

**VILLAGE OF LA GRANGE
BOARD MEETING**

MONDAY, OCTOBER 14, 2013

7:30 p.m.

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

**Thomas E. Livingston
Village President**

**John Burns
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, October 14, 2013 – 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE
 - Trustee Holder*
 - Trustee Kuchler*
 - Trustee Langan*
 - Trustee McCarty*
 - Trustee Nowak*
 - Trustee Palermo*
 - President Livingston*

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. Material Purchase – Public Works / FY 2013-14 Tree Planting Program
 - Resolution – Public Works / Suburban Tree Consortium

 - B. Request to Purchase – Security Camera System at Metra Stations

 - C. Minutes of the Village of La Grange Board of Trustees Regular Meeting, Monday, September 23, 2013

 - D. Consolidated Voucher 131014

5. CURRENT BUSINESS
This agenda item includes consideration of matters being presented to the Board of Trustees for action.
 - A. Presentation – FY 2012-13 Comprehensive Annual Financial Reports:
Referred to Trustee McCarty
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.
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

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
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
Don Wachter, Village Forester

DATE: October 14, 2013

RE: **MATERIAL PURCHASE – PUBLIC WORKS / FY2013-14 TREE
PLANTING PROGRAM**

**RESOLUTION – PUBLIC WORKS / SUBURBAN TREE
CONSORTIUM**

The Village has a long proud heritage of maintaining tree-lined streets dating back to its founding father, Franklin Cossitt. In maintaining our urban forest, we strive to plant a replacement tree for each parkway tree removed due to disease and damage (storm, vehicular, etc.) In addition, we attempt to fill vacant parkway locations if available funds allow. Each year in the spring and fall the Village plants replacement trees in parkways to replace trees that were removed.

Since 1986 the Village has participated in the Suburban Tree Consortium to jointly purchase and plant parkway trees on behalf of a number of municipalities in an effort to realize cost savings through economies of scale and ensure a reasonable supply and variety of suitable parkway trees. The Suburban Tree Consortium contracts separately with nurseries for the purchase of the trees and a landscaping contractor for their installation.

Over the last five years, the Village has on average replanted approximately 111 trees per year. However, the number of trees to be replanted over the next five years will increase significantly due to damage from the Emerald Ash Borer (EAB). Of the 369 trees that were removed by contractors this fiscal year, 12 were elm trees that were diagnosed with Dutch Elm Disease and 338 were removed due to EAB. Please note that the number of elm trees removed each year continues to go down as the population of elm trees susceptible to the disease diminishes. However, as detailed during the Capital Projects budget process, ash tree removal and replacement is increasing due to damage resulting from the EAB. Therefore, we continue to add additional trees to our purchase request from the Suburban Tree Consortium to account for trees lost due to this insect.

The following table details the estimated number of trees to be replanted this fiscal year and the available funding for this program.

| FY 2013-14 TREE PLANTING PROGRAM | | | |
|--|---------------------------|---------------------------|----------------|
| Expenses | | | |
| | Estimated Quantity | Average Unit Price | Total |
| 2013 Fall Tree Planting | | | |
| Routine Replacement | 10 | 272.85 | 2,728 |
| EAB Replacement | 95 | 272.85 | 25,921 |
| | | | 28,649 |
| 2014 Spring Tree Planting | | | |
| Routine Replacement | 40 | 283.80 | 11,352 |
| EAB Replacement | 170 | 283.80 | 48,246 |
| | | | 59,598 |
| Total | | | 88,247 |
| Funding Sources | | | |
| FY2013-14 Budget | | | |
| Capital Projects – Tree Planting Program | | | 39,000 |
| Capital Projects – Emerald Ash Borer (\$1550,000 Total / \$78,719 Removal/\$71,000 Planting/\$4,859 Treatment) | | | 71,000 |
| Metropolitan Mayors Caucus - EAB Reforestation Grant | | | 3,000 |
| Total | | | 113,000 |

Please note that the average unit price per tree for the fall tree planting program is lower than spring program due to the fact that the variety of the trees planted in the fall are less expensive.

