant against La Grange for a specific breach of a specific term of this Agreement may be solely for specific performance of that term of this Agreement.

Section 8. Indemnification. To the fullest extent permitted by law, each Participant (the "Indemnifying Participant") shall indemnify and defend each other Participant and its officials, officers, employees, appointed agents and representatives, and attorneys from and against any and all claims, obligations, liens, encumbrances, demands, liabilities, penalties, causes of action, and costs and expenses of any kind, including without limitation orders, damages, judgments, fines, forfeitures, amounts paid in settlement, and attorneys' fees and litigation costs relating to, arising out of, or alleged to have occurred as a result of the in whole or in part in connection with an act, omission, action, or inaction of the Indemnifying Participant related to this Agreement, the Project, or the Work (collectively "Claims"), excluding only any action for specific performance allowed by Subsection 7B of this Agreement and any Claims that are or are alleged to be, in whole or in part, related to an act or omission of the participant seeking indemnification. The Participants agree that this Section will be interpreted as broadly as possible under State of Illinois and federal law.

Section 9. Traffic Signal Maintenance Agreement. Within 60 days after the Effective Date, the Participants shall approve and enter into the Traffic Signal Maintenance Agreement for the perpetual "Maintenance" of the Traffic Signal. For the purposes of this Agreement, "Maintenance" means (a) all routine inspections, bulb replacements, cleaning, repairs, replacement of component parts, and similar activities related to the Traffic Signal

4-B.8

("Routine Maintenance") and (b) extraordinary repairs and replacements in the case of significant damage to the Traffic Signal by vehicle accident, storms, or similar events ("Major Repairs").

The Traffic Signal Maintenance Agreement will provide, among other things, that La Grange will be responsible for the Maintenance and that Western Springs will pay La Grange 50 percent of all costs and expenses associated with the Maintenance. La Grange will provide Western Springs an invoice from time to time for Signal Maintenance Reimbursement as provided in the Signal Maintenance Agreement.

The Traffic Signal Agreement will be drafted to apply solely to the Traffic Signal components, such as signal light assemblies, poles, detector loops, and control cabinets. The Traffic Signal Maintenance Agreement will not include any responsibility for maintenance or repairs to driveway entrances, curbs, gutters, drainage structures, landscaping, or any other non-Traffic Signal components except only to restore or repair any disturbance or damage caused directly by maintenance work on the Traffic Signal.

Section 10. Termination. This Agreement may be terminated by the Participants if, but only if, the STP Grant or the DCEO Funds are not available for the Project within six months after the Effective Date or if a contract for the construction of the Project is not awarded within two years after the Effective Date. This Agreement also may be terminated by any Participant on 30 days' written notice if another Participant fails to perform in accordance with the terms of this Agreement and then fails to cure the non-performance within the 30-day notice period.

Section 11. Compliance With Laws. Each Participant agrees to observe and comply with all federal, State, and local laws, codes, and ordinances applicable to the Project or the Work.

Section 12. General Provisions.

A. Amendments. This Agreement may be amended or modified only by a written amendment approved and executed by each Participant.

B. Entire Agreement. This Agreement contains the entire agreement of the Participants and supersedes all previous representations, promises, agreements, and understandings, written or oral.

C. Notices. Any notice, request, demand, or other communication provided for by this Agreement must be in writing and will be deemed to have been duly received upon (a) actual receipt if personally delivered and the sender received written confirmation of personal delivery, (b) receipt as indicated by the written or electronic verification of delivery when delivered by overnight courier, (c) receipt as indicated by the electronic transmission confirmation when sent via facsimile transmission or by e-mail, or (d) three calendar days after the sender deposits the notice with the U.S. Post Office when sent by certified or registered mail, return receipt requested. Notice must be sent to the addresses set forth below, or to such other address as any Participant may specify in writing.

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Notices to La Grange:

Village Manager  
Village of La Grange  
53 South La Grange Road  
La Grange, Illinois 60525  
(708) 579-2316  
(708) 579-0980 (facsimile)  
rpilipiszyn@villageoflagrange.com

*with a copy to:*

Director of Public Works  
Village of La Grange  
320 East Avenue  
La Grange, Illinois 60525  
(708) 579-2328  
(708) 579-2330 (facsimile)  
rgillingham@villageoflagrange.com

Notices to Western Springs:

Village Manager  
Village of Western Springs  
740 Hillgrove Avenue  
Western Springs, Illinois 60558  
(708) 246-1800 ext. 169  
(708) 246-0284 (facsimile)  
phiggins@wsprings.com

Notices to Park District:

Executive Director  
Park District of La Grange  
536 East Avenue  
La Grange, Illinois 60525  
(708) 352-1762  
(708) 352-8591 (facsimile)  
deanbissias@pdlg.org

Notices to LTHS:

Superintendent  
Lyons Township High School District 204  
100 South Brainard Avenue  
La Grange, Illinois 60525  
(708) 579-6451  
(708) 579-6768 (facsimile)  
tkilrea@lths.net

D. Governing Law. This Agreement will be governed and interpreted under the laws of the State of Illinois.

E. Construction of Agreement. Each Participant had a full and equal opportunity to review this Agreement and have it reviewed by legal counsel, if the Participant desired that review, before the Participant approved and entered into this Agreement. Therefore, the rule of construction that an ambiguity may be resolved against the drafter does not apply to this Agreement.

F. Counterparts. Each Participant shall execute four copies of the signature pages of this Agreement, either individually or with any or all other Participants. A complete set of original signatures then shall be distributed to each Participant. Each of the four resulting copies

of this Agreement with the original signature pages attached is deemed to be an original Agreement with the same effect as if the signatures had all been made on the same signature pages.

G. Assignment. No Participant may assign this Agreement or any right or obligation, in whole or in part, under this Agreement to any other person or entity.

IN WITNESS WHEREOF, each Participant has caused this Agreement to be executed on its behalf by properly authorized officials as of the Effective Date.

**VILLAGE OF LA GRANGE**

Attest:

By: \_\_\_\_\_  
Printed name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VILLAGE OF WESTERN SPRINGS**

Attest:

By: \_\_\_\_\_  
Printed name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LYONS TOWNSHIP HIGH SCHOOL**

Attest:

By: \_\_\_\_\_  
Printed name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PARK DISTRICT OF LA GRANGE**

By: \_\_\_\_\_  
Printed name: \_\_\_\_\_  
Title: \_\_\_\_\_

#11297122\_v2

4-13.11

**EXHIBIT A**

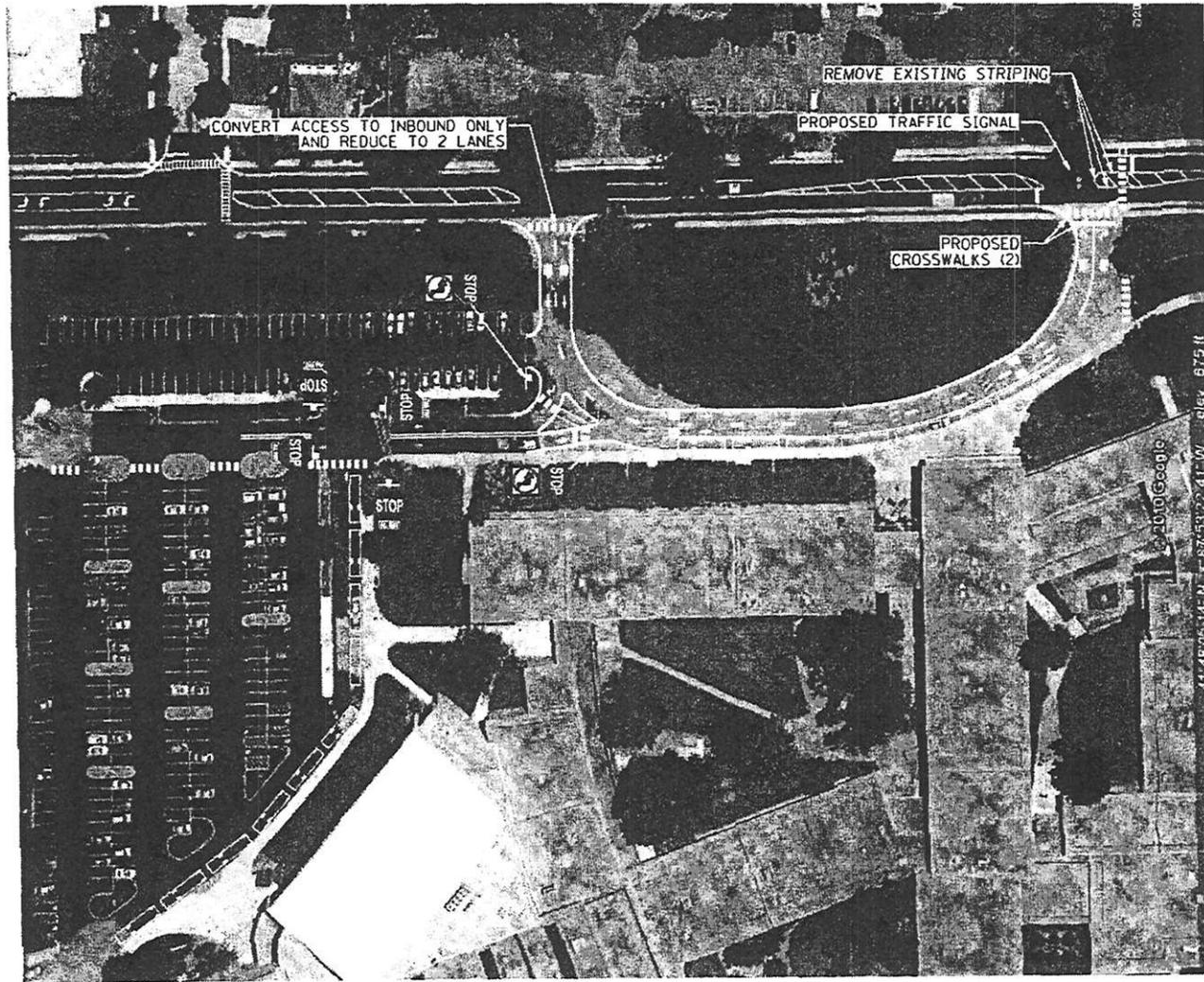
**ESTIMATED PROJECT BUDGET**

<b>Willow Springs Road Traffic Signal Project</b>	<b>BUDGET</b>
<b>Expenses</b>	
<b>Engineering</b>	
Phase 2 - Development of Plans and Specifications	40,000
Phase 3 - Construction Engineering	26,000
<b>Subtotal</b>	<b>66,000</b>
<b>Construction</b>	<b>264,000</b>
<b>Total</b>	<b>330,000</b>
<b>Revenues</b>	
Federal Surface Transportation Program Funding (STP) - FY13	28,000
Federal Surface Transportation Program Funding (STP) - FY14	203,000
State of Illinois - Legislative Appropriation - DCEO	90,000
Village of La Grange	3,000
Village of Western Springs	3,000
Lyons Township High School District 204	3,000
<b>Total</b>	<b>330,000</b>

**EXHIBIT B**

**DEPICTION OF THE WORK**  
*(attached)*

*4-B.13*



**KLOAN**  
 KLOAN CONSULTANTS, INC.  
 1024 West Alton Road, Suite 400  
 La Grange, Illinois 60139  
 P: (630) 940-4888 F: (630) 940-4883

DESIGNED: C.C.  
 DRAWN: C.C.  
 CHECKED: C.C.  
 DATE: 3/10/2011

SCALE:  
 11x17 PRINT: 1" = 80'

GILBERT AVE/WILLOW SPRINGS RD TRAFFIC STUDY  
 LA GRANGE, ILLINOIS

PROPOSED CIRCULATION AND BUS STAGING  
 (OPTION A)  
 LTHS - SOUTH CAMPUS

FIGURE NO.  
 5

4-B.14

VILLAGE OF LA GRANGE, ILLINOIS  
WILLOW SPRINGS ROAD AND LYONS TOWNSHIP  
HIGH SCHOOL SIGNAL IMPROVEMENTS

TASK ORDER NO. 25

In accordance with Section 1.2 of the Master Contract dated April 25, 2011 between the Village of La Grange (the "Village") and Baxter & Woodman, Inc. (the "Consultant"), the Parties agree to the following Task Number 25:

**1. Contracted Services:**

Baxter & Woodman, Inc. shall provide the Village with engineering services as described in the Project Description (Exhibit A) and Scope of Services (Exhibit B), attached hereto. All terms and conditions of the master task order contract dated April 25, 2011 with the Village of La Grange shall apply.

**2. Project Schedule** (attach schedule if appropriate):

All services shall be completed prior to January 1, 2014.

**3. Project Completion Date:**

All Contracted Services must be completed on or before January 1, 2014.

**4. Project Specific Pricing** (if applicable):

Baxter & Woodman, Inc. shall be compensated on a cost plus fixed fee basis in an amount not to exceed \$40,000. See attached Exhibit B.

**5. Additional Changes to the Master Contract** (if applicable):

N/A

All other terms and conditions remain unchanged.

**[signature page follows]**

4-B.15

**VILLAGE**

**CONSULTANT**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature



\_\_\_\_\_  
Director of Public Works

\_\_\_\_\_  
Louis D. Haussmann, PE, PTOE

\_\_\_\_\_  
Name (Printed or Typed)

\_\_\_\_\_  
Date

\_\_\_\_\_  
October 24, 2012

\_\_\_\_\_  
Date

If greater than, \$2,000, the Village Manager's signature is required.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Village Manager

\_\_\_\_\_  
Date

If greater than \$10,000, the Village Board must approve the Task Order in advance and the Village President's signature is required.

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Date

I:\Crystal Lake\LAGRV\120725-Willow Springs Signal\Contract\Task Order\120725.40 TASK ORDER No. 25.Doc

4-B.16

VILLAGE OF LA GRANGE, ILLINOIS  
WILLOW SPRINGS ROAD AND LYONS TOWNSHIP HS SIGNAL  
IMPROVEMENTS

EXHIBIT A

**PROJECT DESCRIPTION**

This PROJECT is located on Willow Springs Road adjacent to Lyons Township High School. The intersection lies at the south leg of the campus Circular Drive. The existing configuration consists of a four-legged intersection with stop control on the entrances. Willow Springs Road has a 3 lane cross section without channelization at the intersection.

This work will utilize federal funding under the Surface Transportation Program (STP). The work will include completing a study of the intersection, cross walk design just north of the intersection, preparation of the signal plans, roadway, pavement markings, cross walk, and related work.

Coordination between the Village, Lyons Township High School, IDOT-BLRS, and FHWA will be completed. Baxter & Woodman, Inc. will utilize the services of KLOA, Inc. to assist with processing of this project.

I:\Crystal Lake\LAGRV\120725-Willow Springs Signal\Contract\Task Order\Exhibit A.Doc

4-B.17



EXHIBIT B

4-B.18



Local Agency Village of La Grange	 <b>Illinois Department of Transportation</b>  <b>Preliminary Engineering Services Agreement For Federal Participation</b>	Consultant Baxter & Woodman, Inc.
County Cook		Address 8678 Ridgefield Road
Section 12-00087-00-TL		City Crystal Lake
Project No. M-4003(082)		State Illinois
Job No. D-91-009-13		Zip Code 60012
Contact Name/Phone/E-mail Address Ryan Gillingham/ 708.579.2326 rgillingham@villageoflagrange.com		Contact Name/Phone/E-mail Address Matt Washkowiak/815.459.1260 mwashkowiak@baxterwoodman.com

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ between the above Local Agency (LA) and Consultant (ENGINEER) and covers certain professional engineering services in connection with the PROJECT. Federal-aid funds allotted to the LA by the state of Illinois under the general supervision of the Illinois Department of Transportation (STATE) will be used entirely or in part to finance engineering services as described under AGREEMENT PROVISIONS.

#### Project Description

Name Willow Springs & Lyons HS Signal Imp. Route FAU 2697 Length 800' Structure No. \_\_\_\_\_

Termini Intersection Improvement

Description Phase II engineering for the design of signals at the intersection of Willow Springs Road and Lyons Township High School. Phase II will include detailed design of signals

#### Agreement Provisions

##### I. THE ENGINEER AGREES,

1. To perform or be responsible for the performance, in accordance with STATE approved design standards and policies, of engineering services for the LA for the proposed improvement herein described.
2. To attend any and all meetings and visit the site of the proposed improvement at any reasonable time when requested by representatives of the LA or STATE.
3. To complete the services herein described within 365 calendar days from the date of the Notice to Proceed from the LA, excluding from consideration periods of delay caused by circumstances beyond the control of the ENGINEER.
4. The classifications of the employees used in the work should be consistent with the employee classifications and estimated man-hours shown in EXHIBIT A. If higher-salaried personnel of the firm, including the Principal Engineer, perform services that are indicated in Exhibit A to be performed by lesser-salaried personnel, the wage rate billed for such services shall be commensurate with the payroll rate for the work performed.
5. That the ENGINEER is qualified technically and is entirely conversant with the design standards and policies applicable for the PROJECT; and that the ENGINEER has sufficient properly trained, organized and experienced personnel to perform the services enumerated herein.
6. That the ENGINEER shall be responsible for the accuracy of the work and shall promptly make necessary revisions or corrections resulting from the ENGINEER's errors, omissions or negligent acts without additional compensation. Acceptance of work by the STATE will not relieve the ENGINEER of the responsibility to make subsequent correction of any such errors or omissions or for clarification of any ambiguities.
7. That all plans and other documents furnished by the ENGINEER pursuant to this AGREEMENT will be endorsed by the ENGINEER and will affix the ENGINEER's professional seal when such seal is required by law. Plans for structures to be built as a part of the improvement will be prepared under the supervision of a registered structural engineer and will affix structural engineer seal when such seal is required by law. It will be the ENGINEER's responsibility to affix the proper seal as required by the Bureau of Local Roads and Streets manual published by the STATE.
8. That the ENGINEER will comply with applicable federal statutes, state of Illinois statutes, and local laws or ordinances of the LA.

