

Rantoul Village Board of Trustees  
Regular Study Session  
Louis B. Schelling Memorial Board Room  
Rantoul Municipal Building

February 6, 2018  
6:00 pm

*Order of Business*

*Board Packet Page(s)*

1. Call to Order – Mayor Smith  
Roll Call
2. Approval of Agenda
3. Public Participation  
*Citizens wishing to address the Village Board with respect to any item of business listed on the agenda or any matter not appearing on the agenda are asked to complete a public participation form and submit it to the Village Clerk prior to the meeting. Comments will be limited to three minutes for each item.*
4. Update from Belynda Allen, Rantoul Area Chamber of Commerce
5. Items from the Mayor
  - A) Affirmation of the appointment of Cynthia Rouse to **Citizen’s Advisory Committee** for a term to expire 2021
6. Items from the Trustees
7. Items from the Clerk
  - A) Review of [Closed Minutes](#) 1-5
8. Items from the Administrator
  - A) Discussion re leasing [fleet vehicles](#) 152-155
9. Items for the Consent Agenda
  - A) Approval of Minutes, Regular Study Session, [January 9, 2018](#)
  - B) Approval of Minutes, Special Board Meeting, [January 9, 2018](#)
  - C) Approval of Minutes, Regular Board Meeting, [January 16, 2018](#)
  - D) Approval of Bills and Monthly Financial Reports
10. Items from Comptroller
  - A) Intergovernmental Agreement with the State of Illinois Comptroller for [Local Debt Recovery](#) 6-14
  - B) [Audit Engagement Letter](#) with Crowe Horwath, LLP - \$76,950.00 15-31
  - C) Budget Amendment [BA-FY #18-3](#) – Police Department 32-35

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*Order of Business*

*Board Packet Page(s)*

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- 11. Items from Fire Department
  - A) [Increased fees](#) for firefighter calls 36
  - B) Fees for fire [service agreements](#) for residents outside village limits 37-41
  
- 12. Items from Economic Development
  - A) Committee recommendation on [EDA Loan – Torres](#) 42-43
  - B) Committee recommendation on EDA Loan - **Nana's Daycare**
  
- 13. Items from Public Works
  - A) Sale of [1008 Aviation Road](#) (Building 26) - \$20,000.00 44-58
  - B) Sale of [707 East Veterans Parkway](#) (Building 718) – 85,000.00 59-75
  - C) [Utility Rate Study](#) by Utility Financial Services - \$35,400.00 76-121
  - D) [Change Order #1](#) for Elevated Tank Project - \$3,300.00 122-147
  
- 14. Items from Police Department
  - A) Waive bidding requirements for [Metro Swat Storage Garage](#) 148-151
  
- 15. Items from Counsel
  
- 16. Motion to enter into closed session pursuant to 5 ILCS 120/2C 21, for the purpose of discussion of minutes of meetings lawfully closed under the Open Meetings Act, whether for the purposes of approval by the body of the minutes or semi-annual review of the minutes mandated by Section 2.06
  
- 17. Adjournment

*Statement Regarding Compliance with the Americans with Disabilities Act (ADA)*

*The Village of Rantoul wishes to ensure that its programs, services, and activities are accessible to individuals with disabilities. All Village Board meetings are wheelchair accessible. Persons who require an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of the Village of Rantoul should contact the ADA Coordinator at (217) 892-6821. TTY users should dial 7-1-1 or call the Illinois Relay Center at 1-800-526-0844 (TTY) or 1-800-526-0857 (V). TTY users requiring Spanish language assistance should call 1-800-501-0864 (TTY).*

*We would appreciate advance notice of at least 48 hours for any requests to receive an agenda in an alternate format or other types of auxiliary aids and services.*

BOARD OF TRUSTEES  
VILLAGE OF RANTOUL

AGENDA ITEM	PAGE	OF
<b>ITEM:</b> Semi-Annual Review of Closed Meeting Records	<b>DEPARTMENT:</b> Village Clerk	
<b>AGENDA SECTION:</b>	<b>AMOUNT:</b>	
<b>ATTACHMENTS:</b> <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input checked="" type="checkbox"/> OTHER (See Summary) <input type="checkbox"/> SUPPORTING DOCUMENTS	<b>DATE:</b> January 31, 2018	
<b>SUMMARY HIGHLIGHTS:</b>  <p>In accordance with the Open Meetings Act, the Village conducts a semi-annual review of the closed session records of the Village Board in January and July of each year to determine which records, if any, are appropriate for release.</p> <p>See attached sheet.</p> <p>Formal action will be taken at the February 13, 2018 Board Meeting</p>  <p>Any member of the Board who wishes to review Closed Session records in advance of the Study Session may do so by making an appointment with the Clerk's office.</p>		
<b>RECOMMENDED ACTION:</b> Enter into Closed Session to approve the previous closed session minutes and review all closed session records for content and possible release		
<b>DEPARTMENT HEAD APPROVAL</b> Michael Graham, Clerk	<b>VILLAGE ADMINISTRATOR</b> 	
<b>AGENDA PAGE NUMBER:</b>		

**CLOSED MEETINGS**  
**January 2, 2018**

<u>Tape #</u>	<u>Date</u>	<u>Subject</u>	<u>Confidentiality Still Exists</u>	<u>To Be Released</u>
	Feb. 8, 1996	FOP negotiation matters	X	
	June 6, 1996	FOP negotiation matters	X	
	Sept. 25, 1996	Specific employee matter - Comptroller	X	
	Dec. 14, 1996	Specific employee matter - Administrator	X	
	Jan. 14, 1997	Specific employee matter - Administrator	X	
	Feb. 28, 1997	Specific employee matter - Administrator	X	
	June 3, 1997	FOP negotiation matters	X	
	July 1, 1997	FOP negotiation matters	X	
	Dec. 2, 1997	IBEW negotiation matters	X	
	Jan. 13, 1998	Specific employee matter - Elec. Supt.	X	
	May 12, 1998	IBEW negotiation matters	X	
81	Oct. 6, 1998	IBEW negotiation matters	X	
109	April 19, 1999	FOB Negotiations	X	
182	Sept. 12, 2000	FOB Negotiations	X	
210A	June 12, 2001	Specific employee matter - Exec. Sec.	X	
	March 5, 2002	Specific employee matter - Exec. Sec.	X	
242	March 18, 2002	Specific employee matter - Econ. Dev. Dir.	X	
246	May 14, 2002	Specific employee matter - Fire Chief	X	
257	June 4, 2002	Specific employee matter - Fire Chief	X	
259	June 27, 2002	Specific employee matter - Econ. Dev. Dir.	X	
268	August 26, 2002	IBEW negotiation matters	X	
270	Sept. 3, 2002	IBEW negotiation matters	X	
270	Dec. 3, 2002	Specific employee matter - IMS Manager	X	
280	Jan. 7, 2003	Specific employee matter-Sr Computer Tech	X	
284	Feb. 4, 2003	Specific employee matter - IMS employee	X	
291	March 11, 2003	Specific employee matter - CD employee	X	
291	April 1, 2003	Specific employee matter - CD employee	X	
291	April 8, 2003	Specific employee matter - CD employee	X	
295	Nov. 4, 2003	FOP negotiation matters	X	
332	Feb. 3, 2004	FOP negotiation matters	X	
337	Feb. 17, 2004	FOP negotiation matters	X	
354	June 8, 2004	Specific employee matter - Econ. Dev. Dir.	X	
366	August 12, 2004	Specific employee matter - Administrator	X	

<u>Tape #</u>	<u>Date</u>	<u>Subject</u>	<u>Confidentiality Still Exists</u>	<u>To Be Released</u>
368	August 25, 2004	Special Board Meeting - Administrator	X	
370	August 25, 2004	Specific employee matter - Administrator	X	
370	Sept. 2, 2004	Specific employee matter - Administrator	X	
373	Sept. 7, 2004	Specific employee matter - Administrator	X	
374	Sept. 14, 2004	Specific employee matter - Administrator	X	
375	Sept. 14, 2004	Specific employee matter - Administrator	X	

485	Aug. 8, 2006	Specific employee matter - Econ. Dev. Dir.	X	
493	Oct. 16, 2006	Specific employee matter - Econ. Dev. Dir.	X	
494	Oct. 16, 2006	Specific employee matter - Econ. Dev. Dir.	X	
495	Oct. 18, 2006	Specific employee matter - Econ. Dev. Dir.	X	
496	Oct. 18, 2006	Specific employee matter - Econ. Dev. Dir.	X	
497	Oct. 18, 2006	Specific employee matter - Econ. Dev. Dir.	X	
499	Nov.2, 2006	Specific employee matter - Econ. Dev. Dir.	X	
500	Nov.2, 2006	Specific employee matter - Econ. Dev. Dir.	X	
502	Nov. 7, 2006	Specific employee matter - Attorney	X	
503	Nov. 13, 2006	Specific employee matter - Econ. Dev. Dir.	X	
506	Dec. 5, 2006	Specific employee matter - Administrator	X	
509	Dec. 14, 2006	Appointment of legal counsel	X	
509	Dec. 14, 2006	Appointment of legal counsel	X	

511	Jan 2, 2007	Specific employee matter - Administrator	X	
516	Feb. 6, 2007	Specific employee matter - Econ. Dev. Dir.	X	
524	March 13, 2007	Specific employee matter - Administrator	X	
560	Nov. 6, 2007	IBEW Negotiations	X	
560	Nov. 6, 2007	Specific employee matter - IT Director	X	

569	Jan 16, 2008	Specific employee matter - Administrator	X	
576	March 4, 2008	Specific employee matter - HR Manager	X	
578	March 11, 2008	FOP Negotiations	X	
583	April 8, 2008	Specific employee matter - HR Manager	X	
586	April 16, 2008	Specific employee matter - Administrator	X	
587	April 16, 2008	Specific employee matter - Administrator	X	
588	April 17, 2008	Specific employee matter - Administrator	X	
589	April 17, 2008	Specific employee matter - Administrator	X	
593	May 13, 2008	Specific employee matter - Administrator	X	
595	May 22, 2008	Specific employee matter - Administrator	X	
606	July 15, 2008	Specific employee matter - Administrator	X	
611	Aug. 12, 2008	Specific employee matter - Administrator	X	
617	Sept. 9, 2009	FOP Negotiations	X	
619	Oct. 7, 2008	FOP Negotiations	X	
625	Dec. 2, 2008	FOP Negotiations	X	

<u>Tape #</u>	<u>Date</u>	<u>Subject</u>	<u>Confidentiality Still Exists</u>	<u>To Be Released</u>
657	Nov. 3, 2009	Specific employee matter - Fire Dept.	X	
657	Nov. 3, 2009	FOP Negotiations	X	
671	March 2, 2010	Specific employee matter - Police Dept.	X	
676	April 6, 2010	FOP Negotiations	X	
689	Aug. 17, 2010	FOP Negotiations	X	
689	Aug. 17, 2010	Specific employee matter - HR Manager	X	
696	Oct. 12, 2010	FOP Negotiations	X	
700	Nov. 9, 2010	Specific employee matter - Fire Dept.	X	
700	Nov. 9, 2010	Pending litigation	X	
719	June 7, 2011	Collective Bargaining	X	
730	Sept. 6, 2011	Personnel	X	
749	May 1, 2012	FOP	X	
760	Oct. 10, 2012	IBEW & FOP Sgts.	X	
763	Nov. 6, 2012	FOP Negotiations	X	
763	Nov. 13, 2012	FOP Negotiations	X	
766	Jan. 8, 2013	Personnel	X	
766	Jan. 8, 2013	FOP Negotiations	X	
792	Jan. 7, 2014	Review of Closed Minutes	X	
794	Feb. 4, 2014	Litigation	X	
797	March 11, 2014	Personnel	X	
798	March 11, 2014	Personnel	X	
800	April 8, 2014	Personnel	X	
809	Aug. 5, 2014	Review of Closed Minutes	X	
812	Aug. 21, 2014	Personnel - Administrator Interview	X	
813	Aug. 21, 2014	Personnel - Administrator Interview	X	
	December 1, 2015	Litigation	X	
	December 21, 2015	Employment	X	
	April 26, 2016	FOP Negotiations	X	
	May 10, 2016	Real Estate		
	Sept. 6, 2016	Purchase/lease of Property		
	Sept. 13, 2016	Lease or Purchase of Property		
	Nov. 1, 2016	Sale or Lease of Property		
	Feb. 7, 2017	Review of Closed Minutes		
	April 11, 2017	Purchase/Lease of Property		
	May 2, 2017	Purchase/Lease of Property	X	
	June 13, 2017	Personnel - need minutes	X	

<u>Tape #</u>	<u>Date</u>	<u>Subject</u>	<u>Confidentiality Still Exists</u>	<u>To Be Released</u>
	July 5, 2017	Review Closed Minutes		
	Aug. 24, 2017	Purchase/Sale of Property		
	Aug. 24, 2017	Personnel		
	Sept. 5, 2017	IBEW Negotiations		
	Sept. 5, 2017	Personnel		
	Oct. 5, 2017	Personnel		
	Oct. 10, 2017	Personnel		
	Oct. 19, 2017	Personnel		
	Nov. 7, 2017	Sale or Lease of Property		
	Dec. 5, 2017	Sale or Lease of Property		
	Dec. 12, 2017	Sale or Lease of Property		

**BOARD OF TRUSTEES  
VILLAGE OF RANTOUL**

AGENDA ITEM

PAGE 1 OF 1

<p><b>ITEM:</b> Fire Protection Services which lies outside the corporate limits of the Village</p>	<p><b>DEPARTMENT:</b> Finance Department</p>
<p><b>AGENDA SECTION:</b></p>	<p><b>AMOUNT:</b> See amounts identified below</p>
<p><b>ATTACHMENTS:</b>  <input type="checkbox"/> Ordinance  <input type="checkbox"/> Resolution  <input checked="" type="checkbox"/> Supporting Documents</p>	<p><b>DATE:</b> 1/31/18</p>
<p><b>SUMMARY HIGHLIGHTS:</b></p>	
<p>The Village currently has An Agreement for Fire Protection Services to owners of property which lies outside the corporate limits of the Village to supply fire protection services.</p> <p>The owner of that property that wishes to have Fire Protection Services currently pays \$25 per calendar year (CY) for property containing any building, structure or mobile home. If containing none, the amount is equal to \$5.00 plus \$0.10 per acre.</p> <p>For each fire call made by the Village to the property, such amount is equal to the total of the following charges:</p> <ol style="list-style-type: none"> <li>1) Vehicle Charge: \$56.00 per vehicle per hour or fraction thereof;</li> <li>2) Personnel Charge: \$18.00 per responding member for the first 4 hours and \$18.00 per hour per responding member.</li> </ol> <p>Since these fees have not be increased recently, it is the Village's recommendation to make the following changes:</p> <ol style="list-style-type: none"> <li>1) The yearly fee to increase incrementally as follows: CY19 - \$31, CY20 - \$37; CY21 - \$43; and CY22 - \$50. It is also recommended that the fee for no property to increase as follows: CY19- \$6 and \$0.12 per acre, CY20 - \$7 and \$0.15 per acre, CY21 - \$8 and \$0.18 per acre, and CY 22 - \$9 and \$0.20 per acre.</li> <li>2) Vehicle charge will increase to \$75 per vehicle per hour or fraction thereof.</li> <li>3) Personnel Charge will be \$25 per responding member for the first 4 hours and \$25 per hour per responding member.</li> </ol>	
<p><b>RECOMMENDED ACTION:</b> Approve the recommended increase for Fire Protection Services to property located outside the Village limits.</p>	
<p><b>DEPARTMENT HEAD APPROVAL:</b></p> 	<p><b>VILLAGE ADMINISTRATOR</b></p> 

**AN AGREEMENT  
FOR FIRE PROTECTION SERVICES**

**THIS AGREEMENT FOR FIRE PROTECTION SERVICE** (the "**Agreement**") is made and entered into as of the *1st day of January, 2019*, but actually signed by each of the parties on the dates respectively set forth to the left of their signatures below, by and between the undersigned owner of or other person having authority with respect to the property described below (the "**Owner**") and the Village of Rantoul, Champaign County, Illinois, an Illinois municipal corporation (the "**Village**"), acting by and through the Fire Chief of its Fire Department (the "**Chief**").

**W I T N E S S E T H:**

**WHEREAS**, the Village operates and maintains a volunteer Fire Department to provide fire protection services for the residents and the property located within the corporate limits of the Village; and

**WHEREAS**, the Village is authorized to contract with owners of property which lies outside the corporate limits of the Village to supply such fire protection services; and

**WHEREAS**, the Owner desires the Village to provide fire protection services for the property owned, leased, described and improved as set forth immediately below, which such property lies outside the corporate limits of the Village and is not otherwise located within the boundaries of any fire protection district (collectively, the "**Property**"):

A. **Ownership** (*set forth the legal name(s), address(es) and telephone number(s) of each of the Owner(s) of the Property*):

B. **Leasehold** (*set forth the legal name(s), address(es) and telephone number(s) of each of the tenant(s) or lessee(s) of the Property*. If none, so indicate. If there are other or new tenant(s) or lessee(s) during the term of this Agreement, provide the Village with the legal name(s), address(es) and telephone number(s) of each at the time of any such change.):

C. **Property Description** (*set forth the county house number and county road number, i.e. 1306 RD 2900 N., of the Property and the lot size or acreage thereof*. If there is no county house number, set forth a general description of the location of the Property):

Lot size \_\_\_\_\_ or acreage \_\_\_\_\_.

D. **Description of Improvements** (*set forth a description of any building, structure or mobile home located upon the Property.* If none, so indicate):

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements herein contained and the payments as hereinafter set forth, the Owner and the Village do hereby mutually covenant and agree as follows:

**Section 1. Fire Protection Services.** The Owner hereby requests the Village to provide and the Village agrees to supply such fire protection services for the Property as are specified in this Section, subject to such terms and conditions as are more fully set forth in this Agreement. Such fire protection services to be supplied by the Village under this Agreement by way of the number of firefighters and the amount and type of equipment shall be determined on a case by case basis by the Chief and/or any designee thereof but shall be substantially similar to such fire protection services that the Village may supply to any resident or property within the corporate limits of the Village. Such fire protection services shall further be subject, however, to any fire calls involving property located within the corporate limits of the Village; and it shall not be a violation of this Agreement if for any reason, in the sole judgment of the Chief and/or any designee thereof, a failure to respond to any fire call to the Property would jeopardize fire protection services to the Village. The fire protection services to be provided under this Agreement shall be limited to the Property described herein and this Agreement shall not be valid as to any other property of the Owner.

**Section 2. Payment for Fire Protection Services.** The Owner agrees to pay to the Village the following amounts for such fire protection services:

**A. \$31.00 annually** for each Property containing any building, structure or mobile home, and, if containing none, an amount equal to \$6.00 plus \$0.12 per acre, or such other annual amount as determined in accordance with Section 4 of this Agreement, for each year that this Agreement shall remain in effect. There shall be no pro-ration of such annual amount regardless of the date this Agreement becomes effective. After the first such payment, such annual amount shall be paid by the Owner to the Village on or before the **1st day of January** of each subsequent year that this Agreement shall remain in effect.

**B. For each fire call made by the Village to the Property, such amount as is equal to the total of the following charges:**

- (1) Vehicle charge: \$75.00 per vehicle per hour or fraction thereof;
- (2) Personnel Charge: \$25.00 per responding member for the first 4 hours and \$25.00 per hour per responding member thereafter; and

- (4) Other Charge: Actual cost to the Village of any special equipment required to be acquired or leased for use in connection with the response.

Such amount per fire call shall be paid by the Owner to the Village within thirty (30) days of the date of invoice by the Village to the Owner.

In the event that any such payment as specified in either A. or B. above is not paid by the Owner at the time for such payment, the Village, in addition to any and all other remedies as may be available at law, may terminate this Agreement by providing written notice of such termination to the Owner. Such notice shall be given by first-class mail, postage prepaid, directed to the Owner at the address(es) provided above, and shall be effective two (2) days after being deposited in the mail at the United States Post Office in Rantoul, Illinois.

**Section 3. Responsibility; Indemnity.** The Village, including any of its officers, employees, agents or members of its Fire Department, shall not be responsible for any loss which may result from any failure to respond promptly or failure to respond at all to any call for fire protection services under this Agreement, and shall further not be responsible for any claims which may be made because of any injury or death to any person or any damage to any property, including the Property, resulting from any failure to suppress or contain a fire, from the failure to provide sufficient personnel, equipment or other fire protection facilities while the Fire Department of the Village, or any of its officers, employees, agents or members thereof, is engaged in responding to a fire call, at the scene of a fire call or in returning therefrom, or any other act or failure to act taken pursuant to the provision of any such fire protection service. To the fullest extent permitted by law, the Owner agrees to indemnify and hold harmless the Village, including its officers, agent, employees and members of its Fire Department, from any and all responsibility, costs and expenses whatsoever as a result of any such claim asserted by the Owner, any tenant, or any other person on or having any interest in the Property. Each of the parties to this Agreement mutually acknowledge and agree that none of the provisions of this Agreement are intended to lessen or diminish in any manner any grant of immunity provided to the Village under Illinois law in connection with the provision of fire protection services hereunder.

**Section 4. Term.** This Agreement shall be effective as of the **1st day of January, 2019**, or upon the date of the execution and delivery of this Agreement by the Owner to the Village accompanied by the payment of the annual amount specified in Section 2A of this Agreement, whichever date is later, and shall terminate on December 31, 2019. At the option of the Village, this Agreement may be extended for such additional one-year periods from January 1 to December 31 of any such year at such annual and per fire call amount as may be determined by the Village for such year upon the Owner complying with each of the following:

**A.** Paying the annual amount as specified in Section 2A of this Agreement or such other annual amount as may subsequently be determined for such year by the Village; and

B. Submitting to the Village current information with respect to the ownership, leasehold, property description and description of improvements to be covered by this Agreement.

**Section 5. Successors and Assigns.** This Agreement shall be binding on the respective successors and assigns of the parties hereto, except that the Owner shall not assign this Agreement without having first provided the Village with written notice of any such assignment, including any changes as to the ownership, leasehold, property description or description of improvement affecting the Property.

**IN WITNESS WHEREOF**, on the dates set forth to the left of their respective signature, the parties hereto have executed or caused this Agreement to be executed by proper officers duly authorized to execute the same.

**VILLAGE OF RANTOUL,  
CHAMPAIGN COUNTY, ILLINOIS**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
**KEN WATERS, Fire Chief**

**OWNER:**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
(Individual, Officer or Authorized  
Representative)

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

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

**BOARD OF TRUSTEES  
VILLAGE OF RANTOUL**

AGENDA ITEM	PAGE	OF
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<b>ITEM:</b> EDA Revolving Loan Request	<b>DEPARTMENT:</b> Economic Develoment
<b>AGENDA SECTION:</b>	<b>AMOUNT:</b>
<b>ATTACHMENTS:</b> <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> OTHER (See Summary) <input checked="" type="checkbox"/> SUPPORTING DOCUMENTS	<b>DATE:</b> January 31, 2018

**SUMMARY HIGHLIGHTS:**

Mr. Victor Torres, Jr. has requested a \$90,000.00 to replace the roof and repair the masonry on buildings he owns on N. Garrard.

The EDA Revolving Loan Committee met on January 23, 2018 to review his application and is recommending the following to the Village Board of Trustees.

Loan Amount: \$120,000.00  
 Term: 10 Yrs.  
 Rate: 4%  
 Collateral: mortgage on the properties and rent assignments

**RECOMMENDED ACTION:**    Approve the loan to Mr. Torres

<b>DEPARTMENT HEAD APPROVAL</b> 	<b>VILLAGE ADMINISTRATOR</b> 
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**AGENDA PAGE NUMBER:**



333 S. Tanner Street  
P.O. Box 38  
Rantoul, IL 61866

Phone 217.892.6800  
Fax 217.892.5501

DATE: January 23, 2018

Borrower: Victor Torres Jr.  
Loan Amount: \$120,000.00  
Term: 10 years  
Rate: 4%  
Collateral: second mortgage on 107,109,111,113,115 N. Garrard (Village has first mortgage)

In 2011, Mr. Torres purchased these 5 adjacent buildings on N. Garrard (west side of the street) for \$19,000 using a Village micro-loan. The current balance of that loan, secured by a first mortgage is \$9,800.

Mr. Torres has requested funds to replace the roof and repair the masonry on the buildings. The roof/gutter project estimate from Bash-Pepper Roofing Company is \$45,000. The masonry repair from Roessler Construction, Inc. is \$95,000. Mr. Torres will be requesting a village façade grant in the 2018-2019 fiscal year (starting May 1) of up to \$20,000 to apply to the masonry work.

He currently has signed leases for all the first floor spaces:

- 107 – Nail Salon
- 109 – Beauty Salon
- 111 – Video Game Store
- 113 – Barber Shop
- 115 – Fish Market

Loan Repayment: These 5 tenants pay a total of \$2,130/month, or \$25,560/year in rent. Expenses including taxes, insurance and the first mortgage total \$9,000/year, leaving available cash flow of \$16,560/year. The new loan payments total \$11,100/year. In July 2020, the first mortgage will be paid off, freeing an additional \$4800/year.

Collateral: The buildings were purchased in 2011 as vacant structures for a total of \$19,000. They are currently assessed at that amount as well. The rental income would likely give a property value in the \$225,000 range. A recent appraisal has not been done. **The EDA loan will require an appraisal by a certified appraiser.**

Job creation/retention: The affected businesses have a minimum of 7 total full-time equivalent jobs. The EDA loan fund requires a minimum of 1 job created or retained for each \$30,000 lent.

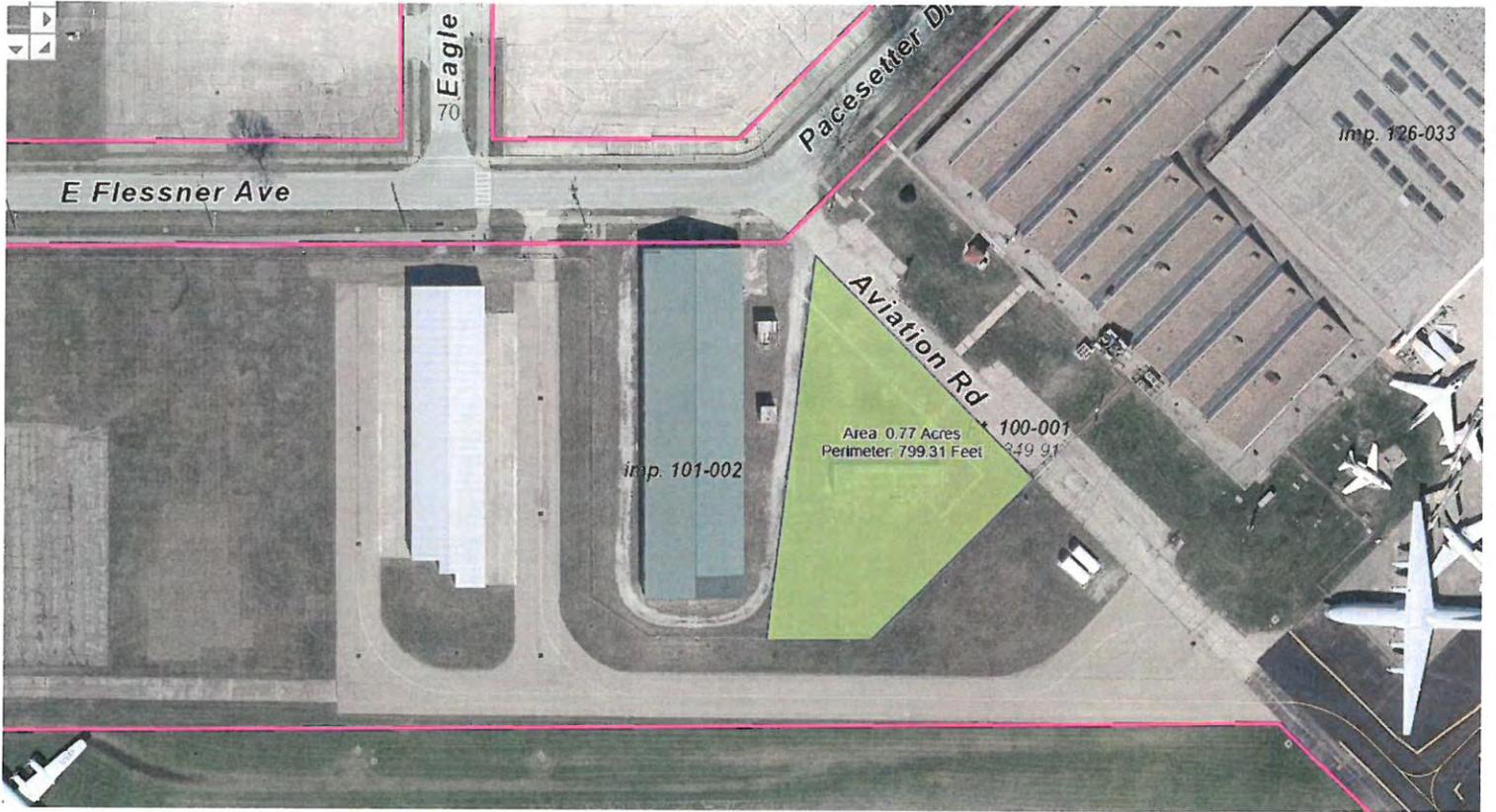
NOTE: The Revolving Loan Committee recommended approval by the Village Board

**BOARD OF TRUSTEES  
VILLAGE OF RANTOUL**

<b>AGENDA ITEM</b>	<b>PAGE</b> _____	<b>OF</b> _____
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<b>ITEM: Sale of 1008 Aviation Road (Building 26)</b>	<b>DEPARTMENT: Public Works - Airport</b>
<b>AGENDA SECTION:</b>	<b>AMOUNT:</b>
<b>ATTACHMENTS:</b> <input checked="" type="checkbox"/> <b>ORDINANCE</b> <input type="checkbox"/> <b>RESOLUTION</b> <input type="checkbox"/> <b>OTHER (See Summary Highlights)</b> <input type="checkbox"/> <b>SUPPORTING DOCUMENTS</b>	<b>DATE: January 18, 2018</b>
<b>SUMMARY HIGHLIGHTS:</b>  <p>This Agenda Item provides for the sale of the former Base Building 26 located at 1008 Aviation Road in the amount of \$20,000.00. This property consists of a 1,850 square foot brick building located on approximately 0.77 acres. The building was vacant for more than a decade but in February 2016 was listed &amp; marketed by Coldwell Banker Devonshire Realty.</p> <p>The sale of this building will continue the redevelopment of the former base area. The new owner will look to renovate and restore this building with new doors &amp; windows, mechanical system upgrades, and the remodeling of the interior of the building for use as a wood working shop.</p> <p>This property is currently within the Airport's footprint and once the final deed is received from the Air Force, a release by the Federal Aviation Authority (FAA) will be required to fully complete the sale process. The proceeds from the sale will be earmarked for future Airport capital improvement projects as outlined in the five (5) year Transportation Improvement Plan (TIP).</p>	
<b>RECOMMENDED ACTION:</b> Authorize the approval of the sale of former Base Building 26 located at 1008 Aviation Rd. in the amount of \$20,000.00.	
<b>DEPARTMENT HEAD APPROVAL:</b> G. Gregory Hazel, P.E.  Eric Vences	<b>VILLAGE ADMINISTRATOR:</b> Rick Snider 
<b>AGENDA PAGE NUMBER:</b>	

Exhibit A



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**AGREEMENT FOR SALE OF REAL ESTATE**

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**BY AND BETWEEN THE**  
**VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS,**  
**AS SELLER**

**AND**

**DALE CHUROVICH,**  
**AS BUYER**

**DATED AS OF JANUARY 1, 2018**

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**This Instrument was prepared by:**

**Kenneth N. Beth**  
**Evans, Froehlich, Beth & Chamley**  
**44 Main Street, Third Floor**  
**Champaign, IL 61820**

## AGREEMENT FOR SALE OF REAL ESTATE

**THIS AGREEMENT FOR SALE OF REAL ESTATE**, including Exhibit A, which is attached hereto and made a part hereof (collectively, this “**Agreement**”), is dated for reference purposes only as of January 1, 2018, by and between the Village of Rantoul, Champaign County, Illinois, an Illinois municipal corporation, as Seller (“**Seller**”) and Dale Churovich, an individual person of Gifford, Illinois, as Buyer (“**Buyer**”). For the purposes of this Agreement, the term “**Parties**” is sometimes used to refer to and identify both Seller and Buyer collectively. This Agreement shall become effective upon the date of its actual execution by the last of the Parties hereto as set forth on the signature page hereof (the “**Effective Date**”).

### RECITALS

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreement contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

### ARTICLE I SALE AND PURCHASE

**Section 1.1. Real Estate Description.** Seller agrees to sell and Buyer agrees to purchase the real estate commonly known as 1008 Aviation Road, Rantoul, Illinois, which is depicted on Exhibit A attached hereto and made a part hereof (the “**Real Estate**”), together with all improvements and appurtenances thereon, (the Real Estate and any such improvements being, collectively, the “**Premises**”), upon the terms and conditions set forth in this Agreement. Seller shall cause the Real Estate to be surveyed and platted, the cost of which shall be paid by Seller.

**Section 1.2. Purchase Price.** Buyer agrees to pay to Seller \$20,000.00 as the total price for the Premises as follows:

(a) Buyer has paid \$1,000.00 as earnest money to be deposited and held in the trust account of Coldwell Banker Commercial Devonshire Realty, Champaign, Illinois for delivery to Seller at the time of closing, and

(b) the balance of the purchase price, adjusted by prorations and credits allowed the Parties by this Agreement, shall be paid to Seller at closing in cash, by cashier’s check, by check issued by a lending institution, or other form of payment acceptable to Seller.

**Section 1.3. Due Diligence.**

(a) For a period of 60 days after the Effective Date of this Agreement (the “**Due Diligence Period**”), Buyer and his agents and representatives shall be entitled to conduct an inspection of the Premises, which may include, but shall not be limited to, the rights to (1) enter on the Premises to perform inspections and tests, including, but not limited to, inspection, evaluation and testing of the heating, ventilation and air-conditioning (“**HVAC**”) systems and all components thereof, the roof of the building, the parking lots, all structural and mechanical systems within the building, including, but not limited to, sprinkler systems, power lines and panels and plumbing; and (2) make investigations with regard to zoning, environmental, building code and other legal requirements, including, but not limited to, an environmental assessment. If Buyer, in his sole and absolute discretion, determines that the results of any inspection, test or examination do not meet Buyer’s criteria for purchase or operating of the Premises in the manner contemplated by Buyer, or

if Buyer, in his sole discretion, otherwise determine that the Premises is unsatisfactory to him, then Buyer may terminate this Agreement by written notice to Seller, given not later than the last day of the Due Diligence Period. Upon such termination, the earnest money shall be returned to Buyer and, except as otherwise provided in this Section, neither of the Parties shall have any further liability to the other hereunder. In the event Buyer fails to notify Seller of its intent to terminate this Agreement prior to the expiration of the Due Diligence Period, Buyer's right to terminate this Agreement shall be waived and become null and void.

(b) All inspections, investigations, tests and appraisals required by Buyer under this Section shall be at Buyer's expense unless otherwise expressly provided in this Agreement.

(c) Neither Buyer, nor any of its agents or representatives, shall damage the Premises or any portion thereof, except for any immaterial damage caused by environmental and other tests, all of which shall promptly be repaired by Buyer at Buyer's sole cost and expense. Buyer agrees to indemnify and defend Seller and hold Seller harmless from any and all claims, demands, actions, lawsuits, damages and costs, including reasonable attorneys' fees, arising out of any act or omission of Buyer, or its agents and/or representatives, in connection with Buyer's due diligence review. The foregoing obligation shall survive the closing of this transaction and any termination of this Agreement.