In preparation for the Fall Tree Planting Program the Public Works Department is removing all of the stumps and preparing the planting locations for each tree. The actual planting of the tree normally takes place the second week of November.

In addition to Capital Project Funds, the Village recently received a \$3,000 reforestation grant from the Metropolitan Mayors Caucus. This grant will fund the planting of 18 trees.

In summary, we recommend that the Village Board authorize staff to purchase and plant trees which have been competitively bid through a municipal purchasing cooperative known as the Suburban Tree Consortium in an amount of \$28,649 for the 2013 Fall Tree Planting Program and \$59,598 for the 2014 Spring Tree Planting Program. As this is a unit price contract the final amount of the contract will be based on the actual installed quantity of trees at the unit prices listed in the contract. Secondly, it is our recommendation that the attached resolution affirming the Village's commitment to Suburban Tree Consortium be approved.

VILLAGE OF LA GRANGE

RESOLUTION NO. _____

A RESOLUTION EXPRESSING INTENT
TO PARTICIPATE IN THE SUBURBAN
TREE CONSTORTIUM FIVE YEAR CONTRACTUAL PROGRAM

WHEREAS, the Village of La Grange has heretofore joined the cooperative known as the Suburban Tree Consortium; and

WHEREAS, the Suburban Tree Consortium was created to jointly purchase parkway trees on behalf of a number of municipalities in an effort to realize cost savings and insure a reasonable supply and variety of suitable parkway trees; and

WHEREAS, Chapter 65 of ILCS 5/11-73.1-1 entitled "Municipal and Joint Municipal Tree Planting Programs", authorizes municipalities to jointly enter into long term contracts for the purchase and delivery of trees; and

WHEREAS, due to the nature of the nursery industry and the plant materials desired by the Suburban Tree Consortium, assuring a reasonable number and variety of parkway trees at the best price is possible only with a multi-year commitment on the part of the Consortium Members, so as to allow adequate planning by the Consortium and the Nurseries/Suppliers; and

WHEREAS, the Suburban Tree Consortium member municipalities provide the Nurseries/Suppliers a projection of their parkway tree requirements for the next five years; and

WHEREAS, the Suburban Tree Consortium can realize the necessary number and variety and the best price of such parkway trees only by providing assurance to the tree Nurseries/Supplier of the level of interest by the Consortium Members; and

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

1. The Village does hereby express its intent to remain a member of the Suburban Tree Consortium and to procure parkway trees through the Consortium, subject to sufficient annual budgeting.
2. All ordinances and resolutions, or parts of ordinances and resolutions, in conflict with this resolution are hereby rescinded.
3. This Resolution will be in full force and effect from and after its passage and approval in the manner provided by law.

BE IT FURTHER RESOLVED that the Village Clerk is hereby authorized and directed to send a copy of this Resolution to the Suburban Tree Consortium Secretariat at the West Central Municipal Conference Office.

PASSED this _____ day of October 2013

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this _____ day of October 2013

Thomas E. Livingston, Village President

ATTEST:

John Burns, Village Clerk

4-A.3

VILLAGE OF LA GRANGE
Police Department

BOARD REPORT

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

FROM: Robert Pilipiszyn, Village Manager
Michael Holub, Police Chief

DATE: October 14, 2013

RE: **REQUEST TO PURCHASE — SECURITY CAMERA SYSTEM AT
METRA STATIONS**

The Village is progressively implementing a master plan for renovating the building and grounds surrounding the Stone Avenue train station. At its last meeting, the Village Board awarded a construction contract to stabilize the integrity of the building. The Village Board was also updated on several pending grant applications to enhance mobility, connectivity and accessibility in and around the station area. One sub-component of that work provides for bicycle parking and related security upgrades.