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9. The undersigned certifies neither the ENGINEER nor I have:
- employed or retained for commission, percentage, brokerage, contingent fee or other considerations, any firm or person (other than a bona fide employee working solely for me or the above ENGINEER) to solicit or secure this AGREEMENT,
  - agreed, as an express or implied condition for obtaining this AGREEMENT, to employ or retain the services of any firm or person in connection with carrying out the AGREEMENT or
  - paid, or agreed to pay any firm, organization or person (other than a bona fide employee working solely for me or the above ENGINEER) any fee, contribution, donation or consideration of any kind for, or in connection with, procuring or carrying out the AGREEMENT.
  - are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency,
  - have not within a three-year period preceding the AGREEMENT been convicted of or had a civil judgment rendered against them for commission of fraud or criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property,
  - are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (e) and
  - have not within a three-year period preceding this AGREEMENT had one or more public transactions (Federal, State or local) terminated for cause or default.
10. To pay its subconsultants for satisfactory performance no later than 30 days from receipt of each payment from the LA.
11. To submit all invoices to the LA within one year of the completion of the work called for in this AGREEMENT or any subsequent Amendment or Supplement.
12. To submit BLR 05613, Engineering Payment Report, to the STATE upon completion of the project (Exhibit B).
13. Scope of Services to be provided by the ENGINEER:
- Make such detailed surveys as are necessary for the planning and design of the PROJECT.
  - Make stream and flood plain hydraulic surveys and gather both existing bridge upstream and downstream high water data and flood flow histories.
  - Prepare applications for U.S. Army Corps of Engineers Permit, Illinois Department of Natural Resources Office of Water Resources Permit and Illinois Environmental Protection Agency Section 404 Water Quality Certification.
  - Design and/or approve cofferdams and superstructure shop drawings.
  - Prepare Bridge Condition Report and Preliminary Bridge Design and Hydraulic Report, (including economic analysis of bridge or culvert types and high water effects on roadway overflows and bridge approaches).
  - Prepare the necessary environmental and planning documents including the Project Development Report, Environmental Class of Action Determination or Environmental Assessment, State Clearinghouse, Substate Clearinghouse and all necessary environmental clearances.
  - Make such soil surveys or subsurface investigations including borings and soil profiles as may be required to furnish sufficient data for the design of the proposed improvement. Such investigations to be made in accordance with the current Standard Specifications for Road and Bridge Construction, Bureau of Local Roads and Streets Administrative Policies, Federal-Aid Procedures for Local Highway Improvements or any other applicable requirements of the STATE.
  - Analyze and evaluate the soil surveys and structure borings to determine the roadway structural design and bridge foundation.
  - Prepare preliminary roadway and drainage structure plans and meet with representatives of the LA and STATE at the site of the improvement for review of plans prior to the establishment of final vertical and horizontal alignment, location and size of drainage structures, and compliance with applicable design requirements and policies.
  - Make or cause to be made such traffic studies and counts and special intersection studies as may be required to furnish sufficient data for the design of the proposed improvement.
  - Complete the general and detailed plans, special provisions and estimate of cost. Contract plans shall be prepared in accordance with the guidelines contained in the Bureau of Local Roads and Streets manual. The special provisions and detailed estimate of cost shall be furnished in quadruplicate.
  - Furnish the LA with survey and drafts in quadruplicate all necessary right-of-way dedications, construction easements and borrow pit and channel change agreements including prints of the corresponding plats and staking as required.

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II. THE LA AGREES,

- 1. To furnish the ENGINEER all presently available survey data and information
- 2. To pay the ENGINEER as compensation for all services rendered in accordance with this AGREEMENT, on the basis of the following compensation formulas:

Cost Plus Fixed Fee       CPFF = 14.5%[DL + R(DL) + OH(DL) + IHDC], or  
 CPFF = 14.5%[DL + R(DL) + 1.4(DL) + IHDC], or  
 CPFF = 14.5%[(2.3 + R)DL + IHDC]

Where:      DL = Direct Labor  
                  IHDC = In House Direct Costs  
                  OH = Consultant Firm's Actual Overhead Factor  
                  R = Complexity Factor

Specific Rate               (Pay per element)  
 Lump Sum                  \_\_\_\_\_

- 3. To pay the ENGINEER using one of the following methods as required by 49 CFR part 26 and 605 ILCS 5/5-409:

With Retainage

- a) **For the first 50% of completed work**, and upon receipt of monthly invoices from the ENGINEER and the approval thereof by the LA, monthly payments for the work performed shall be due and payable to the ENGINEER, such payments to be equal to 90% of the value of the partially completed work minus all previous partial payments made to the ENGINEER.
- b) **After 50% of the work is completed**, and upon receipt of monthly invoices from the ENGINEER and the approval thereof by the LA, monthly payments covering work performed shall be due and payable to the ENGINEER, such payments to be equal to 95% of the value of the partially completed work minus all previous partial payments made to the ENGINEER.
- c) **Final Payment** – Upon approval of the work by the LA but not later than 60 days after the work is completed and reports have been made and accepted by the LA and the STATE, a sum of money equal to the basic fee as determined in this AGREEMENT less the total of the amounts of partial payments previously paid to the ENGINEER shall be due and payable to the ENGINEER.

Without Retainage

- a) **For progressive payments** – Upon receipt of monthly invoices from the ENGINEER and the approval thereof by the LA, monthly payments for the work performed shall be due and payable to the ENGINEER, such payments to be equal to the value of the partially completed work minus all previous partial payments made to the ENGINEER.
- b) **Final Payment** – Upon approval of the work by the LA but not later than 60 days after the work is completed and reports have been made and accepted by the LA and STATE, a sum o money equal to the basic fee as determined in this AGREEMENT less the total of the amounts of partial payments previously paid to the ENGINEER shall be due and payable to the ENGINEER.

- 4. The recipient shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR part 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31U.S.C. 3801 et seq.).

III. IT IS MUTALLY AGREED,

- 1. That no work shall be commenced by the ENGINEER prior to issuance by the LA of a written Notice to Proceed.
- 2. That tracings, plans, specifications, estimates, maps and other documents prepared by the ENGINEER in accordance with this AGREEMENT shall be delivered to and become the property of the LA and that basic survey notes, sketches, charts and other data prepared or obtained in accordance with this AGREEMENT shall be made available, upon request, to the LA or to the STATE, without restriction or limitation as to their use.

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3. That all reports, plans, estimates and special provisions furnished by the ENGINEER shall be in accordance with the current Standard Specifications for Road and Bridge Construction, Bureau of Local Roads and Streets Administrative Policies, Federal-Aid Procedures for Local Highway Improvements or any other applicable requirements of the STATE, it being understood that all such furnished documents shall be approved by the LA and the STATE before final acceptance. During the performance of the engineering services herein provided for, the ENGINEER shall be responsible for any loss or damage to the documents herein enumerated while they are in the ENGINEER's possession and any such loss or damage shall be restored at the ENGINEER's expense.
4. That none of the services to be furnished by the ENGINEER shall be sublet, assigned or transferred to any other party or parties without written consent of the LA. The consent to sublet, assign or otherwise transfer any portion of the services to be furnished by the ENGINEER shall not be construed to relieve the ENGINEER of any responsibility for the fulfillment of this agreement.
5. To maintain, for a minimum of 3 years after the completion of the contract, adequate books, records and supporting documents to verify the amounts, recipients and uses of all disbursements of funds passing in conjunction with the contract; the contract and all books, records and supporting documents related to the contract shall be available for review and audit by the Auditor General and the STATE; and to provide full access to all relevant materials. Failure to maintain the books, records and supporting documents required by this section shall establish a presumption in favor of the STATE for the recovery of any funds paid by the STATE under the contract for which adequate books, records and supporting documentation are not available to support their purported disbursement.
6. The payment by the LA in accordance with numbered paragraph 3 of Section II will be considered payment in full for all services rendered in accordance with this AGREEMENT whether or not they be actually enumerated in this AGREEMENT.
7. That the ENGINEER shall be responsible for any and all damages to property or persons arising out of an error, omission and/or negligent act in the prosecution of the ENGINEER's work and shall indemnify and save harmless the LA, the STATE, and their officers, agents and employees from all suits, claims, actions or damages of any nature whatsoever resulting there from. These indemnities shall not be limited by the listing of any insurance policy.
8. This AGREEMENT may be terminated by the LA upon giving notice in writing to the ENGINEER at the ENGINEER's last known post office address. Upon such termination, the ENGINEER shall cause to be delivered to the LA all drawings, plats, surveys, reports, permits, agreements, soils and foundation analysis, provisions, specifications, partial and completed estimates and data, if any from soil survey and subsurface investigation with the understanding that all such material becomes the property of the LA. The LA will be responsible for reimbursement of all eligible expenses to date of the written notice of termination.
9. This certification is required by the Drug Free Workplace Act (30ILCS 580). The Drug Free Workplace Act requires that no grantee or contractor shall receive a grant or be considered for the purpose of being awarded a contract for the procurement of any property or service from the State unless that grantee or contractor will provide a drug free workplace. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract or grant payments, termination of a contract or grant and debarment of the contracting or grant opportunities with the State for at least one (1) year but no more than five (5) years.

For the purpose of this certification, "grantee" or "contractor" means a corporation, partnership or other entity with twenty-five (25) or more employees at the time of issuing the grant, or a department, division or other unit thereof, directly responsible for the specific performance under a contract or grant of \$5,000 or more from the State, as defined in the Act.

The contractor/grantee certifies and agrees that it will provide a drug free workplace by:

- a. Publishing a statement:
  - (1) Notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance, including cannabis, is prohibited in the grantee's or contractor's workplace.
  - (2) Specifying the actions that will be taken against employees for violations of such prohibition.
  - (3) Notifying the employee that, as a condition of employment on such contract or grant, the employee will:
    - (a) abide by the terms of the statement; and
    - (b) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
- b. Establishing a drug free awareness program to inform employees about:
  - (1) The dangers of drug abuse in the workplace;
  - (2) The grantee's or contractor's policy of maintaining a drug free workplace;
  - (3) Any available drug counseling, rehabilitation and employee assistance program; and
  - (4) The penalties that may be imposed upon an employee for drug violations.
- c. Providing a copy of the statement required by subparagraph (a) to each employee engaged in the performance of the contract or grant and to post the statement in a prominent place in the workplace.
- d. Notifying the contracting or granting agency within ten (10) days after receiving notice under part (B) of paragraph (3) of subsection (a) above from an employee or otherwise receiving actual notice of such conviction.
- e. Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by,
- f. Assisting employees in selecting a course of action in the event drug counseling, treatment and rehabilitation is required and indicating that a trained referral team is in place.
- g. Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

4-B.22

10. The ENGINEER or subconsultant shall not discriminate on the basis of race, color, national origin or sex in the performance of this AGREEMENT. The ENGINEER shall carry out applicable requirements of 49 CFR part 26 in the administration of DOT assisted contracts. Failure by the ENGINEER to carry out these requirements is a material breach of this AGREEMENT, which may result in the termination of this AGREEMENT or such other remedy as the LA deems appropriate.

**Agreement Summary**

Prime Consultant:	TIN Number	Agreement Amount
Baxter & Woodman, Inc.	36-2845242	\$14,000.00
Sub-Consultants:	TIN Number	Agreement Amount
Kenig, Lindgren, O'Hare, Aboona, Inc.	36-4019278	\$26,000.00
Sub-Consultant Total:		\$26,000.00
Prime Consultant Total:		\$14,000.00
Total for all Work:		\$40,000.00

Executed by the LA:

\_\_\_\_\_ (Municipality/Township/County)

ATTEST:

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

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

(SEAL)

Executed by the ENGINEER:

ATTEST:

By: \_\_\_\_\_  
 Title: Secretary

By: \_\_\_\_\_  
 Title: Vice President

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### Subconsultants

FIRM NAME Baxter & Woodman, Inc. DATE 11/06/12  
 PRIME/SUPPLEMENT PRIME  
 PSB NO. N/A

NAME	Direct Labor Total	Contribution to Prime Consultant
		0.00
KLOA, Inc		26,000.00
		0.00
		0.00
		0.00
		0.00
		0.00
<b>Total</b>	0.00	26,000.00

4-B.26



**AVERAGE HOURLY PROJECT RATES**

**FIRM** Baxter & Woodman, Inc.  
**PSB** N/A  
**PRIME/SUPPLEMENT** PRIME

DATE 11/06/12

SHEET 1 OF 1

PAYROLL CLASSIFICATION	AVG HOURLY RATES	TOTAL PROJECT RATES			Coordination and Data Co			Topographic Survey			Plan Preparation			QCQA			Manage Project		
		Hours	% Part.	Wgt'd Avg	Hours	% Part.	Wgt'd Avg	Hours	% Part.	Wgt'd Avg	Hours	% Part.	Wgt'd Avg	Hours	% Part.	Wgt'd Avg	Hours	% Part.	Wgt'd Avg
Principal	69.52	0																	
Sr. Engineer V	61.09	6	5.36%	3.27													6	100.00%	61.09
Sr. Engineer IV	56.99	0																	
Sr. Engineer III	50.80	38	33.93%	17.24	14	53.85%	27.35				16	57.14%	29.03	8	100.00%	50.80			
Sr. Engineer II	45.38	0																	
Sr. Engineer I	41.77	0																	
Engineer III	37.50	12	10.71%	4.02	12	46.15%	17.31												
Engineer II	32.62	0																	
Engineer I	21.03	0																	
Engineer Tech II	34.06	32	28.57%	9.73				32	72.73%	24.77									
Cadd Operator IV	40.30	12	10.71%	4.32							12	42.86%	17.27						
Survey Tech III	35.34	12	10.71%	3.79				12	27.27%	9.64									
Survey Tech II	30.02	0																	
Clerical I	24.34	0																	
		0																	
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<b>TOTALS</b>		112	100%	\$42.36	26	100.00%	\$44.66	44	100%	\$34.41	28	100%	\$46.30	8	100%	\$50.80	6	100%	\$61.09

4-B.28



VILLAGE OF LA GRANGE  
WILLOW SPRINGS ROAD AND LYONS TWP HS SIGNAL IMPROVEMENTS  
PHASE II DESIGN ENGINEERING

EXHIBIT C

**SUMMMARY OF DIRECT COSTS**

Mileage:

40 miles/round trip x 10 trips x \$0.55/mile = \$220.00

Postage:

Mailing of plans, specifications, permit submittals, and utility coordination.

10 mailings x \$28.08 each = \$288.06

***TOTAL DIRECT COST FOR THIS PROJECT = \$508.06***

Route: Willow Springs Road  
Section No.: 12-00087-00-TL  
County: Cook

## EXHIBIT A

### VILLAGE OF LA GRANGE WILLOW SPRING RD AND LYONS TOWNSHIP HIGH SCHOOL SIGNAL IMPROVEMENTS

#### **Location:**

This PROJECT is located on Willow Springs Road in the Village of La Grange. The intersection lies at the south leg of the campus Circular Drive.

#### **Project Understanding/Description:**

The existing configuration consists of a four-legged intersection with stop control on the entrances. Willow Springs Road (also known as Gilbert Avenue) has a 3 lane cross section without channelization at the intersection.

The work included in the PROJECT shall consist of completing signal design, pavement markings, and roadway improvements as per requirements of the Intersection Design Study. Right-of-way is not anticipated.

Coordination between the Village, Lyons Township High School, BLRS, and FHWA will be completed.

#### **Scope of Services**

##### 1) COORDINATION AND DATA COLLECTION

- Obtain existing roadway (if available) from the Village.
- Obtain data of record, including utility atlas pages, to assist with the preparation of design drawings.
- Utilize the services of KLOA for the development of the Intersection Design Study and geometrics. This project is anticipated to be processed through the Bureau of Local Roads and Streets (BLRS) as a Categorical Exclusion Group I with no report.
- Develop the cross walk concept for a crossing just north of the signalized improvement for approval by IDOT. This work will be completed by KLOA.
- Notify and coordinate the proposed improvements with utility companies.

Coordinate with Village, IDOT, FHWA for final approvals. Attend up to 2 coordination meetings with FHWA and IDOT.

- Utilize existing data from the approved Intersection Design Study
- Utilize the services of KLOA for the development of the final design plans. This project is anticipated to be processed through the Bureau of Local Roads and Streets (BLRS) as a Categorical Exclusion Group I with no report.
- Notify and coordinate the proposed improvements with utility companies.

Coordinate with Village, IDOT, FHWA for final approvals.

## 2) TOPOGRAPHIC SURVEY

- Perform topographic survey within the PROJECT limits at 100-foot intervals using GPS and total station equipment. State Plane coordinates will be used. The limits of the survey will be 500 feet in each direction of the intersection.
- Collect drainage structure information along with pipe inverts, sizes and flow direction. In addition, obtain data of record indicating locations of underground utilities.

## 3) ENVIRONMENTAL ANALYSIS

- Environmental Analysis is not anticipated due to the location of the project on Village ROW with no property anticipated for acquisition.

## 4) PLAN PREPARATION

- GEOMETRIC PLANS - Prepare the pavement design and geometric plan and profile sheets for the proposed improvements based on the approved Intersection Design Study.
- PAVEMENT MARKING AND SIGNAGE PLANS - Develop a proposed pavement striping and signage plan for the proposed improvements.
- PROJECT DETAILS AND STANDARDS – Prepare a Cover Sheet, Typical Sections, Design Details, Summary of Quantities, and State Standard Detail sheets.

- UTILITY COORDINATION – Finalize utility conflicts and facilitate relocations with utility companies.
- ESTIMATE OF COST AND TIME - Prepare summary of quantities, estimate of time, schedules of materials and an engineer's estimate of cost.
- SPECIAL PROVISIONS – Prepare special provisions in accordance with IDOT guidelines.
- PLAN SHEET SUMMARY – The following plan sheets are anticipated for this PROJECT (number of sheets):

Title Sheet (1)  
 General Notes/Standards/Index of Sheets (1)  
 Summary of Quantities (by KLOA)  
 Typical Sections (by KLOA)  
 Removal Plan (by KLOA)  
 Plan and Profile (2)  
 Traffic Signal Plan (by KLOA)  
 Traffic Signal Cable Diagram (by KLOA)  
 Traffic Signals Details (by KLOA)  
 Interconnect Plan (by KLOA)  
 Landscaping, Signing, and Striping (1)  
 District 1 Details (3)

5) QC/QA

- Perform an in-house peer and constructability review for each submittal by senior staff.

6) MANAGE PROJECT

- Plan, schedule, and control the activities that must be performed to complete the PROJECT including budget, schedule, and scope.
- Prepare and submit monthly invoices and coordinate invoices from sub-consultants. Attend one kick-off meeting with the VILLAGE to review the PROJECT and establish PROJECT criteria and establish clear lines of communication, and up to three progress meetings to review the plan submittals and coordination issues that may arise.

I:\Crystal Lake\LAGRV\General\willow springs and gilbert signal\scope.doc

4-B.33

June 26, 2012

Mr. Ryan Gillingham, PE  
Director of Public Works  
Village of La Grange  
320 East Avenue  
La Grange, Illinois 60525

Re: Scope of Services and Fee Proposal  
Traffic Signal Design & Pedestrian Crossing Enhancements  
Gilbert Avenue / Lyons Township High School South Campus

Dear Ryan:

Kenig, Lindgren, O'Hara, Aboona, Inc. (KLOA, Inc.) is pleased to submit this proposal to provided traffic engineering services to improve traffic and pedestrian access to Lyons Township High School (LTHS) South Campus in Western Springs, Illinois.

The services to be provided by KLOA, Inc. serve as a follow-up to the recommendations developed by KLOA in the Gilbert Avenue/Willow Springs Road Traffic Study (revised draft dated March 2011). The recommendations include the reconfiguration of bus and drop-off/pick-up circulation on the campus as well as modifications to Gilbert Avenue, including the installation of a new traffic signal at the intersection of Gilbert Avenue and the south leg of the campus Circular Drive (i.e., Circular Drive South) and enhancements to the existing crosswalk on Gilbert Avenue at Mason Drive. Jurisdiction of Gilbert Avenue is shared by the villages of Western Springs and La Grange. As such, any roadway modifications and new signalization will be subject to review and approval by the two communities. The only plans that will require approval by the Illinois Department of Transportation (IDOT) are interconnect plans between the new traffic signal and the existing signal system along 47<sup>th</sup> Street.

### **Scope of Services**

Based on our familiarity with the project and site area, our knowledge of the local and IDOT review process, and our extensive experience in traffic engineering and site planning issues for school campuses such as this, we have developed the following scope of services.