(d) The physical condition of the Premises shall be substantially the same on the last day of the Due Diligence Period, as it exists as of the Effective Date of this Agreement, reasonable wear and tear excepted.

(e) If Buyer has elected not to terminate this Agreement during the Due Diligence Period, Seller hereby provides its written consent for Buyer to enter upon the Premises to repair or replace (or cause a contractor to repair or replace, the doors and windows of the building, the HVAC systems, interior painting, update restroom and other improvements (the "**Repairs**"). Any such Repairs shall be at the sole cost and expense of Buyer and shall be subject to such terms and conditions as set forth in subsection (f) below.

(f) Except for any immaterial damage caused by the Repairs, neither Buyer, nor any of its agents or contractors, shall damage the Premises or any portion thereof, and all such damage shall promptly be repaired by Buyer at Buyer's sole cost and expense. Buyer agrees to indemnify and defend Seller and hold Seller harmless from any and all claims, demands, actions, lawsuits, damages and costs, including reasonable attorneys' fees, arising out of any act or omission of Buyer, or its agents and/or contractors, in connection with the Repairs. The foregoing obligation shall survive the closing of this transaction and any termination of this Agreement.

**Section 1.4. Contingency of Agreement.** This Agreement is contingent upon Seller being expressly authorized by the Federal Aviation Administration (the "**FAA**") to sell and convey the Premises to a third party purchaser. Except as provided in Section 1.6 below, in the event that Seller has been unable to obtain such authorization from the FAA on or before June 1, 2018, this Agreement shall be deemed null and void and of no force and effect and neither Seller nor Buyer shall have any obligation or liability with respect thereto.

**Section 1.5. Possession and Closing.** Seller shall deliver possession of the Premises to Buyer at the time of the closing of this transaction (the "**Closing**") which shall occur fifteen (15)

days after satisfaction of the contingency described in Section 1.4 of this Agreement above, or such later date as may be mutually agreed to by the parties (the “Closing Date”), at the office of Seller.

**Section 1.6. Early Possession and Rental Option with Right of Refusal.** In the event that the contingency described in Section 1.4 above has not been satisfied at the time, Buyer may elect, upon notice to Seller, to commence a term of rental of the Premises to begin not later than June 1, 2018. Election of commencement of the rental term above described shall be deemed a waiver by Buyer of any and all rights to terminate this Agreement under Section 1.3 or 1.4 above.

Such rental shall be for a term of one (1) year or such lesser term as Buyer may describe in such notice and shall further include the following terms:

- (a) Buyer shall pay all real estate taxes, if any, charged to the Premises during the term;
- (b) Buyer shall maintain casualty insurance coverage upon the Premises for the benefit of Seller in an amount not less than \$100,000.00;
- (c) Buyer shall maintain public liability insurance coverage, through an insurer reasonably acceptable to Seller, in the single and aggregate claims amounts, respectively, of \$1,000,000.00 and \$2,000,000.00 which shall name the Village of Rantoul as insured against claims for injury to person and damage to property arising out of the use and occupancy of the Premises by Buyer, and proof of such coverage shall be provided to Seller upon request therefor;
- (d) Buyer shall maintain and pay for all utilities services to the Premises;
- (e) Buyer shall be responsible for the maintenance of the Premises;
- (f) Buyer shall pay to Seller a monthly rental of Two Hundred Fifty Dollars (\$250.00) for the term, due and payable on the first day of each month in advance, the total amount of which shall be credited against the purchase price at Closing;
- (g) Buyer shall promptly pay for all Repairs and other improvements which Buyer makes to the Premises and shall indemnify the Village of Rantoul against any claim of mechanics lien, such indemnification to include costs of defense in any action in which the Village is named a party;
- (h) At any time during the term of such rental that the contingency described in Section 1.4 above is satisfied and Seller gives notice of same to Buyer, Buyer shall have the right to conclude the purchase of the Premises upon the same other terms and conditions as are stated in this Agreement by giving notice, not later than ten (10) days after delivery of Seller’s notice, of intent to close and then closing on such purchase not later than thirty days after such notice of intent; and
- (i) If Buyer elects not to conclude such purchase, the term of rental above described shall continue only through the last day of the calendar month after the month in which Seller’s notice has been delivered.

## **ARTICLE II** **TITLE MATTERS**

**Section 2.1. Evidence of Title.** Within a reasonable time after obtaining authorization from the FAA as described in Section 1.4 above, Seller shall deliver to Buyer a Commitment for Title Insurance issued by a title company doing business in Champaign County, Illinois, committing the company to issue a title policy in the usual form insuring title to the Premises in the name of Buyer for the amount of the purchase price. Seller shall be responsible for payment of the Owner's premium and Seller's search charges. The balance of the cost of providing title insurance shall be borne by Buyer.

### **Section 2.2. Exceptions to Title.**

(a) Permissible exceptions to title shall include only the lien of general taxes and special assessments, if any; zoning laws and building codes and ordinance; easements (apparent or of record) which do not underlie any buildings; and covenants and restrictions of record which are not violated by the existing improvements or the present uses of the Premises and which do not restrict reasonable use of the Premises, including, but not limited to, all applicable covenants and restrictions contained in that certain Quit Claim Deed dated September 10, 2014, from the United States of America; acting by and through the Secretary of the Air Force, to the Village of Rantoul, a copy of which has been provided to or otherwise been made available to the Buyer.

(b) If title evidence discloses exceptions other than those permitted, Buyer shall give written notice of such exceptions to Seller within a reasonable time. Seller shall have a reasonable time to have such title exceptions removed, or, any such exception which may be removed by the payment of money may be cured by paying the amount due at or prior to the Closing. If Seller is unable to cure any such exception, then this Agreement may be terminated in the sole discretion of Buyer.

**Section 2.3. Special Warranty Deed; Deliveries at Closing.** Prior to the Closing, Seller or Seller's attorney shall prepare and Seller shall execute a recordable Special Warranty Deed sufficient to convey the Real Estate to Buyer or its nominee, in fee simple absolute, subject only to exceptions permitted herein. Such Special Warranty Deed shall be delivered to Buyer at the Closing of this transaction upon compliance with the terms of this Agreement.

**Section 2.4. Taxes, Assessments and Notices.** Real estate taxes apportioned through the date of possession shall be Seller's expense. The proration thereof shall be calculated upon the basis of the most current tax information, including confirmed multipliers. Transfer tax and all special assessments which are a lien upon the Real Estate as of the Effective Date of this Agreement shall be Seller's expense. All such taxes and special assessments shall constitute a credit to Buyer against the purchase price and shall release Seller from any further liability to Buyer in connection therewith.

Seller expressly warrants that Seller has issued no notice of a current building code or other ordinance violation in connection with the Premises and that there is pending no rezoning, reassessment or special assessment proceeding affecting the Premises.

**ARTICLE III**  
**REPRESENTATIONS AND OTHER OBLIGATIONS**

**Section 3.1. Authority.** Each of the Parties represents and warrants, as of the date of execution of this Agreement and as of the Closing (i) that it or they have legal right, power and authority to execute and fully perform its or their obligations under this Agreement and (ii) that the persons executing this Agreement and other related documents required hereunder are authorized to do so. The representations and warranties given by each of the Parties in this Section 3.1 shall survive the Closing.

**Section 3.2. Casualty and Condemnation.** If, prior to the closing, all or any portion of the Premises is damaged by fire or other natural casualty (collectively "**Damage**"), or is taken or made subject to condemnation, eminent domain or other governmental acquisition proceedings (collectively "**Condemnation**"), then the following procedures shall apply:

(a) If the aggregate cost of repair or replacement of the Damage (collectively, "**Repair and/or Replacement**") is \$5,000 or less, Buyer shall close and take the Property as diminished by such events, subject to a reduction in the Purchase Price applied against the balance of the purchase price otherwise due at the Closing in the full amount of the Repair and/or Replacement. Any casualty insurance shall be the sole property of Seller.

(b) If the aggregate cost of Repair and/or Replacement is greater than \$5,000 or in the event of a Condemnation, then Buyer, at its sole option, may elect either to (1) terminate this Agreement by written notice to Seller, in which event Buyer shall be entitled to a return of the Earnest Money; or (2) proceed to close subject to (i) a reduction on the Purchase Price of \$5,000, applied against the balance of the purchase price otherwise due at the Closing; together with (ii) an assignment of the proceeds of Seller's casualty insurance for all Damage (or condemnation awards for any Condemnation) in excess of \$5,000. In such event, Seller shall fully cooperate with Buyer in the adjustment and settlement of the insurance claim.

(c) In the event of a dispute between Seller and Buyer with respect to the cost of Repair and/or Replacement in connection with the matters set forth in this Section, Seller and Buyer shall select an independent engineer licensed to practice in Champaign County, Illinois, who shall resolve such dispute. All fees, costs and expenses of such licensed engineer so selected shall be shared equally by Seller and Buyer.

**ARTICLE IV**  
**DEFAULT**

**Section 4.1. Default.** The failure of either of the Parties to timely perform any obligation or condition contained in this Agreement shall constitute a "**Default**" under this Agreement.

**Section 4.2. Remedies.** Upon the occurrence of a Default, the party claiming the Default (the "**Non-Defaulting Party**") may serve written notice of the Default upon the other party (the "**Defaulting Party**"), and if such Default is not corrected within ten (10) calendar days of the date of such notice, the Non-Defaulting Party may take one or more of the following actions: elect to treat this Agreement as cancelled and of no further force and effect; maintain a claim for monetary

damages for breach of contract; maintain an action for specific performance; or maintain any other or different action or combination thereof as allowed by law.

**Section 4.3. Non-Exclusive Remedies.** The remedies set forth in Section 4.2 above in the event of a Default are not intended to be exclusive and the Parties shall have the right to all other lawful remedies, including specific performance.

**Section 4.4. Costs or Expenses and Fees.** If the Non-Defaulting Party prevails in any litigation to enforce any provision of this Agreement, the Defaulting Party shall pay all of the Non-Defaulting Party's charges, costs and expenses, including the reasonable fees of attorneys, agents and others, as may be paid or incurred by such Non-Defaulting Party in enforcing any of the Defaulting Party's obligations under this Agreement.

## **ARTICLE V**

### **MISCELLANEOUS PROVISIONS**

**Section 5.1. Entire Agreement and Amendments.** This Agreement (together with Exhibit A, which is attached hereto and made a part hereof) is the entire agreement between Seller and Buyer relating to the subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, and may not be modified or amended except by a written instrument executed by both of the Parties.

**Section 5.2. Construction.** The captions and headings used in this Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.

**Section 5.3. Third Parties.** Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the Parties and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation or liability of any third persons to either of the Parties, nor shall any provision give any third parties any rights of subrogation or action over or against either of the Parties. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

**Section 5.4. Counterparts.** Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one agreement.

**Section 5.5. Time of the Essence.** Time is of the essence of this Agreement; including, without limitation, all time deadlines for satisfying conditions and the Closing on or before the Closing Date.

**Section 5.6. Waiver.** Each of the Parties to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

**Section 5.7. Notices and Communications.** All notices, demands, requests or other communications under or in respect of this Agreement shall be in writing and shall be deemed to have been given when the same are (a) deposited in the United States mail and sent by registered or certified mail, postage prepaid, return receipt requested, (b) personally delivered, or (c) sent by a nationally recognized overnight courier, delivery charge prepaid, in each case, to Seller and Buyer at their respective addresses (or at such other address as each may designate by notice to the other), as follows:

- (i) In the case of Seller, to:  
Village of Rantoul, Illinois  
333 South Tanner Street  
Rantoul, IL 61866  
Attn: Airport Manager  
Tel: (217) 892-6896

With a copy to:  
Kenneth N. Beth  
Evans, Froehlich, Beth & Chamley  
44 Main Street, Third Floor  
Champaign, IL 61820  
Tel: (217) 359-6494

- (ii) In the case of Buyer, to:  
Dale Churovich  
311 N. West Street  
Gifford, IL 61847  
Tel: ~~(217)~~ 342 1031  
815

Whenever any party hereto is required to deliver notices, certificates, opinions, statements or other information hereunder, such party shall do so in such number of copies as shall be reasonably specified.

**Section 5.8. Assignment.** Neither of the Parties shall sell, assign or otherwise transfer any of their rights and obligations under this Agreement to any other party.

**Section 5.9. Successors in Interest.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respectively authorized successors, assigns and legal representatives.

**Section 5.10. No Joint Venture, Agency, or Partnership Created.** Nothing in this Agreement nor any actions of either Seller or Buyer shall be construed by either Seller or Buyer or any third party to create the relationship of a partnership, agency, or joint venture between or among Seller and Buyer.

**Section 5.11. Illinois Law; Venue.** This Agreement shall be construed and interpreted under the laws of the State of Illinois. If any action or proceeding is commenced by either of the Parties to enforce any of the provisions of this Agreement, the venue for any such action or proceeding shall be in Champaign County, Illinois.

**Section 5.12. Construction of Agreement.** This Agreement has been jointly negotiated by the Parties and shall not be construed against either one of them because that party may have primarily assumed responsibility for preparation of this Agreement.

**IN WITNESS WHEREOF,** Buyer has caused this Agreement to be executed by him individually and the Seller has caused this Agreement to be executed by its duly authorized Mayor and Village Clerk, as of each of the dates set forth below.

**VILLAGE OF RANTOUL, CHAMPAIGN COUNTY,  
ILLINOIS, AS SELLER**

By: \_\_\_\_\_  
Village President

ATTEST:

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

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

**DALE CHUROVICH, AS BUYER**

  
\_\_\_\_\_

Date: 1-12-18

[Exhibit A follows this page and are an integral part of this Agreement in the context of use.]

**EXHIBIT A**

**Depiction of Premises**

**ORDINANCE NO. 2560**

**AN ORDINANCE  
AUTHORIZING AND APPROVING A CONTRACT FOR THE SALE  
OF REAL ESTATE OWNED BY THE VILLAGE OF RANTOUL, ILLINOIS  
(1008 Aviation Road, Building 26)**

**WHEREAS**, the Village of Rantoul, Champaign County, Illinois (the “**Village**”) is the owner of a certain parcel of real estate commonly known as 1008 Aviation Road, Rantoul, Illinois, which is more particularly described as set forth on Exhibit A, attached hereto and incorporated herein by this reference thereto (the “**Real Estate**”); and

**WHEREAS**, the President and Board of Trustees (the “**Corporate Authorities**”) of the Village has determined that it is necessary, desirable and in the best interests of the Village to sell the Real Estate; and

**WHEREAS**, there has been presented to and there is now before the meeting of the Corporate Authorities at which this Ordinance is adopted the form of a Contract For Sale of Real Estate by and between the Village, as Seller, and Dale Churovich as Buyer (the “**Buyer**”) under and by which such Buyer has agreed to purchase the Real Estate for \$20,000.00, (the “**Contract**”).

**NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF RANTOUL, ILLINOIS, CHAMPAIGN COUNTY, ILLINOIS**, as follows:

**Section 1.** That the Contract, including the terms thereof as set forth in the form of such Contract as presented to and now before the meeting of the Corporate Authorities at which this Ordinance is adopted, be and the same is hereby authorized and approved.

**Section 2.** That for and on behalf of the Village, the Village President is hereby authorized to execute and deliver the Contract and the Village Clerk is hereby authorized to attest such execution of the Contract, with such changes and revisions in the form of such Contract as may be approved by the Village president, such execution or acceptance thereof, as the case may be, to constitute conclusive evidence of such approval of any and all such changes or revisions therein from the form of the Contract as presented to and now before the meeting of the Corporate Authorities at which this Ordinance is adopted.

**Section 3.** That the conveyance of the Real Estate is hereby authorized to be made to the Buyer upon full and complete performance by the Buyer of its obligations under the Contract, the Corporate Authorities hereby expressly finding that the Real Estate is no longer necessary for, useful to, or in the best interests of the Village to retain.

**Section 4.** That all actions of the officers, employees and agents of the Village heretofore taken in connection with the Contract and such conveyance of the Real Estate are hereby ratified, confirmed and approved.

**Section 5.** That from and after the effective date of this Ordinance, the proper officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute and deliver all such supplemental documents and instruments as may be necessary to accomplish the purposes of the Contract and this Ordinance in accordance with the respective terms, conditions and undertakings thereof, including the execution, acceptance, delivery and recordation of agreements, deeds, and other instruments pertaining to the conveyance of the Real Estate in connection with the Contract.

This Ordinance is hereby passed, the “ayes” and “nays” being called, by a majority of the Corporate Authorities then holding office at a regular meeting on the date set forth below.

**PASSED** this 13th day of February, 2018.

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

**APPROVED** this 13th day of February, 2018.

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

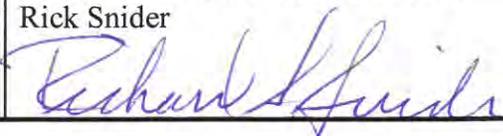
**EXHIBIT A**

**Legal Description**

**NEEDED**

**BOARD OF TRUSTEES  
VILLAGE OF RANTOUL**

<b>AGENDA ITEM</b>	<b>PAGE</b>	<b>OF</b>
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<b>ITEM: Sale of 707 East Veterans Parkway (Building 718)</b>	<b>DEPARTMENT: Public Works - Airport</b>
<b>AGENDA SECTION:</b>	<b>AMOUNT:</b>
<b>ATTACHMENTS:</b> <input checked="" type="checkbox"/> <b>ORDINANCE</b> <input type="checkbox"/> <b>RESOLUTION</b> <input type="checkbox"/> <b>OTHER (See Summary Highlights)</b> <input type="checkbox"/> <b>SUPPORTING DOCUMENTS</b>	<b>DATE: January 19, 2018</b>
<b>SUMMARY HIGHLIGHTS:</b>  <p>This Agenda Item provides for the sale of the former Base Building 718 located at 707 East Veterans Parkway in the amount of \$85,000.00. This property consists of a 100,000 square foot block building located on approximately 16.6 acres. The building once housed Rantoul Products Plant #2, but has since been mostly vacant or used as cold storage.</p> <p>The property has been advertised and listed for some time and its sale will continue the redevelopment of the former base area and reduce the Village's building inventory. The new owner will look to manage and update the building through various facility improvements.</p> <p>The Village has the deed to this property, which is within the Airport's footprint. A release by the Federal Aviation Authority (FAA) will be required to fully complete the sale process. The proceeds from the sale will be earmarked for future Airport capital improvement projects as outlined in the five (5) year Transportation Improvement Plan (TIP).</p>	
<b>RECOMMENDED ACTION:</b> Authorize the approval of the sale of former Base Building 718 located at 707 East Veterans Parkway in the amount of \$85,000.00.	
<b>DEPARTMENT HEAD APPROVAL:</b> G. Gregory Hazel, P.E.  Eric Vences	<b>VILLAGE ADMINISTRATOR:</b> Rick Snider 
<b>AGENDA PAGE NUMBER:</b>	



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**AGREEMENT FOR SALE OF REAL ESTATE**

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**BY AND BETWEEN THE  
VILLAGE OF RANTOUL, ILLINOIS, AS SELLER**

**AND**

**718 REAL ESTATE, LLC, AS BUYER**

**DATED AS OF JANUARY 1, 2018**

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## AGREEMENT FOR SALE OF REAL ESTATE

**THIS AGREEMENT FOR SALE OF REAL ESTATE**, including Exhibits A, B and C, which are attached hereto and made a part hereof (collectively, this “**Agreement**”), by and between the Village of Rantoul, Illinois, an Illinois municipal corporation, as Seller (“**Seller**”) and 718 Real Estate, LLC, an Illinois limited liability company, as Buyer (“**Buyer**”). For the purposes of this Agreement, the term “**Parties**” is sometimes used to refer to and identify both Seller and Buyer collectively. This Agreement shall become effective upon the date of its actual execution by the last of the Parties hereto as set forth on the signature page hereof (the “**Effective Date**”).

### RECITALS

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreement contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

### ARTICLE I SALE AND PURCHASE

**Section 1.1. Real Estate Description.** Seller agrees to sell and Buyer agrees to purchase the real estate commonly known as 707 Veterans Parkway, Building 718, Rantoul, Illinois, the area of which is described on Exhibit A and depicted on Exhibit B, each being attached hereto and made a part hereof (the “**Real Estate**”), together with all improvements and appurtenances thereon, (the Real Estate and any such improvements being, collectively, the “**Premises**”), upon the terms and conditions set forth in this Agreement. Seller shall cause the Real Estate to be surveyed and platted, the cost of which shall be shared equally between the Seller and the Buyer, provided, however, that Buyer’s share shall not exceed \$3,500 with the balance to be paid by Seller in the event that the total cost exceeds \$7,000.

**Section 1.2. Purchase Price.** Buyer agrees to pay to Seller \$85,000.00 as the total price for the Premises. Buyer has paid \$2,500 to Seller as earnest money to be deposited and held in the trust account of Evans, Froehlich, Beth & Chamley Law Offices for delivery to Seller at the time of closing. The balance of such purchase price, adjusted by prorations and credits allowed the Parties by this Agreement, shall be paid to Seller at closing in cash, by cashier’s check, by check issued by a lending institution, or other form of payment acceptable to Seller. In the event Buyer terminates this Agreement in accordance with its terms, Seller shall promptly execute any document reasonably required for the release of such earnest money to Buyer.

#### **Section 1.3. Due Diligence.**

(a) For a period of 45 days following the satisfaction of the contingency described in Section 1.4 below (the “**Due Diligence Period**”), Buyer, its agents, engineers, employees, attorneys, accountants, contractors and surveyors shall have the right to conduct all tests, inspections, feasibility and other studies and all other investigations concerning the Premises that Buyer may reasonably require (including, without limitation, environmental tests and assessments, inspection of the physical condition of the Premises, investigation of zoning and other legal requirements, review of financial information concerning the Premises, and investigation of

financing for the acquisition of the Premises) to determine whether the Premises is satisfactory to Buyer. All such investigations and studies shall be performed at Buyer's expense.

(b) Seller has delivered to, or shall deliver to Buyer within ten (10) business days of the Effective Date complete, legible copies (including all exhibits) of any current lease and other contracts, agreements, documents and matters relating to the Premises which are in the possession of Seller (the "**Due Diligence Documents**").

(c) If Buyer, in its sole and absolute discretion, is dissatisfied with the Premises based on the tests, inspections, studies, investigations and review of documents described above, or for any other reason whatsoever, then Buyer may terminate this Agreement by giving written notice to Seller of such termination at any time on or prior to the last day of the Due Diligence Period. In the event that Buyer terminates this Agreement as provided for herein, all Due Diligence Documents and all copies thereof shall be returned promptly to Seller. Upon such termination, the Earnest Money shall be returned to Buyer and, except as otherwise provided in this Section, neither party shall have any further liability to the other hereunder. In the event Buyer fails to notify Seller of its intent to terminate this Contract prior to the expiration of the Due Diligence Period, Buyer's right to terminate this Contract shall be waived and become null and void and shall constitute Buyer's acceptance of the Property in its "**AS-IS**", "**WHERE-IS**" condition without any representation or warranty by Seller concerning such condition and without any obligation on the part of Seller to make any alterations, repairs, replacements or other improvements.

(d) Neither Buyer, nor any of its agents or representatives, shall damage the Property or any portion thereof, except for any immaterial damage caused by environmental and other tests, all of which shall promptly be repaired by Buyer at Buyer's sole cost and expense. Buyer agrees to indemnify and defend Seller and hold Seller harmless from any and all claims, demands, actions, lawsuits, damages and costs, including reasonable attorneys' fees, arising out of any act or omission of Buyer, or its agents and/or representatives, in connection with Buyer's due diligence review. The foregoing obligation shall survive the closing of this transaction and any termination of this Contract.

**Section 1.4. Contingency of Agreement.** This Agreement is contingent upon Seller being expressly authorized by the Federal Aviation Administration (the "**FAA**") to sell and convey the Premises to a third party purchaser. In the event that Seller has been unable to obtain such authorization from the FAA on or before October 1, 2018, this Agreement shall be deemed null and void and of no force and effect and neither Seller nor Buyer shall have any obligation or liability with respect thereto.

**Section 1.5. Possession and Closing.**

(a) Seller shall deliver possession of the Premises to Buyer at the time of the closing of this transaction (the "**Closing**") which shall occur forty-five (45) days after satisfaction of the contingencies described in Section 1.4 of this Agreement above, or such later date as may be mutually agreed to by the parties (the "**Closing Date**"), at the office of Seller.

(b) Prior to the Closing Date, Seller shall obtain and deliver to Buyer estoppel certificates in the form attached hereto as Exhibit C, executed by all of the tenants of the Premises with all blanks in such form completed in a manner reasonably satisfactory to Buyer, and dated no

earlier than thirty (30) days prior to the Closing Date (provided, however, that an estoppel certificate satisfying the requirements of any tenant's lease shall be deemed acceptable in lieu of a certificate in the form attached hereto as Exhibit C so long as such estoppel does not disclose any defaults under the lease and is not inconsistent in any material way with the lease for such tenant furnished by Seller to Buyer.

## **ARTICLE II** **TITLE MATTERS**

**Section 2.1. Evidence of Title.** Within a reasonable time after obtaining authorization from the FAA as described in Section 1.4 above, Seller shall deliver to Buyer a Commitment for Title Insurance issued by a title company doing business in Champaign County, Illinois, committing the company to issue a title policy in the usual form insuring title to the Premises in the name of Buyer for the amount of the purchase price. Seller shall be responsible for payment of the Owner's premium and Seller's search charges. The balance of the cost of providing title insurance shall be borne by Buyer.

### **Section 2.2. Exceptions to Title.**

(a) Permissible exceptions to title shall include only the lien of general taxes and special assessments, if any; zoning laws and building codes and ordinances; easements (apparent or of record) which do not underlie any buildings; covenants and restrictions of record which are not violated by the existing improvements or the present uses of the Premises and which do not restrict reasonable use of the Premises; and all applicable covenants and restrictions contained in that certain Quit Claim Deed dated March 6, 2008, from the United States of America; acting by and through the Secretary of the Air Force, to the Village of Rantoul, a copy of which has been provided to and is acknowledged received by Buyer.

(b) If title evidence discloses exceptions other than those permitted, Buyer shall give written notice of such exceptions to Seller within a reasonable time. Seller shall have a reasonable time to have such title exceptions removed, or, any such exception which may be removed by the payment of money may be cured by paying the amount due at or prior to the Closing. If Seller is unable to cure any such exception, then this Agreement may be terminated in the sole discretion of Buyer.

**Section 2.3. Special Warranty Deed; Deliveries at Closing.** Prior to the Closing, Seller or Seller's attorney shall prepare and Seller shall execute a recordable Special Warranty Deed sufficient to convey the Real Estate to Buyer or its nominee, in fee simple absolute, subject only to exceptions permitted herein. Such Special Warranty Deed shall be delivered to Buyer at the Closing of this transaction upon compliance with the terms of this Agreement.

**Section 2.4. Taxes, Assessments and Notices.** Real estate taxes apportioned through the date of possession shall be Seller's expense. The proration thereof shall be calculated upon the basis of the most current tax information, including confirmed multipliers. The Transfer tax and all special assessments which are a lien upon the Real Estate as of the Effective Date of this Agreement shall be paid at or prior to closing. All such taxes and special assessments shall constitute a credit to Buyer against the purchase price and shall release Seller from any further liability to Buyer in connection therewith.

Seller expressly warrants that Seller has issued no notice of a current building code or other ordinance violation in connection with the Premises and that there is no pending reassessment or special assessment proceeding affecting the Premises.

### **ARTICLE III** **REPRESENTATIONS AND OTHER OBLIGATIONS**

**Section 3.1. Authority.** Each of the Parties represents and warrants, as of the date of execution of this Agreement and as of the Closing (i) that it or they have legal right, power and authority to execute and fully perform its or their obligations under this Agreement and (ii) that the persons executing this Agreement and other related documents required hereunder are authorized to do so. The representations and warranties given by each of the Parties in this Section 3.1 shall survive the Closing.

**Section 3.2. Casualty and Condemnation.** If, prior to the closing, all or any portion of the Premises is damaged by fire or other natural casualty (collectively "**Damage**"), or is taken or made subject to condemnation, eminent domain or other governmental acquisition proceedings (collectively "**Condemnation**"), then either party may elect to terminate this Agreement by giving notice of such termination to the other. If no such notice is given, Buyer shall take the Premises "**AS-IS**" and this agreement shall continue in accordance with its terms.

### **ARTICLE IV** **DEFAULT**

**Section 4.1. Default.** The failure of either of the Parties to timely perform any obligation or condition contained in this Agreement shall constitute a "**Default**" under this Agreement.

**Section 4.2. Remedies.** Upon the occurrence of a Default, the party claiming the Default (the "**Non-Defaulting Party**") may serve written notice of the Default upon the other party (the "**Defaulting Party**"), and if such Default is not corrected within ten (10) calendar days of the date of such notice, the Non-Defaulting Party may take one or more of the following actions: elect to treat this Agreement as cancelled and of no further force and effect; maintain a claim for monetary damages for breach of contract; maintain an action for specific performance; or maintain any other or different action or combination thereof as allowed by law.

**Section 4.3. Non-Exclusive Remedies.** The remedies set forth in Section 4.2 above in the event of a Default are not intended to be exclusive and the Parties shall have the right to all other lawful remedies, including specific performance.

**Section 4.4. Costs or Expenses and Fees.** If the Non-Defaulting Party prevails in any litigation to enforce any provision of this Agreement, the Defaulting Party shall pay all of the Non-Defaulting Party's charges, costs and expenses, including the reasonable fees of attorneys, agents and others, as may be paid or incurred by such Non-Defaulting Party in enforcing any of the Defaulting Party's obligations under this Agreement.

**ARTICLE V**  
**CLOSING**

**Section 5.1. Closing Documents.** Seller shall deliver to Buyer or the Title Company (as applicable) at Closing the following, all in form and substance reasonably acceptable to Buyer:

- (i) A special warranty deed conveying to Buyer fee simple title to the Premises, together with all easements and other appurtenances thereto, subject to no encumbrances other than the Permitted Exceptions;
- (ii) Seller's assignment to Buyer of all of Seller's interest in the leases and all rent payable thereunder, together with an assignment of all third party guarantees of any tenant's obligations thereunder, which Assignment shall include an indemnification of Buyer by Seller against liability arising under the leases and accruing or arising prior to the Closing Date;
- (iii) An ALTA extended coverage statement and/or title affidavits, gap undertaking, and all other affidavits, certifications and other documents required by the title company in connection with its issuance of the title policy;
- (iv) A certificate executed by Seller confirming that the representations and warranties made by Seller in this Agreement remain true and correct in all material respects as of the Closing Date;
- (v) To the extent not otherwise provided to Buyer, all books, records, warranties, guaranties, lease files and other documents, if any, related to the ownership, construction, operation and leasing of the Premises;
- (vi) Originals of the leases, contracts, licenses, permits and agreements pertaining to the Premises to the extent in Seller's possession;
- (vii) All keys, combinations and other similar items required to properly deliver possession and control of the Premises to Buyer;
- (viii) Letters to the tenants notifying them of the transfer of the Premises from Seller to Buyer and directing them to remit all rental payments and notices to Buyer (or its designee), and notices to all vendors under Service Contracts and other third parties reasonably requested by Buyer notifying them of the transfer of the Premises from Seller to Buyer; and
- (ix) Such other documents as reasonably may be required by Buyer or Buyer's lender or the Title Company to consummate the transactions contemplated by this Agreement.

Buyer shall deliver to Seller at Closing the balance of the Purchase Price, plus or minus proration and any other documents and funds required herein, together with the following documents:

- (i) an assumption of the landlord's obligations under the leases and service contracts, if any, assigned to Buyer; and

- (ii) such documents reasonably required by the title company to issue the title policy and close the purchase by Buyer of the Premises, including without limitation, an ALTA extended coverage statement and a gap undertaking.

**ARTICLE VI**  
**MISCELLANEOUS PROVISIONS**

**Section 6.1. Entire Agreement and Amendments.** This Agreement (together with Exhibits A and B, inclusive, which are attached hereto and made a part hereof) are the entire agreement between Seller and Buyer relating to the subject matter hereof. This Agreement supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, and may not be modified or amended except by a written instrument executed by both of the Parties.

**Section 6.2. Construction.** The captions and headings used in this Agreement are inserted for convenience of reference only and are not intended to define, limit or affect the construction or interpretation of any term or provision hereof.

**Section 6.3. Third Parties.** Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other persons other than the Parties and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation or liability of any third persons to either of the Parties, nor shall any provision give any third parties any rights of subrogation or action over or against either of the Parties. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

**Section 6.4. Counterparts.** Any number of counterparts of this Agreement may be executed and delivered and each shall be considered an original and together they shall constitute one agreement.

**Section 6.5. Time of the Essence.** Time is of the essence of this Agreement; including, without limitation, all time deadlines for satisfying conditions and the Closing on or before the Closing Date.

**Section 6.6. Waiver.** Each of the Parties to this Agreement may elect to waive any right or remedy it may enjoy hereunder, provided that no such waiver shall be deemed to exist unless such waiver is in writing. No such waiver shall obligate the waiver of any other right or remedy hereunder, or shall be deemed to constitute a waiver of other rights and remedies provided pursuant to this Agreement.

**Section 6.7. Notices and Communications.** All notices, demands, requests or other communications under or in respect of this Agreement shall be in writing and shall be deemed to have been given when the same are (a) deposited in the United States mail and sent by registered or certified mail, postage prepaid, return receipt requested, (b) personally delivered, or (c) sent by a nationally recognized overnight courier, delivery charge prepaid, in each case, to Seller and Buyer

at their respective addresses (or at such other address as each may designate by notice to the other), as follows:

- (i) In the case of Seller, to:  
Village of Rantoul, Illinois  
333 South Tanner Street  
Rantoul, IL 61866  
Attn: Administrative Officer  
Tel: (217) 892-6801  
  
With a copy to:  
Kenneth N. Beth  
Evans, Froehlich, Beth & Chamley  
44 Main Street, Third Floor  
Champaign, IL 61820  
Tel: (217) 359-6494
  
- (ii) In the case of Buyer, to:  
718 Real Estate, LLC  
1510 Golfview Road  
Rantoul, IL 61866  
Tel: (217) 721-7064  
  
With a copy to:  
Andrew J. Doyle  
Calvo Law Offices, P.C.  
119 N. Ellsworth Street  
Naperville, IL 60540  
Tel: (630) 857-3788

Whenever any party hereto is required to deliver notices, certificates, opinions, statements or other information hereunder, such party shall do so in such number of copies as shall be reasonably specified.

**Section 6.8. Assignment.** Neither of the Parties shall sell, assign or otherwise transfer any of their rights and obligations under this Agreement to any other party.

**Section 6.9. Successors in Interest.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respectively authorized successors, assigns and legal representatives.

**Section 6.10. No Joint Venture, Agency, or Partnership Created.** Nothing in this Agreement nor any actions of either Seller or Buyer shall be construed by either Seller or Buyer or any third party to create the relationship of a partnership, agency, or joint venture between or among Seller and Buyer.

**Section 6.11. Illinois Law; Venue.** This Agreement shall be construed and interpreted under the laws of the State of Illinois. If any action or proceeding is commenced by either of the

Parties to enforce any of the provisions of this Agreement, the venue for any such action or proceeding shall be in Champaign County, Illinois.

**Section 6.12. Construction of Agreement.** This Agreement has been jointly negotiated by the Parties and shall not be construed against either one of them because that party may have primarily assumed responsibility for preparation of this Agreement.

**IN WITNESS WHEREOF,** Seller and Buyer have each caused this Agreement to be executed by their duly authorized officers on the dates set forth below.