In September 2012, the West Suburban Mass Transit District (WSMTD) approved a grant to the Village in the amount of \$136,028 to implement mobility improvements around the Stone Avenue train station, and/or to make funds available as a local match for other planning grant initiatives running concurrently. Among other things, the allocation included an estimate of \$15,000 for security cameras at the Stone Avenue train station. The camera system is important for public safety and security reasons. In order to take advantage of economies of scale, the Village revised its plan to also obtain WSMTD funding for a camera system at the La Grange Road train station. The total cost to install camera systems at both train stations was estimated at \$40,000.

In May 2013, the WSMTD authorized an increase in its grant allocation to the Village from \$136,028 to \$156,028. Of this new grant allocation amount of \$156,028, \$40,000 has been set-aside for security cameras at both the La Grange Road and Stone Avenue train stations. In essence, the WSMTD has indicated that it will fully-fund the installation of security cameras at both train stations.

Chief Holub subsequently initiated a request for proposal process for the security camera system. The configuration which he designed (see attached) provides for eleven high definition cameras, installation, software and hardware necessary to view and record activity at the two train stations, as well as storage of the recorded data, and training. The viewing station will be located in the Police

Department and the system was specified to work with existing camera equipment (e.g. - police station, parking structure, etc.).

The Village received proposals from three vendors as presented in the table below:

| Vendor | Quotation |
|---|-----------|
| Forest Security | \$23,144 |
| Closed Circuit Innovation (CCI) Naperville, IL | 38,180 |
| AIS Countryside, IL | 45,290 |
| WSMTD grant/Project budget | \$40,000 |

The proposal from Forest Security was incomplete and did not meet our specifications.

The lowest responsible proposal was from Closed Circuit Innovations (CCI) of Naperville, IL and is below our project budget of \$40,000. Furthermore, this vendor utilizes our current operating network. Consequently, integration should be seamless.

Installation of the new systems will be coordinated with the recently-approved renovation of the Stone Avenue train station. Any cameras which need to be relocated or removed during renovations will be done so at no additional cost to the Village. A maintenance agreement for the new systems will be purchased separately.

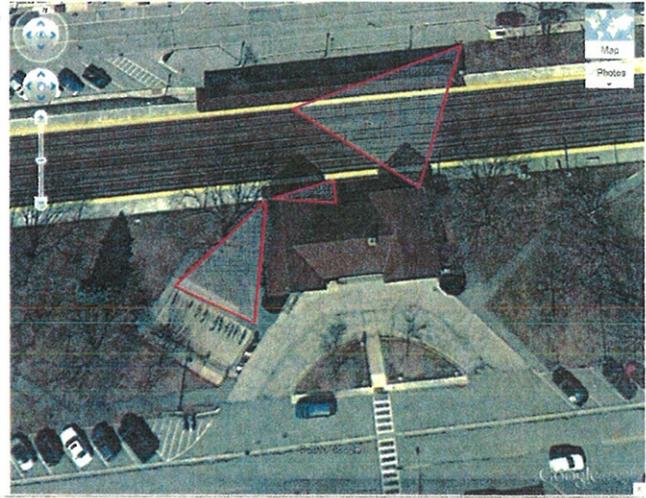
It is our recommendation that the Village Board waive the formal bid process and authorize staff to enter into a contract with Closed Circuit Innovations of Naperville, IL for the purchase and installation of a security camera system at our two train stations in an amount not to exceed \$38,180.