The work scope has been separated into three (3) phases:

- I. *Intersection Design Study (IDS)*
- II. *Traffic Signal Design Plan*
- III. *Gilbert Avenue/Mason Drive Crosswalk Enhancement Plans*

4-B.34

### **Phase I – Intersection Design Study (IDS)**

The Gilbert Avenue/Willow Springs Road traffic study indicated that a traffic signal is warranted at the Gilbert Avenue/Circular Drive South intersection based on the satisfaction of Warrant 3-Peak Hour. In Phase 1 of this work scope, KLOA, Inc. will prepare an Intersection Design Study (IDS) for the intersection of Gilbert Avenue and LTHS Circular Drive South. The IDS is intended to show the preliminary engineering of the roadway improvements (i.e., turn lanes, pavement markings, etc.), intersection capacity analysis results and traffic signal timing plans for the projected future traffic volumes, and the layout of the traffic signal equipment. The following tasks will be performed for Phase IV:

1. *Base Map Preparation.* Base maps at a scale of 1"=20' will be prepared using survey data to be provided by Baxter & Woodman consulting engineers.
2. *IDS Development.* The IDS will be developed using the traffic data contained in the Gilbert Avenue/Willow Springs Road traffic study and will include the following:
  - a. Intersection capacity calculations
  - b. Existing and projected peak hour volumes
  - c. Existing and proposed geometrics
  - d. Typical pavement markings
  - e. Right-of-way, centerline and other significant features.
3. *Coordination with IDOT and the villages of Western Springs and La Grange.* Discussions will be held with the villages of Western Springs and La Grange, and the LTHS project team, for the purposes of obtaining IDS approval. Discussions will be held with IDOT to determine any signal interconnect requirements.

### **Phase II - Traffic Signal Design Plan**

Upon approval of the IDS by the two communities, KLOA, Inc. will proceed with the preparation of the traffic signal design plans for the Gilbert Avenue/Circular Drive South intersection. The following tasks will be performed in Phase II:

1. *Base Map Preparation.* Base maps (at a scale of 1"=20') will be prepared for the traffic signal design plans using the approved IDS as a base.
2. *Plans, Specifications and Estimate.* Traffic signal design plans will be prepared using the base map information from Task 1. The plans will be developed based on IDOT standards current at the time said plans are prepared. The plans will include:
  - a. Preliminary, pre-final and final traffic signal design plans.
  - b. Cable plan.
  - c. Phase designation diagram.
  - d. Loop detector detail and general notes.

4-B.35

Mr. Ryan Gillingham

June 26, 2012

Page 3

- e. Traffic signal interconnect plans (to the 47<sup>th</sup> Street signal system)
  - f. Technical specifications will be assembled employing IDOT special provisions to the extent that they apply.
  - g. An engineer's opinion of probable construction cost will be prepared based on the final plans.
3. *Coordination with IDOT and the villages of Western Springs and La Grange.* Discussions with representatives from the villages of Western Springs and La Grange will be held for the purposes of clarifying the specific design elements to be incorporated into the plans and obtaining plan approval. Discussions will be held with IDOT for purposes of obtaining approval on the interconnect plans.

### **Phase III – Gilbert Avenue/Mason Drive Crosswalk Enhancement Plan**

The Gilbert Avenue/Willow Springs Road traffic study identified a series of improvements to enhance the existing uncontrolled crosswalk on Gilbert Avenue at Mason Drive. In Phase III, KLOA will develop concept plans of crosswalk improvement alternatives, seek consensus on a preferred alternative, and develop final design plans for review and approval by the villages of Western Springs and La Grange. This phase can be completed concurrently with Phase II.

1. Conduct a field reconnaissance to verify existing signing, pavement markings, sidewalk locations, curb cuts, and electrical connections.
2. KLOA, Inc. will utilize the survey base files of Gilbert Avenue collected in Phase I by Baxter & Woodman to develop a concept plan depicting the recommended pedestrian crossing enhancement measures. The concept plan will depict a plan view showing the proposed location of the enhancements, which could include the replacement of the existing pedestrian crossing sign with a sign featuring pedestrian-actuated rapid flashing beacons, the installation of a pedestrian refuge island, and/or enhancements to the existing school speed zone signs. Photographs of in-field examples of the various concepts will be provided as well. Construction cost estimates for each enhancement measure will also be provided.
3. Review the concept plan with the villages of Western Springs and La Grange, and the LTHS project team. Modify the plan as necessary.
4. Upon approval by the two communities of an agreeable pedestrian crossing enhancement plan, KLOA, Inc. will utilize the base survey files to prepare plans, specifications and an engineers' opinion of probable construction cost to install the pedestrian crossing enhancement. The plans will include pedestrian signs, pavement marking and signalization details, but exclude any potential modifications to the roadway, sidewalk, drainage, landscaping and/or lighting. KLOA, Inc. will work with Baxter & Woodman to prepare the appropriate roadway, utility and infrastructure design plans and supplements to the engineers' cost estimate. To provide adequate lead time for ComEd to complete any necessary electrical line extensions, preliminary plans will be prepared and forwarded to the villages of Western Springs and La Grange and to ComEd prior to the completion of the final plans.

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5. Coordinate with the villages of Western Springs and La Grange, and possibly ComEd, for the purpose of obtaining the necessary approvals, electrical line extensions, and permits for work to be completed.
6. KLOA, Inc. will assist Baxter & Woodman in preparing a bid package for the traffic signal installation and construction of the crosswalk enhancements.
7. KLOA, Inc. staff will attend up to two (2) meetings with District 204, the villages of Western Springs and La Grange, ComEd, IDOT, and/or the LTHS-District 204 project team to review the design plans, obtain approvals and permits, and oversee system installation.

### **Time of Performance**

Phase I (IDS) will commence when authorized by the Village of La Grange to proceed and upon receipt of base maps/survey data from Baxter & Woodman. The IDS will be prepared and submitted to the villages of Western Springs and La Grange within 3-4 weeks. Any review comments received will be addressed and the IDS will be resubmitted for approval within 1-2 weeks of receipt of comments. Phase II (Traffic Signal Design Plan) will commence upon approval of the IDS and when authorized by the Village of La Grange to proceed. Once received, plans will be completed within 4-5 weeks. Any review comments received will be addressed within 2 weeks, with plans resubmitted for approval. The schedule for Phase III (Gilbert Ave/Mason Dr Crosswalk Enhancement Plan) is contingent upon review time with the LTHS project team and the villages of Western Springs and La Grange on the concept plan, and will also be contingent upon the schedule for Baxter & Woodman to develop the roadway/utility/infrastructure design plans. It is anticipated that Phase III can be completed within 6-8 weeks and concurrent with Phases I and II.

### **Cost of Services**

The cost of services rendered by KLOA, Inc. under this agreement will be based on our standard hourly rates (straight time) for staff time expended on this assignment, plus reimbursement at cost for direct expenses such as non-staff traffic count personnel, travel, postage, and reproduction. Based on our experience with similar projects, our not-to-exceed cost for staff time and direct expenses associated with the three phases of work will be \$26,000. These costs are summarized below by work phase.

Phase I – Intersection Design Study (IDS)	\$ 5,000
Phase II – Traffic Signal Design Plans	\$ 12,000
Phase III – Gilbert Ave/Mason Dr Crosswalk Enhancement Plan (+2 meetings)	<u>\$ 9,000</u>
Total	\$ 26,000

This work scope includes attendance at up to two (2) meetings. All costs for professional staff time and direct expenses in connection with any additional meetings and/or hearings will be itemized separately on our invoices based on our standard 2012 hourly rates and will be considered additional services to this agreement.

4-B.37

### Method of Payment

Invoices for services rendered will be submitted every two weeks and will reflect the charges incurred on the project during the previous period. Invoices will show staff time and expenses separately. Invoices are due and payable within 30 days of the invoice date. Payments due KLOA are not contingent upon project approval or project financing and are the responsibility of the Village of La Grange. In the event that legal proceedings are instituted to collect delinquent payments due KLOA, the Village of La Grange will be responsible for court costs, expenses of collection, and reasonable attorney's fees. To the maximum extent permitted by law, the Village of La Grange agrees to limit KLOA, Inc.'s liability for the Village of La Grange's damages up to the sum of the total fee on this contract. This limitation should apply regardless of the cause of action or legal theory pled or asserted.

KLOA, Inc. is pleased to have this opportunity to offer our professional services to the Village of La Grange on this important project for LTHS District 204 and the villages of Western Springs and La Grange. We look forward to initiating our services on this project upon receipt of a signed copy of this letter of agreement for our files. If you have any questions, please do not hesitate to call us at (847) 518-9990.

Sincerely,

KENIG, LINDGREN, O'HARA, ABOONA, INC.



Eric D. Russell, PE, PTOE, PTP, LEED AP ND  
Principal



Luay R. Aboona, PE  
As its Principal and  
Contracting Officer

ACCEPTED AND APPROVED THIS

\_\_\_\_ DAY OF \_\_\_\_\_, 2012

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed Name)

Authorized to Execute Agreements for:

\_\_\_\_\_

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**Illinois Department  
of Transportation**

**Local Agency Agreement  
for Federal Participation**

Local Agency Village of La Grange	State Contract X	Day Labor	Local Contract	RR Force Account
Section 12-00087-00-TL	Fund Type STP	ITEP Number		

Construction		Engineering		Right-of-Way	
Job Number	Project Number	Job Number	Project Number	Job Number	Project Number
		D-91-009-13	M-4003(082)		

This Agreement is made and entered into between the above local agency hereinafter referred to as the "LA" and the state of Illinois, acting by and through its Department of Transportation, hereinafter referred to as "STATE". The STATE and LA jointly propose to improve the designated location as described below. The improvement shall be constructed in accordance with plans approved by the STATE and the STATE's policies and procedures approved and/or required by the Federal Highway Administration hereinafter referred to as "FHWA".

**Location**

Local Name Willow Springs Road and Lyons Township HS Signal Imp.(Ph II) Route FAU 2697 Length 1000ft  
 Termini Intersection Improvements

Current Jurisdiction Village ROW Existing Structure No \_\_\_\_\_

**Project Description**

Phase II Traffic signal replacement and channelization improvements

**Division of Cost**

Type of Work	FHWA	%	STATE	%	LA	%	Total
Participating Construction	( )	( )	( )	( )	( )	( )	
Non-Participating Construction	( )	( )	( )	( )	( )	( )	
Preliminary Engineering	\$28,000	70	( )	( )	\$12,000	30	40,000
Construction Engineering	( )	( )	( )	( )	( )	( )	
Right of Way	( )	( )	( )	( )	( )	( )	
Railroads	( )	( )	( )	( )	( )	( )	
Utilities	( )	( )	( )	( )	( )	( )	
Materials	( )	( )	( )	( )	( )	( )	
TOTAL	\$ 28,000		\$ _____		\$ 12,000		\$ 40,000

**NOTE:** The costs shown in the Division of Cost table are approximate and subject to change. The final LA share is dependent on the final Federal and State participation. The actual costs will be used in the final division of cost for billing and reimbursement.

If funding is not a percentage of the total, place an asterisk in the space provided for the percentage and explain above.

The Federal share of construction engineering may not exceed 15% of the Federal share of the final construction cost.

**Local Agency Appropriation**

By execution of this Agreement, the LA is indicating sufficient funds have been set aside to cover the local share of the project cost and additional funds will be appropriated, if required, to cover the LA's total cost.

**Method of Financing (State Contract Work)**

METHOD A---Lump Sum (80% of LA Obligation) \_\_\_\_\_  
 METHOD B--- \_\_\_\_\_ Monthly Payments of \_\_\_\_\_  
 METHOD C---LA's Share Balance divided by estimated total cost multiplied by actual progress payment.

(See page two for details of the above methods and the financing of Day Labor and Local Contracts)

4-B.39

## Agreement Provisions

### THE LA AGREES:

- (1) To acquire in its name, or in the name of the state if on the state highway system, all right-of-way necessary for this project in accordance with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and established state policies and procedures. Prior to advertising for bids, the **LA** shall certify to the **STATE** that all requirements of Titles II and III of said Uniform Act have been satisfied. The disposition of encroachments, if any, will be cooperatively determined by representatives of the **LA**, and **STATE** and the **FHWA**, if required.
- (2) To provide for all utility adjustments, and to regulate the use of the right-of-way of this improvement by utilities, public and private, in accordance with the current Utility Accommodation Policy for Local Agency Highway and Street Systems.
- (3) To provide for surveys and the preparation of plans for the proposed improvement and engineering supervision during construction of the proposed improvement.
- (4) To retain jurisdiction of the completed improvement unless specified otherwise by addendum (addendum should be accompanied by a location map). If the improvement location is currently under road district jurisdiction, an addendum is required.
- (5) To maintain or cause to be maintained, in a manner satisfactory to the **STATE** and **FHWA**, the completed improvement, or that portion of the completed improvement within its jurisdiction as established by addendum referred to in item 4 above.
- (6) To comply with all applicable Executive Orders and Federal Highway Acts pursuant to the Equal Employment Opportunity and Nondiscrimination Regulations required by the U.S. Department of Transportation.
- (7) To maintain, for a minimum of 3 years after the completion of the contract, adequate books, records and supporting documents to verify the amounts, recipients and uses of all disbursements of funds passing in conjunction with the contract; the contract and all books, records and supporting documents related to the contract shall be available for review and audit by the Auditor General and the department; and the **LA** agrees to cooperate fully with any audit conducted by the Auditor General and the department; and to provide full access to all relevant materials. Failure to maintain the books, records and supporting documents required by this section shall establish a presumption in favor of the **STATE** for the recovery of any funds paid by the **STATE** under the contract for which adequate books, records and supporting documentation are not available to support their purported disbursement.
- (8) To provide if required, for the improvement of any railroad-highway grade crossing and rail crossing protection within the limits of the proposed improvement.
- (9) To comply with Federal requirements or possibly lose (partial or total) Federal participation as determined by the **FHWA**.
- (10) (State Contracts Only) That the method of payment designated on page one will be as follows:
  - Method A - Lump Sum Payment. Upon award of the contract for this improvement, the **LA** will pay to the **STATE**, in lump sum, an amount equal to 80% of the **LA**'s estimated obligation incurred under this Agreement, and will pay to the **STATE** the remainder of the **LA**'s obligation (including any nonparticipating costs) in a lump sum, upon completion of the project based upon final costs.
  - Method B - Monthly Payments. Upon award of the contract for this improvement, the **LA** will pay to the **STATE**, a specified amount each month for an estimated period of months, or until 80% of the **LA**'s estimated obligation under the provisions of the Agreement has been paid, and will pay to the **STATE** the remainder of the **LA**'s obligation (including any nonparticipating costs) in a lump sum, upon completion of the project based upon final costs.
  - Method C - Progress Payments. Upon receipt of the contractor's first and subsequent progressive bills for this improvement, the **LA** will pay to the **STATE**, an amount equal to the **LA**'s share of the construction cost divided by the estimated total cost, multiplied by the actual payment (appropriately adjusted for nonparticipating costs) made to the contractor until the entire obligation incurred under this Agreement has been paid.
- (11) (Day Labor or Local Contracts) To provide or cause to be provided all of the initial funding, equipment, labor, material and services necessary to construct the complete project.
- (12) (Preliminary Engineering) In the event that right-of-way acquisition for, or actual construction of the project for which this preliminary engineering is undertaken with Federal participation is not started by the close of the tenth fiscal year following the fiscal year in which this agreement is executed, the **LA** will repay the **STATE** any Federal funds received under the terms of this Agreement.
- (13) (Right-of-Way Acquisition) In the event that the actual construction of the project on this right-of-way is not undertaken by the close of the twentieth fiscal year following the fiscal year in which this Agreement is executed, the **LA** will repay the **STATE** any Federal Funds received under the terms of this Agreement.

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- (14) (Railroad Related Work Only) The estimates and general layout plans for at-grade crossing improvements should be forwarded to the Rail Safety and Project Engineer, Room 204, Illinois Department of Transportation, 2300 South Dirksen Parkway, Springfield, Illinois, 62764. Approval of the estimates and general layout plans should be obtained prior to the commencement of railroad related work. All railroad related work is also subject to approval by the Illinois Commerce Commission (ICC). Final inspection for railroad related work should be coordinated through appropriate IDOT District Bureau of Local Roads and Streets office.
- Plans and preemption times for signal related work that will be interconnected with traffic signals shall be submitted to the ICC for review and approval prior to the commencement of work. Signal related work involving interconnects with state maintained traffic signals should also be coordinated with the IDOT's District Bureau of Operations.
- The **LA** is responsible for the payment of the railroad related expenses in accordance with the **LA**/railroad agreement prior to requesting reimbursement from IDOT. Requests for reimbursement should be sent to the appropriate IDOT District Bureau of Local Roads and Streets office.
- Engineer's Payment Estimates in accordance with the Division of Cost on page one.
- (15) And certifies to the best of its knowledge and belief its officials:
- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;
  - (b) have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements receiving stolen property;
  - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, local) with commission of any of the offenses enumerated in item (b) of this certification; and
  - (d) have not within a three-year period preceding the Agreement had one or more public transactions (Federal, State, local) terminated for cause or default.
- (16) To include the certifications, listed in item 15 above and all other certifications required by State statutes, in every contract, including procurement of materials and leases of equipment.
- (17) (State Contracts) That execution of this agreement constitutes the **LA**'s concurrence in the award of the construction contract to the responsible low bidder as determined by the **STATE**.
- (18) That for agreements exceeding \$100,000 in federal funds, execution of this Agreement constitutes the **LA**'s certification that:
- (a) 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 any employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement;
  - (b) 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;
  - (c) The **LA** shall require that the language of this certification be included in the award documents for all subawards at all ties (including subcontracts, subgrants and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- (19) To regulate parking and traffic in accordance with the approved project report.
- (20) To regulate encroachments on public right-of-way in accordance with current Illinois Compiled Statutes.
- (21) To regulate the discharge of sanitary sewage into any storm water drainage system constructed with this improvement in accordance with current Illinois Compiled Statutes.
- (22) That the **LA** may invoice the **STATE** monthly for the **FHWA** and/or **STATE** share of the costs incurred for this phase of the improvement. The **LA** will submit supporting documentation with each request for reimbursement from the **STATE**. Supporting documentation is defined as verification of payment, certified time sheets, vendor invoices, vendor receipts, and other documentation supporting the requested reimbursement amount.
- (23) To complete this phase of the project within three years from the date this agreement is approved by the **STATE** if this portion of the project described in the Project Description does not exceed \$1,000,000 (five years if the project costs exceed \$1,000,000).
- (24) Upon completion of this phase of the improvement, the **LA** will submit to the **STATE** a complete and detailed final invoice with all applicable supporting supporting documentation of all incurred costs, less previous payments, no later than one year from the date of completion of this phase of the improvement. If a final invoice is not received within one year of completion of this phase of the improvement, the most recent invoice may be considered the final invoice and the obligation of the funds closed.

4-B.41

- (25) (Single Audit Requirements) That if the **LA** expends \$500,000 or more a year in federal financial assistance they shall have an audit made in accordance with the Office of Management and Budget (OMB) Circular No. A-133. **LA's** that expend less than \$500,000 a year shall be exempt from compliance. A copy of the audit report must be submitted to the **STATE** with 30 days after the completion of the audit, but no later than one year after the end of the **LA's** fiscal year. The CFDA number for all highway planning and construction activities is 20.205.
- (26) That the **LA** is required to register with the Central Contractor Registration (CCR), which is a web-enabled government-wide application that collects, validates, stores, and disseminates business information about the federal government's trading partners in support of the contract award and the electronic payment processes. If you do not have a CCR number, you must register at <https://www.bpn.gov/ccr>. If the **LA**, as a sub-recipient of a federal funding, receives an amount equal to or greater than \$25,000 (or which equals or exceeds that amount by addition of subsequent funds), this agreement is subject to the following award terms: <http://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf> and <http://edocket.access.gpo.gov/2010/pdf/2010-22706.pdf>.