**VILLAGE OF RANTOUL, CHAMPAIGN COUNTY,  
ILLINOIS, AS SELLER**

By: \_\_\_\_\_  
Village President

ATTEST:

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

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

**718 REAL ESTATE, LLC, AS BUYER**

By:  \_\_\_\_\_  
One of the Members of 718 Real Estate, LLC

Date: 22.1.18

[Exhibits A, B and C follow this page and are an integral part of this Agreement in the context of use.]

**EXHIBIT A**

**Legal Description**

Lot 1 of the 718 Subdivision to the Village of Rantoul, Champaign County, Illinois

**EXHIBIT B**

**Site Plan Sketch**

**EXHIBIT C**

**TENANT ESTOPPEL CERTIFICATE**

The undersigned Tenant hereby certifies that the following is true and correct:

Name of Tenant: \_\_\_\_\_

Address of Tenant \_\_\_\_\_  
\_\_\_\_\_

Lease with Landlord Dated: \_\_\_\_\_, \_\_\_\_\_

The term of the Lease commenced on: \_\_\_\_\_, \_\_\_\_\_

Lease expires on \_\_\_\_\_, \_\_\_\_\_

Renewal Option    Y/N                      Length of Renewal Term: \_\_\_\_\_

Security Deposit                              \$ \_\_\_\_\_

Current Monthly Rent                        \$ \_\_\_\_\_

Current Monthly CAM/Taxes/Other \$ \_\_\_\_\_

Rent Paid Through: \_\_\_\_\_, \_\_\_\_\_

Amounts Due From Landlord                \$ \_\_\_\_\_

Claims against Landlord in respect to any such construction, allowances or other amounts, except as follows : \_\_\_\_\_.

Except as may be set forth in the Lease, Tenant has not been granted any right or option to extend the term of the Lease; any right or option to expand the Premises or to lease additional space within the Property; any right of refusal, offer or opportunity on any space at the Property; any right or option to purchase the Premises or the Property, or any part thereof; or any right or option to terminate the Lease prior to its stated expiration date or to reduce the size of the Premises.

The Lease is in full force and effect; the Lease is free from breach or default by Landlord; and Tenant has no claims against the Landlord and Tenant has no current offsets or defenses against rent or Tenant's obligations under the Lease. Tenant has full possession of and Tenant is currently occupying the Premises, has not assigned the Lease or sublet any part of the Premises. Neither the Tenant nor the Guarantor is insolvent or bankrupt or otherwise unable to pay its debts as they mature,

Each person signing this Estoppel Certificate for Tenant is duly authorized to bind Tenant and each person signing this Estoppel Certificate for Guarantor is duly authorized to bind Guarantor. The statements contained herein may be relied upon by Landlord or any mortgagee of the Premises.

**TENANT**

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

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

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

**ORDINANCE NO. 2561**

**AN ORDINANCE  
AUTHORIZING AND APPROVING A CONTRACT FOR THE SALE  
OF REAL ESTATE OWNED BY THE VILLAGE OF RANTOUL, ILLINOIS  
(707 East Veterans Parkway)**

**WHEREAS**, the Village of Rantoul, Champaign County, Illinois (the “**Village**”) is the owner of a certain parcel of real estate commonly known as 707 East Veterans Parkway, Rantoul, Illinois, which is more particularly described as set forth on Exhibit A, attached hereto and incorporated herein by this reference thereto (the “**Real Estate**”); and

**WHEREAS**, the President and Board of Trustees (the “**Corporate Authorities**”) of the Village has determined that it is necessary, desirable and in the best interests of the Village to sell the Real Estate; and

**WHEREAS**, there has been presented to and there is now before the meeting of the Corporate Authorities at which this Ordinance is adopted the form of a Contract For Sale of Real Estate by and between the Village, as Seller, and 718 Real Estate, LLC as Buyer (the “**Buyer**”) under and by which such Buyer has agreed to purchase the Real Estate for \$85,000.00, (the “**Contract**”).

**NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF RANTOUL, ILLINOIS, CHAMPAIGN COUNTY, ILLINOIS**, as follows:

**Section 1.** That the Contract, including the terms thereof as set forth in the form of such Contract as presented to and now before the meeting of the Corporate Authorities at which this Ordinance is adopted, be and the same is hereby authorized and approved.

**Section 2.** That for and on behalf of the Village, the Village President is hereby authorized to execute and deliver the Contract and the Village Clerk is hereby authorized to attest such execution of the Contract, with such changes and revisions in the form of such Contract as may be approved by the Village president, such execution or acceptance thereof, as the case may be, to constitute conclusive evidence of such approval of any and all such changes or revisions therein from the form of the Contract as presented to and now before the meeting of the Corporate Authorities at which this Ordinance is adopted.

**Section 3.** That the conveyance of the Real Estate is hereby authorized to be made to the Buyer upon full and complete performance by the Buyer of its obligations under the Contract, the Corporate Authorities hereby expressly finding that the Real Estate is no longer necessary for, useful to, or in the best interests of the Village to retain.

**Section 4.** That all actions of the officers, employees and agents of the Village heretofore taken in connection with the Contract and such conveyance of the Real Estate are hereby ratified, confirmed and approved.

**Section 5.** That from and after the effective date of this Ordinance, the proper officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute and deliver all such supplemental documents and instruments as may be necessary to accomplish the purposes of the Contract and this Ordinance in accordance with the respective terms, conditions and undertakings thereof, including the execution, acceptance, delivery and recordation of agreements, deeds, and other instruments pertaining to the conveyance of the Real Estate in connection with the Contract.

This Ordinance is hereby passed, the “ayes” and “nays” being called, by a majority of the Corporate Authorities then holding office at a regular meeting on the date set forth below.

**PASSED** this 13th day of February, 2018.

---

Village Clerk

**APPROVED** this 13th day of February, 2018.

---

Village President

**EXHIBIT A**

**Legal Description**

Lot 1 of the 718 Subdivision to the Village of Rantoul, Champaign County, Illinois

**BOARD OF TRUSTEES  
VILLAGE OF RANTOUL**

<b>AGENDA ITEM</b>	<b>PAGE</b>	<b>OF</b>
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<b>ITEM: Electric, Water, &amp; Waste Water Utility Cost of Service Studies</b>	<b>DEPARTMENT: Public Works</b>
<b>AGENDA SECTION:</b>	<b>PROJECT AMOUNT:</b> \$33,400.00 – Cost of Service Studies <u>\$ 2,000.00 – Travel, Meetings &amp; Presentations</u> \$35,400.00 - Total
<b>ATTACHMENTS:</b> <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input checked="" type="checkbox"/> OTHER (See Summary Highlights) <input checked="" type="checkbox"/> SUPPORTING DOCUMENTS	<b>DATE: January 30, 2018</b>
<b>SUMMARY HIGHLIGHTS:</b> <p>This Agenda Item provides for an agreement with Utility Financial Solutions (UFS) to perform a cost of service study for the Village’s electric, water, &amp; waste water utilities. These reviews evaluate the current financial position and outlook for these Village utility costs of operation and recommend any modifications or reallocation which might be necessary. This type of review is typically conducted every three (3) years for electric and every five (5) years for water and/or waste water. The most recent electric study was undertaken in 2014, while the waste water was approved in 2013.</p> <p>UFS’s (Mark Beauchamp) has previously performed various utility rate reviews for the Village and is quite familiar with the Village’s accounting and utility systems. Mr. Beauchamp has worked well with staff and can provide thorough evaluations and detailed recommendations. This proposal is in a not-to-exceed amount of \$33,400.00, with an additional \$2,000.00 requested for any travel, meetings, and/or presentation costs.</p> <p>Funds from FY 2017/18 and FY 2018/19 will be utilized for these reviews. These studies should be completed this fall with an anticipated implementation date of May 1, 2019, which will coincide with the new fiscal year.</p>	
<b>RECOMMENDED ACTION:</b> Authorize the approval of an agreement with Utility Financial Services (UFS) in the not-to-exceed amount of \$33,400.00 (plus travel, meeting & presentation costs - \$2,000.00) to perform a cost-of-service review of the Village’s electric, water, & waste water utilities.	
<b>DEPARTMENT HEAD APPROVAL:</b> G. Gregory Hazel, P.E. 	<b>VILLAGE ADMINISTRATOR:</b> 
<b>AGENDA PAGE NUMBER:</b>	



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Project Fees



### Project Fees

#### Electric Hours and Fees

##### Individual Pricing

Electric Cost of Service, Financial Projection and Rate Design	\$14,900
Water Cost of Service, Financial Projection and Rate Design	\$10,500
Wastewater Cost of Service, Financial Projection and Rate Design	\$11,000
<b>Total</b>	<b>\$36,400 ✓</b>

If all three projects combined:	⇒ Total Pricing	\$33,400	←
Water and Wastewater Only	Pricing	\$19,000	

Prices, terms, and conditions are good for a period of 90 days from this date.  
 Payment will be made through submission of invoice which itemizes the work performed. "Total not to exceed amount" does not include on-site or travel expenses.

#### Out of Scope Services – on-site and travel expenses

Out of Scope services, if deemed necessary and agreed upon by The Village, will be billed at the hourly rates listed below. Any out of pocket expenses will be billed at cost.

Name	Title	Hourly Rate
Mark Beauchamp	President	\$295.00
Dawn Lund	Vice President	\$250.00
Dan Kasbohm	Manager	\$230.00
Mike Johnson	Manager	\$230.00
Chris Lund	Business and Technology Manager	\$195.00
Joan Bakenhus	Senior Financial Analyst	\$135.00
Jillian Beauchamp	Financial Analyst	\$115.00
Robert Blank	Financial Analyst	\$105.00

In addition, travel time will be billed at 50% off of regular rates.



# WATER COST OF SERVICE AND RATE DESIGN STUDY



## Project Fees

### Proposed Professional Services Agreement

Prices, terms, and conditions are good for a period of 90 days from proposal date of December 1, 2018  
Payment will be made through submission of invoice which itemizes the work performed.

**Total project fees for Scope of Services are (See Options Above)\***

Optional Pricing: One On-Site presentation included additional presentations - \$2,000\*  
(\*Total above does not include out of pocket travel expenses or travel time)

#### Anticipated Meetings:

- Initial meeting – Conference Call to clarify scope of services, expectations of management and preliminary information request
- Fieldwork – Conference Call to verify data provided
- Draft Report with management - Conference call
- Final Report with management – Conference call

#### Deliverables (for all utilities):

- 1) Long-term financial projection and rate track
- 2) Cost of Service Analysis
- 3) Minimum cash reserve determination
- 4) Debt Service Ratio
- 5) Target operating income (rate of return)
- 6) Five Year Water Rate Design
- 7) Five Year Wastewater Rate Design
- 8) Three Year Electric Rate Design

#### Hourly Rates (travel is discounted at 50%)

Mark Beauchamp	\$ 295.00
Dawn Lund	\$ 250.00
Dan Kasbohm	\$ 230.00
Mike Johnson	\$ 230.00
Chris Lund	\$ 195.00
Joan Bakenhus	\$ 135.00
Support Staff	\$ 105.00 – 130.00

**Out of Scope Services – on-site and travel expenses**  
On-site visits if deemed necessary and agreed upon, will be billed at actual out of pocket expenses – plus travel time discounted at 50% of regular rates. All cost incurred by schedule changes initiated by client after booking will be considered out of pocket. In addition, out of scope service work hours are billed at the hourly rates listed on this page.

We look forward to exceeding your expectations. Please sign, date, and return to [clund@ufswweb.com](mailto:clund@ufswweb.com) at your earliest convenience.

Sincerely,

Mark Beauchamp, CPA, MBA, CMA  
President, Utility Financial Solutions, LLC

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

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



**RANTOUL ILLINOIS**

## **The Village of Rantoul**

PROPOSAL FOR

Electric, Water, and Wastewater

Cost of Service and Rate Design Study

December 2017



**Main Company location:  
Utility Financial Solutions, LLC  
185 Sun Meadow Court  
Holland, MI USA 49424  
(616) 393-9722  
Fax (888) 566-4430**

Submitted Respectfully by:  
Mark Beauchamp, CPA, CMA, MBA  
President, Utility Financial Solutions  
mbeauchamp@ufsweb.com  
(616) 393-9722



[mbeauchamp@ufsweb.com](mailto:mbeauchamp@ufsweb.com)

O: 616.393.9722

C: 616.403.5450

F: 888.566.4430

Utility Financial Solutions, LLC

185 Sun Meadow Ct

Holland MI, 49424

December 1, 2017

Mr. Greg Hazel  
Rantoul Public Works  
Village of Rantoul, IL

Utility Financial Solutions (UFS) is pleased to submit a proposal to provide a cost of service and rate design study for the Electric, Water, and Wastewater Utilities of Rantoul Public Works (the Village). Our proposal is based on our prior experience with completing electric cost of service studies for municipal utilities and cooperatives around the nation including Illinois.

UFS understands that the Village requires a consultant who is seasoned in the development of Cost of Service and Rate Design. We will provide you with the highest quality service within an agreed-upon timeframe. The study will take approximately 12 weeks to complete after receipt of requested information.

UFS is an internationally known firm with a long standing relationship and history of assisting municipalities with financial analysis and are recognized experts in the utility field. Acting as project manager for The Village, I will oversee project management and contractual agreements. I began Utility Financial Solutions in 2001 after working 15 years in the utility industry. I currently act as President of UFS and teach numerous national courses for the American Public Power Association.

UFS has extensive quality control procedures including a three level review of the study prior to any formal presentation. This provides assurance the study is accurate and defensible to governing bodies and rate payers. Our project team assigned to this engagement is composed of highly qualified, experienced, and knowledgeable professionals who remain current on all issues facing municipal utilities. Our reputation has allowed us to be the recommended rate consulting firm for numerous utilities and agencies around the country and the American Public Power Association (APPA). We are also the preferred vendor for cost of service and financial analysis through APPA's Hometown Connections. Included in our proposal are sample listings of presentations and courses taught by UFS staff.

UFS would like to be a resource to you for many years in the future. Our success is dependent on the quality and timeliness of our services provided to utilities like the Village and we are committed to your complete satisfaction.

We appreciate the opportunity to submit this proposal and look forward to discussing it with you. If you have questions or need additional information, please contact me at 616.403.5450.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Beauchamp", is written over a horizontal line.

Mark Beauchamp, CPA, MBA, CMA  
President, Utility Financial Solutions, LLC



## Table of Contents

Understanding of Project Requirements.....	1
Proposed Work Plan and Project Approach.....	3
Preliminary Tasks.....	3
Development of Five Year Financial Projection and Financial Targets.....	5
Electric Cost of Service Study.....	8
Water Cost of Service.....	12
Wastewater Cost of Service.....	14
Rate Design.....	15
Renewable Energy – Net Metering and Avoided Cost.....	20
Meetings, Reports and Deliverables.....	22
Meetings.....	22
Format of Reports.....	22
Presentation of Cost of Service and Rate Design Study.....	22
Firm Qualifications.....	23
Qualifications Introduction.....	23
Summary of Qualifications and Experience.....	24
Project Team Qualifications.....	29
Proposed team members.....	29
Resumes.....	29
References.....	37
Project Schedule.....	38
Project Fees.....	39
Electric Hours and Fees.....	39
Out of Scope Services – on-site and travel expenses.....	39
Proposed Professional Services Agreement.....	40



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

Understanding of Project Requirements



## Understanding of Project Requirements

### Summary of Services for Electric, Water, and Wastewater Utilities

1. Five Year Financial Projection that includes the following:
  - a. Determination of Revenue Requirements for each year
  - b. Development and identification of financial targets related to the following:
    - i. Debt Coverage Ratio
    - ii. Minimum Cash Reserves
    - iii. Operating Income
  - c. Identification of long-term rate track to maintain financial stability of utility and minimize the potential rate impacts on customers
2. Development of Cost of Service Study that identifies the following:
  - a. Comparison of cost to provide service to each class with projected revenues
  - b. Identification of potential new rate classes based on load characteristics
  - c. Monthly customer charges for each class of customers
  - d. Transmission delivery charges (Electric)
  - e. Distribution delivery charges (Electric)
  - f. Power supply charges (Electric)
  - g. Seasonality of costs
  - h. Identification of fixed and variable costs including the following broken out by season:
    - i. Total demand related costs (Electric)
    - ii. Total energy related costs (Electric)
    - iii. Monthly customer related costs
  - i. Identification of costs based on voltage level of customers (Electric)
    - i. Transmission level customer
    - ii. Primary metered customer
    - iii. Secondary metered customer
3. Rate Design (Three years Electric, Five years Water and Wastewater included)
  - a. Development of rates to move classes closer to cost of service
  - b. Development of rates to move components of rates closer to cost of service
  - c. Identification of Impacts of rate changes by classes considering the following:
    - i. Percentage impacts at various usage levels
    - ii. Dollar impacts at various usage levels
    - iii. Percentage impacts for demand rate classes based on load factors
  - d. Identification of overall rate impacts on customers



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Understanding of Project Requirements



4. Presentation to Staff & Village Board
  - a. Review results and assumptions
  - b. Development of appropriate financial targets
  - c. Obtain input and feedback on rate track and rate designs including:
    - i. Overall rate change for each year
    - ii. Customer charges
    - iii. Review of seasonality of rates
  - d. Discussion of overall goals and objectives of management and Council including:
    - i. Energy conservation
    - ii. Economic development
    - iii. Distributed generation customers
    - iv. Other considerations in rate design
5. Reports
  - a. Executive summary report discussing the following:
    - i. Financial projection results and rate adjustment to achieve financial targets
    - ii. Cost of service results for each rate class
    - iii. Cost based rate structures
    - iv. Assumptions used in development of study
    - v. Recommendations on rate track, movement toward cost of service, financial targets, others as identified
  - b. Second report on rate design after input from staff and Council
    - i. Proposed rate design for each rate class
    - ii. Rate impacts on each customer class
    - iii. Rate impacts at various levels of usage for each rate class



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Proposed Work Plan and Project Approach



### Proposed Work Plan and Project Approach

Our approach to this project was developed to meet the objectives of the Village and is based on the scope of services and UFS prior experience in completing electric cost of service studies around the nation including Illinois. Listed below are more detailed descriptions of the services provided, our process and sample outputs from our studies. Our proposed work plan is designed to meet the requirements and methodologies established in the industry.

### Preliminary Tasks

Listed below are tasks to develop the financial projection and cost of service portion of the study.

#### 1. Review of Relevant Reports

Review of certain reports is necessary to ensure the models are established to fit the specific requirements of the Village. Listed below are examples of reports to obtain and review.

- Yearly financial, operating and maintenance reports including fixed assets reports
- Outstanding bond issues and specific bond covenants
- Rate schedules and any special contracts

#### 2. Collect and Verify Data

Meeting with utility management is critical to ensuring the final reports will meet the objectives of the Village and the information request prepared by Utility Financial Solutions is understood. The specific objectives of the meeting will be to:

- Identify and clarify the scope of services and specific expectations of management
- Review billing system capabilities for providing the information necessary for the cost of service analysis.  
***We will complete one revenue proof to reconcile revenues received compared with calculated revenues from billing system.***
- Review chart of accounts and determine strengths and weaknesses and its consistency with utility accounting practices
- Availability of load research data and develop a plan to obtain information needed by cost of service study
- Discuss with management the strengths and weaknesses of determining utility revenue requirements using a utility basis vs. cash basis
- Discuss power supply and recent or anticipated changes in rates or operations
- Review of transmission charges
- Additions or losses of major customers



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Proposed Work Plan and Project Approach



### 3. Preparation of Data Request

After completion of the preliminary tasks UFS will prepare an information request that will include the necessary information to complete the study. Listed below are specific reports that will be requested:

#### Electric

- Customer billing and usage statistics by month for latest fiscal year
- Monthly production statistics or power supply purchases
- Power supply rates for upcoming years
- System hourly load information
- Trial balances for latest two years
- Audited financial statements for the latest three years
- Debt service schedules
- Current work-in-process
- Future capital improvement plan
- Power Supply costs
- System load data (if available for example through a SCADA system)

#### Water & Wastewater

- Detailed trial balance for water and wastewater departments for latest fiscal years
- Audited financial statements for past three years (CAFR)
- Fixed Assets of system and include historical investments, accumulated depreciation and annual depreciation expense
- Water and wastewater budgets for current and next fiscal year
- Outstanding bond amortizations schedules for water and wastewater departments
- Capital improvement plans
- Water system plan
- Wastewater system plan
- System usage statistics
  - Water purchases/treatment by month from The Village
  - Wastewater discharged to The Village by month
- Billing statistics
  - Number of Water and Wastewater customers
  - Monthly (Quarterly) billed usage by customer class
  - Fire protection accounts
  - Number of hydrants
  - GPM fire protection requirements of The Village



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

Proposed Work Plan and Project Approach



## Development of Five Year Financial Projection and Financial Targets

### Development of Sales Projection

Customer usages will be projected based on historical growth rates adjusted for high or low usages on a yearly basis. Water and Electric sales can fluctuate substantially based on weather and has varying effects on each customer classes' usage. Customer growth rates and usage patterns will be normalized and projected for future years. We will discuss with The Village internal growth projections used and compare to determine appropriate growth rates. As an optional service, UFS will develop an econometric modeling forecast using multiple regression analysis, based on external factors such as demographic data and weather information for use as independent variables. We will statistically correlate water and wastewater sales with the independent variables. Through review of historical sales and discussion with utility staff we will develop a projection of the following:

1. Future energy sales
2. Future water sales
3. Number of customers
4. Billing demands
5. Miscellaneous revenues
6. If a power cost adjustment mechanism is approved, this will be incorporated into the financial projection

### Development of Utility Revenue Requirements

Revenue requirements are developed through review of historical expenses and discussions with the utility on changes in costs and the utilities budget. Completion of this tasks is summarized below:

- **Operating Expense Projection**

Operating expenses often include expenses related to operation, maintenance and administration of the utility and the distribution system. Operating expense projections are often based on historical expenses adjusted for changes in costs and includes adjustments for changes that management anticipates will occur in the future.

- **Power Supply Projection**

Power supply costs typically represent over 70% of an electric utilities total revenue requirement. The magnitude of this expenditure requires this projection to be based on reasonable assumptions that are documented and reviewed with management. To project power supply expenses we often review the latest twelve months of detail power supply invoices and develop a power supply projection model where we can include growth of the system and changes in power supply costs. We will work with utility staff to estimate power supply costs based on the projected monthly loads.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Proposed Work Plan and Project Approach



- **Transmission Cost Projection**

Transmission costs are often included as part of the power supply bill or may be in a separate invoice. As part of the power supply projection we will include changes in demand rates for transmission and review the transmission cost projection with utility staff.

- **Debt Service**

The amortization schedules for outstanding debt service will be incorporated into the financial projection. The corresponding principal and interest expense are appropriately classified into the income statement and cash flow sections of the long term financial projection. Any potential future bonding requirements will be identified and incorporated into the projection with the debt coverage ratios compared with the bond ordinance requirements adjusted for certain safety factors to adjust for changes in weather and the subsequent sales of electricity.

- **Capital Improvement Plan**

A critical part of the financial projection is the capital improvement plan received from the utility. Often the capital improvement plan UFS receives is reviewed with utility staff for reasonableness and capabilities of the utility to complete the projects as stated. The financial projection models can easily incorporate sensitivity analysis for changes in capital but it is preferred that the report includes a reasonable approximation of the annual expense. The financial model will incorporate the capital plan and identify the sources of funding either from existing cash reserves, the annual rate funded capital or through the issuance of bonds.

UFS financial models and the subsequent cost of service studies are unique in their ability to easily change from cash basis revenue requirements to accrual basis (Utility Basis) revenue requirements. The financial models include both cash basis targets such as cash reserves and debt coverage; and accrual basis targets such as rate of return. Listed below are discussion of the development of the three main financial targets for utilities. UFS studies also include a review of secondary financial matrices such as debt/equity ratios, age of system, days cash on hand and working capital requirements as part of the overall assessment of the financial health of the utility.

- **Rate of Return**

Rate of return is often associated with investor-owned utilities. Public power systems need to have a rate of return to breakeven and ensure customers are appropriately paying for their use of the infrastructure. The breakeven rate of return recovers two types of costs:

1. Interest expense on outstanding debt
2. Inflationary increases in an assets eventual replacement -

An appropriately developed rate of return identifies the annual funding requirements for capital replacement of existing facilities and prevents current customers from being overcharged or undercharged at any point in time. This helps prevent large rate increases often resulting when only the cash basis targets are reviewed. The rate of return typically results in a more financially stable utility requiring only modest rate adjustments once the rate of return target is achieved. Development of the rate of return target will include a review of interest expense on debt and the age of existing infrastructure to identify the breakeven rate of return requirements.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Proposed Work Plan and Project Approach



- **Minimum Cash Reserves**

A critical question for utilities is the amount of cash reserves required to be held in reserve to help ensure funds exist to pay bills in a timely manner, to fund catastrophic events, future capital improvements and rapid changes in power supply or transmission costs. Each utility has various needs for cash and is dependent on the risks associated with the operations of a utility. As part of our studies we assist utilities with identifying the minimum level of cash a utility should maintain in reserves and include a review of the following:

1. Historical investment in assets and age of infrastructure
2. Exposure to catastrophic event
3. Working capital requirements
4. Debt service payments
5. Risks related to changes in power supply or transmission costs
6. Stability of rate structures and its ability to recover fixed costs
7. External reserve requirements related to items such as OPEB or Pension cost liabilities
8. Power cost adjustment mechanism (PCA)

Review of the minimum cash reserves will be included as part of the study and will be discussed in the executive summary report and presentation to utility staff and Council.

- **Debt Coverage Ratio**

Electric utilities are often required to issue revenue bonds that include requirements related to debt coverage. It is critical electric utilities meet or exceed these bonding requirements to help ensure the utility maintains appropriate bond ratings to keep future interest rates low. As part of our studies we review the existing bond ordinances and identify the debt coverage requirements. These are included in the study with an appropriate safety factor to help ensure coverage requirements are met during periods of low sales due to weather or dramatic changes in expenses such as power supply costs.

### Dashboard and Summary Financial Projections

The financial projection and financial targets are included in a dashboard summary and a rate track is developed to meet the financial targets. Development of the rate track attempts to minimize the impact of rate adjustments on customers while keeping the utility financially stable. A sample output from one of our studies is included below:

FY	Projected Rate Adjustment	Projected Revenues	Projected Expenses	Operating Income	Target	Projected Available Cash	Recommended Minimum Cash	Debt Coverage Ratio (Goal >1.4)
					Operating Income			
2019	-1.5%	\$ 7,482,349	\$ 7,152,475	\$ 329,874	\$ 241,392	\$ 2,487,502	\$ 2,011,366	1.62
2020	-1.5%	7,385,046	7,022,241	362,805	231,521	2,835,835	2,022,801	1.66
2021	0.0%	7,418,591	7,051,726	366,865	221,548	3,192,155	2,065,567	1.67
2022	0.0%	7,424,711	7,092,913	331,797	197,336	3,973,272	1,778,411	2.77
2023	1.8%	7,526,016	7,230,799	295,217	193,263	4,419,754	1,866,152	2.70

For the utility summarized in the table above, a rate track was developed to exceed debt coverage ratio targets, move toward target operating income (Rate of Return) and meet the minimum cash reserve needs of the utility. The study identified the need for a \$12 million dollar bond issuance in 2015 to fund capital improvements. The rate track is reviewed with utility staff and Council prior to inclusion on the executive summary report of UFS.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

Proposed Work Plan and Project Approach



## Electric Cost of Service Study

The development of the cost of service study incorporates the revenue requirement identified as part of the financial projection. This section describes the additional procedures used in development of the cost of service study and sample outputs from previous studies.

### Development of customer class demands and allocation factors used to allocate revenue requirements

#### Load Profile Information

Load profile information identifies how customers use electricity at various times of the day and is critical to ensure the cost of service study is accurate and defensible. UFS works with utility staff in identification of the appropriate sources of load research information. We will analyze information from the following sources:

- Electronic meters installed on time of use and other customers
- Load research information available from other sources
- Analysis of substation feeders
- Utilize our data base of existing load research obtained from other utilities

The load research information identifies the monthly load factors for each class, how much is being used by the class at the peak time of the day when power supply demand or transmission demand charges are determined. The load research information is compared with the hourly system hourly load data to determine the class contributions. The information is then used to determine the class share of transmission and power supply costs.

#### System Losses

Losses can vary substantially depending on system loading and temperature. We will identify the system loss at the various voltage levels of service to customers. To determine the overall system losses we typically use a three year average of losses to reduce the impact of changing weather patterns between the last and first month of each year. The losses are then allocated between voltage level such as transmission, substations, primary service and secondary voltage levels.

#### Development of Allocators

The load profile information for each class is used to determine the allocation factors used to allocate expenses based on cost-causation. Examples of cost causation include the identification of the date and time power supply demand charges are determined and each class usage at the time of the peak demands. There are over 40 allocation factors often developed as part of a UFS cost of service study. Allocation factors are developed for each season and developed for specific expenses. A summary of the costs where specific allocation factors need to be developed are listed below.

- Power supply demand cost by time of day and season
- Power supply energy cost by time of day and season
- Distribution related costs for sub-transmission or transmission service
- Distribution related costs for primary metered customers
- Distribution related costs for secondary metered customers
- Customer related costs for each class of customers



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Proposed Work Plan and Project Approach



### Prepare Cost of Service Analysis

Customer classes are typically established based on differences in load and usage patterns. How customers use electricity dictates the cost of providing many of the utility services. The cost of service portion of the model will determine the following:

- Rate adjustment necessary to meet rate of return requirements of the utility
- Cost to serve each class compared with projected revenues
- Rate adjustment necessary for class to meet cost of service requirements
- Monthly customer charge by class
- Energy charge for each customer class
- Demand charge for demand metered customers

A summary of the cost of service analysis is developed similar to the table below:

Customer Class	Cost of Service	Projected Revenues	% Change
Residential	\$ 47,326,833	\$ 43,615,239	9%
Residential Dual Fuel	21,403	10,081	112%
Residential High Efficiency HVAC	176,818	128,097	38%
Small General Service	17,795,064	16,519,937	8%
SGS - High Efficiency HVAC	59,308	50,427	18%
City Street Lighting	1,639,666	1,194,127	37%
Traffic Signals	127,158	105,392	21%
Security Lighting	198,138	209,386	-5%
Civil Defense Sirens	8,357	8,834	-5%
Medium General Service	30,370,455	30,157,753	1%
MGS - High Efficiency HVAC	194,666	171,438	14%
MGS - Time-of-Use	1,879,529	1,904,024	-1%
Large General Service	10,445,537	10,669,838	-2%
Large Industrial Service	22,575,880	20,755,543	9%
Interruptible Service	5,467,792	4,683,595	17%
Cogen and Small Power Prod	12,203	10,183	20%
Interdepartmental	929,722	946,527	-2%
<b>Total</b>	<b>\$ 139,228,527</b>	<b>\$ 131,140,420</b>	<b>6.2%</b>

The cost of service column from the table above identifies the cost to provide service to each class of customers and is compared with the projected revenues from each class. The percent change is the rate adjustment necessary for each class to achieve cost of service. We typically do not recommend rates move fully to cost of service, but as part of the discussions with staff and Council we develop a plan to move classes toward cost of service to minimize rate impacts on any specific customer class.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Proposed Work Plan and Project Approach



### Development of new rate classes

As part of the initial discussions with management and review of the existing rate tariffs, we will discuss with utility staff if new rate classes should be considered or if existing rate classes should be combined. Rate classes are created based on similarity in usage patterns, but often utilities will develop new rate classes to create incentives for customers to shift usage to periods of time where power supply costs are lower such as on and off peak time periods for time of use rates. Examples of new rate class developments are listed below.

- **Standby charges** – Cost isolated by investment in facilities to serve customers on a standby basis.
- **Interruptible Loads** – Rates to promote interruptible loads that reflect the savings to the Village. Our study will isolate costs by power supply demand, energy and transmission to identify the potential cost savings of an interruptible customer.
- **Seasonal Rates** – The cost of service study allocates costs to each rate class based on seasonal time period. The time periods will be identified through review of system loads and power supply and transmission costs.
- **Time of Use** – For time of use rates to be effective in sending the proper price signal, the cost of service analysis is supplemented with marginal costs to identify and recommend appropriate charges on a time of use basis.
- **Economic Development Rates**
  - Rates can be developed to promote economic development by attracting new customers or expansion of existing customers. It is important economic development rates be developed using a marginal cost approach to ensure existing customers are not unduly subsidizing any reduce rates or fees charged under an economic development program.
- **Other Potential Rates are listed below:**
  1. Public education rates
  2. Green Rates
  3. Net Metering Rates
  4. Aggregation Rates

New rate designs may result in additional charges for the services provided by UFS. As part of the initial kick off meeting, we should discuss if any potential new rate classes are being considered.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

Proposed Work Plan and Project Approach



**Breakdown of cost of service rate structure by type of expense for each class of customers**  
 UFS cost of service studies identify cost in a summary and a detail cost breakdown for each class of customers. For example the summary of costs identifies the class cost breakdown by customer charge, power supply demand, transmission demand, distribution demand and energy costs. An example is listed below:

Customer Class	Monthly Customer Charge	Distribution Rate	Transmission Rate	Power Supply			
				Summer Rates		Winter Rates	
				Demand Rate	Energy Rate	Demand Rate	Energy Rate
Residential	\$ 21.25	\$ 0.02085	0.0057	\$ 0.0334	\$ 0.0441	\$ 0.0303	\$ 0.04647
Small General Service	43.25	0.0224	0.0057	0.0370	0.0441	0.0300	0.0465
City Street Lighting	-	0.2066	0.0040	0.0197	0.0440	0.0191	0.0465
Traffic Signals	41.02	0.0164	0.0067	0.0293	0.0440	0.0280	0.0465
Security Lighting	7.86	0.0198	0.0125	0.0197	0.0440	0.0191	0.0465
Medium General Service	134.50	2.39	1.13	12.04	0.0440	10.17	0.0465
MGS - High Efficiency HVAC	129.04	2.63	1.26	10.49	0.0425	10.93	0.0451
MGS - Time-of-Use	135.22	3.04	1.44	9.85	0.0428	8.40	0.0451
Large General Service	306.92	2.79	1.30	13.06	0.0428	10.46	0.0451
Large Industrial Service	1,810.78	2.95	1.37	14.50	0.0428	13.76	0.0451
Interruptible Service	176.12	2.59	1.38	10.05	0.0428	9.17	0.0451
Interdepartmental	83.83	2.39	1.19	12.50	0.0428	7.96	0.0451

In addition, further breakdowns are available in the studies depending on the needs of each utility. A sample detailed breakdown of distribution costs are listed below:

Cost Breakdown	Residential							
	Residential	Small General Service	Medium General Service	MGS - High Efficiency HVAC	MGS - Time-of-Use	Large General Service	Large Industrial Service	
Distribution	\$ 0.0079	\$ 0.0092	\$ 1.96	\$ 2.15	\$ 2.49	\$ 2.29	\$ 2.41	
Transformer	0.0057	0.0057	1.13	1.26	1.44	1.30	1.37	
Substation	0.0012	0.0014	0.29	0.32	0.37	0.34	0.36	
Direct	0.0006	0.0007	0.14	0.15	0.18	0.16	0.17	
Subtotal - kWh or kW Charge	\$ 0.0154	\$ 0.0169	\$ 3.5204	\$ 3.8866	\$ 4.4820	\$ 4.0891	\$ 4.3110	
Contribution to City	\$ 0.0112	\$ 0.0112	\$ 0.0112	\$ 0.0112	\$ 0.0112	\$ 0.0112	\$ 0.0112	
Distribution Customer Costs	\$ 10.56	\$ 21.31	\$ 59.42	\$ 59.42	\$ 61.24	\$ 90.12	\$ 151.94	
Transformer Customer Costs	1.17	2.33	7.00	7.00	7.00	10.49	10.49	
Substation Customer Costs	0.09	0.18	0.55	0.55	0.55	0.83	0.83	
Meter O&M	0.27	0.59	0.48	0.48	1.01	1.01	18.83	
Meter Reading	0.25	0.50	1.49	1.49	1.49	2.24	2.24	
Services	0.34	1.17	14.09	8.63	12.47	125.04	1,549.26	
Customer Service	8.58	17.15	51.46	51.46	51.46	77.18	77.18	
Customer Charge	\$ 21.25	\$ 43.25	\$ 134.50	\$ 129.04	\$ 135.22	\$ 306.92	\$ 1,810.78	



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Proposed Work Plan and Project Approach



### Water Cost of Service

#### Water Allocation Factors

A critical part of the cost of service study is the development of allocator's from customer classes' usage patterns. The allocators are used to allocate the fixed capacity costs, semi-variable operating costs, variable chemicals and power, and customer-related costs. The characteristics modeled will include total water used, peak day, peak hour and customer billing, metering, and services requirements. To obtain peak use ratios by meter size we will perform the following:

- Review internal usage patterns available and supplement with peak ratio information on customer classes developed from generic sources
- Review peak loadings on water production readings
- Review peak month loadings from billing statistics

#### Identification of Peak Day/Peak Hour Allocation Factors

Peak usage ratios will be established for each customer class using the following information:

- Review of pumping statistics of the wells over the past five years
- Review of peak loadings on water production wells for each month
- Review of monthly usage for each customer class and meter size (billing statistics)

The peak day and peak hour usage factors will be estimated based on average monthly usage compared to peak monthly usage with adjustments made for the monthly billing cycles. The calculated peak is compared with the actual peaks from the production statistics and adjusted to balance. Listed below is an example table that will be developed for the Village.