Stone Avenue Station (3 exterior cameras)

Fixed exterior camera on the northwest corner of the building to monitor platform

Second fixed camera to monitor the bike parking area, located to the west of the building

Third fixed camera on the northeast corner of the main building to monitor Hillgrove platform



La Grange Road Station (5 exterior cameras)

Fixed exterior camera on the northeast and northwest corners of the building to monitor platform

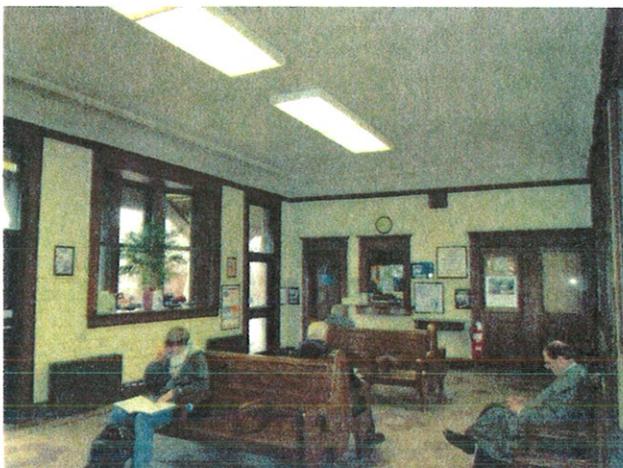
Third and fourth fixed cameras to monitor the bike parking areas, located to the east and west of the building

Fifth fixed camera to monitor Hillgrove Avenue platform.



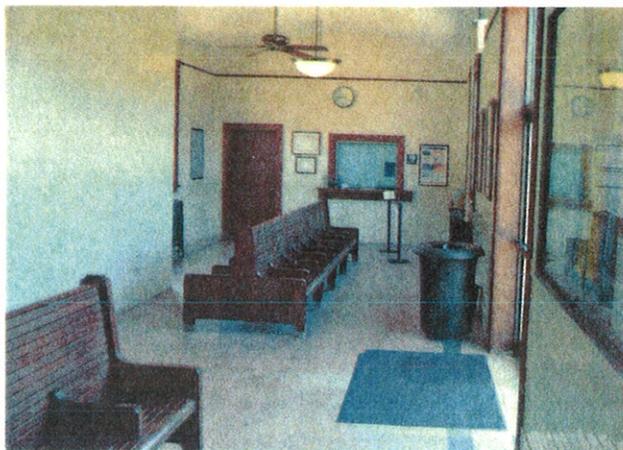
Stone Avenue Station (1 interior camera)

Fixed interior camera mounted in southwest corner to monitor the ticket window and entrances off of tracks

**La Grange Road Station (2 interior cameras)**

Fixed interior cameras to

1. monitor coffee concession area and passenger waiting area at the east side of the building
2. monitor the ticket window and passenger waiting area at the west side of the building



MINUTES

VILLAGE OF LA GRANGE
BOARD OF TRUSTEES REGULAR MEETING
Village Hall Auditorium
53 South La Grange Road
La Grange, IL 60525

Monday, September 23, 2013 - 7:30 p.m.

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

The Board of Trustees of the Village of La Grange regular meeting was called to order at 7:30 p.m. by President Livingston. On roll call, as read by Village Clerk John Burns, the following were present:

PRESENT: Trustees Kuchler, Langan, McCarty, Nowak and Palermo

ABSENT: Trustee Holder

OTHERS: Village Manager Robert Pilipiszyn
Assistant Village Manager Andrianna Peterson
Village Attorney Betsy Gates
Finance Director Lou Cipparrone
Community Development Director Patrick Benjamin
Public Works Director Ryan Gillingham
Fire Chief William Bryzgalski
Police Chief Michael Holub

President Livingston requested Clerk Burns lead the Board and audience in the Pledge of Allegiance.

2. PRESIDENT'S REPORT

Encouraging residents to shop locally, President Livingston congratulated Eco-Maniacs who received certification from the Illinois Green Business Association for their recycled and eco-friendly products.

President Livingston provided information on the Police Department's upcoming auction for unclaimed bicycles and miscellaneous items. In addition, the Police Department will participate in the national pharmaceutical drop off event conducted by the Drug Enforcement Administration as well as providing a permanent prescription drug disposal box at the Police station available at any time.

President Livingston provided information and invited the public to attend the Fire Department's Open House on October 5, 2013.