#### THE STATE AGREES:

- (1) To provide such guidance, assistance and supervision and to monitor and perform audits to the extent necessary to assure validity of the **LA's** certification of compliance with Titles II and III requirements.
- (2) (State Contracts) To receive bids for the construction of the proposed improvement when the plans have been approved by the **STATE** (and **FHWA**, if required) and to award a contract for construction of the proposed improvement, after receipt of a satisfactory bid.
- (3) (Day Labor) To authorize the **LA** to proceed with the construction of the improvement when Agreed Unit Prices are approved and to reimburse the **LA** for that portion of the cost payable from Federal and/or State funds based on the Agreed Unit Prices and Engineer's Payment Estimates in accordance with the Division of Cost on page one.
- (4) (Local Contracts) That for agreements with Federal and/or State funds in engineering, right-of-way, utility work and/or construction work:
- (a) To reimburse the **LA** for the Federal and/or State share on the basis of periodic billings, provided said billings contain sufficient cost information and show evidence of payment by the **LA**;
- (b) To provide independent assurance sampling, to furnish off-site material inspection and testing at sources normally visited by **STATE** inspectors of steel, cement, aggregate, structural steel and other materials customarily tested by the **STATE**.

#### IT IS MUTUALLY AGREED:

- (1) Construction of the project will utilize domestic steel as required by Section 106.01 of the current edition of the Standard Specifications for Road and Bridge Construction.
- (2) That this Agreement and the covenants contained herein shall become null and void in the event that the **FHWA** does not approve the proposed improvement for Federal-aid participation or the contract covering the construction work contemplated herein is not awarded within three years of the date of execution of this Agreement.
- (3) This Agreement shall be binding upon the parties, their successors and assigns.
- (3) For contracts awarded by the **LA**, the **LA** shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any USDOT – assisted contract or in the administration of its DBE program or the requirements of 49 CFR part 26. The **LA** shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of USDOT – assisted contracts. The **LA's** DBE program, as required by 49 CFR part 26 and as approved by USDOT, is incorporated by reference in this Agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31U.S.C. 3801 et seq.). In the absence of a USDOT – approved **LA** DBE Program or on State awarded contracts, this Agreement shall be administered under the provisions of the **STATE's** USDOT approved Disadvantaged Business Enterprise Program.
- (4) In cases where the **STATE** is reimbursing the **LA**, obligations of the **STATE** shall cease immediately without penalty or further payment being required if, in any fiscal year, the Illinois General Assembly or applicable Federal Funding source fails to appropriate or otherwise make available funds for the work contemplated herein.
- (5) All projects for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement and/or amendment shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 et seq.) unless the provisions of that Act exempt its application

4-B.42

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**ADDENDA**

Additional information and/or stipulations are hereby attached and identified below as being a part of this Agreement.

Number 1 Location Map

(Insert addendum numbers and titles as applicable)

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The LA further agrees, as a condition of payment, that it accepts and will comply with the applicable provisions set forth in this Agreement and all exhibits indicated above.

**APPROVED**

Local Agency

Elizabeth Asperger

\_\_\_\_\_  
Name of Official (Print or Type Name)

Village President

\_\_\_\_\_  
Title (County Board Chairperson/Mayor/Village President/etc.)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Date

The above signature certifies the agency's TIN number is  
36-6005955 conducting business as a Governmental  
Entity.

DUNS Number 068615145

**NOTE:** If signature is by an APPOINTED official, a resolution authorizing said appointed official to execute this agreement is required.

**APPROVED**

State of Illinois  
Department of Transportation

\_\_\_\_\_  
Ann L. Schneider, Secretary of Transportation

\_\_\_\_\_  
Date

By:

\_\_\_\_\_  
(Delegate's Signature)

\_\_\_\_\_  
(Delegate's Name - Printed)

\_\_\_\_\_  
William R. Frey, Interim Director of Highways/Chief Engineer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ellen J. Schanzle-Haskins, Chief Counsel

\_\_\_\_\_  
Date

\_\_\_\_\_  
Matthew R. Hughes, Director of Finance and Administration

\_\_\_\_\_  
Date

4-B.43

VILLAGE OF LA GRANGE  
Police Department

**BOARD REPORT**

TO: Village President, Village Clerk,  
Board of Trustees and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager and  
Michael A. Holub, Chief of Police

DATE: November 12, 2012

RE: **ORDINANCE-DISPOSAL OF SURPLUS PROPERTY**

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The Police Department routinely becomes the custodian of a wide variety of property that is lost, mislaid, abandoned, forfeited, or of no further evidentiary value. As the Police Department currently has many such items, it would be appropriate at this time to dispose of these items as surplus property.

State law allows the Village to sell surplus property in a manner that is best for the Village. All unclaimed/recovered property is being disposed of in compliance with the Illinois State Statutes, which requires property to be held for at least six (6) months and after all reasonable efforts have been made to return the property to the rightful owner.

We have found through experience over the past several years that private auction houses and on-line auction services are a cost-effective method of disposal and reach a broader audience of prospective bidders.

This property disposal request consists of three (3) vehicles forfeited to the Police Department over the past several months. The vehicles were forfeited to the Police Department due to violation(s) of the Illinois Controlled Substances Act, violation(s) of the Illinois Cannabis Control Act, and/or violation(s) of Driving While Under The Influence Of Drugs/Alcohol. The vehicles have undergone asset forfeiture proceedings through the Cook County State's Attorney's Office and have been ultimately awarded to the Police Department. The statutory appeals time has lapsed on the vehicles and the Police Department holds title to them. The attached list is an inventory/description of the vehicles to be sold through eBay or another auction mechanism as determined by the Police Department.

We recommend that the Village Board authorize the La Grange Police Department to dispose of the items as per the attached ordinance.

4-C

VILLAGE OF LA GRANGE

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

AN ORDINANCE AUTHORIZING DISPOSAL OF PERSONAL PROPERTY OWNED BY THE VILLAGE OF LA GRANGE

WHEREAS, in the opinion of the corporate authorities of the Village Of La Grange, it is no longer necessary, useful, or in the best interests of the Village to retain ownership of the personal property described in this Ordinance; and

WHEREAS, it has been determined by the President and the Board Of Trustees of the Village Of La Grange to dispose of said personal property in the manner described in this Ordinance;

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

Section 1. Recitals. The foregoing recitals are hereby incorporated into this Ordinance as findings of the President and Board of Trustees.

Section 2. Disposal of Surplus Property. The President and Board Of Trustees find that the personal property described in Exhibit A attached to this Ordinance and by this reference incorporated into this Ordinance (the "Surplus Property") is no longer necessary or useful to the Village, and thus the Village Manager for the Village Of La Grange is hereby authorized to direct the sale or disposal of the Surplus Property in the manner most appropriate to the Village. The Surplus Property shall be sold or disposed of in "as is" condition.

Section 3. Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law.

PASSED this \_\_\_\_ day of \_\_\_\_\_ 2012.

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

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

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

APPROVED this \_\_\_\_ day of \_\_\_\_\_ 2012.

By: \_\_\_\_\_  
Elizabeth M. Asperger, Village President

ATTEST:

\_\_\_\_\_  
Thomas Morsch, Village Clerk

4-C.1

VILLAGE OF LA GRANGE  
POLICE DEPARTMENT

Disposal Of Forfeited Vehicles  
Inventory/Description

<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>VIN #</u>	<u>Auction Place</u>
2003	Toyota	RAV4	JTEGH20V136014257	eBay
2002	Dodge	Caravan	2B4GP74L22R731526	eBay
1993	Pontiac	Bonneville	1G2HX53L4P1248553	eBay

\* If one auction is unavailable, the Police Department may choose to sell the vehicles at an alternate auction house

4-c.2

MINUTES

VILLAGE OF LA GRANGE  
BOARD OF TRUSTEES REGULAR MEETING  
Town Meeting – Ogden Avenue School Gymnasium  
Ogden and Waiola Avenue  
La Grange, IL 60525

Monday, October 22, 2012 - 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

The Board of Trustees of the Village of La Grange Regular Town Meeting was called to order at 7:30 p.m. by President Asperger. President Asperger welcomed all to the second in a series of Town Meetings being held in various areas of the Village. President Asperger requested Village Clerk Thomas Morsch to call the roll and lead the Pledge of Allegiance.

PRESENT: Trustees Holder, Horvath, Kuchler, Langan, Nowak and Palermo

ABSENT: None

OTHERS: Village Manager Robert Pilipiszyn  
Assistant Village Manager Andrianna Peterson  
Village Attorney Mark Burkland  
Finance Director Lou Cipparrone  
Assistant Community Development Director / Planner Angela Mesaros  
Public Works Director Ryan Gillingham  
Assistant Public Works Director Mike Bojovic  
Fire Chief William Bryzgalski  
Police Chief Michael Holub

2. PRESIDENT'S REPORT

Noting that Town Meetings are held to promote communications between Village officials and residents, President Asperger introduced members of the Village Board, Village Clerk, Village Manager and Village Attorney.

President Asperger provided information on the upcoming Fall Festival to be held in conjunction with the Trick-or-Treat parade held by local businesses. Encouraging residents to practice safety with the use of flashlights and reflective clothing, President Asperger indicated that 3:00 p.m. to 7:00 p.m. are the recommended hours for trick-or-treating on Wednesday, October 31.

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

None

4. OMNIBUS AGENDA AND VOTE

- A. Ordinance – Creating an Additional Class A-1 Liquor License, Smashburger Acquisition – Chicago LLC, d/b/a Smashburger, 1 N. La Grange Road
- B. Ordinance – Creating an Additional Class H Liquor License, Bottle and Bottega, 1 W. Harris Avenue
- C. Ordinance – Creating an Additional Class A-2 Liquor License, Café 103 LLC d/b/a Café 103, 9 S. La Grange Road
- D. Minutes of the Village of La Grange Board of Trustees Regular Meeting Monday, October 8, 2012
- E. Consolidated Voucher 121022 – (\$653,914.96)

It was moved by Trustee Langan to approve items A, B, C, D and E of the Omnibus Agenda, seconded by Trustee Nowak.

Approved by roll call vote.

Ayes: Trustees Holder, Palermo, Horvath, Langan, Kuchler, and Nowak  
Nays: None  
Absent: None

5. CURRENT BUSINESS

None

6. MANAGER'S REPORT

None

7. EXECUTIVE SESSION

8. TOWN MEETING

Prior to opening the floor to the audience, President Asperger shared a number of the Village Board's priority goals and accomplishments. With a challenging economy, President Asperger summarized the data as follows:

4-D.1

- The implementation of a Cost Containment Plan which has resulted in a reduction of expenses in order to stabilize Village finances while maintaining the delivery quality core Village services including capital improvements.
- Amending and adopting a five-year Village budget which includes a financial plan to rebuild General Fund reserves and defer an increase in utility taxes.
- Economic Development including recognition as the “Top Transit Suburb” of Metropolitan Chicago and the opening of several new businesses including the ones approved for liquor licenses earlier this evening.
- Development of the West End Business District including renovations to the Stone Avenue train station.
- The YMCA has renewed its interest in building a new facility on its property; re-development of the site is not anticipated for the foreseeable future.
- Issuing general obligation alternate revenue bonds to finance the cost of replacing outdated water meters and upgrade the water pumping station in order to improve water accountability.
- Acceptance of a new engineering plan to resurface neighborhood streets block-by-block based on condition rather than a neighborhood-wide basis.
- The Village is continuing to replace diseased trees due to the Emerald Ash Borer.
- Referendum on the upcoming November 6, 2012 election for voters to determine if the Village should be given the authority to seek competitive bids for electric aggregation.

President Asperger opened the floor to audience for questions, comments or concerns.

Mike Delfini who resides on 41<sup>st</sup> Street inquired about flood control and sewer improvements in his area. Mr. Delfini asked about the status of the OARS (Ogden Avenue Relief Sewer) project. Mr. Delfini also asked if funds may be achieved through the recently approved Clean Water Act to help fund drainage improvements in his neighborhood. President Asperger responded that staff continuously seeks funding for capital improvements and asked Village Manager Pilipiszyn to elaborate. Mr. Pilipiszyn said that the drainage improvements recently completed on Poplar Place would not effect drainage in the neighborhood. He noted awareness of funding being made available under the Clean Water Act. It is a low interest loan program which may not meet the needs of the Village. A preliminary plan is in place for the first phase of OARS should grant funding or redevelopment opportunities become available to finance that work.

4-D.2

Maribel Deyerler who resides at 301 Bluff expressed concerns regarding parking within her condominium development, including use of Village property for that purpose. She also expressed concerns with unsavory conduct and safety. President Asperger requested Police Chief Holub respond. Chief Holub noted awareness and on-going investigation of residential issues within her complex and the adjacent multi-family property. Village Attorney Burkland offered assistance regarding ownership of the property.

Susan Judd who resides on North Waiola Avenue inquired about the mid-block pedestrian crossing at the Stone Avenue Train Station which was removed several years ago. President Asperger explained that the Burlington Northern found it to be a significant safety issue as the reason for removal.

Charles who resides on Lincoln expressed concerns relative to reduced personnel specifically in the Police Department and inquired if pensions are being funded. President Asperger explained that cost containment efforts to reduce personnel expenses have involved leaving certain positions vacant. President Asperger added that although issues exist relative to pension funding at the State level, the Village has always funded the recommended contribution.

Darren Mc Roy who resides at 355 Bluff Avenue inquired about recycling options as the condominium association where he resides is not interested in providing this service. President Asperger requested Assistant Village Manager Andrianna Peterson to respond. Ms. Peterson noted that the Village's recycling program is for single and two family residences, however she would supply Mr. Mc Roy with alternative recycling options and encouraged him to persevere his request with the condominium association to offer recycling.

9. TRUSTEE COMMENTS

Trustee Holder encouraged residents to vote on the referenda question regarding electric aggregation included on the November 6, 2012 ballot. Trustee Holder congratulated the Lyons Township High School football team for advancing to the playoffs.

10. ADJOURNMENT

At 8:10 p.m. Trustee Langan moved to adjourn, seconded by Trustee Holder. Approved by voice vote.

\_\_\_\_\_  
Elizabeth M. Asperger, Village President

ATTEST:

\_\_\_\_\_  
Thomas Morsch, Village Clerk

Approved Date:

4-D.3

**VILLAGE OF LA GRANGE**

Disbursement Approval by Fund

November 12, 2012

Consolidated Voucher 121112

<u>Fund No.</u>	<u>Fund Name</u>	<u>11/12/12 Voucher</u>	<u>10/26/12 Payroll</u>	<u>11/09/12 Payroll</u>	<u>Total</u>
01	General	263,222.10	274,115.56	367,681.23	905,018.89
21	Motor Fuel Tax				0.00
22	Foreign Fire Insurance Tax	102.34			102.34
24	ETSB	415.40			415.40
40	Capital Projects	34,210.27			34,210.27
50	Water	188,401.59	37,683.38	51,678.77	277,763.74
51	Parking	5,635.83	24,250.35	32,397.59	62,283.77
60	Equipment Replacement	2,518.01			2,518.01
70	Police Pension	2,339.50			2,339.50
75	Firefighters' Pension	5,051.80			5,051.80
80	Sewer	2,004.79	9,517.78	13,852.61	25,375.18
90	Debt Service	270,152.50			270,152.50
91	SSA 4A Debt Service				0.00
93	SAA 269				0.00
94	SAA 270				0.00
		<u>774,054.13</u>	<u>345,567.07</u>	<u>465,610.20</u>	<u>1,585,231.40</u>

We the undersigned Manager and Clerk of the Village of La Grange hereby certify that, to the best of our knowledge and belief, the foregoing items are true and proper charges against the Village and hereby approve their payment.

\_\_\_\_\_  
Village Manager

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

\_\_\_\_\_  
President

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

4-E

**CURRENT BUSINESS**

VILLAGE OF LA GRANGE  
Community Development Department

**BOARD REPORT**

TO: Village President, Board of Trustees  
Village Clerk and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager  
Patrick D. Benjamin, Community Development Department

DATE: November 12, 2012

RE: **LA GRANGE BUSINESS ASSOCIATION/ 2012 HOMETOWN  
HOLIDAY WALK - REQUEST FOR VILLAGE SPONSORSHIP**

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Attached for your consideration is a request from the La Grange Business Association seeking authorization and financial support for the 21<sup>st</sup> annual Hometown Holiday Walk to be held on Saturday, December 1, 2012 from 5:00 p.m. to 9:00 p.m.

The La Grange Business Association is again requesting that the Village co-sponsor the annual Hometown Holiday Walk. At this time the La Grange Business Association is requesting that the Village contribute an amount not to exceed \$12,000. This amount has been provided for in our Fiscal Year 2012/2013 Budget. The Village's position of sponsorship is committed to marketing the event, which includes newspaper advertisements, posters, and most importantly the production and mailing of the brochure indicating participants and activities for the evening.

As in the past, activities will start with an All-Village Sing, followed by Santa's arrival by fire truck and the traditional lighting of the "Village Tree." Santa will be seated in the Village Hall auditorium together with Mrs. Claus and will be assisted by several elves. Face painting, enhanced decorations, and the addition of musical entertainment are part of the plans for families waiting in line to visit with Santa and Mrs. Claus.

The Holiday Walk will include strolling musicians, costumed characters and ice sculptures situated throughout the Village. There will also be a cider and snack station in the fountain area.

The annual Holiday Walk has always been a positive reflection of the Village of La Grange and brings shoppers into the community which is the ultimate goal of both the La Grange Business Association and the Village of La Grange.

5-A

It is recommended that the Village again support the Holiday Walk's cost of advertising and marketing for 2012 in an amount not to exceed \$12,000, with the following conditions as outlined in our sponsorship policy:

- The La Grange Business Association will provide a complete financial statement for the organization for fiscal year 2012;
- The La Grange Business Association will provide a budget for this event including line item detail;
- The La Grange Business Association will acquire cash sponsorship to match the Village contribution;
- The La Grange Business Association will provide a complete final accounting for this event;
- The Village of La Grange is to be prominently listed on all advertising, including, but not limited to, posters, web sites and newspaper advertising. All advertising is to be approved by Village staff prior to public presentation
- All events are to be coordinated to the satisfaction of the Village.

Representatives from the La Grange Business Association will be in attendance at your meeting to answer any questions you may have.

5-A.1



106 Calendar Avenue La Grange, Illinois 60525  
Info@LGBA.com

October 31, 2012

Via EMAIL

Mr. Patrick Benjamin  
Village of La Grange  
53 S. La Grange Rd.  
La Grange, IL 60525

Dear Pat:

Plans are underway for the 21st annual Hometown Holiday. The Walk will be held Saturday, December 1st, from 5-9 pm throughout Downtown La Grange.

The Village of La Grange and the La Grange Business Association have successfully partnered to provide our residents a magical evening filled with community spirit. Once again activities will start at 5:00pm on the Village Hall lawn with an All-Village Sing, followed by Santa's arrival by fire truck and lighting of the "Village Tree". We would like to continue the tradition of lighting the large evergreen-style tree on the south end of the Village Hall lawn.

We have been pleased with the arrangement of having Santa situated in the Village Hall Board Room and would like to continue with this idea again this year. Mrs. Clause and several Elves will also be in attendance. We would also like to provide musical entertainment while waiting in line to see Santa. Face painting and improved decorations are also part of the plans for Village Hall as well as a variety of decorated Christmas Trees.

Plans are underway to have strolling musicians and ice sculptures situated throughout the Central Business District. We will also be providing our guests the opportunity to ride the "Polar Express" (a train ride) in the parking lot behind Palmer Place. We will also be setting up a cider and snack station around the fountain area. We will also be hosting a Petting Zoo/Pony Rides on Calendar Court for all the kids to enjoy.