#### Determination of Peak to Average Ratio using Two Year Average

	Year 1 Peak Factor			Year 2 Peak Factor			Two Year Average		
	CCF Usage during peak Month	Average Monthly Usage per year - CCF	Peak to Average Ratio	CCF Usage during peak Month	Average Monthly Usage per year - CCF	Peak to Average Ratio	CCF Usage during peak Month	Average Monthly Usage per year - CCF	Peak to Average Ratio
5/8" Meter	4,277	2,350	1.82	3,210	2,177	1.47	3,744	2,264	1.65
3/4" Meter	268	162	1.66	200	120	1.67	234	141	1.66
1" Meter	2,897	1,422	2.04	2,411	1,191	2.02	2,654	1,307	2.03
1-1/2" Meter	1,149	525	2.19	1,059	521	2.03	1,104	523	2.11
2" Meter	3,348	1,704	1.96	2,780	1,661	1.67	3,064	1,682	1.82
3" Meter	873	510	1.71	654	370	1.77	763	440	1.74
4" Meter	839	602	1.39	636	516	1.23	737	559	1.31
6" Meter	1,786	622	2.87	1,918	1,203	1.59	1,852	912	2.23



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Proposed Work Plan and Project Approach



### Application of Peak to Average Ratio to Customer Classes

Customer Class	Base		Maximum Day			Maximum Hour		
	Annual Use	Average Rate	Capacity Factor	Total Capacity	Extra Capacity	Capacity Factor	Total Capacity	Extra Capacity
5/8" Meter	794,576	1.6	1.47	2.4	0.8	1.47	2.4	0.77
3/4" Meter	43,620	0.1	1.67	0.1	0.1	1.67	0.1	0.06
1" Meter	434,796	0.9	2.02	1.8	0.9	2.02	1.8	0.91
1-1/2" Meter	190,019	0.4	2.03	0.8	0.4	2.03	0.8	0.40
2" Meter	606,089	1.2	1.67	2.1	0.8	1.67	2.1	0.84
3" Meter	135,166	0.3	1.77	0.5	0.2	1.77	0.5	0.21
4" Meter	188,509	0.4	1.23	0.5	0.1	1.23	0.5	0.09
6" Meter	439,040	0.9	1.59	1.4	0.5	1.59	1.4	0.54
<b>Total System</b>	<b>2,831,815</b>	<b>5.80</b>		<b>9.63</b>	<b>3.82</b>		<b>9.63</b>	<b>3.82</b>

### Expense Projection

Revenue requirements will be projected for future years based on actual data adjusted for anticipated capital improvements and changes in labor, benefits and supplies. We will project the utilities revenue requirements for a five-year period based on certain assumptions such as inflation, anticipated changes in costs, additional debt issuances, capital improvements, and additional costs related to sales growth. A detailed cost projection will be completed balancing water purchases with retail sales and system losses.

### Water Rate Design and Revenue Proof

We will work with utility management and the governing Council in design of water rates for customers. We will proof the revenues based on projected billing parameters to help ensure the rates are sufficient to meet utility revenue requirements. We will identify the potential rate impact to utility customers at various usage levels.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Proposed Work Plan and Project Approach



### Wastewater Cost of Service

#### Wastewater Allocation Factors

Expense categories will be analyzed and reviewed to determine an appropriate allocation factor. The allocation factor will be developed based on cost causation and allocated to each billing parameter. The allocation factors developed include peaking factors, flow characteristics, and customer related costs. Industrial pre-treatment costs will be reviewed and allocation factors developed to determine the charges for Industrial Waste Discharge Fees. A sample list of allocators is listed below:

Account Name	Volume	BOD	TSS	Phos	G&O	Cust	Total
<b><u>Generation</u></b>							
Salary & Benefits	53%	29%	14%	4%	0%	0%	100%
Production Electricity	58%	25%	13%	4%	0%	0%	100%
Production Water	53%	28%	12%	7%	0%	0%	100%
Gas Heating	53%	28%	12%	7%	0%	0%	100%
Oper Permits & Fees	53%	28%	12%	7%	0%	0%	100%
Other Expenses	53%	28%	12%	7%	0%	0%	100%
<b><u>Operations</u></b>							
Salary & Benefits	53%	29%	14%	4%	0%	0%	100%
Production/Treatment Chemicals	27%	32%	15%	27%	0%	0%	100%
Sludge Disposal	0%	75%	25%	1%	0%	0%	100%
Other Expenses	53%	28%	12%	7%	0%	0%	100%
Pollution Control	27%	32%	15%	27%	0%	0%	100%
Plant Maintenance	40%	40%	19%	0%	0%	0%	100%
Operations Allocation	40%	40%	19%	0%	0%	0%	100%
Technology Director Allocation	53%	29%	14%	4%	0%	0%	100%
<b><u>Administration &amp; General</u></b>							
Insurance	54%	16%	12%	2%	0%	16%	100%
W/WW Engineering Allocation	0%	0%	0%	0%	0%	100%	100%
IT Allocation	0%	0%	0%	0%	0%	100%	100%
Other	54%	16%	12%	2%	0%	16%	100%
Facilities & Warehouse	0%	0%	0%	0%	0%	16%	100%
<b><u>Accounting &amp; Collecting</u></b>							
Finance Allocation	54%	16%	12%	2%	0%	16%	100%
Accounting Allocation	54%	16%	12%	2%	0%	16%	100%
Corporate Allocation	54%	16%	12%	2%	0%	16%	100%
Personnel Allocation	54%	16%	12%	2%	0%	16%	100%
Other	54%	16%	12%	2%	0%	16%	100%
<b><u>Collection</u></b>							
Services / Maintenance	0%	0%	0%	0%	0%	100%	100%
Lift Station Maintenance	0%	0%	0%	0%	0%	100%	100%
Customer Service Allocation	0%	0%	0%	0%	0%	100%	100%
Meter Reading Allocation	0%	0%	0%	0%	0%	100%	100%
Billing Allocation	0%	0%	0%	0%	0%	100%	100%
Other	0%	0%	0%	0%	0%	100%	100%

We will review the cost of service results with Management to obtain input and direction prior to development of the water and wastewater rate structures. As part of this we will prepare a power point presentation of the results and have the Excel model to develop other alternative rate tracks if requested.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

Proposed Work Plan and Project Approach



**Example COS Summary Table**

Customer Type	Cost of Service Rates	Projected Revenues	Percentage Adjustment
5/8"	\$ 3,543,212	\$3,045,073	16%
3/4"	100,929	93,713	8%
1"	813,759	770,611	6%
1-1/2"	432,333	371,866	16%
2"	1,457,418	1,265,868	15%
3"	270,158	245,673	10%
4"	412,630	370,115	11%
6"	303,145	300,426	1%
Flat Rate	190,341	171,035	11%
<b>Total</b>	<b>\$ 7,523,925</b>	<b>\$6,634,380</b>	<b>13.4%</b>

**Example Monthly Customer Charge Cost of Service Results**

	Current Monthly Charge	Current Unit Charge 1st and 2nd Block	Current Chrg 3rd Block	COS Monthly Customer Charge	COS Unit Charge
<b>In-City</b>					
5/8"	\$ 9.45	\$ 2.18	\$ 2.05	\$ 10.53	\$ 2.08
1"	16.00	2.18	2.05	22.34	2.08
2"	52.25	2.18	2.05	72.16	2.08
3"	106.00	2.18	2.05	150.68	2.08
4"	168.00	2.18	2.05	270.92	2.08
6"	240.00	2.18	2.05	586.42	2.08
<b>Outside City</b>					
5/8"	\$ 14.50	\$ 3.68	\$ 2.89	\$ 17.15	\$ 2.93
1"	26.00	3.68	2.89	34.77	2.93
2"	78.25	3.68	2.89	105.06	2.93
4"	158.00	3.68	2.89	385.31	2.93
6"	248.00	3.68	2.89	821.48	2.93

## Rate Design

Design of utility rates uses input from the cost of service study as guidance on changes to rate classes and the rate components for each rate class. Cost of service results are one factor in design of rates for customers. Other factors must be considered such as impact on customers, social and environmental issues and philosophy of the utilities governing body. The rate design process includes discussion with utility staff and input from Council prior to developing a proposed rate structure. This allows the governing body to have input prior to the actual design of rates. The guidance provided by Council includes input on the overall increase in rates and the increases for each class of customers. Based on UFS experience, this critical step in the process allows for a smooth approval of the proposed rates.

UFS will develop and recommend a schedule of electric, water, and wastewater rates designed to generate adequate revenues, and reflect or move toward the true cost of providing service. A five year rate track will be provided with the financial projection. Rate designs for the existing rate structure will consist of:

- Five Years Water Rate Design
- Five Years Wastewater Rate Design
- Three Years Electric Rate Design

The rate design model identifies the impacts on customers at various usage levels similar to the tables below and is listed by rate class, meter size and usage level.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY



## Proposed Work Plan and Project Approach

### Summary of overall rate adjustments for each class – Water/Wastewater

Meter Size	Base Rate	# of Customers	Cust Chrg Rev	Volume Rate	Volume	Volume \$	Total Revs
<b>In-City</b>							
5/8	\$ 10.78	9,715	\$1,256,732	\$2.80	583,022	\$ 1,632,462	\$ 2,889,194
3/4	\$ 10.78	322	41,654	\$2.80	29,126	81,553	123,207
1	\$ 23.74	2,183	621,893	\$2.80	219,972	615,922	1,237,815
1 1/4	-	-	-	\$2.80	-	-	-
1 1/2	41.20	314	155,242	\$2.80	101,203	283,368	438,610
2	63.27	393	298,381	\$2.80	373,189	1,044,929	1,343,311
3	122.04	23	33,683	\$2.80	78,849	220,777	254,460
4	217.83	29	75,805	\$2.80	117,247	328,292	404,096
6	456.88	4	21,930	\$2.80	103,379	289,461	311,391
<b>Total Revenues</b>		<b>12,983</b>	<b>2,505,320</b>		<b>1,605,987</b>	<b>4,496,764</b>	<b>7,002,084</b>

Meter Size	Base Rate	# of Customers	Cust Chrg Rev	Volume Rate	Volume	Volume \$	Total Revs
<b>In-City</b>							
5/8	11.65	9,715	1,358,157	\$2.80	583,022	1,632,462	2,990,619
3/4	11.65	322	45,016	2.80	29,126	81,553	126,568
1	25.50	2,183	667,998	2.80	219,972	615,922	1,283,920
1 1/4	-	-	-	2.80	-	-	-
1 1/2	43.00	314	162,024	2.80	101,203	283,368	445,392
2	68.00	393	320,688	2.80	373,189	1,044,929	1,365,617
3	130.00	23	35,880	2.80	78,849	220,777	256,657
4	235.00	29	81,780	2.80	117,247	328,292	410,072
6	480.00	4	23,040	2.80	103,379	289,461	312,501
<b>Total Revenues</b>		<b>12,983</b>	<b>2,694,583</b>	<b>25</b>	<b>1,605,987</b>	<b>4,496,764</b>	<b>7,191,346</b>

**Proposed Rate Change** **2.7%**

### Summary of overall rate adjustments for each class - Electric

Customer Class	Class Codes	2015 Revenue less Adjustments	2015 Revenue with Adjustments	Percent Increase
ResidentialRate RES	RES	\$ 43,615,239	\$ 45,197,813	3.6%
Residential Dual FuelRate RES-DF	RES-DF	\$ 10,081	\$ 10,784	7.0%
Residential High Efficiency HVACRate RESELGEO	RESELGEO	\$ 128,097	\$ 137,070	7.0%
Small General ServiceRate GS	GS	\$ 16,519,937	\$ 17,219,208	4.2%
SGS - High Efficiency HVACRate GS-HEF	GS-HEF	\$ 50,427	\$ 52,950	5.0%
Medium General ServiceRate MGS	MGS	\$ 30,157,753	\$ 31,118,228	3.2%
MGS - High Efficiency HVACRate MGS-HEF	MGS-HEF	\$ 171,438	\$ 179,115	4.5%
MGS - Time-of-UseRate MGS-TOU	MGS-TOU	\$ 1,904,024	\$ 1,975,005	3.7%
Large General ServiceRate LGS	LGS	\$ 10,669,838	\$ 10,771,426	1.0%
Large Industrial ServiceRate LIS	LIS	\$ 20,755,543	\$ 21,602,500	4.1%
Interruptible ServiceRate INTR	INTR	\$ 4,683,595	\$ 4,917,673	5.0%
Cogen and Small Power ProdRate COGEN	COGEN	\$ 10,183	\$ 10,602	4.1%
InterdepartmentalRate MUNI	MUNI	\$ 946,527	\$ 984,040	4.0%
Civil Defense Sirens25	CDS	\$ 8,834	\$ 9,049	2.4%
City Street Lighting27	CSL	\$ 1,185,625	\$ 1,209,774	2.0%
Security Lightingvarious	SL	\$ 209,386	\$ 212,364	1.4%
Traffic Signalsvarious	TS	\$ 105,392	\$ 110,373	4.7%
<b>Total</b>		<b>\$ 131,131,917</b>	<b>\$ 135,717,975</b>	<b>3.50%</b>



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Proposed Work Plan and Project Approach



**Sample Report Table 1:**

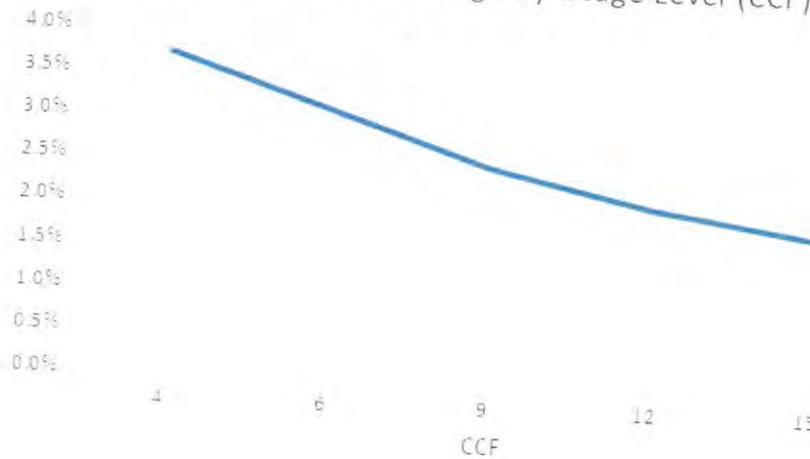
5/8

Customer Service Charge  
Commodity Rate

	Current Rates	Proposed Rates
Customer Service Charge	\$ 10.36	\$ 11.00
Commodity Rate	\$ 1.72	\$ 1.72

Usage Level in CCF	Current Rates	Proposed Rates	Dollar Impact	Percent Change
4	\$ 17.24	\$ 17.88	\$ 0.64	3.71%
6	20.68	21.32	0.64	3.09%
9	25.84	26.48	0.64	2.48%
12	31.00	31.64	0.64	2.06%
15	36.16	36.80	0.64	1.77%

5/8 Inch - Percent Change by Usage Level (CCF)





# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

Proposed Work Plan and Project Approach



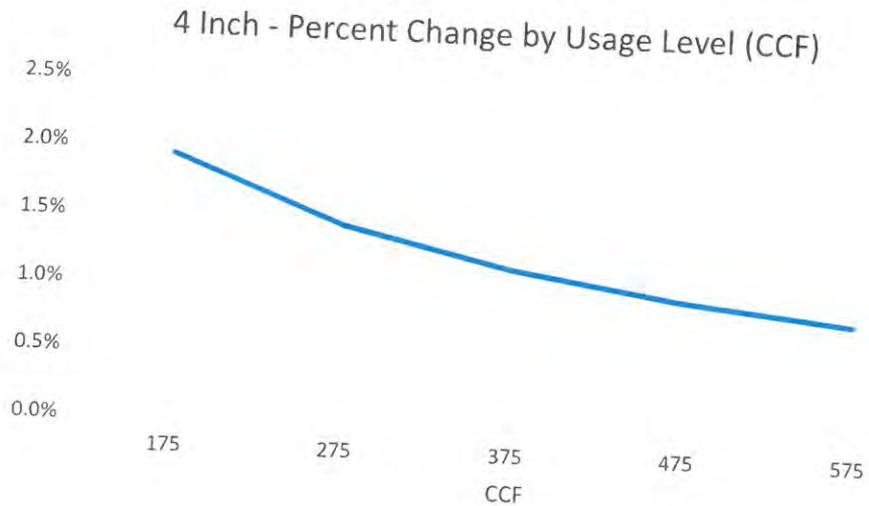
Sample Report Table 2:

**4**

Customer Service Charge  
Commodity Rate

	Current Rates	Proposed Rates
Customer Service Charge	\$ 210.14	\$ 220.00
Commodity Rate	1.72	1.72

Usage Level in CCF	Current Rates	Proposed Rates	Dollar Impact	Percent Change
175	\$ 511.14	\$ 521.00	\$ 9.86	1.93%
275	683.14	693.00	9.86	1.44%
375	855.14	865.00	9.86	1.15%
475	1,027.14	1,037.00	9.86	0.96%
575	1,199.14	1,209.00	9.86	0.82%





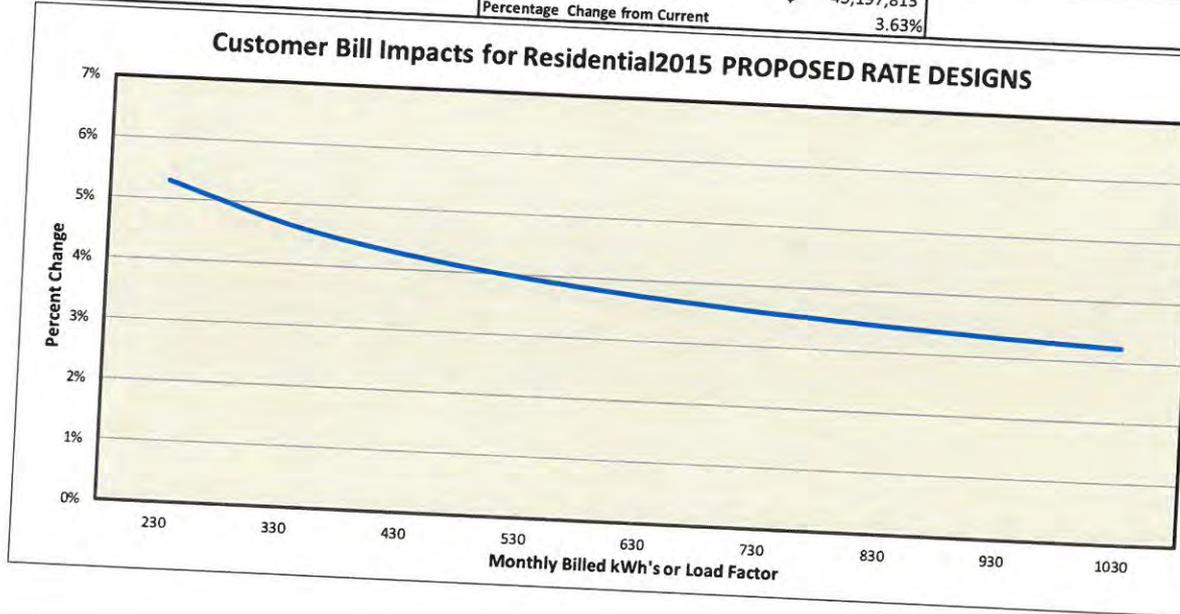
# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY



## Proposed Work Plan and Project Approach

### Proposed rates and percentage impacts at various levels of usage

Current Rates		2015 PROPOSED RATE DESIGNS		Cost of Service Rates	
<b>Monthly Customer Charge:</b>		<b>Monthly Customer Charge:</b>		<b>Monthly Customer Charge:</b>	
Customers #1	\$ 14.90	Customers #1	\$ 16.40	Customers #1	\$ 21.44
Winter Block 1 (0 - All kWh)	\$ 0.09483	Winter Block 1 (0 - All kWh)	\$ 0.09740	Winter Energy	\$ 0.10369
Summer Block 1 (0 - All kWh)	\$ 0.11475	Summer Block 1 (0 - All kWh)	\$ 0.11650	Summer Energy	\$ 0.10448
<b>Revenues from Current Rates</b>	<b>\$ 43,615,239</b>	<b>Revenues from Proposed Rates</b>	<b>\$ 45,197,813</b>		
		<b>Percentage Change from Current</b>	<b>3.63%</b>		



### Residential dollar impacts of customers at various usage levels

RES Annual Bill Comparison					
Usage ( kWh )	Current Bill (\$)	Proposed Bill (\$)	Dollar Change (\$)	Percent Change (%)	% Customers Ending in Block
230	\$ 39.00	\$ 41.00	\$ 2.00	5.12%	
330	\$ 49.48	\$ 51.69	\$ 2.21	4.47%	4.01%
430	\$ 59.96	\$ 62.39	\$ 2.43	4.05%	10.50%
530	\$ 70.44	\$ 73.08	\$ 2.64	3.75%	12.13%
630	\$ 80.92	\$ 83.78	\$ 2.86	3.54%	13.04%
730	\$ 91.40	\$ 94.47	\$ 3.08	3.37%	12.98%
830	\$ 101.88	\$ 105.17	\$ 3.29	3.23%	11.38%
930	\$ 112.35	\$ 115.86	\$ 3.51	3.12%	9.56%
1030	\$ 122.83	\$ 126.56	\$ 3.72	3.03%	7.57%



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

Proposed Work Plan and Project Approach



## Renewable Energy – Net Metering and Avoided Cost

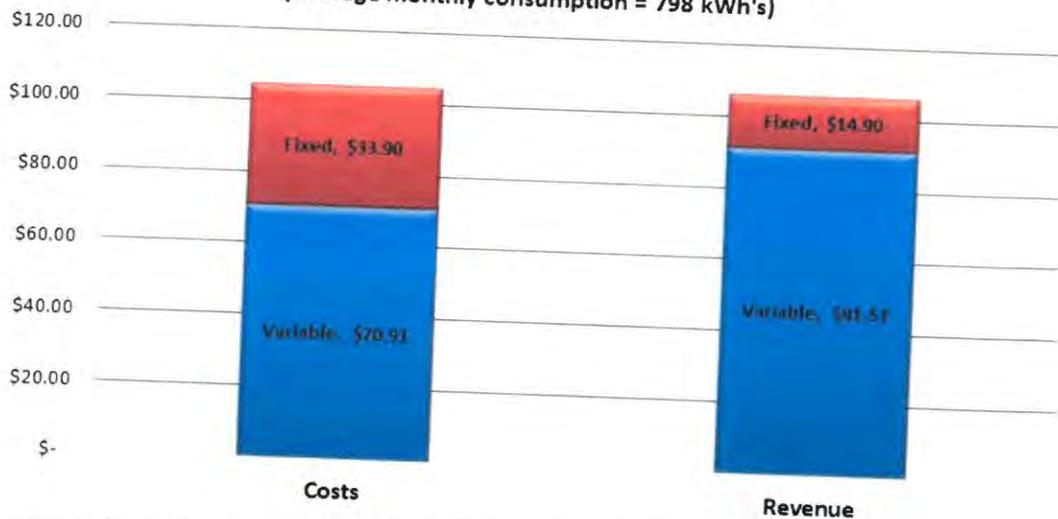
The growth of customer installed Photovoltaic (PV) may result in under-recovering the utilities' fixed costs due to inappropriately structured residential rates. Many utilities face the following residential rate structure issues:

- Customer charges have historically been held low
- Many states require net metering customers with renewables rather than pricing on avoided costs
- Inverted block rate structures that shift fixed cost recovery to outer rate blocks
- Metering and billing limitations
- Historical practices of recovering fixed costs in the energy component of the rate

These issues have resulted in unstable revenue recovery and under-recovery of costs from customers installing distributed generation. This also causes cost shifts and subsidies. The current rate structures may artificially over-value or under-value distributed generation. The graph on the next page shows fixed and variable recovery for a typical residential customer using 798 kWh's per month.

### Typical Residential Summer Customer

(Average monthly consumption = 798 kWh's)



If the customer installed a 5kW PV generator producing 700 kWh's (Estimated production from a 5kW PV) the billed energy consumption is reduced to less than 100 kWh's. When the Utility applies its current rates to the remaining usage the revenues recovered from the customer are approximately \$23.00, however, the cost to provide electricity to the customer is \$45.00. This occurs because residential rate structures do not align with costs.

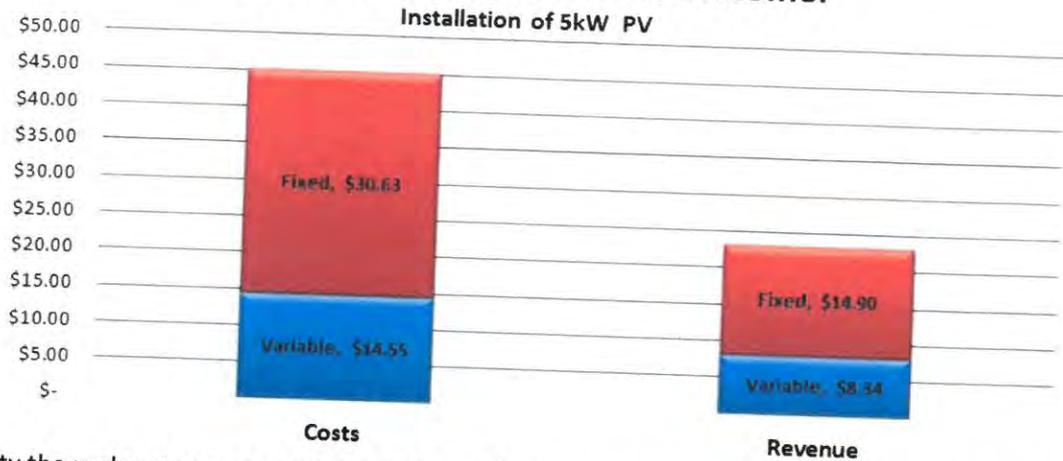


# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

Proposed Work Plan and Project Approach



## Typical Residential Summer Customer



For this utility the under-recovery occurs because distribution costs should be recovered through a demand charge and customer charges rather than through the energy (kWh) charge. A variety of difficulties and limitations exist to correct the rate structure, although some can be easily corrected. They include:

- Limitation on metering & billing systems
- Education of the governing body & customers
- Opposition from interveners and special interest groups
- Past practices in rate designs
- Incorrect price signals sent by certain Joint Action Agencies



## Meetings, Reports and Deliverables

### Meetings

The following meetings are anticipated for Electric, and Water/Wastewater:

- Initial meeting – Clarify scope of services, expectations of management and preliminary fieldwork (Conference call and/or webex)
- Fieldwork – Fieldwork will be conducted to verify data
- Review draft reports with management (Conference call and/or WebEx - On-site optional)
- Presentation as requested by management such as review report with City Council (Conference call and/or WebEx - On-site optional)

### Format of Reports

UFS reports are typically separated into two reports listed below. Separate reports will be issued for each utility.

- **Executive Summary Report** – An overview that identifies the objectives, process and results of the rate study in a clear and concise format, the report includes graphs, charts, tables and recommendations.
- **Rate Design Recommendation Report**– The rate design report is a separate module. To ensure efficiency and timeliness of the study the executive summary is provided to management for input into the rate design process. The rate design report includes the following:
  - Comparison of the current and proposed rates
  - Expected revenues generated from proposed rates
  - Impact on customer classes at various usage levels or load factors within each rate class

### Presentation of Cost of Service and Rate Design Study

A critical aspect of the study is the clear and concise presentation to the governing body of the utility. UFS professionals are skilled at explaining and working with advisory and governing bodies to ensure decisions are based on information they can understand and apply to their community.



## Firm Qualifications

### Qualifications Introduction

UFS has a long standing relationship and over 17 years of history in assisting municipalities with cost of service and financial analysis for Electric utilities and are recognized experts in the utility field. Our group and the project team assigned to this engagement is composed of highly qualified, experienced, and knowledgeable professionals who remain current on all issues facing utilities. UFS' reputation has resulted in an industry leading status shown by our frequent request to instruct classes and speak at conferences around the nation, the number of rate studies we have completed.

UFS provides consulting services to assist publicly-owned utilities in meeting their strategic and financial objectives. Services are designed to ensure complete client satisfaction and a commitment that:

- Services will be completed in the agreed upon timeframe
- Services are delivered within budget for services requested
- Services provided will meet or exceed client expectations
- Services will be unbiased and independent recommendations provided to the utility

The Project Manager for The Village will be Mark Beauchamp, CPA, CMA, MBA and staff as listed in this proposal. The resume of each individual is included in the resume section below. This section includes:

1. A summary of our experience and qualifications
2. Electric Projects completed in past 36 months
3. Name of Contact Person for UFS
4. Proposed Team Members and Locations
5. Resumes of UFS personnel

Our experience and commitment to publicly-owned utilities ensures that we understand the issues they face and can assist in providing a variety of services including:

- Electric cost of service and rate design
- Review of indirect cost allocations
- Fee and ancillary service charges
- Cost reduction strategies and benchmarking analysis for utilities
- Financial analysis and feasibility studies for offering telecommunication services
- Evaluating and developing policies and procedures
- Econometric forecasts of sales and load growth
- Utility valuation services
- Power supply negotiation and financial analysis



### Summary of Qualifications and Experience

#### Industry Leading Status

Utility Financial Solutions, LLC (UFS) are recognized experts in the utility field assisting electric utilities with cost of service and financial analysis. UFS is an industry leader and frequently requested to teach classes and present at electric utility conferences around the nation.

#### Training for Utility Management and Governing Bodies

UFS teaches a series of cost of service, rate design and financial training courses for utility management and governing bodies through American Public Power (APPA) education institutes, on-site training, and webinars. We are instructors for their training courses to assist with their certification program. Additionally, UFS teaches Water Cost of Service and Rate Design for EUCL who is an industry leader in conferences and courses around the nation.

#### Training for Utility Staff

UFS personnel are the instructors on cost of service and financial planning courses offered through the American Public Power Association (APPA) and the National Association of Regulatory Utility Commissioners (NARUC). These courses include the following:

- Basic Cost of Service
- Intermediate Cost of Service
- Advanced Cost of Service
- Financial Planning
- Utility Financial Check-up
- Cost of Service and Rate Design for Distributed Generation
- Development of Line Extension Policies
- Rate Structures to promote Energy Conservation
- Rate Structures to create Revenue Stability
- Advanced issues in Rate Design
- Advanced issues in Cost Allocations

#### Conference Presentations

UFS staff are frequently requested to present special topics at regional conferences around the nation including the APPA's National Conference, Educational Institutes, E&O Workshop and the Business and Financial Workshop. A sample of recent presentations are listed below:

- Development of Avoided Cost and Rate Designs for Distributed Generation
- Appropriate levels of Contributions to City (Payment in lieu of Tax)
- Information provided by Cost of Service Studies
- Cash Reserve Policies for Electric Utilities
- Development of Utility Extension Policies
- Development of Key Financial Targets
- Cost of Service Challenges and Solutions

UFS' industry leading status has allowed us to present courses on distributed generation to the US Department of Energy and provide them with proper pricing methods to recover costs and promote renewable generation.



## ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

### Firm Qualifications



#### Quality Control

Proper quality control and management help ensure the accomplished work is in alignment with the project scope, is completed timely, within budget and the results are accurate and defensible. UFS implements a number of quality controls to achieve these desired goals, including a three level review of the financial projection, cost of service studies and that rate designs achieve the desired revenue requirements. The quality controls developed by UFS are specific to utility rate studies and are based on our prior experience working with electric utilities in the USA, Guam, the Caribbean and Canada. All portions of our studies include the following at a minimum:

1. Development of a detailed work plan based on scope of services and discussion with management
2. Establish work plan with projected milestones and timelines
3. Proof and Balance historical usage, expenses, and revenues with audited financial statements
4. Compare UFS financial projections with utility budgets
5. Review by Project Manager of projections and cost of service study
6. Review by UFS President or Vice-President of study results
7. Presentation of results by UFS with Utility Staff prior to finalizing study

#### Timeliness of Studies

Part of the quality control includes the timely completion of the rate studies. UFS experience in completing studies provides us the ability to complete the studies as requested and discussed in the initial kick-off meeting.

#### Experience:

UFS extensive experience includes completion of rate studies in 43 states, including Illinois and Guam, the Caribbean and Canada. We have worked with small utilities as well as some of the largest public power systems around the Country. A small sample includes: Nashville TN, Rochester MN, Danville VA, Naperville IL, Cedar Falls Iowa, Palo Alto CA, and Imperial Irrigation District.

UFS works with the utilities governing bodies to obtain rate approvals and develops rates to assist utilities in meeting the community's objectives. We have become the nation's leader in rate development and a sample of some of our services is listed below:

- Development of power cost adjustments
- Time of use rates
- Economic Development Rates
- Standby rates
- Distributed Generation Rates
- Line extension policies
- Street lighting rates
- Combining or expanding rate classes



## ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

### Firm Qualifications



#### **Experience in Illinois**

UFS has provided services to utilities in Illinois including rate studies and training for the City Council. We have given presentations to Naperville Electric Department and are experienced in working with Rochelle, IL, Highland, IL, Princeton, IL, and Winnetka, IL. UFS has worked in a number of states where the Investor-Owned utilities have customer choice and for Public Power systems that have elected customer choice.

#### **Financial Strength**

UFS commenced business in 2001 and has the highest financial rating by Dunn and Bradstreet.

#### **Independence**

UFS maintains its independence throughout its engagements to help ensure unbiased recommendations to the governing bodies. We do not provide services that could impair our independence such as engineering, accounting, or auditing services. UFS only provides financial services related to Financial Planning, Cost of Service and Rate Designs for Utilities.

#### **Diversity of UFS Staff**

The proper development of rate study requires knowledge in accounting, finance, economics and engineering. Utility staff has diverse backgrounds that include degrees in accounting (CPA), engineering, finance, economics and information technology.