President Livingston extended thanks to all who participated in the Rocktoberfest event conducted by the Community Nurse Association as well as to those involved in the West Art Festival.

Announcing that the Village will begin to accept applications for various groups to lead the Pledge of Allegiance at upcoming Village Board meetings beginning on October 28, 2013, President Livingston noted that Village Clerk John Burns will be the coordinator and information will be posted on the Village's website.

Lastly, President Livingston recognized Community Development Director Patrick Benjamin and Executive Director of the La Grange Business Association Nancy Cummings for their informative presentation at the first meeting held by the La Grange 2020 Task Force.

A. Oath of Office – Police Officer Adam Coleman

With the recent retirement of one Police Officer and impending retirement of another the La Grange Police Department has been authorized to hire two Police Officers and the La Grange Board of Fire and Police Commissioners have appointed Adam Coleman to fill one of the positions of Police Officer effective September 23, 2013. Noting his education and experience, President Livingston requested he step forward and Village Clerk Burns to administer the oath.

B. Oath of Office – Police Officer Sabrina Irizarry

With the recent retirement of one Police Officer and impending retirement of another the La Grange Police Department has been authorized to hire two Police Officers and the La Grange board of Fire and Police Commissioners have appointed Sabrina Irizarry to fill one of the positions of Police Officer effective September 23, 2013. Noting her education and past experience, President Livingston requested she step forward and Village Clerk Burns administer the oath.

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

None

4. OMNIBUS AGENDA AND VOTE

A. Ordinance (#O-13-23) – Creation of Student Loading Zone / 200 N. Catherine Avenue (Grace Lutheran Church)

B. Material Purchase / Public Works Rock Salt

- C. Minutes of the Village of La Grange Board of Trustees Regular Meeting, Monday, September 9, 2013
- D. Consolidated Voucher 130923 – (\$1,440,001.12)

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

Indicating a correction to the minutes of September 9, 2013, Trustee McCarty noted that it was Trustee Palermo who seconded the motion of the Omnibus Vote.

In reference to the creation of a student loading zone, Trustee McCarty would like to encourage more individuals to walk.

Approved by roll call vote.

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

5. CURRENT BUSINESS

- A. Award of Contract – Stone Avenue Train Station Renovation Project: Referred to Trustee Nowak

Trustee Nowak noted previous Board approval of agreements with Metra and Legat regarding plans, specifications, bidding, and field work for the project. Trustee Nowak explained that the first two bidding attempts were rejected as not being within budget and/or did not meet compliance requirements. After additional adjustments were made, the project was bid for a third time and one bid was received from Boller Construction Company, Inc. Providing further details, Trustee Nowak indicated that in order to stay within budget, several project elements were removed from the base bid and included as alternates.

Trustee Nowak provided detailed information on funding which includes a Federal Transit Administration Grant and West Suburban Mass Transit District Grant. Trustee Nowak added that staff will continue to pursue grant funding through the Regional Transportation Authority and the Illinois Transportation Enhancement Program for the alternates. Trustee Nowak described the alternates and emphasized the significance they have in relationship to completing the scope of the project work.

Trustee Nowak indicated the project schedule and staff's recommendation to approve a contract with Boller Construction Company, Inc. in the amount of \$919,000 for the Stone Avenue Train Station Renovation Project, conditioned upon submission of all required documentation. Trustee Nowak added authorization for staff to advise

Boller Construction Company, Inc. that alternates in the amounts of \$45,000 and \$29,000 may evolve dependent on the availability of additional funds.

It was moved by Trustee Nowak to approve the award of contract for the Stone Avenue Train Station renovation project to Boller Construction Company, Inc. in the amount of \$919,000, seconded by Trustee Langan.

Trustee Kuchler stated his favor with this project moving forward and inquired if the Village's Public Works Department could perform some of the alternate work. President Livingston requested Assistant Village Manager Andri Peterson to respond. Ms. Peterson noted that it is possible however there are some required environmental remediation concerns which a certified sub-contractor must perform. Ms. Peterson added that staff will consider all options for completing the project in the most cost effective manner.