We again request that the Fire Department deliver Santa to Village Hall at 5:30pm. Estimates from past years have indicated that approximately 4,000 people are in town the night of the Walk, so we also request any additional police manpower that you deem necessary.

5-A.2

The La Grange Business Association has worked diligently each year to continue to improve the quality of our Hometown Holiday. Committee members volunteer countless hours coordinating the details, which insure the success of this event. We truly appreciate the help of the Village with sponsorship and the help from Village Departments to help decorate our town.

The La Grange Business Association would like to formally request the marketing funds of \$12,000, which have been budgeted by the Village. We believe our partnership makes The Hometown Holiday an event that is enjoyed by our community and envied by our neighbors.

The Village of La Grange will be included in all newspaper, website, direct mail and other corresponding marketing materials as a "Co-Sponsor" of this important community event along with the LGBA. The La Grange Business Association will provide the necessary expense and receipt reports so that the Village can make their reimbursement.

Again, the LGBA would like to thank the Village of La Grange for their participation and support of this wonderful event.

Please call me at (708) 491-4202 or email me at [veronica.sandoval@bairdwarner.com](mailto:veronica.sandoval@bairdwarner.com) with any questions or concerns that you may have.

Sincerely,

Veronica Sandoval  
Co-Chair – Hometown Holiday 2012  
La Grange Business Association

Ryan Williamson  
Co-Chair - Hometown Holiday 2012  
La Grange Business Association

P.S. Please forward this letter or share its contents with the appropriate Village staff so that they will be informed of the plans for this year.

5-A.3

**VILLAGE OF LA GRANGE**  
**Finance Department**

**BOARD REPORT**

**TO:** Village President and Board of Trustees, Village Clerk and Village Attorney

**FROM:** Robert J. Pilipiszyn, Village Manager  
Lou Cipparrone, Finance Director

**DATE:** November 8, 2012

**RE:** **PRELIMINARY REVIEW OF THE PROPOSED 2012 PROPERTY TAX LEVY REQUEST**

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The **Truth in Taxation Law** requires a preliminary review of the proposed property tax levy by the corporate authorities at least 20 days prior to the adoption of the tax levy to determine if the aggregate levy is more than 5 percent greater than the preceding year's tax levy extension, exclusive of debt service. If the preliminary levy is estimated to exceed the preceding year's levy by more than 5 percent, the Village must hold a public hearing prior to the adoption of the proposed property tax levy. The proposed Truth in Taxation levy request, excluding debt service, shows a total increase of 4.2 percent over the prior year's extension (See attached Exhibit 1). Therefore, the Village of La Grange is not required to hold a public hearing regarding the 2012 property tax levy.

The proposed Village and Library's property tax levy increase of 4.20 percent over the prior year's extension, exclusive of debt service, is also subject to the Property Tax Limitation Act (property tax caps), which limits the increase in property tax extensions, exclusive of debt service and new property growth, to five percent, or the percent of increase in the national Consumer Price Index (CPI), whichever is less.

The key feature resulting from the property tax limitation legislation is the calculation of the limiting rate. The aggregate rate extended for those funds subject to the Property Tax Limitation Act cannot exceed the limiting rate. The limiting rate formula allows for growth in aggregate extensions by the amount of the limit, **plus** amounts for voter approved rate increases and new growth. When calculating the limiting rate, the Village must also make its best estimate concerning the 2012 EAV and 2012 new property, as these figures will not be known until after the final levy is required to be filed with the County, no later than the last Tuesday in December.

The limiting rate calculation includes new growth which is generally defined as improvements or additions to a property that increase the assessed value of that real property during the levy year. It does not include maintenance, remodeling or triennial reassessments.

5-B

The Village’s limiting rate for the 2012 tax levy is calculated as follows:

(2011 extension, excluding debt service)					
8,017,442	x	1.03 (CPI)	=	8,257,965	= 1.2847
(650,303,563 - 7,500,000) divided by 100				6,428,036	
(2012 est. EAV - 2012 est. new growth)					

The CPI rate for the 2012 levy determined as of December 2011 was 3.0 percent. The percentage increase in the tax levy over the 3.0 percent CPI represents estimated new growth of \$7.5 million EAV based upon previous residential and commercial construction Village wide. It is critical to capture new growth in the year it becomes available. Otherwise, it will become part of the succeeding years' base EAV and not subject to an increased levy. If such new growth does not occur, the property tax levy will automatically be lowered by Cook County.

Cook County reported new growth in the Village during 2011 of 2.5 million EAV. In previous years the Village incurred new growth from residential and commercial construction as follows: 2010 – 1.5 million; 2009 - 47 million; 42.5 million due to the end of the TIF District and 4.5 million from new construction; 2008 - 8.8 million, 2007 - 7.2 million, 2006 - 9.8, 2005 -12.9 million and 2004 - 4.1 million.

Cook County also includes a 3% loss and cost factor to the Village levy. This ensures the Village will collect sufficient property taxes to fund operations and make bond payments. The loss and cost amount is added to levies to offset any unpaid property taxes due to delinquencies and foreclosures. By including a loss and cost factor, the Village ensures any new growth not accounted for in the Village’s estimate will be captured as part of the tax levy.

Since the adoption of the Property Tax Limitation Act in 1994, the Village has increased the annual property tax levy in an amount up to the tax cap as allowed each year in order to generate sufficient revenues to meet operating costs. With tax levies limited to the lesser of 5% or the CPI, excluding new growth; and personnel, pension and health insurance costs increasing in excess of these amounts the Village must continue with conservative fiscal management, economic development and identifying alternate revenue sources in order to meet operational requirements and maintain its long-term fiscal health.

As explained during the pre-budget workshop on October 8, 2012 concerning revenues, if we did not levy as permitted under the law, the allowable increase would in effect be “lost” forever, and could not be “recaptured” as part of the subsequent year levy. The significance of this levy dynamic is two-fold.

First, the lost revenue would have a significant compounding effect, even if performed just once. For example, if the Village adopted a zero percent increase for the 2012 property tax levy rather than the 3% increase as planned and permitted under the property tax cap, the result would be reduced revenue for operations of \$130,000 for the subsequent fiscal year. As the Village cannot go back and recapture the lost revenue, the impact of a zero percent levy increase for only one

5-B.1

year results in the cumulative loss of property tax revenues in excess of \$1.5 million over the next 10 fiscal years, (even if the Village were to continue to levy allowable increases in subsequent years over the same time period).

Stated another way, this lost revenue would be equivalent to eliminating one full-time Police Officer position forever.

Second, the lost revenue could negatively impact future Village Boards, perhaps requiring new or increased alternative revenues to be implemented to offset this loss.

Although the proposed Village and Library's 2012 property tax levies reflect an increase of 4.20 percent over the prior year's extension, the impact on an individual homeowner is limited to the increase of the CPI which is 3.0 percent (See attached Exhibit 3). The limiting rate calculation allows the Village to include the increased dollar amount of the property tax levy which is then distributed over a larger EAV base which ultimately limits the overall increase on an individual property to the increase in the CPI.

It should be noted that at this time, the Village Board is only announcing the 2012 preliminary tax levy for the purpose of determining if the total aggregate levy is more than 5 percent greater than the preceding year's tax levy extension in accordance with Truth in Taxation requirements ordinance. The ordinance adopting the final 2012 tax levy will be presented at the December 10, 2012 Village Board meeting.

Information regarding individual line item levies (corporate, forestry, road & bridge, ambulance, police and fire pension levies, etc.) which collectively make up the total Village property tax levy is detailed below. It is important to note that due to tax cap limitations, any increase in any one individual line item levy results in a corresponding decrease in another individual line item levy.

#### General Fund Levy

The cumulative levy in the General Fund levy is \$167,175 or 3.75 percent. The General Fund levy, in total, is the amount available under tax cap law, after funding the Village's pension levies (IMRF, Social Security, Police and Fire Pension Funds). The General Fund levies are utilized to support Village operating expenditures including: Police, Fire, Public Works, Community Development, Finance and Administration. These funds also support major capital improvement projects including street reconstruction in accordance with the Board's direction.

The Forestry Tax, Police and Fire Protection, and Street and Bridge levies are calculated at a percentage of their maximum rate based on prior year EAV. The Ambulance Service levy is an estimate of the cost to provide this service based upon a percentage of the Fire Department's budget. The corporate levy represents the balance available under the tax cap.

5-B.2

### Pension Levies

The pension levies reflect the annual required contributions as requested by the Police and Fire Pension Fund Boards. The Village has received letters from both the Police and Fire Pension Fund Boards, requesting the 2012 property tax levy filed by the Village with Cook County, include employer contributions as reflected in FY 2012-13 operating budget in the amount of \$834,026 and \$808,473; respectively. The pension fund tax levies (employer contributions) will be discussed in greater detail at the pre-budget workshop on expenditures to be held later this evening.

What is important to note at this time is that should the Village Board decide to change the amount of the requested employer contributions, it can do so without adversely affecting this announcement as the property tax is levied in the aggregate. Line items within the levy can be adjusted up to the time of adoption to account for any changes.

### Library Tax Levy

The La Grange Public Library is classified as a “municipal library” rather than as a separate public library district. As a municipal library, the Library does not have its own authority to levy property taxes. Therefore, the Library must levy taxes as part of the Village’s annual property tax levy. The Library’s 2012 tax levy request, exclusive of debt service, also represents an increase of 4.20 percent over the 2011 property tax levy extension. This amount reflects the allowable increase under the Property Tax Limitation Act and is equal to the amount of the increase of the Village tax levy request.

The Library’s debt service levy which is excluded from the Truth in Taxation calculation decreases by \$61,930 (9.05%), due to the recent refunding of the 2004 G.O. Library bonds. The bonds were originally issued for construction of the new library building. The debt service levy will fluctuate annually depending on the debt amortization schedule. Cook County uses actual bond ordinances on file to calculate required levies for debt service. As such, the levy requests for debt service included as part of this report are being presented for informational purposes only.

Representatives from the La Grange Library will be in attendance at the December 10, 2012 board meeting to answer any questions regarding the tax levy request for the Library.

### Special Service Area Levy

As part of the annual property tax levy, a Special Service Area levy is filed with Cook County to fund on-going maintenance of the Central Business District. The Special Service Area tax levy is not subject to the Truth in Taxation requirements. The Special Service Area encompasses all commercial properties within the Central Business District, excluding any single-family and multi-family properties. By ordinance, the Special Service Area levy is to be adjusted annually by the Consumer Price Index utilized as part of the Property Tax Limitation Act. Therefore, the 2012 Special Service Area levy of \$65,109 reflects an increase of 3.0 percent over last year’s levy of \$63,213.

5-B.3

Exhibits 1, 2, and 3

Exhibit 1 shows the Village's Truth in Taxation calculation. The proposed 2012 property tax levy request of \$8,354,316 represents an increase of \$336,874 or 4.20 percent from the 2011 tax levy of \$8,017,422.

Exhibit 2 presents historical data about the Village's assessed valuation, EAV, and new growth. The Village's assessed valuation decreased by approximately 17.5% in 2011 due to a decrease in the state equalizer of 10% and a decrease of 7.5% due to assessment reduction resulting from the triennial reassessment. The Illinois Department of Revenue annually calculates the state equalizer, which is the factor needed to bring the total assessed value of all properties to a level equal to 33 1/3 percent of market value of all Cook County real estate.

Exhibit 3 is a comparison of the Village and Library 2011 and 2012 property tax rates on residential property. Assuming the tax levy is adopted, the proposed increase of 4.20 percent on a home with an estimated market value of \$350,000, results in an increase of \$27.53 from the Village levy and an increase of \$9.11 from the Library levy.

Recommendation

We recommend that the Village Board approve the attached resolution announcing an estimated 2012 tax levy of \$8,354,316, exclusive of debt service, which is a 4.20 percent increase from the 2011 tax levy.

5-13.4



# VILLAGE OF LA GRANGE POLICE PENSION BOARD



304 W. Burlington Ave.  
La Grange, IL 60525  
708-579-2333

Bryan Beaver  
President

Michael Holub  
Vice-President

Stephen Ljubenko  
Secretary

Lou Cipparrone  
Treasurer

Rob Wardlaw  
Asst. Secretary

TO: Village Board

FROM: LaGrange Police Pension Board

DATE: November 2, 2012

REF: Tax Levy

The actuarial valuation for the year ending April 30, 2012 was discussed by the LaGrange Police Pension Board at the Pension Board meeting on October 30, 2012. As a full actuarial valuation was completed last year and in lieu of an actuarial update to be completed this year, the Police Pension Board approved an annual tax levy as currently reflected in the FY 2012-13 operating budget, in the amount of \$834,026. This tax levy request reflects a 5% increase over the 2011 tax levy, as determined by the most recent actuarial valuation for the year ending April 30, 2011, based upon projected salary increases

On behalf of the LaGrange Police Pension Fund, I respectively request the aforementioned tax levy amount be included as part of the Village of LaGrange's 2012 property tax levy ordinance submitted to Cook County.

Bryan Beaver  
President  
LaGrange Police Pension Board

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LA GRANGE FIRE DEPARTMENT  
FIREFIGHTERS' PENSION FUND  
MEMORANDUM

TO: VILLAGE BOARD

FROM: President Bryzgalski 

DATE: October 26, 2012

REF: TAX LEVY

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*The actuarial valuation for the year ending April 30, 2012, was discussed by the La Grange Fire Pension Board at the pension board meeting held on October 9, 2012. As a full actuarial valuation was completed last year and in lieu of an actuarial update to be completed this year, the Fire Pension Board approved an annual tax levy as currently reflected in the FY 2012-13 operating budget, in the amount of \$808,473. This tax levy request reflects a 5% increase over the 2011 tax levy, as determined by the most recent actuarial valuation for the year ending April 30, 2011, based upon projected salary increases.*

*On behalf of the La Grange Fire Pension Fund, I respectfully request the aforementioned tax levy amount be included as part of the Village of La Grange 2012 property tax levy ordinance submitted to Cook County.*

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VILLAGE OF LA GRANGE

RESOLUTION \_\_\_\_\_

RESOLUTION PUBLISHING  
PROPOSED REAL ESTATE TAX LEVY  
FOR FISCAL YEAR 2012-13

WHEREAS, the VILLAGE OF LA GRANGE is required by law to determine the amounts of money estimated to be necessary to be raised by taxation for the upcoming fiscal year upon the taxable property in the Village; and

WHEREAS, the Village is required under State Statute 35 ILCS 200/18-55 to make such a determination at least 20 days prior to the date of a required public hearing,

THEREFORE, IT IS HEREBY RESOLVED by the President and Board of Trustees of the VILLAGE OF LA GRANGE, that the estimated amount of said levy is hereby determined to be the sum total amount of \$ 8,354,316.

Resolved in open meeting this 12<sup>th</sup> day of November, 2012

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

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

Approved this 12<sup>th</sup> day of November, 2012

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

Attest: Village Clerk \_\_\_\_\_

VILLAGE OF LAGRANGE

LIMITING RATE AND TRUTH IN TAXATION CALCULATIONS

(Proposed 2012 Tax Levy for the 2013-14 budget year with 2011 Extended Tax Levy.)

2012 LEVY PROJECTION

LIMITING RATE CALCULATION:

(2011 extension, excluding debt service)	(CPI increase)	=	8,257,965	=	<b>1.2847</b>
8,017,442 X	1.03				
( 650,303,563	- 7,500,000 )/100		6,428,036		
(2012 est. EAV)	(2012 est. new growth)				

TRUTH IN TAXATION CALCULATION:

						2012 EAV	650,303,563 (EST.)
						2011 EAV	642,803,563
3611							
	EXTENDED	EXT.	PROPOSED	DOLLAR	%	EST.	MAXIMUM
	2011 LEVY	2011 LEVY	2012 LEVY	CHANGE	CHANGE	2012 LEVY	LEGAL
	FOR FY 11-12	RATES	FOR FY 13-14			RATES	RATES*
GENERAL FUND LEVIES							
CORPORATE FUND	617,738	0.0961	663,511	45,773	7.41%	0.1020	0.4375
FORESTRY TAX	163,272	0.0254	167,129	3,857	2.36%	0.0257	0.0500
CROSSING GUARDS	0	0.0000	0	0	0.00%	0.0000	0.0200
POLICE PROTECTION	1,305,534	0.2031	1,337,031	31,497	2.41%	0.2056	0.4000
FIRE PROTECTION	1,305,534	0.2031	1,337,031	31,497	2.41%	0.2056	0.4000
AUDITING	0	0.0000	0	0	0.00%	0.0000	0.0050
STREET & BRIDGE	280,262	0.0436	289,262	9,000	3.21%	0.0445	0.0600
AMBULANCE SERVICE	298,903	0.0465	300,000	1,097	0.37%	0.0461	0.2500
IMRF	269,977	0.0420	304,170	34,193	12.67%	0.0468	N/A
SOCIAL SECURITY	<u>218,553</u>	<u>0.0340</u>	<u>228,814</u>	<u>10,261</u>	<u>4.69%</u>	0.0352	N/A
SUBTOTAL GEN. FUND	4,459,773	0.6938	4,626,948	167,175	3.75%	0.7115	1.6225
PENSION LEVIES							
POLICE PENSION FUND	790,648	0.1230	834,026	43,378	5.49%	0.1283	N/A
FIRE PENSION FUND	<u>766,221</u>	<u>0.1192</u>	<u>808,473</u>	<u>42,252</u>	<u>5.51%</u>	<u>0.1243</u>	N/A
SUBTOTAL OTHER FUNDS	1,556,869	0.2422	1,642,499	85,630	5.50%	0.2526	
TOTAL VILLAGE TAX LEVY							
W/O DEBT SERVICE	6,016,642	0.9360	6,269,447	252,805	4.20%	0.9641	
TOTAL LIBRARY TAX LEVY	<u>2,000,800</u>	0.3113	<u>2,084,869</u>	<u>84,069</u>	4.20%	0.3206	0.6000
<b>TOTAL TAX LEVY-TRUTH</b>							
<b>IN-TAXATION PURPOSE</b>	8,017,442	1.2473	<b>8,354,316</b>	<b>336,874</b>	<b>4.20%</b>	<b>1.2847</b>	
DEBT SERVICE LEVY							
DEBT SERVICE - Village	0	0.0000	0	0		0.0000	
DEBT SERVICE - Library	<u>684,055</u>	0.1064	<u>622,125</u>	<u>-61,930</u>	<u>-9.05%</u>	0.0957	
<b>TOTAL PROPERTY TAX LEVY</b>	<u><u>8,701,497</u></u>	1.3537	<u><u>8,976,441</u></u>	<u><u>274,944</u></u>	3.16%	1.3803	
SPECIAL SERVICE AREA LEVY	<u>63,213</u>	n/a	<u>65,109</u>	1,896	3.00%		

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**VILLAGE OF LAGRANGE**  
**COMPARATIVE EQUALIZED ASSESSED VALUATIONS (EAV)**  
**AND EAV GROWTH (NEW AND OTHER)**

EXHIBIT 2

LEVY YEAR	ASSESSED VALUATION	X	STATE EQUALIZER FACTOR	=	(EAV)	EAV GROWTH INCREASE/ (DECREASE)	% INCR/-DCR	NEW GROWTH	OTHER GROWTH
1993	110,172,321	** X	2.1407	=	235,845,887	25,433,096	12.09%	2,145,359	23,287,737
1994	110,094,531	X	2.1135	=	232,684,791	-3,161,096	-1.34%	1,202,720	-4,363,816
1995	115,678,873	X	2.1243	=	245,736,629	13,051,838	5.61%	11,861,094	1,190,744
1996	135,027,644	** X	2.1517	=	290,538,982	44,802,353	18.23%	15,663,453	29,138,900
1997	134,771,687	X	2.1489	=	289,610,878	-928,104	-0.32%	941,208	-1,869,312
1998	135,041,788	X	2.1799	=	294,377,593	4,766,715	1.65%	1,584,900	3,181,815
1999	147,451,925	** X	2.2505	=	331,840,558	37,462,965	12.73%	2,611,861	34,851,104
2000	136,689,081	X	2.2235	=	303,928,172	-27,912,386	-8.41%	658,319	-28,570,705
2001	137,556,750	X	2.3098	=	317,728,581	13,800,409	4.54%	1,903,529	11,896,880
2002	172,617,977	** X	2.4689	=	426,176,523	108,447,942	34.13%	7,078,569	101,369,373
2003	172,869,731	X	2.4598	=	425,224,964	-951,559	-0.22%	3,135,222	-4,086,781
2004	171,946,272	X	2.5757	=	442,882,014	17,657,050	4.15%	4,162,575	13,494,475
2005	209,260,588	** X	2.7320	=	571,699,926	128,817,912	29.09%	12,971,996	115,845,916
2006	210,506,792	X	2.7076	=	569,968,189	-1,731,737	-0.30%	9,787,889	-11,519,626
2007	211,730,722	X	2.8439	=	602,141,000	32,172,811	5.64%	7,194,191	24,978,620
2008	235,339,602	** X	2.9786	=	700,982,539	98,841,539	16.42%	8,802,486	90,039,053
2009	233,162,714	X	3.3701	=	785,781,663	84,799,124	14.08%	47,095,681	37,703,443
2010	236,784,700	X	3.3000	=	781,389,511	-4,392,152	-0.63%	1,402,582	-5,794,734
2011*	216,388,461	** X	2.9706	=	642,803,563	-138,585,948	-17.64%	2,489,963	-141,075,911
2012	218,913,204	X	2.9706	=	650,303,563	7,500,000	0.96%	7,500,000	0

**Notes:**

- NEW GROWTH INCLUDES IMPROVEMENTS OR ADDITIONS THAT INCREASE THE EAV OF THE PROPERTY
- OTHER GROWTH INCLUDES REASSESSMENTS (TRIENNIAL/SALE OF PROPERTY), REMODELING, AND INC. OR DEC. IN THE STATE MULTIPLIER.
- EAV IS COMPUTED BY MULTIPLYING THE ASSESSED VALUATION BY THE STATE EQUALIZER FACTOR.