#### **Similar Past Studies**

In the past 36 months UFS has completed electric cost of service studies for a number of utilities around the nation of similar scope of services. Utilities listed on the next page vary from small to large public power systems.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY



## Firm Qualifications

### Electric Client

Ainsworth NE - KBR Rural PPD	Georgetown Utility Systems TX	Morgan UT	Sitka AK
Algona IA	Grand Electric Cooperative SD	Murfreesboro TN	Smethport PA
APPA	Grand Haven BPW	Muskegon MI	Smithfield NC
Apex NC	Grand River Dam Authority OK	Naperville IL	South Bend Hydro
Arapahoe NE	Groton CT	Nashville TN	South River NJ
Ashland OR	Hamilton NC	New Carlisle IN	South San Joaquin Irrigation District CA
Austin Energy TX	Hannibal MO	New Castle DE	Southern Public Power District NE
Austin MN	Hertford NC	Newberry SC	Stanton NE
Ayden NC	Highland IL	Newton Falls OH	Stillwater OK
Azusa CA	Hillsdale MI	Niles MI	Sturgis MI
Battle River REA - Camrose AB Canada	Holland BPW MI	Niles OH	Tahlequah OK
Bay City MI	Howard Greeley NE	Niobrara Valley NE	Traverse City MI
Bedford VA	Hubbard OH	Norris NE	Turlock CA
Benton County PUD WA	Hudson OH	North Attleborough MA	Twin Valleys NE
Boulder CO	Hurricane UT	North Central Irrigation NE	UAMPS
Brainerd MN	Imperial CA - IID	North Central PPD NE	UPPCO MI
Bryan OH	Independence MO	North Little Rock AR	Wadsworth OH
Burt County PPD NE	Indiana Municipal Power Agency	Northeast Nebraska PPD	Wagoner OK
Butler PPD NE	Jasper IN	Oak Harbor OH	Washington City NC
Cedar Falls IA	Kaysville City UT	Oberlin OH	Washington City UT
Cedar- Knox NE	Kennett MO	Orrville OH	Watertown SD
Charlevoix MI	Kerrville TX	Painesville OH	Waverly IA
Chaska MN	Keys Energy Services FL	Palo Alto CA	West Central CoOp SD
Chelsae MI	Lake Worth FL	Perennial Power District NE	Westerville OH
Clallam County WA	Lebanon IN	Petoskey MI	Westfield MA
CLECO, LLC	Lewes DE	Philippi WV	Winnetka, IL
Cleveland Public Power OH	Lexington NC	Platte River CO	WPPI Energy
CMEEC	Lincoln NE - MEAN - NMPP	Polk County PPD NE	Zeeland BPW MI
Coffeyville KS	Linden IN - Tipmont REMC	Poplar Bluff MO	
Coldwater MI	Lodi OH	Princeton IL	
Colorado Springs CO	Los Alamos NM	Pulaski Electric System TN	
Columbia MO	Louisburg NC	Rancho Cucamonga CA	
Columbia TN	Loup River NE	Rantoul IL	
Conway AR	Loup Valleys NE	Richlands VA	
Cornhusker NE	Loveland CO	Richmond IN	
Custer Public Power District NE	Lowell MI	Riviera Utilities AL	
Cuyahoga Falls OH	Lucas OH	Rochelle IL	
Danville VA	Manassas VA	Rochester MN	
East Norwalk CT	Marquette MI	Rock Falls IL	
Easton MD	Martinsville VA	Rosebud Electric Cooperative SD	
Edmond OK	Mascoutah IL	Roseville CA	
Elkhorn NE	McMinnville OR	Santa Clara UT	
Energy Northwest - Richland WA	Merced Irrigation District CA	Scotland Neck NC	
Ephrata PA	Mesa AZ	Selma NC	
Farmville NC	Milford DE	Seville OH	
Fort Collins CO	Milltown NJ	Seward County NE	
Front Royal VA	Mishawaka IN	Shasta Lake CA	
Fulton County REMC - Rochester IN	Mishawaka IN	Shelby NC	
Gastonia NC	Missouri Public Utility Alliance	Shelby OH	
Geneseo, IL	Missouri River Energy Services SD	Sikeston MO	



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Firm Qualifications



### Name and title of primary contact person

Mark Beauchamp, MBA, CPA, CMA  
President, Utility Financial Solutions, LLC  
E-mail - mbeauchamp@ufsweb.com  
Cell - (616) 403-5450

Date firm established - UFS was established in September, 2001

### Proposed service team including titles and responsibilities

Mark Beauchamp, President  
Dawn Lund – Vice President  
Dan Kasbohm – Manager  
Mike Johnson – Manager  
Chris Lund – Business and Technology Manager  
Joan Bakenhus – Senior Financial Analyst  
Jillian Beauchamp – Financial Analyst  
Robert Blank – Financial Analyst

Full Time Staff and Office Locations	
<p>Main Office and Contact, Authorized to negotiate and bind contract:</p> <p><b>Title: President</b>  <b>Mark Beauchamp</b>            185 Sun Meadow Ct            Holland MI 49424            UFS – 16 Years            Industry Experience – 34 years            Phone 616-393-9722            Fax 888-501-0998            Cell 616-403-5450  <a href="mailto:mbeauchamp@ufsweb.com">mbeauchamp@ufsweb.com</a>  <a href="http://www.ufsweb.com">www.ufsweb.com</a></p>	<p>Authorized to negotiate and bind contract:</p> <p><b>Title: Vice President</b>  <b>Dawn Lund</b>            604 S Lake St            Leland MI 49654            UFS – 13 Years            Industry Experience – 21 years            Phone 231-256-0092            Fax 888-566-4430            Cell 231-218-9664  <a href="mailto:dlund@ufsweb.com">dlund@ufsweb.com</a>  <a href="http://www.ufsweb.com">www.ufsweb.com</a></p>
<p><b>Title: Senior Analyst</b>  <b>Dan Kasbohm</b>            14986 Sandstone Road            Grand Haven MI 49417            UFS – 10 years            Industry Experience – 10 years            Phone 616-846-6464            Fax 888-499-6609            Cell 616-402-7045  <a href="mailto:dkasbohm@ufsweb.com">dkasbohm@ufsweb.com</a>  <a href="http://www.ufsweb.com">www.ufsweb.com</a></p>	<p><b>Title: Senior Analyst</b>  <b>Mike Johnson</b>            4901 Hermsmeier Road            Madison WI 53714            UFS – 6 Years            Industry Experience - 21 years            Phone 608-230-5849            Fax 888-809-9640            Cell 608-609-6279  <a href="mailto:mjohnson@ufsweb.com">mjohnson@ufsweb.com</a>  <a href="http://www.ufsweb.com">www.ufsweb.com</a></p>

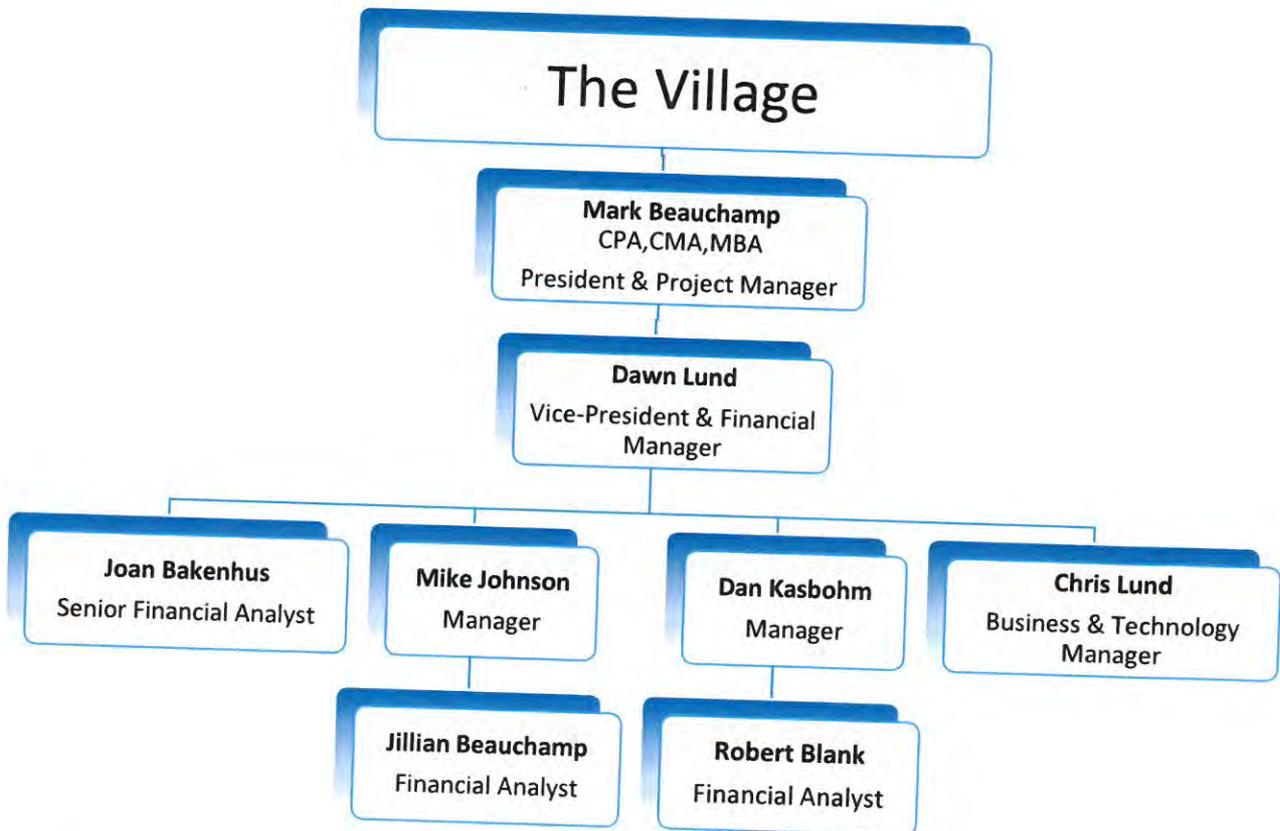


### Project Team Qualifications

#### Proposed team members

UFS has put together a project team with the knowledge and experience to successfully meet your requirements and to deliver the report by the agreed upon time-frame. The team has over 100 years of combined experience performing similar studies for utilities. This provides the Village with the experience to creatively solve financial and operational issues and help ensure financial stability in future years. The project team assigned has three team members located in Michigan plus support services out of Wisconsin and Nebraska. This team has completed cost of service, financial plans and rate design studies in 43 States, Guam and the Caribbean.

The personnel assigned to this engagement are listed below:



#### Staff Availability

Utility Financial Solutions has adequate staff available to complete the tasks in the timeline requested in the RFP.

#### Resumes

The next section consists of resumes of the team members assigned to this engagement.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY



## Project Team Qualifications



**Mark Beauchamp, CPA, CMA, MBA**  
President, Utility Financial Solutions, LLC

*Email:* [mbeauchamp@ufswweb.com](mailto:mbeauchamp@ufswweb.com)  
*Cellular:* 616.403.5450  
*Location:* Holland, MI

### Education

- AAS Water Purification Technology
- ABA Business Administration
- BBA Major – Accounting
- MBA Master’s Degree in Business

### Course Instructor

#### **American Public Power Association (APPA)**

- Advanced Cost of Service Course (Cash Basis & Utility Basis of Ratemaking)
- Intermediate Cost of Service (Cash Basis & Utility Basis of Ratemaking)
- Basic Cost of Service (Cash Basis and Utility Basis of Ratemaking)
- Financial Planning for Municipal Utilities
- Financial Planning for Board & Councils
- Financial Planning and Rate Setting for Managers (Part of Managers Certificate Program)

#### **American Municipal Power (AMP)**

- Financial Planning and Rate Designs for Electric Utilities

### Expert Witness Service

- Detroit Edison vs. Ameritech – Provided expert witness services for Detroit Edison on development of Pole Attachment Rates for Ameritech
- Nebraska State Unicameral – Served as an expert witness before the state of Nebraska Unicameral on Proper rate setting and credits to provide customer installed renewable generation
- Dayton Power & Light – Provided expert witness services on pole attachment rates. Case was resolved prior to Court appearance
- Coldwater Board of Public Works – Provide expert witness services on rate challenge by large industrial customer. Case was dropped after deposition was provided
- Smethport PA – Provided deposition and responses to Pennsylvania Public Service Commission on Rate Filing for Smethport

### License and Qualifications

- Class “A” license in wastewater treatment from the State of Michigan
- (CPA) Certified Public Accountant – Wisconsin
- (CMA) Certified Management Accountant – Institute Certified Management Accountants

### Course Instructor

#### **Michigan State University**

- Advanced Issues in Cost Allocation (Utility Basis of Rate Making)
- Retail Costing and Pricing of Electricity
- Wholesale Costing and Pricing of Electricity

#### **Southwest American Water Works Association**

#### **Michigan Rural Water Association**

- Cost of Service & Rate Making for Water Utilities
- **Michigan Finance Government Officers Association**
- Cost of Service & Rate Making for Water & Wastewater Utilities

### Industry Involvement

- Member of the American Public Power Association
- Member of the American Water Works Association
- Member of the Institute of Management Accountants
- Speaker at national conferences on Financial Planning for Municipal Utilities, Pricing for Water Utilities, Pricing Fiber Optic backbone systems, Unbundling Electric Rates, and Ways to Attract and Retain Customers
- Author of articles appearing in national magazines and newsletters regarding pricing fiber optics, training electric rates, and designing water rates



## ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

### Project Team Qualifications



#### Dawn Lund

Vice-President, Utility Financial Solutions, LLC



Dawn has 21 years' experience pricing and marketing utility services for electric, water and wastewater. Dawn has worked with UFS for over 10 years and previously worked with a large utility and held positions as Cost and Rate Specialist and Marketing and Communications Specialist. Dawn works with utilities across the country teaching financial concepts and is also the instructor for Financial Planning courses for the American Public Power Association. She is also a regularly requested speaker for various regional and national organizations. Dawn has the following experience:

*Email:* dlund@ufsweb.com

*Cellular:* 231.218.9664

*Location:* Traverse City, MI

#### Cost of Service (COS)

- Completed electric water and wastewater cost of service and rate design studies for utilities across the country, Guam and the Caribbean
- Determining appropriate allocations of overhead costs between utility services

#### Long-term financial analysis

- Development of long-term sales and expense projections for electric, water, and wastewater utilities
- Development of long-term financial plan and rate track for electric, water, and wastewater

#### Presentation/Training

- Presentations to City Councils and Boards for approval of utility rates and proposed rate tracks
- Instructor for APPA's Financial Planning courses
- Monthly presentations to various organizations on topics such as: financial planning, Key financial targets, cash policies and how to explain rate increases to the end user, cost of services challenges/solutions, and Introduction to allocation studies

#### Rate Design

- Development of electric rate designs to meet financial and social objectives of utility
- Development of special rates for electric utilities including Net Metering, Economic Development and Time of Use

#### Other Utility Tools

- Development of power (fuel) cost adjustments for electric utilities
- Development of connection charges for water and wastewater utilities
- Review and recommend changes to ordinances related to utility operations
- Development of fees for utility services
- Business plan development for telecommunications and pricing of fiber services to customers
- Determining high strength surcharge rates for wastewater treatment plants consistent with EPA requirements
- Development of marketing plans for utilities
- Experienced in pricing electric line extension fees and system development charges



## ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

### Project Team Qualifications



#### Mike Johnson

Manager, Utility Financial Solutions, LLC



Mike joined Utility Financial Solutions in 2011 and has over 20 years' experience assisting utilities. He has a Higher National Diploma in Mechatronics (Combined Electrical/Mechanical Engineering). Mike is experienced in cost of service, rate making, financial/operational modeling, automation, electric utility operations, and power supply.

*E-mail:* mjohnson@ufsweb.com

*Cellular:* 608.230.5849

*Location:* Madison, WI

#### Cost of Service

- Development of cost of service studies for electric, communication, gas, water and Wastewater utilities
- Forecasts utility revenue requirements
- Cost allocation model development

#### Rate Design

- Provides cost of services class allocations and rate making
- Designs time of use rates
- Identify effects for different usage patterns within the same class
- Development of rates for alternative fuels and vehicles
- Evaluate marginal costs and development of line extension policies and economic development rates

#### Expert Witness Services

- Prepared and testified on filings to Public Utility Commission

#### Long Term Financial Analysis

- Develops utility financial analysis models
- Identifies growth and load forecasting
- Models rate and revenue effect for customer change within utilities (loss of customers/additional load)
- Develops target metrics for utilities including cash policies, operating income, debt coverage

#### Other Utility Tools

- Computes cost functionalization and allocation systems for designing and managing complex changes
- Evaluates data and system integration issues associated with new software implementations
- Provides market analysis, bidding and settlement processes analysis
- Identification and valuation of fixed assets
- Assessment of utility value for sales/purchase
- Development of risk mitigation tools, power/fuel cost adjustment mechanisms



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY



## Project Team Qualifications

### Dan Kasbohm

Manager, Utility Financial Solutions, LLC



Dan joined Utility Financial Solutions in 2007 and has experience in conducting cost of service and financial analysis for electric, water, wastewater and cable utilities around the nation. He has a Bachelor of Science degree in Engineering and was employed in the automotive industry for 16 years. Dan is a co-instructor for the Basic and Intermediate Cost of Service courses for the American Public Power Association and has the following experience:

E-mail: [dkasbohm@mail.ufsweb.com](mailto:dkasbohm@mail.ufsweb.com)

Cellular: 616.402.7045

Location: Grand Haven, MI

#### Cost of Service (COS)

- Identification of fixed/variable costs related to:
  - Customer availability to be served
  - Commodity based costs
  - Demand based costs
- Identification of class to class subsidization
- Utility cost breakdown by function
- Detailed cost unbundling

#### Long-term financial analysis & identification of:

- Utility revenue requirements (utility and cash based methods)
- Debt Coverage conformance
- Minimum cash requirements
- Optimal operating income targets
- Optional rate adjustments in projected years

#### Presentation/Training

- Presenting study results to management and governing body of utility
- Provide utility training on use of projection & COS models
- Co-Instructor for the American Public Power Association Academy
  - Basic & Intermediate Cost of Service

#### Rate Design

- Current Utility rate structure updates
  - Utility revenue impact
  - Customer bill impacts at various usage levels
  - Identify revenue stability of rates
  - Rate survey analysis
- Development of new rates including:
  - Time of Use (seasonal, daily, hourly)
  - Power Cost Adjustment (PCA)
  - Coincidental-Peak Rates
  - Economic Development rates
  - Street lighting rates

#### Other Utility Tools

- Power Cost Adjustment mechanisms based on utility cash position, objectives and dispatch profile
- Street Light Cost of Service by light and pole types
- Load Profile Analysis to identify utility and customer usage patterns
- Power supply forecasting
- Implementation of a justified minimum cash policy
- Calculation of fees for standard utility work
- Development of line extension policies



## ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

### Project Team Qualifications



#### Joan Bakenhus

Senior Financial Analyst, Utility Financial Solutions, LLC



Joan has 17 years' experience working with municipal utilities and has a degree in Business Administration. Joan has worked as a Rate Analyst for one of the largest public power systems in the nation (Lincoln Electric System) and for Utility Financial Solutions since 2006. Joan is experienced in development of long-term financial plans, rate design models and cost of service studies for electric, water, and wastewater utilities. Joan's experience includes:

E-mail: [jbakenhus@ufsweb.com](mailto:jbakenhus@ufsweb.com)  
Cellular: 402.483.2542  
Location: Nebraska

#### Cost of Service (COS)

- Working with Utilities to identify information requirements to complete cost of service and financial plans
- Set up and develop utility revenue requirements, cost of service program and utility revenue proof
- Balancing and set up of models for development of cost of service for water, wastewater and electric utilities to determine commodity and customer charges
- Responsible for analysis, preparation and updating cost of service models for a number of electric, Water utilities

#### Rate Design

- Balancing and set up of models for development rate design for water, wastewater and electric utilities to determine commodity and customer charges
- Development of rate design models for electric, Water utilities
- Development of rate surveys

#### Other Utility Tools

- Balancing of sales with revenue to help ensure proper billing statistics are used in cost of service models

#### Long Term Financial Analysis

- Development of long-term financial forecasts for water, wastewater, and electric utilities to determine the amount and timing of rate adjustments



## ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

### Project Team Qualifications



#### Chris Lund

Business & Technology Manager, Utility Financial Solutions, LLC



Chris has a bachelor's degree in Business Administration with concentration in Computer Science and Speech Communications. He has been a technology and management consultant for over 20 years. Chris is an employee of UFS and has also sub-consulted on a variety of technology projects for UFS since 2003. A few of the highlights are below:

*E-mail:* clund@ufsweb.com  
*Cellular:* 231.342.9798  
*Location:* Traverse City, MI

#### Financial Consulting

- Completed cost of service and rate design studies for electric, water, wastewater, telecommunications and refuse utilities
- Designed, wrote and implemented long term financial projection model including revenue requirements and rate track
- Determined avoided cost for solar (photovoltaic - PV) and wind for renewable energy rates
- Lead consultant for electric vehicle (EV) rates and service study
- Conducted multiple fiber optic cost of service and rate design studies
- Presentations to City Councils and Boards for approval of utility rates and proposed rate tracks

#### Data Analytics

- Data mining and analysis specialist for electric load data research
- Specialist with data mining, data conversion and custom reporting
- Experienced with various ODBC (database connectivity)
- Implemented job costing solution for manufacturing companies
- Designed, written, implemented, supported multiple, custom bar coding and data collection systems for wholesale distribution and manufacturing organizations
- Data collection systems pushed data to payroll for time and attendance, automated inventory tracking and job costing

#### Technology Experience

- Experienced in Microsoft Excel automation – including payroll data, job costing and automated billing (office automation)
- Experienced in Microsoft Access custom database, programming and reporting – including electronic data interchange (EDI) mapping using Microsoft VBA
- Lead consultant for multiple mission critical, corporate wide enterprise resource planning (ERP) technology solutions
- Implemented, trained and supported multiple telecommunications projects
- Implemented and supported some of the first voice over internet protocol (VOIP) telecommuting systems
- Guide management with technology related strategy and business integration
- Modification and complete custom program solutions on midrange and PC
- Wrote automated bill of material (BOM) purchasing forecasting system
- Specify, install and maintain mission critical PC network infrastructure, servers, workstation and related software
- Experienced in network security and virtual private network (VPN) technology
- Implemented and supported web storefronts integrated with corporate backend database solution for inventory management, order processing, billing and account status



## ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

### Project Team Qualifications



#### **Jillian Beauchamp, MEc.**

Financial Analyst, Utility Financial Solutions, LLC

E-mail: [jbeauchamp@ufsweb.com](mailto:jbeauchamp@ufsweb.com)

Cellular: 616.283.8502

Location: Holland, MI

Jill has been with UFS since 2013. She has a Bachelor's degree in Mathematics and a Master's degree in Applied Economics from Johns Hopkins University. Jill has populated and analyzed cost of service models, developed long-term financial projections, and designed rates for utilities. Jill specializes in econometric modeling and statistical analysis to project sales and usage. She has worked with a variety of econometric software packages and is competent in handling seasonality, trend, heteroscedasticity, and other economic inefficiencies that arise in data analysis. Jill is skilled in the following:

- Forecasting Utility revenue requirements
- Projecting revenues and expenses, asset depreciation, and net book value
- Designing rates based on Cost of Service results
- Analyzing rate payer impacts and sensitivities
- Working with Utility Staff to identify study goals and understand organization
- Keeping up to date on the current economic impacts of renewable energy, the relationship to the Clean Power Plan legislation, and potential effects on the Electric Industry



#### **Robert Blank**

Financial Analyst, Utility Financial Solutions, LLC

E-mail: [rblank@ufsweb.com](mailto:rblank@ufsweb.com)

Cellular: 616.403.9926

Location: Holland, MI

Robert has been working for Utility Financial Solutions since May of 2014 and has a Bachelor's of Business Administration with a major in Finance from Davenport University. Over his time at UFS he has conducted Utility rate surveys as well as developed rate designs. Robert has experience with long term financial projections and cost of service studies for Electric, Water, Wastewater, and Gas utilities. Robert's experiences include:

- Developing rate design models for electric utilities
- Conducting Rate Surveys
- Responsible for analysis of financial statements and preparation of cost of service models
- Working with utilities to identify the information needed to conduct an accurate cost of service study
- Calculating Minimum Cash Reserve levels, Target Operating Income, and Debt Coverage Ratios



### References

#### **Nashville Electric Service** *Nashville, Tennessee*

**Contact:** Sylvia Smith, Budget & Rates Manager

**Phone/Email:** 615-747-3761 / [snsmith@nespower.com](mailto:snsmith@nespower.com)

**Scope of Work:** The project involved an electric cost of service study, long-term financial plan, rate design, time of use rate design, and training on model.

- Develop a long-term financial plan to assist in identifying the amount and timing of future rate adjustments. The financial projection included development of financial targets:
- Cost of providing electric service to each class of customer.
- Unbundle rates to determine:
- Charges to each customer class for power supply broken down by demand, energy and season.
- Charges to each customer class based on the voltage served for each customer and included secondary, primary, sub-transmission and transmission voltage levels.
- Monthly customer charges to each customer class
- Review utility rate classes and recommend additional rate classes or alternative rate forms for existing customer classes.
- Development of Time of Use Rates
- Design electric rates
- Training on all cost of service, financial projection and rate design models
- Electric Line Extension Policy

#### **Holland BPW, Michigan**

**Client Contact:** Dave Koster; General Manager

**Phone/Email:** 616-355-1500 / [dgkoster@hollandbpw.com](mailto:dgkoster@hollandbpw.com)

**Scope of Work:** UFS completed an Electric, Water and Wastewater cost of service study in 2009 and updated the Electric Cost of Service in 2016 and are current completing updates of the Water and Wastewater cost of service study. The study included a review of the wholesale water and wastewater rates and a valuation study of the wastewater treatment plant. The electric cost of service study included a time of use rate development.

#### **Brainerd Public Utilities, Minnesota**

**Client Contact:** Todd Wicklund; Finance Director

**Phone/Email:** 218.825.3220 / [twicklund@bpu.org](mailto:twicklund@bpu.org)

**Scope of Services:** UFS completed electric, water, and wastewater studies from 2012 – 2017. The studies included completion of a cost of service study, long-term financial plan, rate design, time of use rate development, and presentation to board of directors for each utility.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Project Schedule



### Project Schedule

Our experience with municipal cost of service and rate design studies, allows us to conduct a cost effective and efficient study. The following is the tentative project schedule for completion of the cost of service and rate design. This schedule will be finalized during the initial project kick-off meeting with management.

<i>Task</i>	<i>Expected Completion – Twelve Weeks</i>
Initial Meeting – Preparation of Information Request	Week One
Completion of Information Request by Client	Week Two
Planning/Set-up Models	Week Three – Five
Review and Development of Revenue Requirements	Week Six – Seven
Fieldwork	Week Eight
Cost of Service Analysis Component/Functional Costs	Week Nine
Cost based Rate Design and alternatives	Week Ten
Report, Recommendations & Presentation of Draft	Week Eleven
Final Report	Week Twelve

THE COMPLETION OF THE PROJECT ON THE PROPOSED SCHEDULE IS DEPENDENT ON THE COOPERATION OF VARIOUS DEPARTMENTS WITHIN THE VILLAGE TO PREPARE THE INFORMATION REQUEST IN A TIMELY MANNER.



# ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

## Project Fees



### Project Fees

#### Electric Hours and Fees

##### Individual Pricing

Electric Cost of Service, Financial Projection and Rate Design	\$14,900
Water Cost of Service, Financial Projection and Rate Design	\$10,500
Wastewater Cost of Service, Financial Projection and Rate Design	\$11,000
<b>Total</b>	<b>\$36,400</b>
If all three projects combined:	<b>Total Pricing</b>
Water and Wastewater Only	<b>\$33,400</b>
	<b>Pricing</b>
	<b>\$19,000</b>

Prices, terms, and conditions are good for a period of 90 days from this date. Payment will be made through submission of invoice which itemizes the work performed. "Total not to exceed amount" does not include on-site or travel expenses.

#### Out of Scope Services – on-site and travel expenses

Out of Scope services, if deemed necessary and agreed upon by The Village, will be billed at the hourly rates listed below. Any out of pocket expenses will be billed at cost.

Name	Title	Hourly Rate
Mark Beauchamp	President	\$295.00
Dawn Lund	Vice President	\$250.00
Dan Kasbohm	Manager	\$230.00
Mike Johnson	Manager	\$230.00
Chris Lund	Business and Technology Manager	\$195.00
Joan Bakenhus	Senior Financial Analyst	\$135.00
Jillian Beauchamp	Financial Analyst	\$115.00
Robert Blank	Financial Analyst	\$105.00

In addition, travel time will be billed at 50% off of regular rates.



# WATER COST OF SERVICE AND RATE DESIGN STUDY

## Project Fees



### Proposed Professional Services Agreement

Prices, terms, and conditions are good for a period of 90 days from proposal date of December 1, 2018  
Payment will be made through submission of invoice which itemizes the work performed.

**Total project fees for Scope of Services are (See Options Above)\***

Optional Pricing: One On-Site presentation included additional presentations - \$2,000\*  
(\*Total above does not include out of pocket travel expenses or travel time)

#### Anticipated Meetings:

- Initial meeting – Conference Call to clarify scope of services, expectations of management and preliminary information request
- Fieldwork – Conference Call to verify data provided
- Draft Report with management - Conference call
- Final Report with management – Conference call

#### Deliverables (for all utilities):

- 1) Long-term financial projection and rate track
- 2) Cost of Service Analysis
- 3) Minimum cash reserve determination
- 4) Debt Service Ratio
- 5) Target operating income (rate of return)
- 6) Five Year Water Rate Design
- 7) Five Year Wastewater Rate Design
- 8) Three Year Electric Rate Design

#### Hourly Rates (travel is discounted at 50%)

Mark Beauchamp	\$ 295.00
Dawn Lund	\$ 250.00
Dan Kasbohm	\$ 230.00
Mike Johnson	\$ 230.00
Chris Lund	\$ 195.00
Joan Bakenhus	\$ 135.00
Support Staff	\$ 105.00 – 130.00

**Out of Scope Services – on-site and travel expenses**  
On-site visits if deemed necessary and agreed upon, will be billed at actual out of pocket expenses – plus travel time discounted at 50% of regular rates. All cost incurred by schedule changes initiated by client after booking will be considered out of pocket. In addition, out of scope service work hours are billed at the hourly rates listed on this page.

We look forward to exceeding your expectations. Please sign, date, and return to [clund@ufswweb.com](mailto:clund@ufswweb.com) at your earliest convenience.

Sincerely,

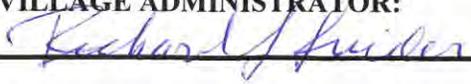
Mark Beauchamp, CPA, MBA, CMA  
President, Utility Financial Solutions, LLC

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

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

**BOARD OF TRUSTEES  
VILLAGE OF RANTOUL**

<b>AGENDA ITEM</b>	<b>PAGE</b> <u>    </u> <b>OF</b> <u>    </u>
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<b>ITEM: Construction Engineering (CE) Change Order #1 for the Elevated Tank Coating &amp; Rehabilitation Project – Burns &amp; McDonnell</b>	<b>DEPARTMENT: Public Works</b>
<b>AGENDA SECTION:</b>	<b>PROJECT AMOUNT:</b> <b>\$25,296.00 – Original Construction Engr. (May 2017)</b> <b>\$34,950.00 – Additional Engineering Support (November 2017)</b> <b>\$3,300.00 – Proposed Additional Services</b>
<b>ATTACHMENTS:</b> <b>(X) OTHER (See Summary Highlights)</b> <b>(X) SUPPORTING DOCUMENTS</b>	<b>DATE: January 31, 2018</b>
<b>SUMMARY HIGHLIGHTS:</b> <p>This Agenda Item provides for a modification to the Support Agreement with Burns &amp; McDonnell in providing additional construction engineering services associated with the Elevated Tank Coating &amp; Rehabilitation projects. The original agreement was approved in May 2017 (\$25,296.00) for the coating &amp; painting of the Campbell &amp; Maplewood elevated tanks. During the cleaning and priming of the Campbell tank, the interior stiffeners or tank cap were found to be deficient and in need of replacement. In addition, the exterior coating of the Galaxy Tank (painted by the Air Force five (5) years ago) was found to be flaking &amp; peeling. The engineers have assisted in addressing both issues (\$34,950.00).</p> <p>Weather initially hampered the progress of the Campbell stiffener/cap replacement, but this task has now been completed and the tank could be returned to service.</p> <p>The approach for evaluating the condition of the Galaxy Tank’s interior coating (is the interior coating separating like the exterior coating?) was initially to drain and inspect the tank once the Campbell Tank was returned to service. Options to accelerate the inspection of Galaxy have been evaluated in order to prevent unnecessary painting-contractor delays &amp; associated expenses (additional remobilization costs); and to understand whether we might need to defer any Maplewood tasks (exterior coating) to ensure sufficient funds are available to address any Galaxy Tank issues.</p> <p>The most cost-effective approach to gain the necessary information is to not bring up Campbell Tank (additional \$22,000.00 to re-clean the tank if filled before painting; the loss of the water in re-draining the tank), but to perform a “wet inspection” of the Galaxy tank in an amount of \$2,300.00. In addition, a review of the water model by the engineer in the amount of \$1,000.00 is to be performed to evaluate how the water system reacts with different combinations of elevated tanks in/out of service.</p>	
<b>RECOMMENDED ACTION:</b> Authorize the approval of a modification to the Support Agreement with Burns & McDonnell in the amount of \$3,300.00 to provide a “wet” inspection of Galaxy Tank to address the paint coating issues of this tank.	
<b>DEPARTMENT HEAD APPROVAL:</b> G. Gregory Hazel, P.E. 	<b>VILLAGE ADMINISTRATOR:</b> 
<b>AGENDA PAGE NUMBER:</b>	



January 31, 2018

G. Gregory Hazel, P.E.  
Director of Public Works  
Village of Rantoul  
200 West Grove Avenue  
Rantoul, Illinois 61866

Re: Elevated Tank Construction Engineering Support  
Request for Additional Funding  
BMcD Project No. 98989

Dear Mr. Hazel:

Burns & McDonnell has been supporting the Village of Rantoul (Village) by providing construction engineering services on a part-time basis for the Campbell Tank and Maplewood Elevated Tank Coating & Structural Rehabilitation project. We were authorized to provide these services in accordance with our letter proposal dated April 7, 2017 and executed by the Village on May 10, 2017. On November 27, 2017 the Village approved a request for additional funding for changes in scope. This letter requests additional funding resulting from subsequent changes in scope. The original agreement and the first request for additional funding are attached for reference.

#### **SCOPE OF SERVICES**

Our original agreement included Task 1 & Task 2. Task 3 & Task 4 were added in the request for additional funding approved on November 27, 2017. Services provided as part of this request are related to the Galaxy Tank and fall under Task 4.

#### **Task 4 – Galaxy Tank Support**

Activities provided as part of this task include:

- Tank Inspection: This request for additional funding approved on November 27, 2017 included funding for completing a maintenance inspection of the Galaxy Elevated Tank. Costs included in that request were based on performing the inspection while the tank is drained. The Village is now interested in completing the inspection with the tank filled. This request includes additional costs for a team of divers to complete the inspection. Burns & McDonnell will subcontract Tank Industry Consultants to complete the inspection.
- Water Modeling: Use the Village's water model to evaluate how the water system reacts with different combinations of elevated tanks in service.

#### **COMPENSATION**

Burns & McDonnell request additional funding in the amount of \$3,300.00 to complete these tasks. This is based on \$2,300 for the maintenance inspection and \$1,000 for water modeling.



G. Gregory Hazel, P.E.  
Village of Rantoul  
January 31, 2018  
Page 2

We appreciate the opportunity to serve the Village. If you have any questions regarding this request, please feel free to contact Joe at [jdarlington@burnsmcd.com](mailto:jdarlington@burnsmcd.com) or (630) 724-3809.