Trustee Palermo inquired about possible delays in train schedules due to the use of flaggers. President Livingston requested Ms. Peterson respond. Ms. Peterson explained that for safety measures and as part of the projects specifications, all of the outside work will require a flagger, however delays should be minimal.

Trustee Nowak commended staff's diligence in obtaining grant funding for this renovation project thus enhancing a historic landmark without financial burden to tax payers.

Approved by roll call vote.

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

6. MANAGER'S REPORT

A. Intersection Improvements – La Grange Road and Ogden Avenue

Village Manager Robert Pilipiszyn began by explaining that the Illinois Department of Transportation (IDOT) has identified the intersection at La Grange Road and Ogden Avenue for vehicular and pedestrian safety improvements. As this area is also under consideration for development, Mr. Pilipiszyn provided a syllabus regarding this mini-workshop whereby staff hopes to receive Village Board comments and general direction relevant to the proposed public improvements. Mr. Pilipiszyn requested Public Works Director Ryan Gillingham to present a graphic description detailing the proposed scope of work as noted by the preliminary plans from IDOT.

Mr. Gillingham annotated his graphic presentation by providing back ground information; explaining the proposed scope of work; explaining options for a right-turn lane (Westbound Ogden Avenue to Northbound La Grange Road); explaining

options for a right-turn lane (Southbound La Grange Road to Westbound Ogden Avenue); describing improvements for radius turning; describing traffic signal modifications; describing pedestrian safety improvements; describing proposed intersection improvements at Locust Avenue; describing improvements to street lighting; noting proposed storm water improvements; providing IDOT's proposed schedule; and listing staff recommendations.

Summarizing staff's recommendations, Mr. Gillingham indicated that staff proposes to continue to advocate with IDOT that various pedestrian and traffic safety improvements be incorporated into and funded through the State's plan for intersection improvements. Mr. Gillingham added the importance in coordination with any future planned improvements for the development of the property adjacent to the intersection.

Village Board discussion ensued over the proposed improvements to the intersection and funding those improvements. Among the concerns from the Village Board relevant to the proposed intersection improvements was to ensure safe pedestrian crossing; allow for traffic flow; access to Gordon Park; and the necessity to combine improved drainage for the area. The Board was in agreement to advise IDOT of their concerns, specifically noting that traffic signalization is critical to the area.

President Livingston noted that comments and information from this evening's workshop will be engaged with IDOT. Adding that the Village Board will continue to seek solutions in preparation for the upcoming Capital Projects Workshop, President Livingston thanked Mr. Gillingham for the presentation and acknowledged the importance of the Board's discussion this evening.

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

None

8. EXECUTIVE SESSION

9. TRUSTEE COMMENTS

Acknowledging the excellent presentation, Trustee Langan noted the importance in relationship to the sewer system as well as future developers understanding that pedestrian and traffic safety are priorities.

Trustee Kuchler acknowledged the Police Department for their presence at the recent St. Francis home coming parade.

10. ADJOURNMENT

At 8:40 p.m. Trustee Langan moved to adjourn, seconded by Trustee Palermo. Approved by voice vote.

Thomas E. Livingston, Village President

ATTEST:

John Burns, Village Clerk

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Approved Date:

4-c.5

VILLAGE OF LA GRANGE

Disbursement Approval by Fund

October 14, 2013

Consolidated Voucher 131014

| <u>Fund No.</u> | <u>Fund Name</u> | <u>10/14/13 Voucher</u> | <u>09/27/13 Payroll</u> | <u>10/11/13 Payroll</u> | <u>Total</u> |
|-----------------|----------------------------|-------------------------|-------------------------|-------------------------|---------------------|
| 01 | General | 195,972.15 | 280,539.02 | 297,142.41 | 773,653.58 |
| 21 | Motor Fuel Tax | | | | 0.00 |
| 22 | Foreign Fire Insurance Tax | | | | 0.00 |
| 24 | ETSB | 645.23 | | | 645.23 |
| 27 | Drug Enforcement Fund | 650.00 | | | |
| 40 | Capital Projects | 607,873.76 | | | 607,873.76 |
| 50 | Water | 574,107.23 | 39,359.64 | 40,241.98 | 653,708.85 |
| 51 | Parking | 7,732.46 | 24,531.60 | 24,381.09 | 56,645.15 |
| 60 | Equipment Replacement | | | | 0.00 |
| 70 | Police Pension | | | | 0.00 |
| 75 | Firefighters' Pension | 1,647.00 | | | 1,647.00 |
| 80 | Sewer | 4,333.10 | 9,486.73 | 9,763.11 | 23,582.94 |
| 90 | Debt Service | | | | 0.00 |
| 91 | SSA 4A Debt Service | | | | 0.00 |
| 93 | SAA 269 | | | | 0.00 |
| 94 | SAA 270 | | | | 0.00 |
| | | <u>1,392,960.93</u> | <u>353,916.99</u> | <u>371,528.59</u> | <u>2,117,756.51</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

CURRENT BUSINESS

Village of La Grange
Finance Department

BOARD REPORT

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

FROM: Bob Pilipiszyn, Village Manager and
Lou Cipparrone, Finance Director

DATE: October 10, 2013

RE: **FY 2012-13 COMPREHENSIVE ANNUAL FINANCIAL REPORTS**

Under separate cover, you have received a copy of the Village of La Grange's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year May 1, 2012 to April 30, 2013. The report is prepared by the Finance Department and reviewed by our auditors, Sikich L.L.P. Sikich has rendered an unqualified or "clean" opinion for the Village of La Grange, stating that the financial statements present fairly, in all material respects, the financial position of the Village and results of its operations as of April 30, 2013. The unqualified opinion from Sikich L.L.P. also reflects that the Village's financial statements are prepared and presented in conformity with generally accepted accounting principles.

In addition, you received the Auditor's Communication to the Village Board, which includes the following documents:

- 1) Required Communication - A letter from the auditors dated August 22, 2013, which is the last day of their fieldwork reflecting the end of the audit engagement, regarding certain professional auditing standards requiring specific matters be communicated to the Village Board including: the limited audit scope related to the Required Supplementary Information (RSI) section within the CAFR, no new accounting policies were adopted and the application of existing policies was not changed, all material accounting estimates were reasonable, misstatements (year-end adjusting journal entries) were corrected and there were no difficulties or disagreements with management during the course of the audit.

None of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate to the financial statements as a whole. Misstatements typically reflect year-end adjusting journal entries prepared by the Village but not posted until after the auditors have started the audit process. Adjusting journal entries include reclassification of the Library Refunding and Water ARS bond issues and accounting accruals for construction in progress and

retainage payable pertaining to the M.A.R.S and water meter replacement projects. Misstatements also include journal entries required to record year end transactions associated with the La Grange Library, which is a component unit of the Village.

In addition, communications from the auditors includes adjusting journal entries carried forward from a prior period, which were passed on as the impact on the financial statements, either individually or in the aggregate, were also determined to be immaterial.

- 2) Management Letter - Auditing standards also requires communication to the Village Board regarding certain matters that are opportunities for strengthening internal controls and operational efficiencies. The FY 2012-13 Management letter reports there were no findings of material weaknesses involving the Village's internal control. Several deficiency/operational efficiency comments were noted:
 - a) Library Expenditures – During the course of their fieldwork, the auditors noted a service contract was incorrectly expensed to a capital account rather than a building maintenance account. The auditors have addressed this issue with the Library Director and staff.
 - b) The Village's ratio of water billed as compared to water pumped increased slightly from 75.3 percent last year to 76.9 percent this fiscal year. However, the recommended threshold for a billed versus pumped ratio is 80 percent. This has previously been identified as an area of concern for the Village.