\* ESTIMATED EAV, NEW AND OTHER GROWTH

\*\* TRIENNIAL REASSESSMENT

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VILLAGE OF LA GRANGE / PUBLIC LIBRARY  
TAX LEVY SUMMARY

WHAT EFFECT WILL THIS HAVE ON MY TAXES?

	<u>2011 RATE</u>	<u>2012 RATE</u>
ESTIMATED MARKET VALUE (As determined by Cook County Assessor's Office)	\$350,000	\$350,000
X (TIMES) CLASSIFICATION FACTOR	<u>10%</u>	<u>10%</u>
= (EQUALS) ASSESSED VALUATION	\$35,000	\$35,000
X (TIMES) STATE EQUALIZER	2.9706	2.9706
- (MINUS) HOMEOWNERS' EXEMPTION	<u>(\$6,000)</u>	<u>(\$6,000)</u>
= (EQUALS) EQUALIZED ASSESSED VALUATION	\$97,971	\$97,971
/ (DIVIDED BY)	<u>100</u>	<u>100</u>
	\$979.71	\$979.71
X (TIMES) VILLAGE TAX RATE	<u>0.9360</u>	<u>0.9641</u>
= (EQUALS) VILLAGE TAX BILL	\$917.01	\$944.54
<b>DIFFERENCE IN VILLAGE RATE</b>	<b>\$27.53</b>	
LIBRARY TAX RATE	<u>0.3113</u>	<u>0.3206</u>
= (EQUALS) LIBRARY TAX BILL	\$304.98	\$314.10
<b>DIFFERENCE IN LIBRARY RATE</b>	<b>\$9.11</b>	
TOTAL VILLAGE/PUBLIC LIBRARY TAX BILL	<u>\$1,221.99</u>	<u>\$1,258.63</u>
<b>DIFFERENCE IN TOTAL TAX RATE</b>	<b>\$36.64</b>	

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**MANAGER'S REPORT**

VILLAGE OF LA GRANGE  
Administrative Offices

**EXECUTIVE COMMITTEE REPORT**

TO: Village President, Village Clerk,  
Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager and  
Lou Cipparrone, Finance Director

DATE: November 12, 2012

RE: **PRE-BUDGET DEVELOPMENT WORKSHOP — EXPENDITURES**

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OVERVIEW

We have scheduled a series of pre-budget development workshops to provide the Village Board with an opportunity to discuss fiscal objectives in advance of the development of the Village budget for FY 2013-14 and the Village's corresponding five-year financial plan. These workshops are, in essence, a continuation of the budget discussion from this past spring, at which time the Village Board expressed concerns with the financial sustainability of the General Fund over the long term. We also heard individual Trustee comments related to budget issues which in most cases would place additional pressures on the General Fund that cannot be mitigated without revenue increases or expenditure reductions within the latter years of our current five-year financial plan.

The goal of these pre-budget development workshops, therefore, is to discuss and prioritize these smaller, segmented issues in order to reach consensus to provide conclusive direction to Village staff. We have attempted to identify the major issues expressed by individual members of the Village Board as they relate to the development of future Village budgets. We further divided these major issues between our two primary budget categories — revenues and expenditures.

On Monday, October 8, the Village Board discussed revenues. The consensus direction provided to Village Staff concerning major revenue issues in the development of future Village budgets was as follows:

1. Expect to operate within existing revenues.
2. Continue with the Village's practice for levying its property tax amounts utilizing the CPI as allowed by law. It was also noted that this tax levy method should not be the standard but should be discussed and considered annually.

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3. Accept the utility tax as a critical component of the FY 2014-15 budget and use it as a placeholder. However, the Village Board is very hesitant to increase fees or add new taxes; substantial justification would be needed and required for consideration by the Village Board. Continue to monitor and evaluate revenue and expenditure trends as a whole on an annual basis.
4. There is no desire by the Village Board to establish an amusement tax at this time because among other reasons, it would impact one significant business within the Village.
5. There is no desire by the Village Board to pursue an increase in the Village's existing non-home rule sales tax at this time.
6. In its discussion across both the amusement tax and non-home rule sales tax, the Village Board noted that as a matter of general tax policy, it would prefer to consider future revenue enhancements whereby a majority of the tax or fee would be paid by non-residents, thus lessening the overall tax burden for Village residents.

#### INTRODUCTION — EXPENDITURES

Tonight's workshop is dedicated to a discussion of expenditures. As you know, the Village has aggressively cut expenses, reducing the cost of Village government since May 1, 2009, by over \$1.5M. In addition, members of the Village Board have individually commented on budgetary expenditure issues which are of concern or interest to them.

They are as follows: employee compensation; health insurance; staff allocation within the Water Fund; and pension funding. We thought it would be appropriate to review them with you at this time.

#### Employee Compensation

Like most professionally managed communities, the Village maintains a Position Classification System and Employee Compensation Plan for each position in the Village's classification system, with the exception of unionized police, fire and public works personnel, whose compensation plan is governed by contract. We have a total of 38 full-time employees whose wages are determined by the compensation plan and 61 full-time employees whose wages are determined by union contract. [Note: We are in the process of negotiating our first contract with our public safety dispatch personnel (Telecommunications Operators)].

The Position Classification System and Employee Compensation Plan is intended to provide for the following:

- A. A rank order of the various job titles and job descriptions maintained by the Village.

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- B. A framework for equitable compensation for work of a similar nature and level.
- C. The means for compensating employees for continued good or outstanding service.
- D. Rates of compensation which compare reasonably with those of other employers and which will aid in the recruitment and retention of qualified personnel.

The Position Classification System is based upon an analysis of the duties and responsibilities of each position, taking into account such factors as education, training and experience needed to perform the job, the nature and difficulty of the work involved, the degree of supervision exercised or received, and working conditions.

The Employee Compensation Plan is essentially composed of three elements. They are as follows: salary ranges, general wage adjustments and merit pay. Each deserves separate comment.

#### Salary Ranges

The Village maintains a salary range for each position classification.<sup>1</sup> Within that range, a minimum and maximum salary is determined for each position. (See Exhibit “B”).

In order to recruit and retain qualified personnel, it has been the Village’s historical policy to establish the minimum salary based on the average entry-level salary for comparable classifications among all communities with populations ranging between 10,000 - 25,000 within the West Cook County and Du Page County region. The maximum salary is based on the 65<sup>th</sup> percentile of all salaries for comparable classifications among all communities with populations ranging between 10,000 — 25,000 within the same geographic region. (See Exhibit “A” for a list of comparable jurisdictions.) We generally apply the same standard of comparison to the Village’s four bargaining units.

The Village performs an analysis every three years in conjunction with the Triennial Reassessment to determine how the Village’s salary structure compares with the marketplace as defined in the proceeding paragraph. More precisely, it is intended to determine the cumulative impact of incremental annual salary increases at a regular interval. It is a system maintenance tool to mitigate large and thus financially stressful salary increases called “catch-up” or “equity” adjustments.

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<sup>1</sup> Briefly, the Village currently has a total of 33 full-time position classifications. The compensation schedule for Police Officers, Fire Fighters, Fire Lieutenants, General Utility Worker, Crew Leader, Mechanic and Forester, and now Dispatcher (Telecommunications Operator), are determined through the collective bargaining process. In addition, because the salary for the Village Manager is established by the Village Board using additional criteria, this position classification is generally excluded from any salary range analysis. Each of these 33 full-time position classifications is listed in the Personnel section of the Village budget.

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Since 2009, adjustments to most of the Village's salary ranges have not been required. We attribute this stasis among our comparable jurisdictions to recessionary conditions which persist today and cost-cutting measures in response to those conditions (i.e. — ability to pay).

As we have advised the Village Board on previous occasions, we also need to be mindful of internal comparability among salary ranges, especially between line employees who are organized, and supervisors who are not organized. As union wages rise at a greater rate than non-union employees, union salary ranges can significantly overlap salary ranges of non-union supervisory personnel. We refer to this dynamic as “union wage creep”. This overlap of salaries can create several issues including low morale, potential organization by supervisors, and a structural disincentive for union employees to become a supervisor. We have and should continue to address this dynamic on a case-by-case basis.

### General Wage Adjustment

Notwithstanding the previous discussion, salary ranges are also adjusted annually based upon the general wage adjustment established by the Village Board. The purpose for adjusting salary ranges and granting employees a general wage adjustment effective May 1 of each year is: (1) to adjust wages for inflation/increases in the cost of living; (2) to remain competitive in attracting and retaining employees; and (3) to maintain an incumbent employee's relative position within their salary range. Otherwise, it is possible that a new hire for the same position classification could be hired at a rate higher than an incumbent employee due to no fault of their own. We refer to this undesirable dynamic as “leap-frogging”.

Since 1994, it has been the Village's policy to adjust salary ranges and grant general wage adjustments in the same amount as the statutory limitations governing the Village's Property Tax Levy (i.e. — tax cap). The tax cap is established annually by the Cook County Clerk in September of every year using the Consumer Price Index, All Urban Consumers (CPI-U), all U.S. Cities for the one-year period ending the previous December. For example, when the Village adopted its Property Tax Levy in December 2011, for the current fiscal year beginning May 1, 2012 and ending April 30, 2013, the period of measure used by Cook County in determining the tax cap was the CPI between December 2009 — December 2010. As a result, there is nearly a three-year lag time between the period of measure and the fiscal year in which the cap is applied.

Historically, salary ranges for non-union employees have been adjusted at the same percentage as the CPI-U each year. During this 18-year period, the average annual increase has been 2.5%. In a watershed departure from this policy to realize a wage concession from all employee groups to share in the Village's cost-containment efforts, the general wage adjustment effective May 1, 2011, for non-union employees was 2.0% rather than 2.7% as allowed under the property tax limitation law.

Based on the CPI for the period of December 2010 — December 2011, the tax cap for our next levy to be adopted in December 2012 will be 3.0 percent. As a result, the proposed budget for FY 2013-14 reflects a 3.0 percent increase in general wages. In future years, the proposed

6-A.3

budget assumes a two and one-half percent (2.5%) increase in general wages as that percentage is a better reflection of our actual experience and also helps to refine our projections for personnel expenses in the future.

Attached for your reference is the general wage adjustment for each of the last 5 years. (See Exhibits “B-1” and “B-2”). Also attached is a table which compares general wage increases between non-union and unionized employees (See Exhibit “C”).

While salary ranges for unionized employees are negotiated, the Village attempts to negotiate union wage increases as closely as possible to the CPI .

It is important to point out for the Village Board, two stark policy differences between the Village of La Grange and its peer group. They are:

1. The Village has been in the vanguard of indexing general wage adjustments to an amount no greater than the annual property tax limitation. Up until very recently, our peer group as a whole would index to other variables, such as parity with union contracts, and generally in an amount above the property tax limitation.
2. We have taken an “all-in” approach towards implementing various cost containment measures among all employee groups. In contrast, it appears that within our peer group as a whole, cost-containment has not been equally shared among employee groups, with non-union personnel taking on a greater burden to stabilize their organizational finances.

#### Merit Pay

All Village employees have their performance reviewed on an annual basis to provide appropriate feedback and to reinforce the value of individual contributions towards meeting departmental and Village goals. Job enrichment, personal growth and professional development are also stressed for purposes of maintaining a motivated workforce and succession planning. Non-union employees are eligible for merit pay as part of their performance evaluation.

The Village maintains a merit pay system to monetarily reward job performance of individual employees, thereby serving as both a method of recognition for work accomplished during the previous evaluation period and an incentive for the coming year. Merit pay is granted to employees whose performance is evaluated as consistently at or above meeting expectations for their position. The merit pay system is based upon the principle that meeting or exceeding performance expectations should be rewarded because such performance represents a greater contribution to the overall effectiveness and efficiency of the organization in providing services to the public.

Budgeted merit pay for non-union employees is based on a performance evaluation average of 2.75%. Merit increases are awarded in one-quarter percent increments on a scale of 0.0% - 4.0%. The wage increase from merit pay is what allows an employee to progress through the salary range. Based on a 2.75% budget average, it takes a non-union employee between 10-15

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years to reach maximum salary. Once a non-union employee reaches top pay, they begin to receive merit pay in the form of a bonus. A bonus is a lump sum payment of the merit award after multiplying the merit increase as a percentage against the employee's base salary. Merit bonuses are not added to an employee's base wages. Consequently, the employee's hourly rate does not change, nor is the bonus factored into pension calculations. The purpose of a merit bonus is to continue to incent meritorious performance. A merit bonus also serves as an offset for non-union employees, who reach top pay at a rate 2-3 times slower than unionized employees.

Unionized employees progress through their respective salary ranges in the form of a step increase per their collective bargaining agreements (CBA). While steps are based on years of service, union employees must satisfactorily meet performance objectives in order to receive a step increase (pass/fail). A step increase under the Fire CBA is 5.5%. A step increase under the Public Works CBA is 3.0%. A step increase under the (expired) Police CBA is 6.1%. Unionized employees reach top pay in no more than six years. While union employees may reach the maximum salary for their position classification faster than non-union employees, they do not receive bonuses, with the exception of the Public Works union. Employees within the Public Works union are eligible for a bonus after they reach top pay. It is capped at 2.5%. The compensation plan for the Public Works union generally mirrors that of non-union employees. A first contract for Telecommunication Operators is currently being negotiated.

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Each of the foregoing elements of the Village's compensation plan, (and compensation stipulated in union contracts) is calculated annually on an individual employee basis during budget preparation so as to more precisely project personnel expenses over our 5-year financial plan. These calculations are then carried forward into the budget document in departmental salary line items. Annual compensation and benefit costs by each Village employee is also contained in the budget document and posted on-line each year in April.

We would caution the Village Board from making any immediate changes to the Village's current compensation system at this time for several reasons. They are:

First, while it may be desirable to be able to nimbly expand and contract pay scales and raises based on current and projected financial conditions, we are severely limited in our ability to do so because approximately 60% of the Village's workforce is organized. Any compensation changes effecting unionized employees would need to be negotiated. As more and more employee groups have organized, the ranks of our non-union employees are limited to support staff, technical staff, supervisory personnel, and the Village's management team. See Exhibit "E" for a complete listing of unionized and non-unionized employees by position classification.

Second, to impose changes solely upon the Village's non-unionized workforce: (1) would negatively affect employee morale; (2) may spur additional labor organization; and (3) the financial gains as a practical matter will be limited, and may not offset the consequences.

6-A15

Third, if the Village embarked on a course of disparate treatment between unionized and non-unionized employees, it would undermine our efforts to date of a shared sacrifice as equal as possible among all employee groups. It would be a short-term, path-of-least-resistance strategy.

In preparing for this workshop, we made inquiry of a number of municipalities in the metropolitan area to ascertain trending information concerning employee benefits. We found the responses to be rather interesting. They are:

1. There seems to be a shift towards “reduced” compensation for non-union employees. Previously, the preponderance of municipal compensation plans provided for both a general wage adjustment and a step and/or a merit increase (traditional plan). The trend now appears to be an almost equal split between traditional compensation plans, and compensation plans limited to either a general wage adjustment or a merit/step increase. Budget constraints was often cited as the reason for this change.
2. It appears that municipalities with “reduced” compensation plans implemented these changes on non-union employees, almost exclusively.

We would like to investigate these trends further to learn more as it relates to: (1) whether these changes are permanent or temporary; (2) what if any consideration was given to disparate treatment between non-union and unionized employees; (3) how municipalities with “reduced” compensation plans intend to maintain their personnel systems; and (4) how any of these trends may impact the Village’s ability to retain and attract personnel.

As part of this information gathering process, we also inquired about the pay-out of accrued (sick) leave upon retirement. An overwhelming number (about 80%), indicated that they have some type of payout program. Rates of accrual, accrual maximums and percentage of accrued leave paid out upon retirement vary greatly.

In reviewing our recent collection of police union contracts, it also appears that sick leave accrual payout programs have been downwardly revised.

It is our recommendation that we undertake a process whereby we further evaluate employee compensation and benefits, and develop ideas to reduce these expenditures. Trending information would suggest that this is a prudent direction. As part of that process, we need to engage the management team and employees. Thereafter, we can share these ideas with labor, similar in approach to that of the cost containment plan.

The strategic objective of this endeavor should be to affect structural changes where appropriate without compromising our fundamental goal of maintaining a capable and dedicated workforce, which the Village Board affirmed back in June as being essential to the effective delivery of core Village services.

6-A.6

Employee Health Insurance

The Village offers two health insurance enrollment options to its full-time employees. Both options are health maintenance organization (HMO) plans. Coverage is provided through Blue Cross/Blue Shield. The base plan is called the Blue Advantage program. The Village pays 88% of the monthly premium whether for single or family coverage. The employee pays the remaining 12% of premium. The second plan is called the HMO of Illinois program. The premiums under this program are greater because a larger physician network is available. However, the Village's contribution is capped at the dollar amount paid for coverage under the Blue Advantage program. The employee pays 100% of the difference in added premium cost. This dual plan offering functions as a modified cafeteria-style program. Thus far, we have not experienced any adverse selection between plans.