Sincerely,

Randall L. Patchett, P.E.  
Water and Municipal Services

Joseph M. Darlington, P.E.  
Senior Civil Engineer

JMD/jmd

cc: Stephen T. Crede, BMcD, Project Manager

**PROJECT: ELEVATED TANK CONSTRUCTION ENGINEERING SUPPORT**

**Client: Village of Rantoul**

**Signature:** \_\_\_\_\_

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

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

- REFERENCE -



January 25, 2018

G. Gregory Hazel, P.E.  
Director of Public Works  
Village of Rantoul  
200 W. Grove Avenue  
Rantoul, Illinois 61866

Re: Campbell Elevated Tank – Summary of Additional Costs

Dear Mr. Hazel:

On May 5, 2017, the Village of Rantoul executed a contract with Maxcor, Inc. for rehabilitation of the Campbell Elevated Tank and the Maplewood Elevated Tank. A summary of costs from Maxcor’s contract associated with each tank is presented in the table below.

Tank	Cost
Campbell Elevated Tank	\$662,600
Maplewood Elevated Tank	\$193,800
<b>Total</b>	<b>\$856,400</b>

While completing rehabilitation work at the Campbell Elevated Tank, corrosion was discovered on the steel beams located on the underside of the tank bowl. Maxcor Inc., the contractor under contract to the Village to complete rehabilitation of the Village’s elevated tanks, was asked to provide a quote to replace the stiffeners. Maxcor indicated that this repair is beyond the capabilities of their structural subcontractors and recommended that we contact tank constructors to obtain pricing. The Village subsequently directed Maxcor to demobilize from the site and contracted with Phoenix Fabricators & Erectors for completion of the work. Phoenix’s scope of work included removal of the corroded portion of the stiffeners, installation of a new compression ring and roof cap, and disinfection of the tank. A summary of costs associated with Phoenix’s contract is presented in the table below. As of the date of this letter, Phoenix Fabricators & Erectors has completed their scope of work except for tank disinfection.

Scope Item	Cost
Steel Work	\$108,563
Bonds	\$1,974.08
Disinfection	\$2,500
<b>Total</b>	<b>\$113,037.00</b>

We understand that the Village is interested in bringing the Campbell tank back into service until the weather allows Maxcor to return to the site to complete their rehabilitation scope. Bringing the tank back into service will provide the Village greater operational flexibility and allow the Galaxy Street Elevated Tank to be taken out of service for a maintenance inspection. The Galaxy



G. Gregory Hazel, P.E.  
Village of Rantoul  
January 25, 2018  
Page 2

tank needs to be inspected to define potential options and costs for rehabilitation of the failing coating system.

A summary of additional costs associated with Maxcor's contract is presented in the table below.

Scope Item	Cost	Completed	Notes
Change Order #1 (attached)	\$9,500	X	
Deliver & install roof vent	\$4,950	X	By Phoenix
Remobilization	\$5,000		
Blast & prime new stiffeners & compression ring	\$13,200		
Brush blast wet interior if tank is placed into service	\$22,000		
Blast to SP10 and re-prime (if required)	\$2,650		Per 500 sq. ft.
Tank disinfection*	\$2,000		

OPTION,  
PLUS WATER →

←

\*Phoenix has provided the chlorine for Maxcor to use for disinfection as part of an agreement made between Phoenix and Maxcor. Maxcor is requesting additional mobilization money to remobilize to the site to flush the fill line and install the chlorine for disinfection.

Please contact me at [jdarlington@burnsmcd.com](mailto:jdarlington@burnsmcd.com) or (630) 724-3809 with any questions.

Sincerely,

Joseph M. Darlington, P.E.  
Senior Civil Engineer

cc: Jake McCoy, P.E., Village of Rantoul  
Steve Crede, BMcD  
Matthew Dunlop, BMcD  
Randall L. Patchett, P.E., BMcD

BOARD OF TRUSTEES  
VILLAGE OF RANTOUL

<b>AGENDA ITEM</b>	<b>PAGE</b> <u>    </u> <b>OF</b> <u>    </u>
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<b>ITEM: Construction Engineering (CE) Support Agreement for the Elevated Tank Coating &amp; Rehabilitation Project – Burns &amp; McDonnell</b>	<b>DEPARTMENT: Public Works</b>
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<b>AGENDA SECTION:</b>	<b>PROJECT AMOUNT:</b> \$34,950.00 – Construction Engineering
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<b>ATTACHMENTS:</b> <input type="checkbox"/> <b>ORDINANCE</b> <input type="checkbox"/> <b>RESOLUTION</b> <input checked="" type="checkbox"/> <b>OTHER (See Summary Highlights)</b> <input checked="" type="checkbox"/> <b>SUPPORTING DOCUMENTS</b>	<b>DATE: November 1, 2017</b>
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**SUMMARY HIGHLIGHTS:**

This Agenda Item provides for a Construction Engineering (CE) Support Agreement with Burns & McDonnell to provide additional coordination services and part-time construction engineering services for the Campbell Elevated Tank (Task #3); and the coordination, inspection, and recommendation to address the paint peeling issue on the Galaxy Elevated Tank (Task #4).

Task #3 involves the Campbell Avenue 1,000,000 gallon elevated tank which is poised to have the twenty-six (26) interior stiffener beams replaced by Phoenix Fabricators & Erectors in the coming weeks. Burns & McDonnell assisted in securing this firm’s services and will perform project over site during the replacement work.

Task #4 addresses the 300,000 gallon elevated tank located on Galaxy Drive which was painted by the Air Force in 2012 and the exterior coating was recently found to be peeling. To determine the extent of the coating issue, a thorough inspection of the exterior and interior of the tank is recommended. Burns & McDonnell will arrange for these inspections and then assist the Village in evaluating the findings and determining the appropriate course of action. If any significant rehabilitation work is required, it will occur in the next fiscal year.

**RECOMMENDED ACTION:** Authorize the approval of a Construction Engineering Support Agreement with Burns & McDonnell in the amount of \$34,950.00 to provide additional coordination services and part-time construction engineering services for the Campbell Elevated Tank (Task #3); and the coordination, inspection, and recommendation to address the paint peeling issue on the Galaxy Elevated Tank (Task #4).

<b>DEPARTMENT HEAD APPROVAL:</b> G. Gregory Hazel, P.E. 	<b>VILLAGE ADMINISTRATOR:</b>
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**AGENDA PAGE NUMBER:**



October 31, 2017

G. Gregory Hazel, P.E.  
Director of Public Works  
Village of Rantoul  
200 West Grove Avenue  
Rantoul, Illinois 61866

Re: Elevated Tank Construction Engineering Support  
Request for Additional Funding  
BMcD Project No. 98989

Dear Mr. Hazel:

Burns & McDonnell has been supporting the Village of Rantoul (Village) by providing construction engineering services on a part-time basis for the Campbell Tank and Maplewood Elevated Tank Coating & Structural Rehabilitation project. We were authorized to provide these services in accordance with our letter proposal dated April 7, 2017 and executed by the Village on May 10, 2017.

This letter requests additional funding to continue providing support to the Village resulting from changes in scope, which are generally described below.

- **Campbell Elevated Tank:** While completing rehabilitation work, corrosion was discovered on the steel beams located on the underside of the tank bowl. This item is described more fully in our letter dated September 19, 2017.
- **Galaxy Elevated Tank:** Paint was discovered to be peeling from certain areas of the tank, which was refurbished in 2012 through a contract administered by the Air Force.

### SCOPE OF SERVICES

Our original agreement included Task 1 & Task 2. Services provided as part of this request are described below.

#### Task 3 – Campbell Tank Support

Activities provided as part of this task include:

- Coordination:
  - Site visit to verify the condition of the stiffener beams
  - Discuss with Chicago Bridge & Iron
  - Structural evaluation of stiffener beams
  - Obtain contractor's quotes for detailed inspection of the stiffener beams
  - Obtain contractor's quotes for possible repair methods
  - Evaluate repair methods for viability
- Provide the Village with recommendation to address stiffener beams.



G. Gregory Hazel, P.E.  
Village of Rantoul  
October 31, 2017  
Page 2

- **Prepare Contract Documents:** Prepare contract documents for agreement between the Village and Phoenix Fabricators & Erectors.
- **Preconstruction Meeting:** Attend one pre-construction meeting held at the Village with Phoenix Fabricators & Erectors. Facilitate the meeting on behalf of the Village. Prepare meeting agenda and distribute meeting minutes.
- **Contract Administration:** Review reports prepared by Village staff, review contractor's pay requests, review contractor's request for information and request for proposals, prepare change orders, and notify the Village of identified items not in conformance with the Construction Contract Documents.
- **Construction Observation:** Provide part-time construction observation support to assist the Village in observing the work for conformance with the Construction Contract Documents. It is anticipated that Village staff will observe the work at times that Burns & McDonnell staff is not onsite and document the contractor's progress during these times. Provide these services eight (8) hours per day for a total of 3 days (one day per week).
- **Contract Closeout (Punch List):** Close out the contract following completion of the project. Developing a project punch list and complete final site inspections with the Village and Contractor.

#### **Task 4 – Galaxy Tank Support**

Activities provided as part of this task include:

- **Coordination:**
  - Review Final Completion Report from USAF
  - Discuss possible causes of coating failure with Tnemec
  - Site visit to oversee coating inspection completed by Tnemec
  - Review Tnemec coating test results
  - Obtain contractor quotes for detailed tank inspection
- **Tank Inspection:** Complete a maintenance inspection of the Galaxy Elevated Tank. Burns & McDonnell will subcontract Tank Industry Consultants to complete the inspection.
- **Develop Recommendations:** Prepare a summary letter report containing recommendations for rehabilitation to the Galaxy Tank based on the maintenance inspection.

#### **COMPENSATION**

Burns & McDonnell request additional funding in the amount of \$34,950.00 to complete these tasks. A detailed fee estimate is presented in the attached spreadsheet.

We appreciate the opportunity to serve the Village. If you have any questions regarding this request, please feel free to contact Joe at [jdarlington@burnsmcd.com](mailto:jdarlington@burnsmcd.com) or (630) 724-3809.



G. Gregory Hazel, P.E.  
Village of Rantoul  
October 31, 2017  
Page 3

Sincerely,

*Randall L. Patchett, P.E.*

Randall L. Patchett, P.E.  
Water and Municipal Services

*Joseph M. Darlington*

Joseph M. Darlington, P.E.  
Senior Civil Engineer

JMD/jmd

cc: Stephen T. Crede, BMcD, Project Manager

**PROJECT: ELEVATED TANK CONSTRUCTION ENGINEERING  
SUPPORT**

**Client:** Village of Rantoul

**Signature:** \_\_\_\_\_

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

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

**Village of Rantoul  
Elevated Tank Construction Engineering Support  
Request for Additional Funding  
October 31, 2017**

Task Description	Senior Structural Engineer (13)	Senior Civil Engineer (13)	Senior Construction Manager (13)	Project Manager (12)	Staff Engineer (11)	Staff Engineer (10)	Assistant Civil Engineer (9)	Assistant Engineer (8)	Project Technician (6)	Expenses	Task Total
<b>Task 3 - Campbell Tank Support</b>											
Coordination	5	40		4			24			\$ 150	\$ 22,014
Prepare Contract Documents				2			8				\$ 12,794
Preconstruction Meeting			8				8				\$ 1,392
Contract Administration							2				\$ 2,758
Construction Observation *							24			\$ 500	\$ 260
Contract Close-out (Punch List)							8			\$ 150	\$ 3,620
<b>Task 3 - Galaxy Tank Support</b>											
Coordination		8		2			24				\$ 12,936
Maintenance Inspection				2			8			\$ 200	\$ 5,240
Recommendations				4						\$ 5,600	\$ 6,992
											\$ 704

Total hours	5	48	8	14	0	0	106	0	0		
Hourly Billing Rate	\$196	\$196	\$196	\$176	\$160	\$147	\$130	\$109	\$82		
<b>Subtotals</b>	<b>\$980</b>	<b>\$9,408</b>	<b>\$1,568</b>	<b>\$2,464</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$ 6,750</b>	<b>\$ 34,950</b>

\* Based on part-time support for eight (8) hours per day for a total of 3 days.

<b>Total Hours</b>	<b>181</b>
<b>Total Fee</b>	<b>\$ 34,950</b>

Rate Sheet: BMR717A



BOARD OF TRUSTEES  
VILLAGE OF RANTOUL

AGENDA ITEM		PAGE	OF
<b>ITEM: Construction Engineering (CE) Agreement for the Elevated Tank Coating &amp; Rehabilitation Project – Burns &amp; McDonnell</b>	<b>DEPARTMENT: Public Works</b>		
<b>AGENDA SECTION:</b>	<b>PROJECT AMOUNT:</b> \$25,296.00 – Construction Engineering		
<b>ATTACHMENTS:</b> <input type="checkbox"/> <b>ORDINANCE</b> <input type="checkbox"/> <b>RESOLUTION</b> <input checked="" type="checkbox"/> <b>OTHER (See Summary Highlights)</b> <input checked="" type="checkbox"/> <b>SUPPORTING DOCUMENTS</b>	<b>DATE: April 20, 2017</b>		
<b>SUMMARY HIGHLIGHTS:</b> <p>This Agenda Item provides for a Construction Engineering (CE) Service Agreement with Burns &amp; McDonnell to provide construction administration (Task #1) and part-time construction engineering services (Task #2) for the Village's elevated tank coating and rehabilitation project.</p> <p>This project provides for the painting, maintenance, and servicing of two (2) Village of Rantoul elevated tanks. Included in this project are the one million gallon tank at Campbell &amp; Tanner which will be cleaned, serviced, and painted both inside and out; and the one-half million gallon tower on North Maplewood which will be cleaned, serviced, and will receive a new exterior coating.</p> <p>Burns &amp; McDonnell provided the original design engineering services for this work and it is recommended that their services continue to be utilize during the construction phase.</p> <p>This project will be funded through the water utility and is included in the 2017-2018 Budget.</p>			
<b>RECOMMENDED ACTION:</b> Authorize the approval of a Construction Engineering Service Agreement with Burns & McDonnell in the amount of \$25,296.00 to provide construction administration and part-time construction engineering services for the Village's Elevated Tank Coating and Rehabilitation Project.			
<b>DEPARTMENT HEAD APPROVAL:</b> G. Gregory Hazel, P.E. 	<b>VILLAGE ADMINISTRATOR:</b>		
<b>AGENDA PAGE NUMBER:</b>			

BOARD OF TRUSTEES  
VILLAGE OF RANTOUL

AGENDA ITEM		PAGE	OF
<b>ITEM: Elevated Tank Coating &amp; Structural Rehabilitations Project – Interior beams - Phoenix Fabricators &amp; Erectors</b>		<b>DEPARTMENT: Public Works</b>	
<b>AGENDA SECTION:</b>	<b>PROJECT AMOUNT:</b> <u>\$141,605.00 – Total</u> \$131,605.00 – Base Proposal \$10,000.00 – Contingency		
<b>ATTACHMENTS:</b> <b>( X ) SUPPORTING DOCUMENTS</b>		<b>DATE: September 27, 2017</b>	
<b>SUMMARY HIGHLIGHTS:</b> <p>This Agenda Item provides for the replacement of the corroded steel stiffener beams located on the underside of the tank bowl of the Campbell Avenue Elevated Tank. The Preliminary Maintenance Inspection report completed in May 30, 2013 stated that the twenty-six (26) beams were in “good condition with minor corrosion in the crevices and at the edges”, so significant corrosion was not anticipated. Once the painting contractor (Maxcor, Inc.) gained full access to the interior of the bowl (accomplished through extensive rigging) to begin their cleaning and coating preparation, significant corrosion indeed was encountered. The repair or replacement efforts were beyond the capabilities of Maxcor or their structural subcontractors.</p> <p>On behalf of the Village, Burns &amp; McDonnell Inc. then contacted three (3) contractors and secured pricing to fully replace the twenty-six (26) interior stiffeners. Phoenix Fabricators &amp; Erectors provided the lowest pricing at \$131,605.00. This work is to ensure the long term integrity of the elevated tank, and to move forward in completing the tank coating and return the tank to service. This one million gallon elevated tank was constructed in 1969 by CB&amp;I and was painted in 1996.</p> <p>During the initial award of the Elevated Tank Coating &amp; Structural Rehabilitation Project, Alternate Bid #2b in the amount of \$101,500.00 was approved to provide for the exterior overcoating of the North Maplewood Elevated Tank. To ensure the priority tasks are funded, it may be necessary to discuss the deferral of this component to a later time.</p> <p>As an update, the Village’s third elevated tank is a 300,000 gallon tank located on Galaxy Drive which was painted by the Air Force in 2012. Recently, the exterior coating was found to be peeling and there was concern that this tank would also need to be addressed during this fiscal year. It is now believed any exterior work should occur in a future budget year. This will allow sufficient time for conducting a thorough interior inspection to ensure no coating separation issue exists within the tank.</p>			
<b>RECOMMENDED ACTION:</b> Authorize the approval of contract with Phoenix Fabricators & Erectors in the amount of \$131,605.00 to replace the twenty-six (26) corroded interior stiffeners of the Campbell Avenue Tank. A contingency fund in the amount of \$10,000.00 is requested to address any additional, minor unforeseen issues.			
<b>DEPARTMENT HEAD APPROVAL:</b> G. Gregory Hazel, P.E. 		<b>VILLAGE ADMINISTRATOR:</b>	
<b>AGENDA PAGE NUMBER:</b>			



September 19, 2017

G. Gregory Hazel, P.E.  
Director of Public Works  
Village of Rantoul  
200 W. Grove Avenue  
Rantoul, Illinois 61866

Re: Campbell Elevated Tank – Interior Beams

Dear Mr. Hazel:

While completing rehabilitation work at the Campbell Elevated Tank, corrosion was discovered on the steel beams located on the underside of the tank bowl. These beams act as stiffeners to prevent deflection of the top plate of the tank. Work associated with repair or rehabilitation of the beams was not included in the original scope of the contract. We asked Maxcor Inc., the contractor currently onsite performing rehabilitation of the Village's elevated tanks, to provide a quote to replace the stiffeners. Maxcor indicated that this repair is beyond the capabilities of their structural subcontractors and recommended that we contact tank constructors to obtain pricing. Maxcor has since demobilized from the project and the Campbell Elevated Tank is currently out of service until the Village decides upon a course of action for rehabilitation of the beams. This letter is intended to summarize key information associated with this issue.

The original scope of repair for the project was determined based on the *Preliminary Maintenance Inspection* report completed by others, dated May 30, 2013. The report stated that the beams were in good condition with minor corrosion in the crevices and at the edges. Both the American Water Works Association and the Illinois Environmental Protection Agency generally recommend that water storage tanks be inspected every 5 years. The scope of repairs for this project was developed in 2016, so the previous inspection report was approximately 3 years old. Significant corrosion of the beams was not anticipated based on the data available at the time.

We contacted Chicago Bridge & Iron (CB&I), the tank designer/constructor, to recommend whether the stiffeners need to be replaced. CB&I stated that the stiffeners do need to be fully replaced. Since Maxcor was not able to complete the repairs, we contacted three contractors and obtained pricing to fully replace 26 interior stiffeners and the center ring of the tank. See below for a summary.

Contractor	Cost
Phoenix Fabricators & Erectors	\$131,605
Pittsburg Tank & Tower Maintenance	\$224,920
Maguire Iron, Inc.	\$325,536



G. Gregory Hazel, P.E.  
Village of Rantoul  
September 19, 2017  
Page 2

Given the slight possibility that CB&I's recommendation to replace all the stiffeners is conservative, we suggested that the Village consider hiring a specialty tank inspection firm to determine whether the scope of the repair (and associated costs) could be decreased. At the request of the Village, we contacted three tank inspection firms about performing a detailed inspection. The firms indicated that the tank would either need to be filled or have rigging installed for a detailed inspection to be performed. When Maxcor demobilized from the project, they removed their rigging from the inside of the tank. The tank could be filled to allow a detailed inspection, but it would have to be drained and cleaned prior to application of the remaining coating system. Maxcor stated that it will cost \$22,200 for SSPC SP-7 Brush-Off Blast Cleaning. If after draining the tank, there are any areas that need to be blasted to bare metal and re-primed, Maxcor provided us with a price of \$2,650 per 500 square feet. Additionally, Maxcor has stated that remobilization to the project site will cost \$5,000.

While we did not receive a formal quote for inspection of the beams, based on our experience we estimate it would cost \$5,000 to \$10,000. The total costs to the Village for a detailed inspection would include the cost of the inspection, the cost to clean the tank after draining it, and the cost for the Village to fill the tank. This results in a minimum estimated cost of \$32,200 to perform the inspection.

The lowest cost to fully replace the beams was \$131,605. If the Village decides to proceed with the inspection, it would only be cost effective if the inspection found that less than \$99,405 of repairs are needed. A general rule of thumb is any beam that has corrosion along 50 percent of its length or more should be completely replaced. Any beam that has less than 50 percent of its length corroded could potentially be reinforced, which may be able to be completed at less cost than full replacement. Based on our experience, reinforcing the beams may cost between \$150 to \$265 per foot. The cost to completely replace all the beams equates to a unit price of \$195 per foot. Another possibility that must be considered is that the inspection could result in a recommendation that all the beams be replaced. In this scenario, the cost to the Village would be greater than if all the beams had just been replaced without performing a detailed inspection.

Based on the available information, we believe that the cost savings the Village may be able to recognize by performing the detailed inspection would be marginal, if any. Due to this we recommend complete replacement of the beams.



G. Gregory Hazel, P.E.  
Village of Rantoul  
September 19, 2017  
Page 3

Please contact me at [jdarlington@burnsmcd.com](mailto:jdarlington@burnsmcd.com) or (630) 724-3809 with any questions.

Sincerely,

A handwritten signature in black ink that reads "Joseph M. Darlington".

Joseph M. Darlington, P.E.  
Project Manager

cc: Steve Crede, BMcD  
Matthew Dunlop, BMcD  
Randall L. Patchett, P.E., BMcD

REFERENCE

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VILLAGE OF RANTOUL

AGENDA ITEM		PAGE	OF
<b>ITEM: Elevated Tank Coating &amp; Structural Rehabilitations Project - Change Order #1</b> <div style="text-align: right;"><i>REVISED</i></div>		<b>DEPARTMENT: Public Works</b>	
<b>AGENDA SECTION:</b>	<b>PROJECT AMOUNT:</b> <u>\$904,525.00 – Total</u> \$449,100.00 – Base Bid - approved \$59,000.00 – Alternate Bid #1b - approved \$246,800.00 – Alternate Bid #1c - approved \$101,500.00 – Alternate Bid #2b - approved <div style="text-align: right;"><i>\$9,500.00</i></div> <del>\$48,125.00</del> – Change Order #1 <i>OK</i>		
<b>ATTACHMENTS:</b> <input checked="" type="checkbox"/> <b>SUPPORTING DOCUMENTS</b>	<b>DATE: July 26, 2017</b>		
<b>SUMMARY HIGHLIGHTS:</b> <p>This Agenda Item provides for the consideration of Change Order #1 to the Elevated Tank Coating &amp; Structural Rehabilitations Project to include the Village's name and logo on the North Maplewood Elevated Tank; and to replace the interior wet ladder and enlarge the interior wet roof hatch on the Campbell Avenue Tank.</p> <p>This project was advertised in March and awarded at the April 2017 Board meeting to Maxcor, Inc. for the base bid amount of \$449,100.00. This work included the painting, maintenance, and servicing of two (2) Village of Rantoul elevated tanks. The tanks involved are the one million gallon tank at Campbell &amp; Tanner (which will be cleaned, serviced, and painted both inside and out); and the one-half million gallon tower on North Maplewood (which will be cleaned, painted inside, and serviced).</p> <p>The base bid included the Village's name and logo being placed on the Campbell Avenue elevated tank. With the pricing of the exterior coating of North Maplewood Elevated Tank being so attractive, the recommendation was to include this additional work in the overall project. With the approval of Alternate Bids 1b, 1c &amp; 2b, the contract value totals \$856,400.00. What was not initially requested was a stand-alone price for including the Village's name and logo on the second tower should the alternate bids be awarded. The contractor has now provided that price (<del>\$38,625.00</del>) for the Village's consideration.</p> <p>The contractor has also encountered a worn, corroded, and bent interior ladder on the Campbell Avenue Elevated Tank. Replacement over attempted repair is recommended at an additional cost of <u>\$7,500.00</u>. - <i>OK</i></p> <p>Requirements call for a 30" wet interior roof hatch, which to accommodate, will need to be adjusted from the current 24' location due to beams and bracings. This adjustment is in the amount of <u>\$2,000.00</u>. - <i>OK</i></p> <p>It is believed that adding the name and logo to this second tank will make the tower's new exterior coating more complete and serve as a landmark for the community. The servicing of these two elevated tanks was included in the 2017/18 budget. Project priorities are being adjusted to accommodate the expense of the additional work.</p>			
<b>RECOMMENDED ACTION:</b> Authorize the approval of Change Order #1 in the amount of <del>\$48,125.00</del> <i>\$9,500.00</i> to include the Village's name and logo on the North Maplewood elevated tank; and to replace the interior wet ladder and enlarge the wet interior roof hatch on the Campbell Avenue Tank.			
<b>DEPARTMENT HEAD APPROVAL:</b> G. Gregory Hazel, P.E.		<b>VILLAGE ADMINISTRATOR:</b>	
<b>AGENDA PAGE NUMBER:</b>			

BOARD OF TRUSTEES  
VILLAGE OF RANTOUL

- REFERENCE -

AGENDA ITEM		PAGE	OF
ITEM: Elevated Tank Coating & Structural Rehabilitations Project - Maxcor, Inc.	DEPARTMENT: Public Works		
AGENDA SECTION:	PROJECT AMOUNT: <u>\$856,400.00 - Total</u> \$449,100.00 - Base Bid \$59,000.00 - Alternate Bid #1b \$246,800.00 - Alternate Bid #1c \$101,500.00 - Alternate Bid #2b		
ATTACHMENTS: ( ) RESOLUTION (X) OTHER (See Summary Highlights) (X) SUPPORTING DOCUMENTS	DATE: March 31, 2017		

**SUMMARY HIGHLIGHTS:**

This Agenda Item provides for the painting, maintenance, and servicing of two (2) Village of Rantoul elevated tanks. Included in this project are the one million gallon tank at Campbell & Tanner which will be cleaned, serviced, and painted both inside and out and the one-half million gallon tower on North Maplewood which will be cleaned, a fresh exterior coating and serviced.

The one million gallon elevated tank at Campbell & Tanner was initially constructed in 1969 by CB&I and was painted in 1996. In this project, the structure will be serviced, cleaned and painted both inside and out. A community logo is being incorporated into the painting design.

The North Maplewood elevated tank was fully painted in 2004. Under the proposed contract, the structure will receive an internal cleaning, exterior coating, and have interior / exterior maintenance performed.

The Village's third elevated tank is located on Galaxy Drive and is a 300,000 gallon tank which was received in conjunction with the south Rantoul water system. The Air Force painted this structure in 2015. These tanks are inspected every five (5) years to verify their condition.

This project was advertised in mid-March and bids were opens at 2:00pm on March 30, 2017. Three (3) bids were received and Maxcor, Inc. was the apparent low bidder with a Base Bid amount of \$449,100.00. In addition to awarding the Base Contract, the following actions are recommended for the Alternate Items:

Campbell Elevated Tank

- 1a: Reject – (Deduct \$23,300.00) Exterior Coating with Acrylic Polyurethane Finish Coat
- 1b: Award – (\$59,000.00) Interior Wet Coating with a complete Blast and Recoat
- 1c: Award – (\$246,800.00) Exterior Coating with a Complete Blast and Recoat

North Maplewood Elevated Tank

- 2a: Reject – (\$126,000.00) Exterior Overcoat with a Fluoropolymer Polyurethane Finish Coat
- 2b: Award – (\$101,500.00) Exterior Overcoat with an Acrylic Polyurethane Finish Coat

These Awards would provide a contract value of \$856,400.00. Monies in the amount of \$811,000.00 were included in the 2017/18 budget. Alternate 2b for the refreshing of N. Maplewood Tank would be the one item that could be deferred, but the bid amount is an excellent value & opportunity to refresh and extend the tank's coating as opposed to a complete blasting and painting sooner in the future.

**RECOMMENDED ACTION:** Authorize the award of a contract with Maxcor, Inc. in the base bid amount of \$449,100.00; Alternate Bid Items 1b (\$59,000.00); Item 1c (\$246,800.00); Item 2b (\$101,500.00) for the painting, maintenance, and servicing on two (2) Village of Rantoul Elevated Tanks.

**DEPARTMENT HEAD APPROVAL:**  
G. Gregory Hazel, P.E. 

**VILLAGE ADMINISTRATOR:**

**AGENDA PAGE NUMBER:**



April 7, 2017

G. Gregory Hazel, P.E.  
Director of Public Works  
Village of Rantoul  
200 West Grove Avenue  
Rantoul, Illinois 61866

Re: Proposal for Campbell Elevated Tank and Maplewood Elevated Tank Coating & Structural Rehabilitation – Part-Time Construction Engineering Support

Dear Mr. Hazel:

Burns & McDonnell is pleased to submit this proposal to provide part-time construction engineering services for the Campbell Tank and Maplewood Elevated Tank Coating & Structural Rehabilitation project.

#### **BACKGROUND**

The Village of Rantoul (Village) owns a 1,000,000-gallon elevated water storage tank located at the southwest corner of the intersection of Campbell Road and Tanner Street and a 500,000-gallon elevated water storage tank located near the intersection of North Maplewood Drive and Pine Avenue. The Village is soliciting bids from contractors for a project which includes coating and structural rehabilitation of both tanks.

It is expected that the selected contractor will complete the work at one tank, then complete the work at the second tank. The contract documents for the project require that the contractor substantially complete the work within 180 calendar days of the date of the Notice to Proceed. Substantial Completion is defined as the completion of all items other than the punch list. Final Completion shall be within 225 calendar days of the date of the Notice to Proceed.

#### **SCOPE OF SERVICES**

The scope of our services provided to the Village is outlined below:

##### **Task 1 – Construction Administration**

Activities provided as part of this task include:

- Attendance at a preconstruction meeting that will be held at the Village with the selected Contractor. Burns & McDonnell will facilitate the meeting on behalf of the Village and will prepare a meeting agenda and distribute meeting minutes following the meeting. We anticipate one preconstruction meeting prior to beginning work on the first tank.
- Submittal Review: Burns & McDonnell will review shop drawings and data submitted by the contractor for conformity with the contract plans and specifications. As part of this task we will develop and maintain a shop drawing review log including receipt dates, review

G. Gregory Hazel, P.E.  
 Village of Rantoul  
 April 7, 2017  
 Page 2

status and conformity information for the submittals required to be made by the contractors. The log will be maintained throughout the construction phase of the Project.

- **Contract Administration:** Burns & McDonnell will review weekly reports prepared by Village staff, review contractor's monthly and final pay requests, review contractor's request for information and request for proposals, prepare change orders, and notify the Village of identified items not in conformance with the Construction Contract Documents.

**Task 2 – Part-Time Resident Engineering**

Activities provided as part of this task include:

- **Construction Observation:** Burns & McDonnell will provide part-time construction observation support for the Project. Our services will consist of providing an assistant-level civil engineer to assist the Village in observing the work for conformance with the Construction Contract Documents. It is anticipated that Village staff will observe the work at times that Burns & McDonnell staff is not onsite and document the contractor's progress during these times. This proposal is based on providing these services eight (8) hours per day for a total of 15 days. The number of days budgeted for specific milestones / work activities is presented in the table below.

Milestone / Work Activity	Number of Days Budgeted	
	Campbell Tank	Maplewood Tank
After steel work is complete	1 day	1 day
During interior dry surface preparation / prime coat application	1 day	Not applicable
After interior dry second coat application	1 day	Not applicable
After interior dry third (final) coat application	1 day	Not applicable
During exterior surface preparation / prime coat application	1 day	1 day
After exterior second coat application	1 day	1 day
After exterior third (final) coat application	1 day	1 day
After exterior Village logo application	1 day	Not applicable
During interior wet surface preparation / prime coat application	2 days	1 day

- **Progress Meeting:** Burns & McDonnell will provide a Senior Construction Manager to support the Village during one (1) progress meeting with the selected contractor.



G. Gregory Hazel, P.E.  
Village of Rantoul  
April 7, 2017  
Page 3

- Contract Closeout (Punch List): Burns & McDonnell will close out the contract following completion of the project. Our services will consist of developing a project punch list and final site inspections with the Village and Contractor.

#### COMPENSATION

Burns & McDonnell proposes to complete the scope of services included in this proposal on a time-and-materials basis for a fee of \$25,296.00 in accordance with the attached rate sheet.

#### GENERAL CONSIDERATIONS

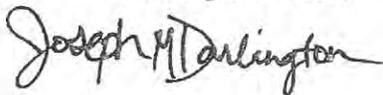
If this proposal is satisfactory, please sign and date this document and return one signed copy to us to affect an Agreement. The attached Terms and Conditions for Professional Services are incorporated in and made a part of the Agreement.

We greatly appreciate this opportunity to serve the Village. If you have any questions about this proposal, please call Randy at 630-724-3276 or Joe at 630-724-3809.

Sincerely,

Handwritten signature of Randall L. Patchett, P.E.

Randall L. Patchett, P.E.  
Water and Municipal Services

Handwritten signature of Joseph M. Darlington.

Joseph M. Darlington, P.E.  
Project Manager

JMD/jmd

cc: Peter Passarelli, Village of Rantoul  
Stephen T. Crede, BMcD



G. Gregory Hazel, P.E.  
Village of Rantoul  
April 7, 2017  
Page 4

**CAMPBELL AND MAPLEWOOD ELEVATED TANK COATING &  
STRUCTURAL REHABILITATION – PART-TIME CONSTRUCTION  
ENGINEERING SUPPORT**

**Village of Rantoul**

**Signature:** \_\_\_\_\_

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

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

Village of Rantoul  
 Campbell and Maplewood Elevated Tank Coating & Structural Rehabilitation  
 Estimated Fees for Part-Time Construction Engineering Services  
 April 7, 2017

Task Description	Principal (17)	Associate (16)	Associate (15)	Associate (14)	Senior Construction Manager (13)	Senior Engineer (12)	Staff Engineer (11)	Staff Engineer (10)	Assistant Civil Engineer (9)	Assistant Engineer (8)	Project Technician (6)	Expenses	Task Total
<b>Task 1 - Construction Administration</b>													
Preconstruction Meeting													\$ 4,688.00
Submittal Review					8				8				\$ 2,608.00
Contract Administration									8				\$ 1,040.00
									8				\$ 1,040.00
<b>Task 2 - Resident Engineering</b>													
Construction Observation *													\$ 20,608.00
Progress Meeting									120			\$ 2,250.00	\$ 17,850.00
Contract Close-out (Punch List)					8								\$ 1,568.00
									8			\$ 150.00	\$ 1,190.00

hours	0	0	0	0	16	0	0	0	152	0	0		
Hourly Billing Rate	\$224.00	\$220.00	\$214.00	\$206.00	\$126.00	\$176.00	\$160.00	\$147.00	\$130.00	\$109.00	\$82.00		
<b>Subtotals</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$3,136.00	\$0.00	\$0.00	\$0.00	\$19,760.00	\$0.00	\$0.00	\$ 2,400.00	\$ 25,296.00

\* Based on part-time support for eight (8) hours per day for a total of 15 days.