The water meters within the Village were last replaced over 20 years ago and have exceeded their useful life. As water meters age, their accuracy decreases as the moving parts inside of the meters become worn. This decrease in accuracy has a direct, negative impact of the Village's water accountability as water that passes through an inaccurate meter is not accounted for and billed to the user.

After long and deliberate discussion, the Village issued general obligation alternate revenue bonds last fall to finance the cost of a water meter replacement program which is currently in progress. By replacing our aged and inaccurate meters, we anticipate a 5% - 10% improvement in water accountability. A Village workshop will be scheduled in the near

future to report the results of the water meter replacement project to the Village Board.

- c) The Management Letter also identifies several upcoming accounting pronouncements which will need to be implemented in subsequent CAFR's.
- 3) Benchmarking and Trends Report. This the second year the auditors have provided this report which includes an analysis of selected key ratios for the Village as well as benchmark data. This report provides additional information for trustees and management to attempt to assess the Village's relative financial condition. The benchmark group for the Village of La Grange is derived from a database of over 100 communities in the State of Illinois which received the GFOA Certificate of Achievement for Excellence in Financial Reporting. The benchmark group was further limited to those communities with a population under 20,000.

The complimentary key benchmarks included as part of the report are being offered as part of a larger Stat Toolkit, which is available annually for purchase (\$600). Last year, the Village elected not to purchase the additional benchmarking information, but to continue to review and monitor key benchmark information included as part of the annual management letter to assist in the evaluation of the Village's financial health.

It is important to note that funded ratios for the Police and Fire Pension funds are not available in 2013 as full actuarial valuations were last completed in 2012, and in lieu of the scheduled actuarial updates in 2013, the pension funds submitted annual tax levy requests as budgeted, which included a 5 percent increase. (Full valuations in alternating years are required by the Governmental Accounting Standards Board (GASB) with updates being optional in off years.)

In addition, the funded ratios for both the Police and Fire Pension Funds decreased in 2012 due to a change in the interest rate assumption from 7.5% to 7%, as lower investment returns are anticipated on a go forward basis.

Furthermore, although the funded ratios for the Police and Fire Pension Funds are below the benchmark group, as long as the Village remains committed to fund annual required contributions (tax levies) as determined by the independent actuarial valuations, the pension funds will reach 100 percent funding within the required statutory timeframe.

Finally, the General Fund Reserve Balance as a Percentage of General Fund Expenditures of 61% reflects reserves for the General Fund excluding Transfers Out; which includes transfers to the Capital Projects and Parking Funds. The General Fund reserve balance at the end of FY 2012-13 including Transfers Out for budgetary purposes is approximately 58 percent, which is within the Village's target range of 50-75 percent of annual operating expenditures. However, please remember that early in the current fiscal year, the Village Board approved budget amendments in the amount of \$670,000 for the MARS and Village roof projects, which reduces the General Fund projected reserve balance for FY 2013-14 to approximately 49 percent.

Mr. Dan Berg, a partner with Sikich LLP will be in attendance at the Village Board meeting on October 14, 2013 to present a brief overview of the audit report and to answer any questions you may have regarding the FY 2012-13 financial statements.

At the conclusion of the discussion, it would be appropriate for President Livingston to accept the report on behalf of the Village Board. No further action is required.

Village staff will submit the CAFR to the Government Finance Officers' Association for consideration of the Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the Village. Receipt of the Certificate of Achievement recognizes the Village has met the high national standards of the program including demonstrating a constructive spirit of full disclosure to clearly communicate its financial story and motivate potential users to read the financial statements. The Village has received this prestigious award for seventeen consecutive years.

Hard copies of the audit report are on file at the La Grange Public Library, in the Village Clerk's office and in the Finance Department for public inspection. In addition, an electronic copy of the audited financial statements has been posted to the Village's website.