We are required by state statute to allow retirees to continue to participate in the Village's group health insurance plan, which includes purchasing supplemental Medicare coverage. Retirees pay 100% of the cost of premiums. Subject to eligibility under the Public Safety Employee Benefits Act (PSEBA), the Village does not pay for post-employment health care benefits for any employee. There are no PSEBA-eligible employees at this time. The cost of administering retiree participation is nominal.

Because we offer an HMO to our employees, our health insurance expenses in the aggregate are affordable. By their very nature, HMO's are designed to be cost efficient. Consequently, cost-shifting and cost-reduction opportunities are limited.

By way of contrast, it would not be financially-advantageous for the Village to migrate towards a health savings account product or a preferred provider option plan in order to implement high deductibles and to add additional layers of out-of-pocket expenses as the net cost to the Village would be expected to increase dramatically; we previously estimated an additional cost to the Village of approximately \$200,000 per year at a minimum. This amount is equal to the cost of two full-time police officers. Even in the alternative, if the Village implemented such plans but capped its contribution at the current funding level as budgeted, there would be no cost savings to the Village in the first year, and these types of plans would become cost-prohibitive for employees who would go from a current annual premium contribution cost of \$2,000 per year, to approximately \$10,000 per year which is inclusive of a high deductible of \$5,000.

Historically, the Village has been very diligent in managing its health insurance expenses. The Village enjoyed an unprecedented period of stable health insurance premiums during the 1990's. As health insurance costs began to trend upward during the past ten years, the Village repeatedly responded with increased co-payments and plan design changes. Increased co-payments was the primary tool employed to contain health insurance costs for the Village. Since 2001, the Village increased: the office visit co-pay by 100%, the specialist office visit co-pay by 300%, the Emergency Room co-pay by 200%, and prescription drug co-pays by 100-150%. Village employees further shared in the cost of health insurance as the dollar amount of their monthly contribution increased with each increase in the premium renewal.

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Attached for your reference is a chart which illustrates the Village's health insurance premium history for the past twenty years, exclusive of the rate freeze for the current fiscal year. (See Exhibit "F"). Attached for your reference is a table which lists our final renewal increases as a percentage over the past 5 years. (See Exhibit "G"). Our five-year rolling average is 5.36%. The proposed budget reflects a 7.5% increase in the cost of employee health insurance effective May 1, 2013, and 7.5% in each of the remaining years of our five-year financial plan.

As part of our cost containment plan, the employee contribution towards monthly group health insurance premiums was increased to 10% of total premiums effective May 1, 2011, and increased again to 12% of total premiums effective May 1, 2012.

The following is a list of potential health insurance strategies to further contain the Village's health care benefit costs. They are as follows, along with staff commentary as may be appropriate.

1. Join a health insurance pool.

We annually track the performance of an intergovernmental health insurance pool, to which many of our neighboring municipalities belong. Up until 1986, the Village of La Grange was a member of the pool however, due to several catastrophic losses incurred by the pool and significant rate increases as a result, the Village terminated its membership. At that time, the pool's insurance coverage was provided through a PPO. We have been able to do much better by purchasing commercial group health insurance on our own ever since, and by transitioning to an HMO product in 1986.

Each year we compare our premiums with that of the HMO rates charged by the pool. In 2011, we spent a considerable amount of time evaluating membership in the pool as a serious option. While the pool does provide some features that are attractive to the Village (particularly the excess fund which operates similar to the IRMA model), our rates as an individual purchaser of commercial insurance continues to be competitive to that of the pool.

We do not recommend that the Village join a health insurance pool at this time as the Village's health insurance costs may actually increase. We will however, continue to monitor this as an option.

2. Increase the employee contribution towards health insurance premiums.

We have examined municipal insurance benefits to identify trending information.

Attached is a compilation of data from a recent survey performed by the West Central Municipal Conference (WCMC). (See Exhibit "H"). Eighteen or approximately one-half of the member communities of varying organizational size, political structure and plan design participated in the survey. All eighteen participants offer an HMO. Twelve of the

6-A.8

18 provide a dual plan offering of either an HMO or PPO. Six including La Grange, do not offer a PPO.

Two out of the 18 participants state the employee contribution is a flat fee. These 2 communities were not included in further analysis. Of the remaining 16 communities, 4 did not require an employee contribution towards monthly premiums.

The average employee contribution among all 16 communities which state the employee contribution as a percentage (from 0.0% to 22.0%) is 10.0%. The average employee contribution among all of the communities which require some amount of financial participation by employees is 13.3%.

We discovered a very similar result among a larger sample of municipal employers while collecting trend information for employee compensation.

3. We have not seen any trend among municipal employers to eliminate this benefit altogether. In addition, we have not seen any trend among municipal employers to replace this benefit with a stipend in order for municipal employees to purchase health insurance on their own.
4. We do not recommend any incentive for employees to drop spouses from coverage. We are accomplishing this end by virtue of increasing the employee contribution towards health insurance premiums.

We do not recommend any changes to employee health insurance at this time for the reasons described above, and because it would put the Village at a competitive disadvantage in attracting and retaining personnel. We will continue to monitor trends and evaluate opportunities. Over the long term, however, we would anticipate increased employee co-payments and increased employee contributions towards monthly health insurance premiums.

Please allow us the opportunity to include increasing the employee contribution towards health insurance premiums as an idea among the options to be considered for reducing employee compensation as discussed in the preceding section.

We have invited Messer's. Michael Traina and Gregg Mellinger, our account executives at Corporate Benefit Consultants (CBC), our group health insurance broker, to present a primer on the Village's current plan, how and why an HMO is the most cost efficient model for controlling health care costs as compared to other forms of group health insurance, review best practices and trending information, and provide an opportunity for the Village Board to ask questions.

#### Salary Allocations

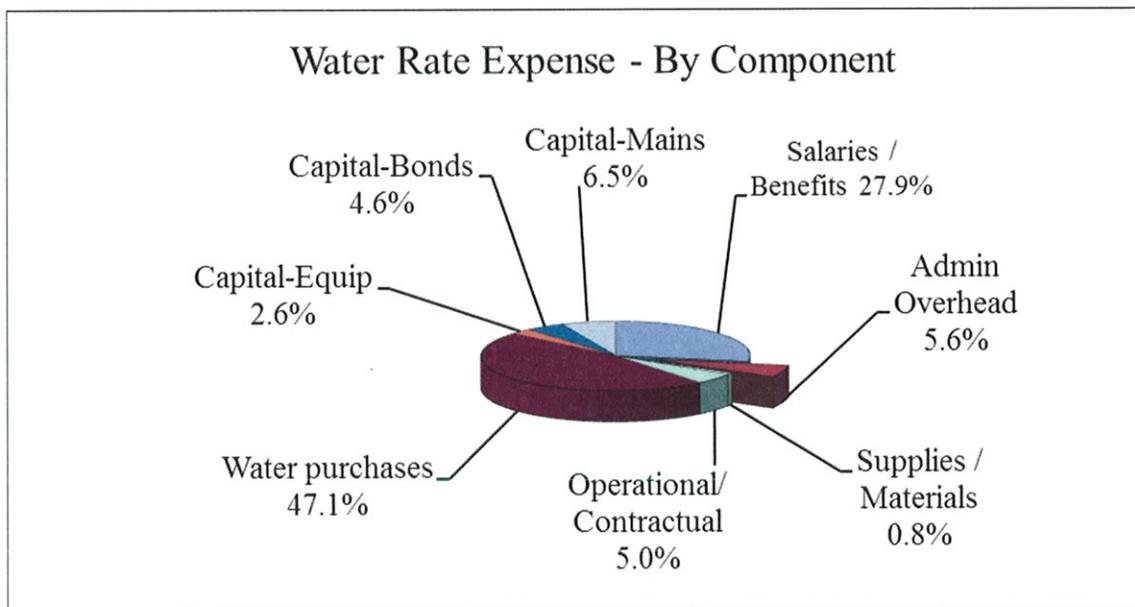
The Village's General Fund has historically shared the cost of providing municipal services with our three enterprise funds (Water, Sewer and Parking) to properly recognize work function and activity performed by Village employees.

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As with all municipalities, many Village employees who are budgeted within one of the main operating funds, which typically include a General, Water, Parking and Sewer Fund, share duties and responsibilities which “cross over” funds, especially when it comes to administration and support services.

These expenses are “shared” with our enterprise funds, as by definition, an enterprise fund is intended to operate similar to a self supporting business; and as such, should generate sufficient revenues, from user fees (as opposed to property taxes) to recover all expenses associated with operations.

There are direct and indirect costs which are shared with the enterprise funds. Total administrative costs are also reviewed periodically to ensure that the overhead costs charged to the enterprise funds remain reasonable. The chart below shows the total current administrative overhead costs at 5.6% of total operating expenses for the Water Fund, which is at the lower end of the range for municipal finance standards which is 5-10% of annual operating expenses.



There are four areas of indirect costs allocated to the Water Fund. They are Public Works, Administration, President & Board and Finance. In the case of Public Works, salaries for the Public Works Director and Assistant Public Works Director are already budgeted within the Water Fund and a portion of their salaries are subsequently transferred out to the General Fund and Sewer Fund. Each of these salary allocations represent historical cost estimates based upon time spent providing administrative services to the other funds during the course of a fiscal year. As the concern seems to be the transfer of indirect costs from the General Fund to the Water Fund, we have focused our review to Administration, President & Board, and Finance.

In order to properly account for expenses associated with the overall operations of the Water Fund, a percentage of the Administration Department’s personnel expenses are included as

6-A.10

“allocated salaries” within the Water Fund budget to recognize indirect administrative overhead costs.

Administrative activities for the Village Manager’s office, (and to some extent the Village President and Village Clerk) include review and collaboration on Village board reports, budget development, operational discussions & meetings, labor related issues, memorandums, long-term capital planning, debt issuance, identification of grant opportunities, residential issues, monitoring water usage during peak demand in the summer months, water conservation efforts and contingency planning.

The cost of providing these services are based on historical estimates of the amount of time department employee’s work on administrative/support services on behalf of the Water Fund during the course of the fiscal year. Although not a detailed calculation, the allocated salaries are intended to represent an approximation of the cost of providing these services to the Water Fund.

In addition, a percentage of the Finance Department’s salaries are also allocated to the Water fund, not only for the administration services mentioned previously, but also to properly recognize work function and activity performed by department employees including: budget development and preparation, investments, accounting and reporting. Again the costs are allocated based on the estimated amount of time employees spend working on these various duties and responsibilities throughout the course of the year.

Administration and Finance salaries are also allocated to the Village’s other two enterprise funds (Parking and Sewer). However, the Water Fund has significantly larger operational and capital components requiring additional administrative and support services, and therefore, a larger percentage of allocated costs.

For Administration, Finance and President & Board, the current salary allocations for all indirect costs for administrative personnel to the Water Fund range between 25-30% (see chart below).

<b><u>Current Indirect Administrative Salary Allocations / FY 12-13 Budget</u></b>					
	General	Water	Parking	Sewer	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b><u>Administration</u></b>					
Village Manager	50.0%	30.0%	10.0%	10.0%	100.0%
Asst. Village Manager	65.0%	25.0%	5.0%	5.0%	100.0%
Executive Secretary	65.0%	25.0%	5.0%	5.0%	100.0%
Administrative Secretary	65.0%	25.0%	5.0%	5.0%	100.0%
<b><u>Finance</u></b>					
Finance Director	55.0%	30.0%	10.0%	5.0%	100.0%
Asst. Finance Director	55.0%	30.0%	10.0%	5.0%	100.0%
<b><u>President &amp; Board</u></b>					
Village President	65.0%	30.0%	5.0%	0.0%	100.0%
Village Clerk	65.0%	30.0%	5.0%	0.0%	100.0%

6-A.11

During the course of the most recent audit engagement, we were also able to verify with our auditors that allocating salaries is a common practice amongst all municipalities, with allocation percentages ranging from 20 to 33% for administrative and finance personnel. We have asked them to confirm this for us in writing. (See attached letter from Sikich, LLP — Exhibit “I”).

If we were to revise the current salary allocations for all indirect costs for administrative personnel to the Water Fund to the low end of the auditors range of 20%, the result is an increase in expenditures in the General Fund of approximately \$55,000. As the General Fund is currently operating under a cost containment plan, the additional expenditures would further increase the financial stress on the Village budget.

The revised salary allocation would also decrease operating expenses in the Water Fund by approximately \$55,000 (1.25%). If we were to factor the decreased operating expenses into the water rate structure, the result would be a reduction in the current water rate from \$6.68 per 100 cubic to \$6.60 per 100 cubic feet. The savings of \$.08 cents per 100 cubic feet results in an average annual savings to residents of approximately \$7.20 per year.

Although there may be varying opinions as to what the “correct” salary allocation percentages should be, there can be no denying that the Village Manger’s office and Finance Department staffs spend a considerable amount of time and effort in the management, administration and operation of the Water Fund. It would not be fiscally responsible for the Water Fund to simply ignore the overhead costs associated with these administrative functions and activities.

If we were to eliminate all salary allocations to the Village’s enterprise funds, the result would be a significant increase in General Fund expenditures of almost \$1.0 million, with no other viable option to balance the budget than to further reduce operating expenditures, resulting in the reduction or elimination of Village services; or impose additional revenue enhancements.

As sharing the cost of administrative and support services with the enterprise funds is sound municipal financial policy, we recommend maintaining the salary allocations as reflected in the current budget.

### Pension Funding

Over the past three years there has been considerable discussion at board meetings and pension workshops regarding: 1) the funding status of the Police and Firefighters Pension Funds, 2) assumptions used in the actuarial valuations, and 3) pension reform legislation.

During this period of time, consensus was reached between the Village and its Police and Fire Pension Boards, to change actuarial assumptions to reflect utilization of the UP 1984 mortality table as recommended by the actuary who serves both pension funds.

Last year, there was considerable discussion regarding funding changes for the police and fire pension funds as a result of pension reform legislation. Pension reform included the following

6-1A.12

changes: 1) a 30 year closed amortization period ending in 2040 (previously 40 years ending in 2033); 2) a funding target level of 90% (previously 100%); 3) change in the actuarial cost method to Projected Unit Credit (previously Entry Age Normal); and 4) calculation of a “floor” for employer contributions based on the funding changes. Consensus was reached between the Village and its Police and Fire Pension Boards to continue to use the current actuarial cost method, Entry Age Normal and a funding level of 100%.

Although the Projected Unit Credit method and 90% funding are required by statute to determine the floor, actual funding can occur utilizing either actuarial cost method (Projected Unit Credit vs. Entry Age Normal) or funding percentage (100% vs. 90%). The Entry Age Normal actuarial method was selected as it is designed to provide more stable employer contributions in amounts that increase at the same rate as the employer’s payroll. The Village elected to retain a funding target level of 100% as recommended by the pension fund’s actuary, as meeting this financial obligation has been a long standing priority for the Village Board. In addition, both the Entry Age Normal actuarial cost method and 100% funding were selected as assumptions because they comply with Generally Accepted Accounting Principles (GAAP), while 90% funding is not in compliance with GAAP.

In addition, due to the reduced costs resulting from the funding changes included in the pension reform legislation, primarily extending the fully funded amortization date to 2040, it was also the consensus of the Village and its Police and Fire Pension Boards to reduce the actuarial interest rate assumption from 7.5% to 7.0%, as this downwardly revised change in assumption is a more realistic rate of return, while at the same time not placing additional financial stress on the Village budget.

Due to the changes in actuarial assumptions and pension reform legislation, full actuarial valuations have been completed for three consecutive years. Previously the pension funds completed full valuations in alternating years as required by the Governmental Accounting Standards Board (GASB) with updates in off years. Noting that current effective pension fund management is a long term strategy, current actuarial assumptions remain reasonable, and with no other new information to the contrary, both the Police and Fire Pension Funds were scheduled/budgeted to have an actuarial update performed by Mr. Tim Sharpe, EA, MAAA in FY 2012-13. An update typically includes factoring in the actual investment return for the previous fiscal year with estimated salary increases and no changes in actuarial/retirement assumptions.

However, we came to learn in June that a formal complaint was filed by Trustee Palermo against Mr. Sharpe with the Actuarial Board for Counseling and Discipline (ABCD). Trustee Palermo’s specific allegations against Mr. Sharpe included the following: preparing communications which fail to discuss the mortality assumptions by which another qualified actuary would reach the same conclusion, failing to discuss mortality improvement, not disclosing facts in a communication which lead to an incomplete understanding of the communication, failing to consider the appropriate format for each demographic assumption and making statements at the Village Board’s Pension Workshop on October 10, 2011 which were frequently erroneous and incomplete regarding standard actuarial practices, which mislead the Village Board in its

6-A.13

decision to adopt Mr. Sharpe's recommended actuarial assumptions used to prepare a tax levy, the plans' funding levels, and the minimum Actuarial Required Contribution.

It is important to remind the Village Board at this time that during the pension workshop on October 10<sup>th</sup>, a majority of the Village Board did not support Trustee Palermo's request for further examination of mortality tables or retirement age assumptions. The Village Board also declined Trustee Palermo's recommendation that the Village Board retain another actuary.

Despite the consensus opinion and judgment of the Village Board as a whole, Trustee Palermo proceeded on his own, not as a private citizen, but as a Village trustee, to re-state his arguments with the ABCD.

It was anticipated that a resolution to the complaint would have been received prior to the calculation of the actuarial update for the current fiscal year. Unfortunately, no ruling on the complaint has been issued by the ABCD, at this time. As such, we have been notified by Mr. Sharpe that he respectively declines to complete the actuarial update for the pension board due to the outstanding complaint.

At this point, the pension boards have two options: hire a new actuary or submit a GASB acceptable "estimated" tax levy request to the Village Board for consideration. The pension boards are satisfied with Mr. Sharpe's services and thus do not wish to change actuaries. They have also expressed some frustration with this development.

As a full valuation was completed last year, and in lieu of the actuarial update scheduled for this year due to the circumstances described above, the Police and Fire Pension Boards have recommended to submit the 2012 annual tax levy request to the Village Board as currently reflected in the FY 2012-13 operating budget, in the amounts of \$834,026 and \$808,473; respectively. These tax levy requests reflect a 5% increase over the 2011 tax levies, as determined by the most recent independent actuarial valuation, based upon projected salary increases which include annual general wage adjustments and step increases for police officers and firefighters who are not at top pay within their respective salary ranges.

When the next full actuarial valuation is completed for the 2013 tax levy, the actuary will factor in two years of actual investment income, using the 5-year smoothed market method as required by pension reform legislation and actual participant experience including wages, retirements, resignations, mortality, etc. We have also confirmed with our auditors that this would be an acceptable practice/request and will not impact their "unqualified" or clean opinion on the Village's financial statements.

However, as mentioned previously, pursuant to the recent pension reform legislation, starting last year, actuarial valuations are also required to include a "floor" calculation for employer contributions, utilizing the Projected Unit Credit actuarial (PUC) cost method, a 30-year closed amortization period ending in 2040 and a 90% funding target.

6-A.14

We contacted Mr. Scott Brandt, a senior pension analyst and former Acting Director of the Illinois Department of Insurance, Public Pension Division to inquire if a “floor” calculation was only required in years in which a full actuarial valuation is completed. Mr. Brandt stated that it is the intent of the new pension reform legislation to have a “floor” calculation performed on an annual basis. We explained to him the Village’s current situation and the expectation that we may not have a full valuation or update performed this year and simply request that the Village increase last year’s employer contribution as budgeted, based on expected salary increases. Mr. Brandt noted that there are other municipalities that are currently in similar situations (i.e. only completing actuarial valuation in alternating years, rather than annually).