<b>Total Hours</b>	<b>168</b>
<b>Total Fee</b>	<b>\$ 25,296.00</b>

Rate Sheet: BMR 717A



## Schedule of Hourly Professional Service Billing Rates

<u>Position Classification</u>	<u>Classification Level</u>	<u>Hourly Billing Rate</u>
General Office *	5	\$57.00
Technician *	6	72.00
Assistant *	7	82.00
	8	109.00
	9	130.00
Staff *	10	147.00
	11	160.00
Senior	12	176.00
	13	196.00
Associate	14	206.00
	15	214.00
	16	220.00
	17	224.00

**NOTES:**

1. Position classifications listed above refer to the firm's internal classification system for employee compensation. For example, "Associate", "Senior", etc., refer to such positions as "Associate Engineer", "Senior Architect", etc.
2. For any nonexempt personnel in positions marked with an asterisk (\*), overtime will be billed at 1.5 times the hourly labor billing rates shown.
3. Project time spent by corporate officers will be billed at the Level 17 rate plus 25 percent.
4. For outside expenses incurred by Burns & McDonnell, such as authorized travel and subsistence, and for services rendered by others such as subcontractors, the client shall pay the cost to Burns & McDonnell plus 10%.
5. Monthly invoices will be submitted for payment covering services and expenses during the preceding month. Invoices are due upon receipt. A late payment charge of 1.5% per month will be added to all amounts not paid within 30 days of the invoice date.
6. The services of contract/agency and/or any personnel of a Burns & McDonnell subsidiary or affiliate shall be billed to Owner according to the rate sheet as if such personnel is a direct employee of Burns & McDonnell.
7. The rates shown above are effective for services through December 31, 2017, and are subject to revision thereafter.

**TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES**

**Project:** Campbell and Maplewood Elevated Tank Coating & Structural Rehabilitation  
**Client:** Village of Rantoul, Illinois

**Date of Letter, Proposal, or Agreement:** April 7, 2017

**Client Signature:** \_\_\_\_\_

**1. SCOPE OF SERVICES**

For the above-referenced Project, Burns & McDonnell Engineering Company, Inc. (BMcD) will perform the services set forth in the above-referenced Letter, Proposal, or Agreement, in accordance with these Terms and Conditions. BMcD has relied upon the information provided by Client in the preparation of the Proposal, and shall rely on the information provided by or through Client during the execution of this Project as complete and accurate without independent verification.

**2. PAYMENTS TO BMcD**

A. Compensation will be as stated in the above-referenced Letter, Proposal, or Agreement. Statements will be in BMcD's standard format and are payable upon receipt. Time is of the essence in payment of statements, and timely payment is a material part of the consideration of this Agreement. A late payment charge will be added to all amounts not paid within 30 days of statement date and shall be calculated at 1.5 percent per month from statement date. Client shall reimburse any costs incurred by BMcD in collecting any delinquent amount, including reasonable attorney's fees. If a portion of BMcD's statement is disputed, Client shall pay the undisputed portion by the due date. Client shall advise BMcD in writing of the basis for any disputed portion of any statement.

B. Taxes as may be imposed on professional consulting services by state or local authorities shall be in addition to the payment stated in the above-referenced Letter, Proposal, or Agreement.

**3. INSURANCE**

A. During the course of performance of its services, BMcD will maintain Worker's Compensation insurance with limits as required by statute, Employer's Liability insurance with limits of \$1,000,000, and Commercial General Liability and Automobile Liability insurance each with combined single limits of \$1,000,000.

B. If the Project involves on-site construction, construction contractors shall be required to provide (or Client may provide) Owner's Protective Liability Insurance naming Client as a Named Insured and BMcD as an Additional Insured or to endorse Client and BMcD using ISO form CG 20 10 11 85 endorsement or its equivalent as Additional Insureds on all construction contractor's liability insurance policies covering claims for personal injuries and property damage in at least the amounts required of BMcD in 3A above. Construction contractors shall be required to provide certificates evidencing such insurance to Client and BMcD. Contractor's compensation shall include the cost of such insurance including coverage for contractual and indemnification obligations herein.

C. Client and BMcD release each other and waive all rights of subrogation against each other and their officers, directors, agents, or employees for damage covered by property insurance during and after the completion of BMcD's services. A provision similar to this shall be incorporated into all construction contracts entered into by Client, and all construction contractors shall be required to provide waivers of subrogation in favor of Client and BMcD for damage covered by any construction contractor's property insurance.

**4. INDEMNIFICATION**

A. To the extent allowed by law, Client will require all construction contractors to indemnify, defend, and hold harmless Client and BMcD from any and all loss where loss is caused or alleged to be caused in whole or in part by the construction contractors, their employees, agents, subcontractors or suppliers.

B. If this Project involves construction and BMcD does not provide consulting services during construction including, but not limited to, on-site monitoring, site visits, site observation, shop drawing review, and/or design clarifications, Client agrees to indemnify and hold

harmless BMcD from any liability arising from this Project or Agreement, except to the extent caused by BMcD's negligence.

**5. PROFESSIONAL RESPONSIBILITY-- LIMITATION OF REMEDIES**

A. BMcD will exercise reasonable skill, care, and diligence in the performance of its services and will carry out its responsibilities in accordance with customarily accepted professional practices. If BMcD fails to meet the foregoing standard, BMcD will perform at its own cost, the professional services necessary to correct errors and omissions reported to BMcD in writing within one year from the completion of BMcD's services for the Project. No warranty, express or implied, is included in this Agreement or regarding any drawing, specification, or other work product or instrument of service.

B. In no event will BMcD be liable for any special, indirect, or consequential damages including, without limitation, damages or losses in the nature of increased Project costs, loss of revenue or profit, lost production, claims by customers of Client, and/or governmental fines or penalties.

C. BMcD's aggregate liability for all damages connected with its services for the Project not excluded by the preceding subparagraph, whether or not covered by BMcD's insurance, will not exceed \$100,000.

D. These mutually negotiated obligations and remedies stated in this Paragraph 5, Professional Responsibility - Limitation of Remedies, are the sole and exclusive obligations of BMcD and remedies of Client, whether liability of BMcD is based on contract, warranty, strict liability, tort (including negligence), indemnity, or otherwise.

**6. PERIOD OF SERVICE AND SCHEDULE**

The provisions of this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the services stated in the Proposal. BMcD's obligation to render services hereunder will extend for a period that may reasonably be required for the completion of said services. BMcD shall make reasonable efforts to comply with deliverable schedules (if any) and consistent with BMcD's professional responsibility.

**7. COMPUTER PROGRAMS OR MODELS**

Any use, development, modification, or integration by BMcD of computer models or programs does not constitute ownership or a license to Client to use or modify such computer models or programs.

**8. ELECTRONIC MEDIA AND DATA TRANSMISSIONS**

A. Any electronic media (computer disks, tapes, etc.) or data transmissions furnished (including Project Web Sites or CAD file transmissions) are for Client information and convenience only. Such media or transmissions are not to be considered part of BMcD's instruments of service. BMcD, at its option, may remove all indicia of its ownership and involvement from each electronic display.

B. BMcD shall not be liable for loss or damage directly or indirectly, arising out of Client's use of electronic media or data transmissions.

**9. DOCUMENTS**

A. All documents prepared by BMcD pursuant to this Agreement are instruments of service in respect of the Project specified herein. They are not intended or represented to be suitable for reuse by Client or others in extensions of the Project beyond that now contemplated or on any other Project. Any reuse, extension, or completion by Client or others without written verification, adaptation, and permission by BMcD for the specific purpose intended will be at Client's sole risk and without liability or legal exposure to BMcD.

B. In the event that BMcD is to reuse, copy or adapt all or portions of reports, plans, or specifications prepared by others, Client represents that Client either possesses or will obtain permission and necessary

(continued on reverse side)

rights in copyright, patents, or other proprietary rights and will be responsible for any infringement claims by others. Client warrants the completeness, accuracy, and efficacy of the information, data, and design provided by or through Client (including prepared for Client by others), for which BMcD shall rely on to perform and complete its services.

#### **10. ESTIMATES, SCHEDULES, FORECASTS, AND PROJECTIONS**

Estimates, schedules, forecasts, and projections prepared by BMcD relating to loads, interest rates and other financial analysis parameters, construction costs and schedules, operation and maintenance costs, equipment characteristics and performance, and operating results are opinions based on BMcD's experience, qualifications, and judgment as a professional. Since BMcD has no control over weather, cost and availability of labor, cost and availability of material and equipment, cost of fuel or other utilities, labor productivity, construction contractor's procedures and methods, unavoidable delays, construction contractor's methods of determining prices, economic conditions, government regulations and laws (including the interpretation thereof), competitive bidding or market conditions, and other factors affecting such estimates or projections, BMcD does not guarantee that actual rates, costs, quantities, performance, schedules, etc., will not vary significantly from estimates and projections prepared by BMcD.

#### **11. POLLUTION**

In view of the uncertainty involved in investigating and recommending solutions to environmental problems and the abnormal degree of risk of claims imposed upon BMcD in performing such services, notwithstanding the responsibility of BMcD set forth in Paragraph 5A to the maximum extent allowed by law, Client agrees to release, defend, indemnify and hold harmless BMcD and its officers, directors, employees, agents, consultants and subcontractors from all liability, claims, demands, damages, losses, and expenses including, but not limited to, claims of Client and other persons and organizations, reasonable fees and expenses of attorneys and consultants, and court costs, except where there has been a final adjudication that the damages were caused by BMcD's willful disregard of its obligations under this Agreement. Such indemnification includes claims arising out of, or in any way relating to, the actual, alleged, or threatened dispersal, escape, or release of, or failure to detect or contain, chemicals, wastes, liquids, gases, or any other material, irritant, contaminant, or pollutant.

#### **12. ON-SITE SERVICES**

A. Project site visits by BMcD during investigation, observation, construction or equipment installation, or the furnishing of Project representatives shall not make BMcD responsible for construction means, methods, techniques, sequences, or procedures; for construction safety precautions or programs; or for any construction contractor(s)' failure to perform its work in accordance with the contract documents.

B. Client shall disclose to BMcD the location and types of any known or suspected toxic, hazardous, or chemical materials or wastes existing on or near the premises upon which work is to be performed by BMcD's employees or subcontractors. If any hazardous wastes not identified by Client are discovered after a Project is undertaken, Client and BMcD agree that the scope of services, schedule, and compensation may be adjusted accordingly. Client agrees to release BMcD from all damages related to any pre-existing pollutant, contaminant, toxic, or hazardous substance at the site.

#### **13. CHANGES**

Client shall have the right to make changes within the general scope of BMcD's services, with an appropriate change in compensation and schedule, upon execution of a mutually acceptable amendment or change order signed by authorized representatives of Client and BMcD.

#### **14. TERMINATION**

Services may be terminated by Client or BMcD by seven (7) days' written notice in the event of substantial failure to perform in accordance with the terms hereof by the other party through no fault of the terminating party. If so terminated, Client shall pay BMcD all amounts due BMcD for all services properly rendered and expenses incurred to the date of receipt of notice of termination, plus reasonable costs incurred by BMcD in terminating the services. In addition, Client may terminate the services

for Client's convenience upon payment of twenty percent of the yet unearned and unpaid estimated, lump sum, or not-to-exceed fee, as applicable.

#### **15. DISPUTES, NEGOTIATIONS, MEDIATION**

A. If a dispute arises relating to the performance of the services to be provided and, should that dispute result in litigation, it is agreed that the substantially prevailing party (as determined in equity by the court) shall be entitled to recover all reasonable costs of litigation, including staff time, court costs, attorney's fees and other related expenses.

B. The parties shall participate in good faith negotiations to resolve any and all disputes. Should negotiations fail, the parties agree to submit to and participate in a third party-facilitated mediation as a condition precedent to resolution by litigation. Unless otherwise agreed to, mediation shall be conducted under the rules of the American Arbitration Association.

C. Causes of action between the parties shall accrue, and applicable statutes of limitation shall commence to run the date BMcD's services are substantially complete.

#### **16. WITNESS FEES**

A. BMcD's employees shall not be retained as expert witnesses, except by separate written agreement.

B. Client agrees to pay BMcD pursuant to BMcD's then current schedule of hourly labor billing rates for time spent by any employee of BMcD responding to any subpoena by any party in any dispute as an occurrence witness or to assemble and produce documents resulting from BMcD's services under this Agreement.

#### **17. CONTROLLING LAW AND VENUE**

This Agreement shall be subject to, interpreted and enforced according to the laws of the State of Illinois, without regard to any conflicts of law provisions. Parties agree to submit to the exclusive venue and jurisdiction of the 18th Judicial Circuit Court, County of DuPage, Wheaton, Illinois, or the United States District Court, Northern District of Illinois.

#### **18. RIGHTS AND BENEFITS - NO ASSIGNMENT**

BMcD's services will be performed solely for the benefit of Client and not for the benefit of any other persons or entities. Neither Client nor BMcD shall assign or transfer interest in this Agreement without the written consent of the other.

#### **19. ENTIRE CONTRACT**

These Terms and Conditions and the above-referenced Letter, Proposal, or Agreement contain the entire agreement between BMcD and Client relative to BMcD's services for the Project herein. All previous or contemporaneous agreements, representations, promises, and conditions relating to BMcD's services for the Project are superseded. Since terms contained in purchase orders do not generally apply to professional services, in the event Client issues to BMcD a purchase order, no preprinted terms thereon shall become part of this Agreement. Said purchase order documents, whether or not signed by BMcD, shall be considered only as an internal document of Client to facilitate administrative requirements of Client's operations.

#### **20. SEVERABILITY**

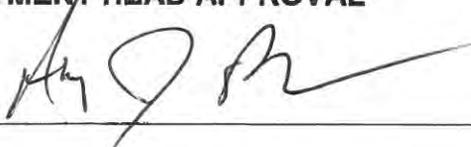
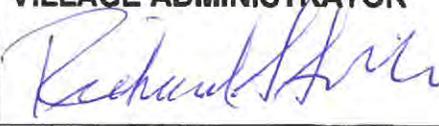
Any unenforceable provision herein shall be amended to the extent necessary to make it enforceable; if not possible, it shall be deleted and all other provisions shall remain in full force and affect.

- END -

**BOARD OF TRUSTEES  
VILLAGE OF RANTOUL**

AGENDA ITEM

PAGE \_\_\_\_\_ OF \_\_\_\_\_

<b>ITEM: METRO SWAT Storage Garage</b>	<b>DEPARTMENT: Police</b>
<b>AGENDA SECTION:</b>	<b>AMOUNT: Unknown</b>
<b>ATTACHMENTS:</b> <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Supporting Documents	<b>DATE: 02/06/17</b>
<b>SUMMARY HIGHLIGHTS:</b>	
<p>The METRO SWAT team is a multi-jurisdictional SWAT Team with 6 participating law enforcement agencies. Along with the Rantoul Police Department are the Urbana, University of Illinois, Mahomet and Parkland College Police Departments as well as the Champaign County Sheriff's Office. The METRO team budget is funded through contributions from each of the 6 participating agencies. Since the inception of the team through 2017 the METRO funds were held and managed by the Urbana Police Department. In May 2017, the Village of Rantoul took over fiscal management of the METRO team funds. This means that purchases made from the METRO funds fall under the purchasing guidelines of the Village of Rantoul.</p> <p>The METRO team is planning to build a storage garage for equipment and vehicles owned by the team. The City of Urbana has an area of surplus land and has agreed to allow the METRO team to place the garage on that property. All participating agencies are in agreement for the need for this garage and are committed to future funding to be utilized for its completion. The METRO team has secured sufficient funding to start this project. We will be building this structure in stages and it will most likely take place over several fiscal years. Due to the fact that all of the funding is collected from six different municipalities and that the garage will not be constructed in Rantoul, we are requesting that the Rantoul Village Board waive its requirement of advertising for bids for projects in excess of \$25,001. We request that the board allow the alternative which provides that METRO Team Commanders collect (3) written quotes unless the service is from a sole provider. We ask that the Rantoul Village Board grant a waiver to the Bid Requirement for the duration of the project.</p> <p>Please see the attached METRO TEAM Agreement and addendum concerning the construction of the storage garage.</p>	
<b>RECOMMENDED ACTION:</b>	
<b>DEPARTMENT HEAD APPROVAL</b> 	<b>VILLAGE ADMINISTRATOR</b> 

**Amendment No. 1 to Metropolitan Emergency Tactical Response Operations  
Formal Agreement (March 2017)**

The Champaign County Sheriff's Office, Mahomet Police Department, Parkland College Police Department, Rantoul Police Department, University of Illinois Police Department, and Urbana Police Department (collectively, the "participating agencies") mutually agree to the following amendments to the Metropolitan Emergency Tactical Response Operations Formal Agreement entered into on March 9, 2017:

1. The following new section, to be known and designated as "Operations Facility," is hereby added to the agreement:

**OPERATIONS FACILITY**

The participating agencies may design, construct, and use an operations facility and parking area (together, "the facility") upon the City of Urbana's real estate located at 1907 East Perkins Road in Urbana, in accordance with the site plan attached as Attachment "A" and in conformity with all federal and state laws and all codes, rules, regulations, orders, permits, and other requirements of Urbana. The participating agencies shall submit all building construction plans to Urbana for review and shall pay all building permit fees. A participating agency's contracts with any construction, maintenance, or repair contractor for the facility shall include a provision requiring the contractor and all subcontractors to pay their employees the prevailing wage rates for Champaign County, as established and revised by the Illinois Department of Labor. The prevailing wage rates are available from Urbana or at [www.state.il.us/agency/idol/rates/rates.htm](http://www.state.il.us/agency/idol/rates/rates.htm). The Oversight Board shall determine the manner in which the participating agencies will share all costs associated with the facility, including, without limitation, design, construction, operation, utilities, insurance, maintenance, and repair. Upon the termination of this agreement, (1) the participating agencies shall discontinue use of the facility and remove all personal property from the facility; and (2) ownership of the facility automatically will transfer to Urbana.

2. Attachment A, "Site Plan," is attached to and made a part of this amendment.
3. The participating agencies may sign this amendment in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures delivered by email in Adobe Portable Document Format (PDF) or by facsimile will be deemed original signatures for all purposes.
4. All other terms and conditions of the agreement remain in full force and effect.
5. This amendment will take effect upon execution by all of the participating agencies.

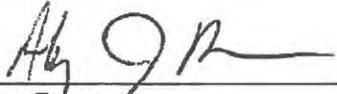
[Signature page follows]

The participating agencies are signing this amendment on the dates indicated below their signatures.

Champaign County Sheriff's Office

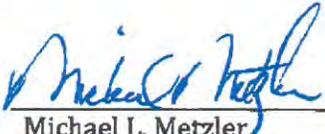
Rantoul Police Department

By:   
Dan Walsh  
Sheriff  
Date: 12/15, 2017

By:   
Tony Brown  
Chief of Police  
Date: 12/15, 2017

Mahomet Police Department

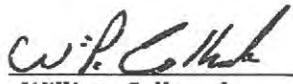
University of Illinois Police Department

By:   
Michael L. Metzler  
Chief of Police  
Date: 12/15/17, 2017

By:   
Jeff Christensen  
Chief of Police  
Date: 12/15, 2017

Parkland College Police Department

Urbana Police Department

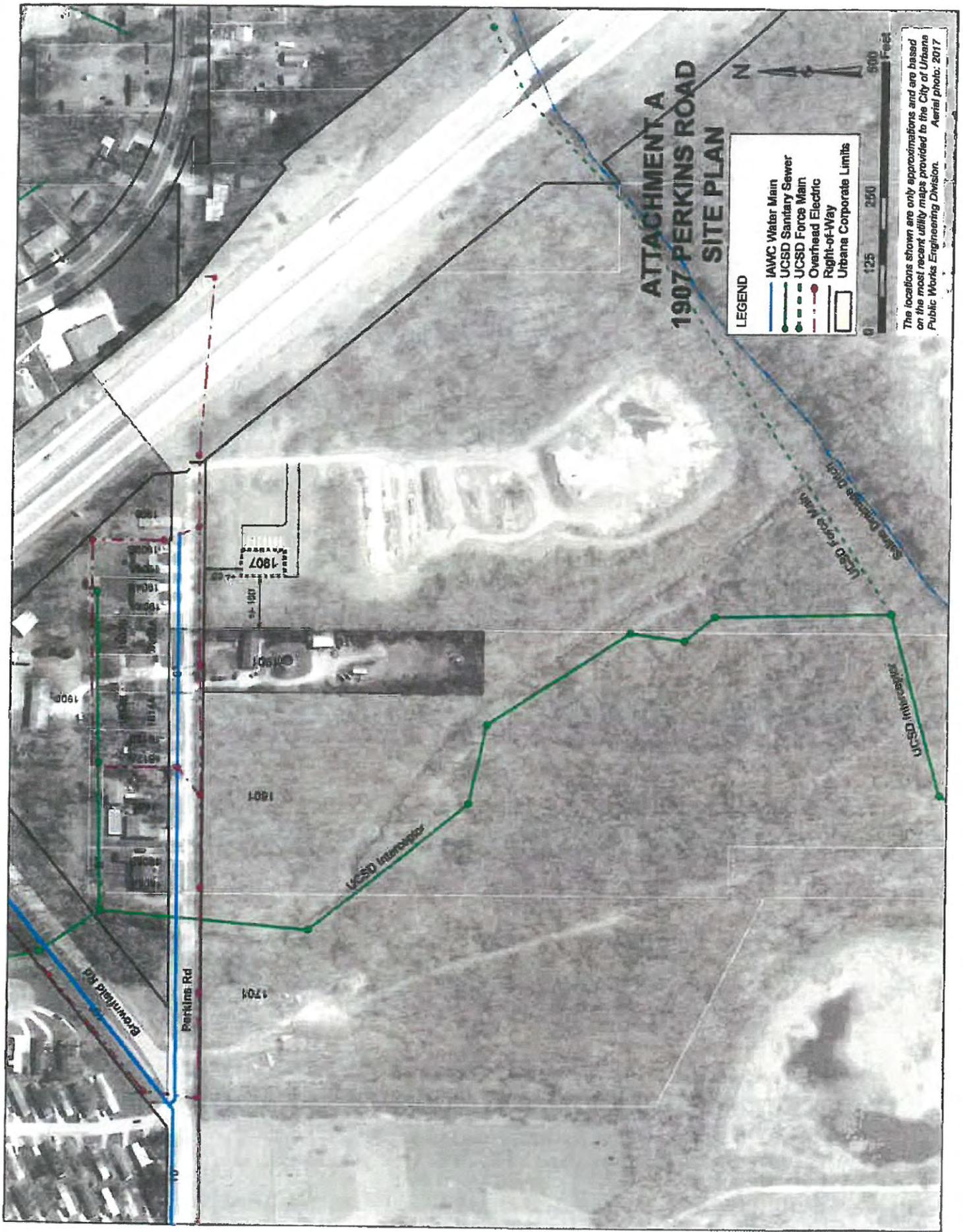
By:   
William Colbrook  
Director & Chief of Police  
Date: 12/15, 2017

By: \_\_\_\_\_  
Sylvia Morgan  
Chief of Police  
Date: \_\_\_\_\_, 2017

# ATTACHMENT A 1907 PERKINS ROAD SITE PLAN

**LEGEND**

- IAWC Water Main
- UCSD Sanitary Sewer
- - - UCSD Force Main
- - - Overhead Electric
- · - · - Right-of-Way
- Urbana Corporate Limits



The locations shown are only approximations and are based on the most recent utility maps provided to the City of Urbana Public Works Engineering Division. Aerial photo: 2017

# Village of Rantoul - Fleet Profile

## Fleet Profile

Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage
Mid-size Sedan	1	3.0	6,100
Full-size Sedan	14	11.4	7,500
Minivan-Passenger	3	15.8	8,700
1 Ton Van Cargo	2	7.0	4,100
Mid Size SUV 4x2	1	16.2	6,200
Mid Size SUV 4x4	3	6.0	8,000
Full Size SUV 4x4	2	14.6	9,200
Compact Pickup Reg 4x4	1	11.1	8,200
Compact Pickup Ext 4x4	1	15.2	4,700
1/2 Ton Pickup Reg 4x2	6	22.2	5,800
1/2 Ton Pickup Reg 4x4	15	14.1	4,100
3/4 Ton Pickup Reg 4x4	6	15.0	5,700
1 Ton Pickup Reg 4x4	5	20.4	6,400
<b>Totals/Averages</b>	<b>60</b>	<b>14.2</b>	<b>6,200</b>

152

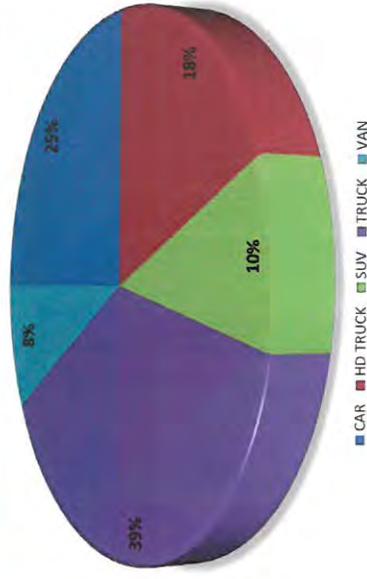
## Fleet Replacement Schedule

2018	2019	2020	2021	2022	Under-Utilized
0	0	0	1	0	0
2	5	4	0	2	1
1	1	0	0	0	1
0	0	2	0	0	0
0	1	0	0	0	0
0	0	2	0	1	0
1	1	0	0	0	0
0	0	1	0	0	0
0	1	0	0	0	0
5	1	0	0	0	0
4	3	1	1	3	3
2	2	1	0	1	0
4	1	0	0	0	0
<b>19</b>	<b>16</b>	<b>11</b>	<b>2</b>	<b>7</b>	<b>5</b>

## Replacement Criteria

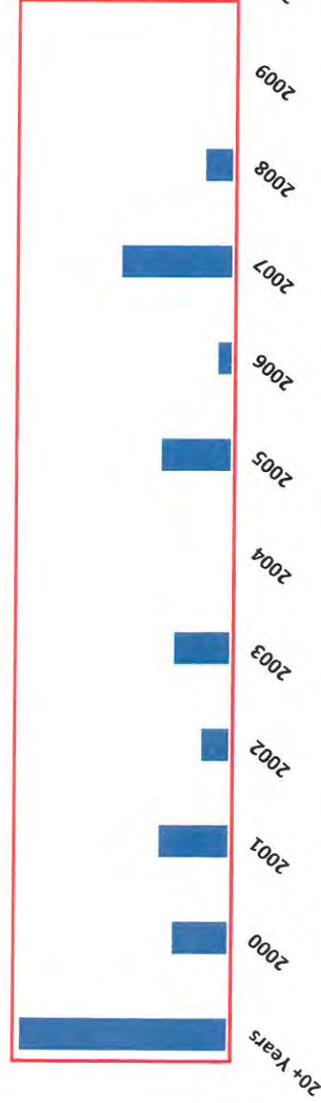
- \* Fiscal Year 2018 = 18 years old and older, or odometer over 180,000
- \* Fiscal Year 2019 = 12 years old and older, or odometer over 120,000
- \* Fiscal Year 2020 = 4 years old and older, or odometer over 40,000
- \* Fiscal Year 2021 = 3 years old and older, or odometer over 30,000
- \* Fiscal Year 2022 = Remaining Vehicles
- \* Underutilized = Annual Mileage less than 2,500

## Vehicle Types



## Model Year Analysis

46 Vehicles over 10 Years



20

# Village of Rantoul - Fleet Planning Analysis

## Fleet Costs Analysis

Current Fleet	60	Fleet Growth	-1.91%	Proposed Fleet	55
Current Cycle	15.00	Annual Miles	6,800	Proposed Cycle	5.00
Current Maint.	\$175.00	Insurance	\$0.00	Proposed Maint.	\$28.12
Fuel Info		MPG	8	Price/Gallon	\$2.40



Fiscal Year	Fleet Mix		Fleet Cost						Annual			
	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Maintenance	Insurance	Fuel	Fleet Budget	Net Cash	
Average	60	4.0	60	0	100,161	0	126,000	0	111,600	337,761	0	
'18	59	19	40	19	0	95,394	90,411	0	104,412	290,218	47,544	
'19	58	16	23	35	0	174,637	60,111	0	98,131	332,878	4,883	
'20	57	11	11	46	0	228,776	38,622	0	93,587	360,986	-23,225	
'21	56	2	8	48	0	237,063	32,997	0	92,469	362,529	-24,767	
'22	55	7	0	55	0	101,633	18,559	0	89,280	209,472	128,289	
'23	55	19	0	55	0	141,486	18,559	0	89,280	249,325	88,436	
'24	55	16	0	55	0	184,791	18,559	0	89,280	292,630	45,131	
'25	55	11	0	55	0	255,192	18,559	0	89,280	363,032	-25,270	
'26	55	2	0	55	0	208,770	18,559	0	89,280	316,609	21,152	
'27	55	7	0	55	0	101,633	18,559	0	89,280	209,472	128,289	
									10 Year Savings	\$390,461	Avg. Sustainable Savings	\$51,547

## Current Fleet Equity Analysis

YEAR	2018	2019	2020	2021	2022
QTY	20	17	12	3	8
RESALE	\$1,000	\$2,000	\$3,500	\$6,500	\$8,500
TOTAL	\$20,000	\$34,000	\$42,000	\$19,500	\$68,000
Estimated Current Fleet Equity**					\$183,500

## Summary

10 Year Savings	\$390,461
Estimated Fleet Equity	\$183,500
<b>Net Cash***</b>	<b>\$573,961</b>

## Key Objectives

- **Lower Average Age of the Fleet**
  - 77% of fleet is over 10 years old
  - Resale of aging fleet is significantly reduced
- **Reduced Operating Costs**
  - Newer vehicles have a significantly lower maintenance expense and increased fuel economy
- **Maintain a Manageable Vehicle Budget**
  - Challenged by inconsistent yearly budget
  - Currently budget is underfunded

\* Lease Rates are conservative estimates

\*\*Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

\*\*\*Net Cash is the sum of the 10 year savings from the Fleet Planning Analysis and the Estimated Current Fleet Equity

# Village of Rantoul Menu Pricing



FLEET MANAGEMENT

Total Annual Cost Including Maintenance	\$96,662.71
Total Annual One Time Aftermarket Cost	\$0.00

## Equity Lease Menu Pricing

Vehicle Type	Year	Make	Model	Quantity	Term	Estimated Annual Mileage	Monthly Cost (Lease Rate)*	Full Maintenance**	Annual Cost Including Maintenance	Annual Cost Including Maintenance by Quantity
Full-size Sedan	2018	Ford	Taurus	2	60	7500	\$373.30	\$29.33	\$4,831.58	\$9,663.17
Minivan-Passenger	2018	Dodge	Grand Caravan Passenger Van	1	60	8700	\$416.56	\$32.08	\$5,383.72	\$5,383.72
Full Size SUV 4x4	2018	Ford	Expedition	1	60	9200	\$700.29	\$37.98	\$8,859.23	\$8,859.23
1/2 Ton Pickup Reg 4x2	2018	Ford	F-150 Regular Cab	5	60	5800	\$349.56	\$25.67	\$4,502.66	\$22,513.31
1/2 Ton Pickup Reg 4x4	2018	Ford	F-150 Regular Cab	3	60	4100	\$402.55	\$24.79	\$5,128.07	\$15,384.22
3/4 Ton Pickup Reg 4x4	2017	Ford	F-250 Regular Cab	2	60	5700	\$427.63	\$27.84	\$5,465.64	\$10,931.28
1 Ton Pickup Reg 4x4	2017	Ford	F-350 Regular Cab	4	60	6400	\$468.20	\$30.29	\$5,981.95	\$23,927.79

\*Lease rates are based upon factory order pricing and miles per year  
 \*\*Maintenance includes all preventative and non-preventative repairs excluding brakes and tires  
 Pricing does not include expected return on equity at end of lease

# Village of Rantoul Fleet Replacement Worksheet

Vehicle #	VIN	Department	Year	Make	Model	Current Odometer	Assigned Category	Recommended Replacement Year	New Replacement Category	Notes
177	WGCCC14HOGH151385	11360	1986	Chevrolet	CHEVROLET PICKUP TRUCK	82,628	1/2 Ton Pickup Reg 4x4	2018	1/2 Ton Pickup Reg 4x4	SOLD
158	JB7F44E2GPO15555	2300	1986	Dodge	DODGE RAM 50 PICK-UP	31,347	1/2 Ton Pickup Reg 4x4	2018	1/2 Ton Pickup Reg 4x4	SOLD
284	1FTHF26M4PNA39842	7200	1993	Ford	FORD PICKUP F 250 4X4	89,823	3/4 Ton Pickup Reg 4x4	2018	3/4 Ton Pickup Reg 4x4	FIRE
175	1GCHK34K7RE262592	11360	1994	Chevrolet	CHEVROLET PICKUP 4X4	170,842	1 Ton Pickup Reg 4x4	2018	1 Ton Pickup Reg 4x4	WW
65	1GCHK34K9RE263095	11700	1994	Chevrolet	CHEVROLET TRUCK W/SN PLOW	178,786	1 Ton Pickup Reg 4x4	2018	1 Ton Pickup Reg 4x4	STREET
503	1GCEC14ZBRZ178310	2300	1994	Chevrolet	CHEV PICK UP BROWN	108,829	1/2 Ton Pickup Reg 4x2	2018	1/2 Ton Pickup Reg 4x2	REC
224	1FTEF15N4RMA83589	11700	1994	Ford	FORD F-150 4X2	128,789	1/2 Ton Pickup Reg 4x4	2018	1/2 Ton Pickup Reg 4x4	STREET
480	1GDCD14Z6RZ208173	2300	1994	Chevrolet	CHEV PICK-UP BLUE	179,515	1/2 Ton Pickup Reg 4x2	2018	1/2 Ton Pickup Reg 4x2	REC
176	1GTGC24K7S2562425	11380	1995	GMC	GMC PICKUP TRUCK	105,230	1/2 Ton Pickup Reg 4x2	2018	1/2 Ton Pickup Reg 4x2	WW
152	1FTDF15V35N801527	2300	1995	Ford	1995 FORD F150 XL 6 CYL	114,963	3/4 Ton Pickup Reg 4x4	2018	3/4 Ton Pickup Reg 4x4	REC
43	1FTDF15V05N860616	2370	1995	Ford	1995 FORD F-150 4X2	129,576	1/2 Ton Pickup Reg 4x2	2018	1/2 Ton Pickup Reg 4x2	REC
228	1FTDF15V95N860615	11400	1995	Ford	FORD F-150 4X2	129,678	1/2 Ton Pickup Reg 4x2	2018	1/2 Ton Pickup Reg 4x2	EL
227	1FDLF47FIVE691107	11400	1997	Ford	FORD F-SUPER DUTY 4X2'	77,754	1/2 Ton Pickup Reg 4x4	2018	1/2 Ton Pickup Reg 4x4	EL
507	1FMF718L3VLA79572	618000	1997	Ford	FORD EXPEDITION	161,406	Full-size Sedan	2018	Full-size Sedan	SOLD
413	1FDWF36F8YED75358	11400	2000	Ford	2000 FORD F350	92,765	1 Ton Pickup Reg 4x4	2018	1 Ton Pickup Reg 4x4	EL
151	1GAHG39ROY1113432	2300	2000	Chevrolet	2000 CHEVROLET VAN	81,006	Minivan-Passenger	2018	Minivan-Passenger	REC
180	1FDWF36FOYED81347	11380	2000	Ford	2000 F350 TRUCK	125,696	1 Ton Pickup Reg 4x4	2018	1 Ton Pickup Reg 4x4	STREET/WW
602	1GNEK13Z62J275845	3100	2002	Chevrolet	2002 CHEVY TAHOE	184,480	Full Size SUV 4x4	2018	Full Size SUV 4x4	IT
004.84	2GIWFF5K859379206	11100	2005	Chevrolet	CHEVY IMPALA	187,669	Full-size Sedan	2018	Full-size Sedan	EL
44	2FAFP71W41X198477	11420	2001	Ford	FORD CROWN VIC	106,096	Full-size Sedan	2019	Full-size Sedan	EL
428	1FDWF36F013C74742	11100	2001	Ford	2001 F350 TRUCK	93,876	1 Ton Pickup Reg 4x4	2019	1 Ton Pickup Reg 4x4	GAS
42	2G1WF52E519320381	5000	2001	Chevrolet	CHEVROLET IMPALA	107,281	Full-size Sedan	2019	Full-size Sedan	FLEET
407	1B7HC16X015766496	3320	2001	Dodge	RAM 1500 PICKUP TRUCK	71,256	1/2 Ton Pickup Reg 4x4	2019	1/2 Ton Pickup Reg 4x4	INSP
416	3B7KF26Z71M513077	2300	2001	Dodge	2001 RAM 2500 4 X 4	103,294	3/4 Ton Pickup Reg 4x4	2019	3/4 Ton Pickup Reg 4x4	REC
447	1GND513M22519913	11000	2002	Chevrolet	2002 TRAIL BLAZER LS 2WD	99,668	Mid Size SUV 4x2	2019	Mid Size SUV 4x2	EL
594	1GCNCFH229292699	2350	2003	Chevrolet	SILVERADO	89,140	1/2 Ton Pickup Reg 4x4	2019	1/2 Ton Pickup Reg 4x4	SAME TRUCK as below
567	1GCEC14T03E307652	2350	2003	Chevrolet	SILVERADO	89,140	1/2 Ton Pickup Reg 4x2	2019	1/2 Ton Pickup Reg 4x2	REC
457	2GIWPF52E7319202030	2000	2003	Chevrolet	2003 CHEV IMPALA	106,826	Full-size Sedan	2019	Full-size Sedan	REC
450	1FTYR10D13TA00402	18000	2003	Ford	2003 FORD RANGER PICKUP	70,873	Compact Pickup Ext 4x4	2019	Compact Pickup Ext 4x4	AIRPORT
511	1GNEFC13Z25R240478	5000	2005	Chevrolet	CHEVROLET TAHOE	91,491	Full Size SUV 4x4	2019	Full-size SUV 4x4	POLICE
516	2G2WPF522951338403	618000	2005	Pontiac	PONTIAC GRAND PRIX	93,178	Full-size Sedan	2019	Full-size Sedan	INSP
564	2GIWPF5K359379050	2350	2005	Chevrolet	CHEVY IMPALA	160,840	Full-size Sedan	2019	Full-size Sedan	SOLD
563	1GCEC14XX5Z198552	2350	2005	Chevrolet	CHEVROLET SILVERADO	63,091	1/2 Ton Pickup Reg 4x4	2019	1/2 Ton Pickup Reg 4x4	REC
478	1FTNF21526EA92024	11400	2006	Ford	FORD F1U 4 X 4 F 250	77,849	3/4 Ton Pickup Reg 4x4	2019	3/4 Ton Pickup Reg 4x4	STREET
568	1GNDV23187D19074	2000	2007	Chevrolet	CHEVY UPLANDER	129,451	Minivan-Passenger	2019	Minivan-Passenger	REC
512	2GIWTF58K879402894	5000	2007	Chevrolet	CHEVROLET IMPALA LT	72,635	Full-size Sedan	2020	Full-size Sedan	POLICE
525	2G2WPF552471211654	5220	2007	Pontiac	PONTIAC GRAND PRIX	88,371	Full-size Sedan	2020	Full-size Sedan	POLICE
561	1I4G48K57W524118	3300	2007	Jeep	JEEP LIBERTY	91,293	Compact Pickup Reg 4x4	2020	Compact Pickup Reg 4x4	INSP
543	1D8G058K47W560022	5000	2007	Dodge	2007 DODGE NOTRO SLT	99,323	Mid Size SUV 4x4	2020	Mid Size SUV 4x4	POLICE
523	1FTNE14197DA96022	5220	2007	Ford	FORD F150	112,028	3/4 Ton Pickup Reg 4x4	2020	3/4 Ton Pickup Reg 4x4	POLICE
524	1FAFP53U67A209268	5220	2007	Ford	FORD TAURUS SE	112,473	Full-size Sedan	2020	Full-size Sedan	POLICE
528	2G4WD0582671214387	1100	2007	Buick	BUICK LACROSSE CXL	38,515	Full-size Sedan	2020	Full-size Sedan	SOLD