Mr. Brandt then informed us that the State was to resume calculation of tax levy report for local municipalities, which includes a “floor” calculation. The state actuarial calculations were suspended for nearly two years due to required software reprogramming resulting from key changes included in the pension reform legislation. In order to issue reports on a timely basis, the State has engaged Foster & Foster Actuaries and Consultants. However, the state reports, may not be received in time for filing the Village tax levy with Cook County (December 24, 2012).

It is important to note that in addition to using the PUC actuarial cost method and 90% funding, which would typically result in lower tax levies, the State is also making changes in actuarial assumptions. The State will begin using varying interest rate assumptions depending upon the net asset value of the pension fund. For funds over \$10 million, the rate of return assumption is 6.75%, for funds between \$5 and \$10 million, the rate of return assumption is 6.5%. In addition, the state is changing from a 1970’s mortality table to the RP 2000 Combined Healthy Mortality Table with a Blue Collar Adjustment, and salary increases are also being adjusted from the current 5% to 4%. The revisions in the state’s actuarial assumptions may result in significant increases in the pension tax levies.

Mr. Brandt further noted that the calculation of the “floor” is important as the pension reform legislation also includes a provision for pension funds to request that state-shared revenues be diverted to the pension funds if a municipality fails to transmit the required “floor” contribution. However, Mr. Brandt pointed out that the statute includes a three year phase-in provision beginning with 1/3 of state-shared revenues diverted beginning in 2016, 2/3 in 2017, and the full difference in the contribution beginning in 2018. Currently, there are no provisions for diverting funds or other remedies or penalties for a municipality which contributes less than the required “floor” contribution.

While the reinstatement of actuarial valuations by the State of Illinois is encouraging as an alternate actuarial source, it is fundamentally flawed for our purposes as the 90% funding level is not GAAP compliant. However, the state’s valuation could be used in determining a “floor” calculation as being an eligible/acceptable report for purposes of adhering to the state’s pension code requirements.

Both the Police and Fire Pension Boards have met and are recommending that the Village 2012 property tax levy filed with Cook County, include employer contributions as reflected in FY

6-A.15

2012-13 operating budget in the amount of \$834,026 and \$808,473; respectively. Should the ABCD make a determination favorable to Mr. Sharpe within the next several weeks, the pension boards would like the opportunity to have Mr. Sharpe prepare actuarial updates on their behalf for the current fiscal year. If you concur with the pension board's recommendations, we can still use the State's calculation in determining the floor. If the floor exceeds the adopted pension levies, the Village Board could amend the contributions to the pension funds as part of the upcoming budget process as a supplemental transfer from the General Fund to the pension funds.

There are no further recommendations concerning pension funding at this time.

#### PRELIMINARY STAFF RECOMMENDATIONS

We respectfully request either your concurrence or alternative direction concerning the staff recommendations presented within this report as summarized below.

1. Further investigate and evaluate municipal trends as they relate to employee compensation and benefits. Develop ideas to reduce these personnel expenses. Engage the organization. Consider weight of impacts between non-union and union employees. Balance interest to affect structural changes where appropriate while at the same time, maintaining a capable and dedicated workforce.
2. Maintain current level of employee health insurance benefits. However, consider changes in the larger context of ideas to be reviewed for reducing employee compensation. Continue to monitor trends and evaluate opportunities.
3. Maintain current salary allocations to the Village's enterprise funds as reflected in the adopted budget.
4. Accept the preliminary property tax levies for the Village's police and fire pension funds as recommended by their respective pension boards.

Consider updated actuarial valuations if they become available prior to December 10, 2012, (time when the Village's 2012 property tax levy is scheduled to be adopted). If not, request valuations from the Illinois Department of Insurance for purposes of calculating the statutorily-required minimum annual employer contribution ("the floor"). If the floor exceeds the adopted pension levies, staff to propose a plan for making a supplemental transfer from the General Fund to the pension funds, as part of the upcoming budget process.

6-A.16

Village of La Grange List of Comparable Jurisdictions (Pursuant to the Village Policy of Using Cook County Salary Survey, Region 4 Communities With a Population of 10,000-25,000)	
Municipality	Population
Bellwood	20,241
Bensenville	17,767
Bloomington	19,992
Brookfield	18,876
Darien	20,556
Elmwood Park	23,206
Forest Park	14,918
Franklin Park	18,485
Hinsdale	17,450
La Grange	15,608
La Grange Park	12,861
Lisle	20,500
Melrose Park	20,859
Norridge	14,459
River Forest	11,669
Schiller Park	11,189
Villa Park	22,279
Warrenville	12,094
Westchester	17,301
West Chicago	16,200
Western Springs	12,375
Westmont	22,402
Wood Dale	12,259

**POSITION CLASSIFICATION SYSTEM  
and  
COMPENSATION PLAN SCHEDULE  
for Full-Time Employees  
May 1, 2012**

**Non-Union Personnel**

<u>Pay Grade</u>	<u>Position(s)</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>
1	Cashier-Receptionist	36,258	47,958
2	Parking Enforcement Officer	35,685	49,740
3	Administrative Secretary / Parking Clerk	34,941	51,566
4	Account Clerk	34,862	56,111
5	Executive Secretary / Office Mgr / Payroll Clerk-Benefits Specialist/ Code Enforcement Officer	43,689	61,582
6	Building Inspector / Environmental Health-Code Enforcement Officer	50,753	70,030
7	Assistant Finance Director / Asst. Community Dev. Dir-Planner	56,867	74,137
8	DPW Foreman	63,283	82,247
9	Police Sergeant	82,011	89,802
10	Fire Captain	87,688	97,057
11	Assistant Director of Public Works	86,361	103,367
12	Police Lieutenant	94,293	103,722
13	Assistant Village Manager / Community Development Director	94,638	110,624
14	Fire Chief	101,910	110,734
15	Finance Director	102,431	111,705
16	Director of Public Works	103,363	124,229
17	Police Chief	108,908	126,612
18	Village Manager	160,054*	
<hr/>			
<b>Union Personnel</b>	Firefighter/Paramedic	54,577	78,571
	Fire Lieutenant	82,501	88,476
	General Utility Worker	42,320	60,314
	Crew Leader/Mechanic/Forester	50,464	71,955
	Police Officer	In Negotiations	
	Telecommunications Operator	In Negotiations	

\*Contractual employee; salary effective as of May 1, 2009

6-A.18

**Village of La Grange**  
**General Wage Adjustment - Non Union Employees**  
**Five Year Average**

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Based on Consumer Price Index  
 U.S. City Average - All Urban Consumers - All Items

	Calendar Year - CPI		
FY 2012-13	2010	1.50%	1.50%
FY 2011-12	2009	2.70%	<b>2.00%</b>
FY 2010-11	2008	0.10%	0.10%
FY 2009-10	2007	4.10%	4.10%
FY 2008-09	2006	2.50%	2.50%
	Five Year Average	<u>2.18%</u>	<u>2.04%</u>

**Reduction in Non-Union Employee  
 General Wage Adj from 2.7% to 2.0%  
 pursuant to cost containment plan**

6-A.19

**Village of La Grange**  
**General Wage Adjustment - Non Union Employees**  
**Five Year Average**

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Based on Consumer Price Index  
 U.S. City Average - All Urban Consumers - All Items

	<u>Calendar Year - CPI</u>		
FY 2013-14 - Estimated	2011	3.00%	3.00%
FY 2012-13	2010	1.50%	1.50%
FY 2011-12	2009	2.70%	2.00%
FY 2010-11	2008	0.10%	0.10%
FY 2009-10	2007	4.10%	4.10%
	Five Year Average	<u>2.28%</u>	<u>2.14%</u>

**Reduction in Non-Union Employee  
 General Wage Adj from 2.7% to 2.0%  
 pursuant to cost containment plan**

6-A.20

**Village of La Grange**  
**General Wage Adjustments**  
**5 Year Comparison Between Union & Non-Union Employees**

	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
Non-Union	4.1%	0.1%	2.0% (CPI-U 2.7% tax cap)	1.5%	3.0%
Police Union	3.5%	4.0%	TBD	TBD	TBD
Fire Union	4.0%	3.0%	2.3% (contract 3.0%)	3.5%	1.0%
Public Works Union	4.1%	0.1%	2.0% (contract 2.75%)	2.5%	TBD
Dispatchers Union	4.1%	0.1%	TBD	TBD	TBD

6-A.21

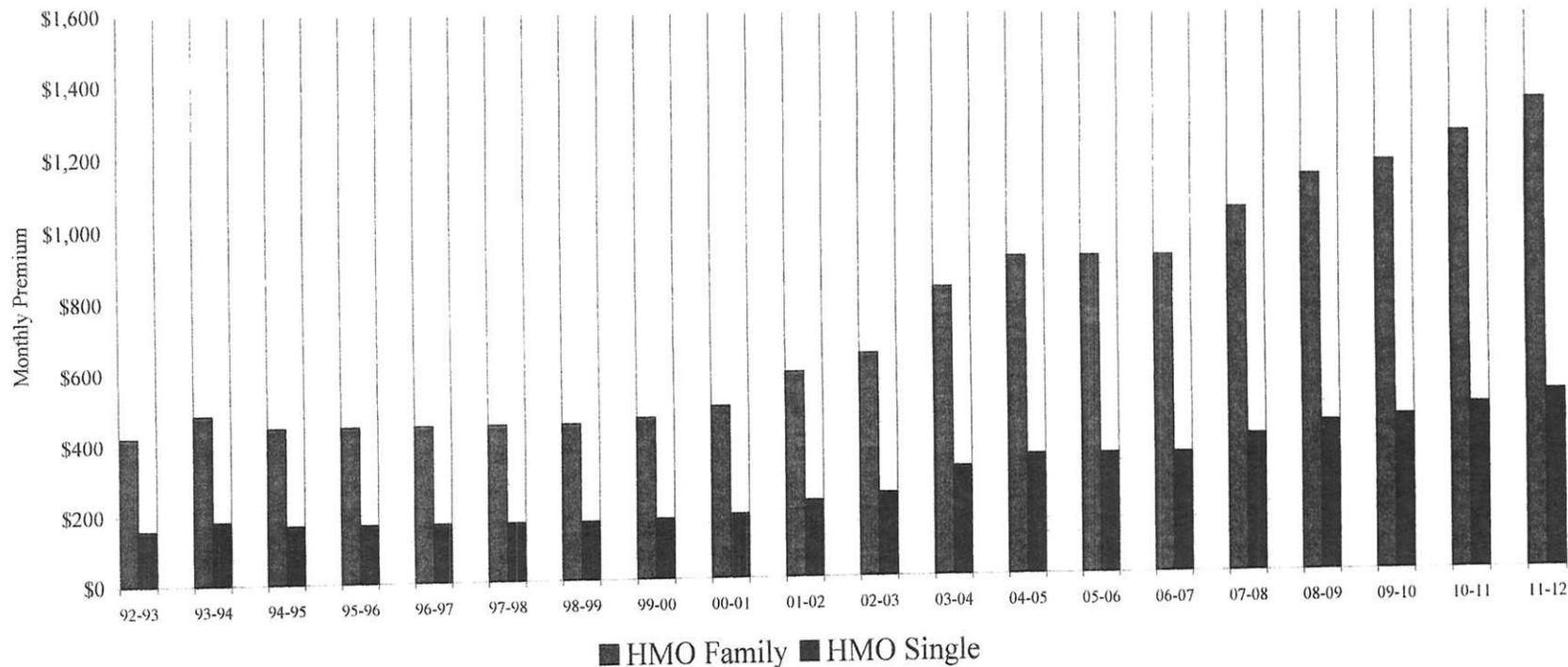
## Village of La Grange

## Number of Full-Time Positions - 99 per FY 2012-13 Budget

	Union	Non-Union
Police Officer	19	1 Village Manager
Dispatcher	6	1 Asst Village Manager
Firefighter/pr	13	1 Exec Secretary (CB, JC)
Fire Lt	3	4 Adm Secretary (EE, SG, JC, JS)
G UW	14	1 Finance Director
Crew Ldr	4	1 Asst Finance Director
Mechanic	1	1 Accout Clerk
Forester	1	1 P/R Clerk
		2 Cashier Receptionist (HG, RB)
by dept		1 Com Develp Director
adm	4	1 Asst CD Director
fin	5	2 Building Inspector
cd	6	1 Health Inspector
pd	35	1 Police Chief
prk	3	3 Police Lt.
fd	21	5 Police Sgt
dpw/wtr	25	1 Parking Clerk
swr		2 Parking Enforcement Officer
		1 Fire Chief
		3 Fire Captain
		1 Public Works Director
		1 Asst PW Director
		1 Foreman
		1 Office Manager - PW
	<hr/>	
	61	38
		99

6-A.22

## Village of La Grange-Premiums History May 1992 to May 2011



	<u>92-93</u>	<u>93-94</u>	<u>94-95</u>	<u>95-96</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>	<u>00-01</u>	<u>01-02</u>	<u>02-03</u>	<u>03-04</u>	<u>04-05</u>	<u>05-06</u>	<u>06-07</u>	<u>07-08</u>	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>
HMO Family Rate	422.11	482.40	446.22	446.22	446.22	446.22	446.22	459.61	488.23	583.43	633.03	821.03	904.26	904.26	904.26	1,039.90	1,131.41	1,171.01	1,252.98	1,346.95
HMO Single Rate	141.12	181.70	168.07	168.07	168.07	168.07	168.07	173.11	183.89	219.75	238.43	309.24	340.59	340.59	340.59	391.68	426.15	441.07	471.94	507.34
% Increase	11.85%	14.28%	-7.50%	0.00%	0.00%	0.00%	0.00%	3.00%	6.23%	19.50%	8.50%	29.70%	10.14%	0.00%	0.00%	15.00%	8.80%	3.50%	7.00%	7.50%

6-A-23

**Village of La Grange**  
**Health Insurance**  
**5-Year Rolling Average Increase in Premiums**

FY 2012-13	0.00%
FY 2011-12	7.50%
FY 2010-11	7.00%
FY 2009-10	3.50%
FY 2008-09	8.80%
	<hr/>
5 Year Average	<u>5.36%</u>
	<hr/>
FY 2012-13 Budget - proposed	7.50%

6-A.24

WCMC HEALTH INSURANCE SURVEY

Municipality	Health Insurance		Insurance Provider	% Premium pd by EE		% Premium pd by Retiree	
	EE	Retiree		HMO	PPO	HMO	PPO
La Grange	Y	Y, but participate in plan	Dual offering. BC/BS Adv HMO - base plan. BC/BS HMOi also offered, w/EE paying 100% of the cost of the premium above what the VLG contributes u/Blue Adv plan.	12%	No	100%	N/A
Berwyn	Y	Y	BC/ BS of IL	10%	10%	100% (only in the Police Union Contract the City pays 50% of the single HMO premium)	100%
Melrose Park	Y	Y	BC/BS	None	\$75 S, \$260 F (grandfathered no longer offered)	\$50/mo.	\$50/mo.
Oak Park	Y (2 PPO & 2 HMO plans)	Y (2 PPO & 2 HMO plans)	BC/BS	HMO Blue Adv - S (11.5%); S & 1 (13%); F (12%).  HMO IL - S (11.4%); S & 1 (13%); F (11.9%).	PPO - S (17.4%); S & 1 (16.2%); F (15.1%).  PPO Legacy - S (17.5%); S & 1 (16.4%); F (17.3%).  (high ded.)	100% both HMO plans	100% both PPO plans.
River Forest	Y	Y	PPO - United Healthcare; HMO - BC; RX - Medco (all thru IPBC)	85% employer; 15% EE	Non-union 80% employer, 20% EE for PPO; 10% EE for high ded.; 85% employer, 15% EE for union PPO.	33-1/3% employer, 66-2/3% retiree	33-1/3% employer, 66-2/3% retiree
Berkeley	Y	Y	BC/BS	10% non-union, 5% union	Same	100%	Same
Countryside	Y	Y	BC/BS	10%	N/A	100% less \$350 (mo. city contribution) until medicare eligible	N/A

6-A-25

WCMC HEALTH INSURANCE SURVEY

Municipality	Health Insurance		Insurance Provider	% Premium pd by EE		% Premium pd by Retiree	
	EE	Retiree		HMO	PPO	HMO	PPO
Brookfield	Y	Y, they pay full amt.	BC	15%		Full	
Westchester	Y	Y	BC/BS	10%	10%	Full	Full
Hillside	Y	Y, up till 65 yoa	BC/BS	S - \$45 EE & spouse - \$75 EE & child \$85, F-\$100 (all are monthly)	-0-	disability retirees -0-, early retiree incentive -0- Sgt., Lt., & above 50% of S coverage; all others 100%	-0-
Forest View	Y		BC/BS	85% pd by VLG inc. dental & vision			
La Grange Park	Y	Y	BC/BS of IL	14%	Do not.	100% + \$2 admin fee	Do not.
Stickney	Y	only PD w/25 yos	Local Government Health Plan	0 \$600 \$1200	Same	PD w/ 25 yos	Same
Norridge	Y	Y	BC/BS	0%, HMO is free	11%	25% for retiree, retiree pays 100% for dependents	Vlg pays 75% of HMO toward the PPO, retiree pays difference; retiree pays 100% for dependents
Northlake	Y	only PD, not dependents	BC	DPW -5%, PD 15%	DPW - 5%, PD - 15%	PD only -0-	PD only -0-
Schiller Park	Y	Y	BC	0%	10%	50%	50%
McCook	Y	Y	BC/BS	\$0	Employees hired prior to 7/1/05 \$0.00, hired after 7/1/05 employee pays premium difference between HMO & PPO.	\$0	\$0

6-A.26

WCMC HEALTH INSURANCE SURVEY

Municipality	Health Insurance		Insurance Provider	% Premium pd by EE		% Premium pd by Retiree	
	EE	Retiree		HMO	PPO	HMO	PPO
Western Springs	Y	Y, they must pay full premium at time of retirement & going forward.	BC/BS	Non-union EE: S 10%; all other 22%. Union EE: S 10%; all other 20%.	Non-union EE: S 10%; all other 22%. Union EE: S 10%; all other 20%	100% pd by retiree. Must be continuous (no break in coverage from time of retirement on). Once coverage is cancelled, it cannot be renewed.	Same

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6-A-27

Certified Public Accountants &amp; Advisors



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

Members of American Institute of  
Certified Public Accountants

April 19, 2012

Mr. Lou Cipparrone  
Village of La Grange  
53 S. LaGrange Road  
LaGrange, IL 60525

Dear Lou,

You have asked me to comment on the Village of La Grange's salary allocations. At nearly all of our municipal clients, Village employees who are budgeted within one of the main operating funds, share duties and responsibilities which "cross over" funds, especially when it comes to administration and support services.

These expenses may be "shared" with the municipalities' enterprise funds and it is very common for enterprise funds to reimburse the General Fund for these expenses. By definition and in accordance with generally accepted accounting principles (GAAP), an enterprise fund is intended to operate similar to a self supporting business; and as such, should generate sufficient revenues from user fees to recover all expenses associated with operations.

The allocation of salaries to an enterprise fund is sound financial policy and a common practice amongst local municipalities. The percentage of administrative salaries allocated to a Water Fund typically range from 20% to 33%. The salary allocations vary due to the amount of time and effort required for the management, administration and operations of the Water Fund. It would not be advisable (nor fiscally responsible) for the Water Fund to simply ignore the overhead costs associated with these administrative functions and activities. Therefore, current salary allocation percentages by the Village of La Grange are reasonable and appropriate.

Please feel free to call me with any questions you may have.

Sincerely,

A handwritten signature in black ink that reads 'Daniel A. Berg'.

Daniel A. Berg, CPA  
Partner

6-11-28