Vehicle #	VIN	Department	Year	Make	Model	Current Odometer	Assigned Category	Recommended Replacement Year	New Replacement Category	Notes
519	1FDSE35L8DA15947	11800	2008	Ford	VAN	53,823	1 Ton Van Cargo	2020	1 Ton Van Cargo	GAS
526	1FTRF12208KE70734	5220	2008	Ford	PU TRUCK F150	68,336	1/2 Ton Pickup Reg 4x4	2020	1/2 Ton Pickup Reg 4x4	REC
586	1C4RJFAG8CC318910	3100	2012	Jeep	2012 JEEP GRAND CHEROKEE	82,283	Mid Size SUV 4x4	2020	Mid Size SUV 4x4	INSP
573	1FDWE3F18EDB81891	11800	2014	Ford	2014 FORD E350	11,316	1 Ton Van Cargo	2020	1 Ton Van Cargo	GAS
576	1FTBF2B64FEC64547	11000	2015	Ford	2015 FORD F250 SUPER DUTY	16,109	1/2 Ton Pickup Reg 4x4	2021	1/2 Ton Pickup Reg 4x4	EL
575	3FA6 POLU7FR282804	3100	2015	Ford	2015 FORD FUSION HYBRID	18,260	Mid-size Sedan	2021	Mid-size Sedan	ADMIN
601	1FTBF2B61GED40713	11000	2016	Ford	2016 FORD F250 SUPER DUTY	6,000	1/2 Ton Pickup Reg 4x4	2022	1/2 Ton Pickup Reg 4x4	VV
608	1FAHP2D82GG144828	5000	2016	Ford	2016 FORD TAURUS	13,429	Full-size Sedan	2022	Full-size Sedan	POLICE
605	1FAHP2D84GG144829	5000	2016	Ford	2016 FORD TAURUS	18,322	Full-size Sedan	2022	Full-size Sedan	POLICE
595	1FTBF2B69GED14957	11000	2016	Ford	2016 FORD F250 SUPER DUTY	9,788	1/2 Ton Pickup Reg 4x4	2022	1/2 Ton Pickup Reg 4x4	EL
598	1GCNCNEH9GZ288910	2000	2016	Chevrolet	2016 CHEVY SILVERADO	10,072	1/2 Ton Pickup Reg 4x4	2022	1/2 Ton Pickup Reg 4x4	FLEET
614	1FM5K8888HG92838	11000	2017	Ford	2017 FORD EXPLORER AWD	1,328	Mid Size SUV 4x4	2022	Mid Size SUV 4x4	PVADMIN
618	1FD8F2A64HEE49651	11000	2017	Ford	2017 FORD F250	3,131	3/4 Ton Pickup Reg 4x4	2022	3/4 Ton Pickup Reg 4x4	VV
159	1B7FP44E4GP015539	2300	1986	Dodge	DODGE RAM 50 PICK-UP	24,779	1/2 Ton Pickup Reg 4x4	Under-Utilized	1/2 Ton Pickup Reg 4x4	REC
502	1GNDM19W0Y8128622	5000	2000	Chevrolet	CHEVROLET ASTRO VAN	42,334	MiniVan-Passenger	Under-Utilized	MiniVan-Passenger	POLICE
612	1FAHP2D83GG158236	3200	2016	Ford	2016 FORD TAURUS	2,904	Full-size Sedan	Under-Utilized	Full-size Sedan	POLICE
597	1GCNKNEC7GZ287794	2000	2016	Chevrolet	2016 CHEVY SILVERADO	2,904	1/2 Ton Pickup Reg 4x4	Under-Utilized	1/2 Ton Pickup Reg 4x4	REC
606	1GCNCNEH4GZ292699	2000	2016	Chevrolet	2016 CHEVY SILVERADO	3,131	1/2 Ton Pickup Reg 4x4	Under-Utilized	1/2 Ton Pickup Reg 4x4	REC

**Rantoul Village Board of Trustees  
Regular Study Session  
January 9, 2018**

LOUIS B. SCHELLING MEMORIAL BOARD ROOM  
RANTOUL MUNICIPAL BUILDING, 333 S. TANNER, RANTOUL, IL.

A regular Study Session of the Board of Trustees of the Village of Rantoul was held at 6:00 P.M. Mayor Smith called the proceeding to order.

**Roll Call**

The Village Deputy Clerk called the roll, finding the following members physically present:

Mayor Smith and Trustees Hank Gamel, Sam Hall, Jennifer Fox, Rich Medlen and Chad Smith – 6.

The following representatives of Village departments were also present:

Pat Chamberlin, Comptroller; Tony Brown, Chief of Police, Ken Waters, Fire Chief, Luke Humphrey, Recreation Director; Greg Hazel, Public Works Director; Jake McCoy, Assistant Public Works Director, Ken Turner, Community Development; Katy Johnston, Human Resources; Brenda Runyon, Neighborhood Services, Ken Beth, Village Attorney and Village Deputy Clerk Janet Gray.

**Approval of Agenda**

The Mayor stated that item #7, the review of Closed Minutes would be deferred to the February meeting. Trustee Medlen moved to approve the agenda as amended for the meeting. Trustee Hall seconded the motion. Motion carried, **5-0**.

**Public Participation**

Debra Sweat invited the Mayor, Trustees and Superintendents to attend a program January 13, 2018 at 1:30 pm at the J.W. Eater Jr. High School Annex Gymnasium celebrating the legacy of Dr. Martin Luther King, Jr. Pastor Robert Freeman will be the keynote speaker.

**Scholarship Presentation**

The Mayor presented a certificate to Yaquelin Quinto for a \$500.00 scholarship to Parkland College. Ms. Quinto thanked the board on behalf of herself and her parents.

**Items from the Mayor**

The Mayor introduced Cynthia Rouse, who he is appointed to the Citizen's Advisory Committee. Ms. Rouse thanked the Mayor for the opportunity to serve.

**Items from Trustees**

Trustee Smith thanked the Village Staff and Departments for their hard work during the recent bad weather. Trustee Medlen seconded the thanks.

**Items from the Clerk**

"NONE."

**"NOTE FROM RANTOUL VILLAGE DEPUTY CLERK, UNLESS OTHERWISE SPECIFIED BELOW ALL OF THE AGENDA ITEMS BELOW HAD LITTLE OR NO VILLAGE BOARD OF TRUSTEES DISCUSSION AND WILL BE TAKEN TO THE REGULAR VILLAGE BOARD MEETING, TUESDAY, January 16, 2018."**

- Approval of the Minutes, Regular Study Session, December 5, 2017.
- Approval of the Minutes, Regular Board Meeting, December 12, 2017.
- Approval of Bills and Monthly Financial Reports.
- Engineering agreement for design of Taxiway improvements - \$106,407.78
- Change Order to landfill cover project - \$5,391.64
- Resolution No. 1-18-1248 for annual parade routes
- Renewal of agreement with Coldwell Banker Devonshire Realty

Note: Items #10, Ordinance No. 2558, an Ordinance amending the Personnel Code by adding a new section Sexual Harassment Prohibition will be approved at the Special Board Meeting immediately following the Study Session

The Trustees had no objections to these items being taken to the Regular Village Board of Trustees meeting on Tuesday, January 16, 2018.

**Adjournment**

There being no further business to come before the Board, Mayor Charles Smith declared the proceeding adjourned.

MEETING ADJOURNED AT 6:14 P.M.

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Janet E. Gray  
Village Deputy Clerk

**APPROVED February 13, 2018**

---

Charles Smith  
Village President

**ATTEST:**

---

Mike Graham  
Village Clerk

I, Mike Graham, Village Clerk of the Village of Rantoul, Illinois do hereby certify that the foregoing minutes are a true and correct copy of the Regular Study Session of the Board of Trustees held January 9, 2018, as the same appears on the records of the Village now in my custody and keeping.

---

Mike Graham  
Village Clerk

Rantoul Village Board of Trustees  
Special Board Meeting  
Thursday, January 9, 6:15 P.M.

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President Smith called the meeting to order at 6:15 P.M. The Deputy Clerk Called the Roll finding the following members present; President Smith, Trustees Hank Gamel, Sam Hall, Jennifer Fox, Rich Medlen and Chad Smith - 6.

Public Participation

None

Motion to pass Ordinance No. 2558, an Ordinance amending Chapter 24 of the Rantoul Code by adding a new Section 24-146.5 in connection with the adoption of a policy prohibiting sexual harassment.

Trustee Fox moved for approval and Trustee Medlen seconded the motion. The Deputy Clerk called the Roll. The Motion Carried on a Roll Call Vote of 5-0.

Motion to enter into Closed Session pursuant to 5 ILCS 120/2/(C) 6, to consider the setting of a price for sale or lease of property owned by the public body

Trustee Medlin moved to enter into Closed Session and Trustee Hall seconded the motion.

The motion carried on a Roll Call Vote by 5-0.

The Rantoul Village Board entered into Closed Session at 6:17 P.M.

The Rantoul Village board Returned into Open Session at 6:51 P.M.

Motion to Adjourn

Trustee Medlen moved to adjourn the Special Meeting and Trustee Hall seconded the motion.

The Deputy Clerk Called the Roll and motions passed 5-0.

The Village Board of Trustees Adjourned at 6:52 P.M.

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**Janet E. Gray**  
Village Deputy Clerk

**APPROVED February 13, 2018**

---

Charles Smith  
Village President

**ATTEST:**

---

Mike Graham  
Village Clerk

I, Mike Graham, Village Clerk of the Village of Rantoul, Illinois do hereby certify that the foregoing minutes are a true and correct copy of the Special Board Meeting of the Board of Trustees held January 9, 2018, as the same appears on the records of the Village now in my custody and keeping.

---

Mike Graham  
Village Clerk

**Rantoul Village Board of Trustees  
Regular Board Meeting  
January 16, 2018**

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LOUIS B. SCHELLING MEMORIAL BOARD ROOM  
RANTOUL MUNICIPAL BUILDING, 333 S. TANNER, RANTOUL, IL.

A regular Meeting of the Board of Trustees of the Village of Rantoul was held at 6:00 P.M. Mayor Charles Smith called the proceeding to order.

**Invocation & Pledge of Allegiance**

The Invocation was given by the Pastor Otis Evans, New Light Baptist Church, opening the meeting with a prayer. Following the invocation, Trustee Fox led the audience in recitation of the Pledge of Allegiance.

**Roll Call**

The Village Clerk called the roll, finding the following members present:

Mayor Charles Smith and Trustees, Hank Gamel, Sam Hall, Jennifer Fox, Rich Medlen and Chad Smith - 6. Trustee Workmen was missing in action as he was in Arizona for the whole month of January, 2018.

The following representatives of Village Departments were also present: Rick Snider, Administrator; Pat Chamberlin Comptroller, Kenneth Beth, Attorney; Greg Hazel, Public Works Director; Jake McCoy Assistant Public Works Director; Luke Humphrey, Recreation Department; Ken Waters, Fire Chief, Tony Brown, Chief of Police, Brenda Runyon, Neighborhood Services Director, Katie Johnston, Human Resource Director; and Elected Village Clerk Mike Graham.

**Approval of Agenda**

Trustee Medlen moved to approve the agenda as amended for the meeting. Trustee Fox seconded the motion. Motion carried, **5 - 0**.

**Public Participation**

Mr. Golston spoke about the lack of transportation for Rantoul Seniors for the Peace Meal Program held at the Northern Champaign County Community Service Center, daily. He was told by the affected senior that the Village of Rantoul did not have money in the Budget to transport the seniors daily. Mr. Golston urged the Rantoul Village Board to find the money and resume this daily transportation service to seniors as soon as possible. Mayor Smith indicated that he and the Village staff would look into to this and fix the problem.

**“NOTE FROM THE RANTOUL VILLAGE OF CLERK. ALL OF THE AGENDA ITEMS LISTED BELOW CARRIED BY ROLL CALL VOTE OF 5 TO 0. UNLESS OTHERWISE NOTED BELOW.”**

Approval of the Consent Agenda by Omnibus Vote. Trustee Medlen requested that Item 5 (C) be removed from the Consent Agenda and be discussed separately. Trustee Gamel moved for approval of Items 5 (A) and (B) on the Consent Agenda and Trustee Fox seconded the motion.

Trustee Gamel moved to approve Item 5 (C) and Trustee Chad Smith seconded. Trustee Medlen questioned the payment to Mike Royce and asked when Mr. Royce's Contract with the Village of Rantoul expired. The Comptroller, Pat Chamberlin indicated that Mr. Royce's contract with the Village of Rantoul expired on April 30, 2018, the end of the Village of Rantoul Fiscal Year. The Clerk called the Roll and the Motion passed **5 – 0**.

Motion to authorize and approve an engineering agreement with Burns & McDonnell for plans and specification for the reconstruction and alignment of Taxi Way E – not to exceed \$106,407.78 of which the Village of Rantoul is responsible for \$5,320.39. Trustee Medlen moved for approval and Trustee Hall seconded the motion.

Motion to authorize and approve Change Order No. 1 (final) to fully fund the excavation and repair of the cover at the Municipal Land Fill - \$5,391.64. Trustee Medlen moved for approval and Trustee Fox seconded the motion.

Motion to pass Resolution No. 1-18-1248A, A RESOLUTION REGARDING TEMPORARY CLOSING OF STATE OF ILLINOIS RIGHT-OF-WAY FOR A PARADE (FOURTH OF JULY). Trustee Hall moved for approval and Trustee Fox seconded the motion.

Motion to pass Resolution No. 1-18-1249, A RESOLUTION AUTHORIZING AND APPROVING AN EXCLUSIVE RIGHT TO SELL LISTING AGREEMENT (Coldwell Banker Commercial Devonshire Realty). Trustee Fox moved for approval and Trustee Medlen seconded the motion.

### **Public Announcements**

*"NONE"*.

### **New Business**

*"NONE."*

### **Adjournment**

Trustee Fox moved for adjournment and Trustee Medlen seconded the Motion.

The Clerk Called the Roll and the Motion Passed **5 – 0**.

The Rantoul Village Board of Trustees adjourned at 6:20 P.M.

Approved February 13, 2018

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Charles Smith  
Village President

**ATTEST:**

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Mike Graham  
Village Clerk

I, Mike Graham, Village Clerk of the Village of Rantoul, Illinois, do hereby certify that the forgoing minutes are a true and correct copy of the Regular Meeting of the Board of Trustees held January 16, 2018 as the same appears on the records of the Village now in my custody and keeping.

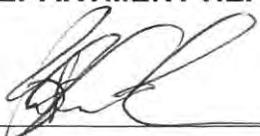
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Mike Graham, Village Clerk

**BOARD OF TRUSTEES  
VILLAGE OF RANTOUL**

AGENDA ITEM

PAGE 1 OF 1

<p><b>ITEM:</b> Comptroller's Local Debt Recovery Program</p>	<p><b>DEPARTMENT:</b> Finance Department</p>
<p><b>AGENDA SECTION:</b></p>	<p><b>AMOUNT:</b> See amounts identified below</p>
<p><b>ATTACHMENTS:</b>  <input checked="" type="checkbox"/> Ordinance  <input type="checkbox"/> Resolution  <input type="checkbox"/> Supporting Documents</p>	<p><b>DATE:</b> 1/31/18</p>
<p><b>SUMMARY HIGHLIGHTS:</b></p> <p>The Local Debt Recovery Program (LDRP) offers local governments a unique opportunity to utilize the resources of the Illinois Office of the Comptroller (IOC) to collect unpaid debt such as:</p> <ul style="list-style-type: none"> <li>-parking tickets</li> <li>-utility bills</li> <li>-ordinance violations</li> </ul> <p>IOC withholds the unpaid debt from state-issued checks – this is known as an “offset”. IOC also takes a \$15-\$20 fee from the debtor. Offsets may come from:</p> <ul style="list-style-type: none"> <li>-Income tax refunds, which includes both individuals and business returns</li> <li>-State employee paycheck (only a portion is withheld from each check)</li> <li>-State vendor contracts</li> </ul> <p>Qualifying debt that we can collect on is as follows:</p> <ul style="list-style-type: none"> <li>-Less than 7 years old</li> <li>-Greater than \$9.99</li> </ul> <p>The debtor has 60 days to file a protest with LDRP. The Village will review the protest and make a recommendation to either approve or deny the protest within 60 days. The Village will provide additional evidence of the past due amount such as invoices and past due notices.</p>	
<p><b>RECOMMENDED ACTION:</b></p> <p>Approve the Intergovernmental Agreement by and between The Illinois Office of the Comptroller and the Village of Rantoul regarding access to the Comptroller's Local Debt Recovery Program.</p>	
<p><b>DEPARTMENT HEAD APPROVAL:</b></p> 	<p><b>VILLAGE ADMINISTRATOR</b></p> 

**INTERGOVERNMENTAL AGREEMENT  
BY AND BETWEEN  
THE ILLINOIS OFFICE OF THE COMPTROLLER  
AND  
THE VILLAGE OF RANTOUL  
REGARDING ACCESS TO THE COMPTROLLER'S LOCAL DEBT RECOVERY  
PROGRAM**

This Intergovernmental Agreement (“the Agreement”) is hereby made and entered into as of the date of execution by and between the Illinois Office of the Comptroller (hereinafter “IOC”) and the Village of Rantoul (hereinafter “the local unit”), in order to provide the named local unit access to the Local Debt Recovery Program for purposes of collecting both tax and nontax debts owed to the named local unit. Each of the parties hereto is a “public agency” as defined in Section 2 of the Intergovernmental Cooperation Act [5 ILCS 220/2].

**WHEREAS**, both the State of Illinois and the local unit have a responsibility to collect debts owed to its respective public bodies;

**WHEREAS**, IOC operates a system, known as the Comptroller’s Offset System (hereinafter, “the System”), for collection of debt owed the State by persons receiving payments from the State;

**WHEREAS**, the Illinois General Assembly specifically provided for the ability of the local unit to utilize the System when it amended Section 10.05 and added Section 10.05d to the State Comptroller Act [P.A. 97-632; 15 ILCS 405/10.05 and 10.05d];

**WHEREAS**, IOC and the local unit are empowered under the Illinois Constitution [Ill. Const., Art. VII, Sec. 10], Section 3 of the Intergovernmental Cooperation Act [5 ILCS 220/3], and Section 10.05d of the State Comptroller Act (hereinafter, “the Act”) [15 ILCS 405/10.05d] to contract with each other in any manner not prohibited by law;

**NOW THEREFORE**, in consideration of the foregoing recitals and the mutual covenants and promises contained herein, the sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

**Article I – Purpose**

The purpose of the Agreement between the IOC and the local unit is to establish the terms and conditions for the offset of the State’s tax and nontax payments in order to collect tax and nontax debts owed to the local unit.

**Article II – Authority**

The authority for State payment offset is granted under Section 10.05 of the Act [15 ILCS 405/10.05] and the authority for entering into this Agreement is granted under Section 10.05d of the Act [15 ILCS 405/10.05d], Section 3 of the Intergovernmental Cooperation Act [5 ILCS 220/3], and Article VII of the Illinois Constitution [Ill. Const., Art. VII, Sec. 10].

### Article III – State Payment Offset Requirements and Operations

A. Legal Requirements. The offset of State payments shall be conducted pursuant to the authority granted in Section 10.05 and 10.05d of the Act [15 ILCS 405/10.05 and 10.05d] and the requirements set forth in this Agreement.

1. Definition of “Debt”

- (a) For purposes of this Agreement, debt shall mean any monies owed to the local unit which is less than 7 years past the date of final determination, as confirmed by the local unit in Article III(A)(2)(a)(viii) of this Agreement.
- (b) No debt which is more than 7 years past the date of final determination may be placed or may remain on the System.
- (c) No debt which has resulted in the issuance of a warrant for the arrest of the debtor may be placed or remain on the System so long as that warrant for arrest is active.
- (d) No debt which has resulted in the attachment of a lien on any personal property or other personal interest of the debtor shall be placed or remain on the System so long as that lien is attached to that property or interest.

2. Due Process & Notification

- (a) Before submitting a debt to IOC for State payment offset, the local unit must comply with all of the notification requirements of this Agreement. For purposes of this Agreement, notification of an account or claim eligible to be offset shall occur when the local unit submits to IOC the following information:
  - (i) the name and address and/or another unique identifier of the person against whom the claim exists;
  - (ii) the amount of the claim then due and payable to the local unit;
  - (iii) the reason why there is an amount due to the local unit (i.e., tax liability, overpayment, etc.);
  - (iv) the time period to which the claim is attributable;
  - (v) the local entity to which the debt is owed;
  - (vi) a description of the type of notification has been given to the person against whom the claim exists and the type of opportunity to be heard afforded to such a person;

- (vii) a statement as to the outcome of any hearings or other proceedings held to establish the debt, or a statement that no hearing was requested; and,
  - (viii) the date of final determination of the debt.
- (b) IOC will not process a claim under the Agreement until notification has been received from the local unit that the debt has been established through notice and opportunity to be heard.
  - (c) The local unit is required to provide the debtor with information about a procedure to challenge the existence, amount, and current collectability of the debt prior to the submission of a claim to IOC for entry into the System. The decision resulting from the utilization of this procedure must be reviewable.

3. Certification

- (a) The chief officer of the local unit shall, at the time the debt is referred, certify that the debt is past due and legally enforceable in the amount stated, and that there is no legal bar to collection by State payment offset.
- (b) Only debts finally determined as currently due and payable to the local unit may be certified to IOC as a claim for offset.
- (c) The chief officer of the local unit may delegate to a responsible person or persons the authority to execute the statement of the claim required by the Agreement.
- (d) This delegation of authority shall be made on either electronic or paper based forms provided by the Comptroller.
- (e) For purposes of this Agreement, "chief officer of the local unit" means the Village Administrator.
- (f) The chief officer hereby acknowledges and agrees that he/she will ensure that the login information into any electronic system provided by the Office of the Comptroller will remain confidential, that only active employees of the local unit may be granted the delegation of authority provided for in Part (c) of this Subsection, and that under no circumstances is a vendor, agent, consultant, collector or any other third-party representative of the local unit authorized to submit or certify debt to IOC on behalf of the local unit.

4. Notification of Change in Status

- (a) The chief officer must notify IOC as soon as possible, but in no case later than 30 days, after receiving notice of a change in the status of an offset claim.
- (b) A change in status may include, but is not limited to, payments received other than through a successful offset, the filing of a bankruptcy petition, the death of the debtor, or the expiration of the ability for the debt to remain on the System, as provided for in Article III(A)(1)(b) of this Agreement.

5. Notification of Change in the Chief Officer

- (a) The local unit shall be responsible for notifying IOC as soon as is practicable in the event the chief officer named in the Agreement is no longer an officer or employee of the local unit or is otherwise unable to perform the certification process provided for in Subsection 3 of this Section.
- (b) Upon obtaining knowledge that the chief officer is no longer an officer or employee of the local unit or is otherwise unable to perform the certification process provided for in Subsection 3 of this Section, whether through notification by the local unit or by any other means, IOC shall suspend the authority for the chief officer and any of his or her designees to certify debt to IOC.
- (c) The local unit shall be responsible for updating records with IOC in the event of a change in the chief officer in order to reestablish certification authority and resume collection by State payment offset.

B. Operational Requirements

- 1. Technical Requirements. IOC agrees to work with the local unit to facilitate information and data procedures as provided for in this Agreement. The local unit agrees to adhere to the standards and practices of IOC when transmitting and receiving data. The chief officer shall assume the responsibility of providing updates to the debtor records on file with IOC in order to ensure an equitable resolution of the debts owed to the local unit.
- 2. Fee. A fee may be charged to the debtor and shall be no more than \$20 per payment transaction. The fee will be deducted from the payment to be offset prior to issuance to the local unit.
- 3. Offset Notices. IOC will send offset notices to the debtor upon processing a claim under the Act and this Agreement. The notice will state that a request has been made to make an offset against a payment due to the debtor, identify the local unit as the entity submitting the request, provide the debtor with a phone number made available pursuant to Article III

(B)(6) of this Agreement, and inform the debtor that they may formally protest the offset within sixty (60) days of the written notice.

4. IOC Protest Process. If a protest is received, IOC will determine the amount due and payable to the local unit. This determination will be made by a Hearing Officer and will be made in light of all information relating to the transaction in the possession of IOC and any other information IOC may request and obtain from the local unit and the debtor subject to the offset. If IOC requests information from the local unit relating to the offset, the local unit will respond within sixty (60) days of IOC's request. IOC may grant the local unit an additional sixty (60) day extension for time to respond. The local unit shall complete an adjudication review with IOC in order to evaluate the local unit and the protest process prior to the offset of any State payments.
5. IOC Hearing Officer. The local unit hereby agrees to provide the Hearing Officer with any information requested in an efficient and timely manner in order to facilitate the prompt resolution to protests filed as a result of this Agreement. For purposes of this Agreement, any decision rendered by the Hearing Officer shall be binding on the local unit and shall be the final determination on the matter. The Hearing Officer may continue the review of a protest at his/her discretion in order to assure an equitable resolution.
6. Local Unit Call Center. The local unit hereby agrees to provide a working phone number which IOC will furnish to persons offset under this Agreement. The local unit shall ensure that the phone number is properly staffed in order to provide information about the debt the local unit is offsetting under this Agreement. The phone number for purposes of this Section and the Agreement is: 217/893-1661.
7. Debt Priorities. If a debtor has more than one local unit debt, the debt with the oldest date of entry on the System shall be offset first.
8. Transfer of Payment. Transfer of payment by IOC to the local unit shall be made in the form of electronic funds transfer (EFT). Nothing in this section or this Agreement shall limit the ability of either party to modify this Agreement at a later date in order to provide for an alternative method(s) of payment transfer.
9. IOC Refunds. If IOC determines that a payment is erroneous or otherwise not due to the local unit, IOC will process a refund of the offset, and refund the amount offset to the debtor. In the event the refund results in only a partial refund to the debtor, IOC will retain the fee referenced in Article III, Paragraph B, Section 2 above. The fee will only be refunded to the debtor in the event of a full refund of the offset amount.
10. Local Unit Refunds. The local unit is responsible for refunding monies to the debtor, including any and all administrative fees collected by IOC, if

an offset occurred due to inaccurate debt information or over collection, and the local unit has already received payment from IOC. IOC will only refund monies in the event that a payment has not yet been made to the local unit.

11. Third-Party Matching Services. IOC may utilize the services of a third-party vendor to assist in the identification of individual debtors. The local unit shall review and add any valid matches which result from the assistance of the third-party vendor within 30 days of receipt of the updated records. If the local unit is unable to add the valid matches within 30 days of receipt of the updated records, the chief officer must notify IOC as to the reason the local unit is not able to add the records in addition to a time frame for adding the records in the future.

#### **Article IV – Permissible Use of Information**

IOC acknowledges that the local unit is providing sensitive information about local debts for the purpose of conducting offsets under the Agreement. As such, IOC will use the information solely in connection with the Local Debt Recovery Program. IOC shall safeguard the local information in the same manner as it protects State debt information.

The local unit acknowledges that IOC is providing sensitive information about State payments for the purpose of conducting offsets under the Agreement. As such, the local unit will use the information solely in connection with the Local Debt Recovery Program. The local unit shall safeguard State information in the same manner as it protects local debt information.

The parties may use information in any litigation involving the parties, when such information is relevant to the litigation.

#### **Article V – Term of the Agreement and Modifications**

The Agreement becomes effective as of the Effective Date and shall remain in effect until it is terminated by one of the parties. Either party may terminate this Agreement by giving the other party written notice at least thirty (30) days prior to the effective date of the termination. Any modifications to the Agreement shall be in writing and signed by both parties.

#### **Article VI – No Liability to Other Parties**

Except for the fees described in Article III, paragraph B, Section 2 above, each party shall be responsible for its own costs incurred in connection with the Agreement. Each party shall be responsible for resolving and reconciling its own errors, but shall not be liable to any other parties for damages of any kind as a result of errors. Each party shall be liable for the acts and omissions of its own employees and agents. The Agreement does not confer any rights or benefits on any third party.

#### **Article VII – Issue Resolution**

The parties acknowledge that IOC is ultimately responsible for the development, design and operation of the System. Subject to that understanding, the parties agree to work cooperatively to resolve any matters that arise during the development, design and implementation of the program. If an issue cannot be resolved informally by mutual agreement of staff personnel, then the parties agree to elevate the issue to a senior level manager for resolution of the issue. For purposes of the Agreement, the “senior level managers” are:

1. IOC: Cesar Orozco, Director – Department of Government and Community Affairs
2. Local Unit: Rick Snider, Village Administrator - Village of Rantoul

#### **Article VIII – Contacts**

The points of contacts for this Agreement are:

IOC: John Gay, General Counsel  
Illinois Office of the Comptroller  
100 W. Randolph St, Suite 15-500  
Chicago, Illinois 60601  
Phone: 312/814-5783  
Fax: 312/814-0957  
E-mail: John.Gay@illinoiscomptroller.gov

Local Unit: Kenneth Beth, Village Attorney  
Evans, Froehlich, Beth & Chamley  
44 East Main Street, Third Floor  
Champaign, Illinois 61820  
Phone: 217/359-6494  
Email: kbeth@efbclaw.com

#### **Article IX – Acceptance of Terms and Commitment**

The signing of this document by authorized officials forms a binding commitment between IOC and the Village of Rantoul. The parties are obligated to perform in accordance with the terms and conditions of this document, any properly executed modification, addition, or amendment thereto, any attachment, appendix, addendum, or supplemental thereto, and any documents and requirements incorporated by reference.

By their signing, the signatories represent and certify that they possess the authority to bind their respective organizations to the terms of this document, and hereby do so.

[Signature Page Follows]

IN WITNESS WHEREOF, the Illinois Office of the Comptroller and the Village of Rantoul by the following officials sign their names to enter into this agreement.

ILLINOIS OFFICE OF THE COMPTROLLER

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

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

Name: Susana A. Mendoza

Title: Comptroller

VILLAGE OF RANTOUL

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

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

Name: Charles Smith

Title: Mayor

**BOARD OF TRUSTEES  
VILLAGE OF RANTOUL**

AGENDA ITEM

PAGE  1  OF  1

<b>ITEM:</b> Audit Fees	<b>DEPARTMENT:</b> Finance Department								
<b>AGENDA SECTION:</b>	<b>AMOUNT:</b>								
<b>ATTACHMENTS:</b> ( ) Ordinance ( ) Resolution ( X ) Supporting Documents	<b>DATE:</b> 1/31/18								
<b>SUMMARY HIGHLIGHTS:</b>									
<p>The contract with Crowe Horwath, LLP for our auditing services has expired. The Village has continued to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for each year that Crowe has performed the audit.</p> <p>This will be a one year contract for \$76,950. As the Finance Department will be completing more audit schedules, the price will not increase from last year's price.</p> <p>The audit contract cost over the last few years is as follows:</p> <table data-bbox="227 1176 454 1312"> <tr> <td>FY 14</td> <td>\$70,500</td> </tr> <tr> <td>FY 15</td> <td>\$72,500</td> </tr> <tr> <td>FY 16</td> <td>\$74,700</td> </tr> <tr> <td>FY 17</td> <td>\$76,950</td> </tr> </table>		FY 14	\$70,500	FY 15	\$72,500	FY 16	\$74,700	FY 17	\$76,950
FY 14	\$70,500								
FY 15	\$72,500								
FY 16	\$74,700								
FY 17	\$76,950								
<b>RECOMMENDED ACTION:</b> Approve the contract with Crowe Horwath for auditing services for FY 19.									
<b>DEPARTMENT HEAD APPROVAL:</b> Comptroller Pat Chamberlin	<b>VILLAGE ADMINISTRATOR:</b> Richard S. Snider 								



DRAFT

**Crowe Horwath LLP**  
Independent Member Crowe Horwath International  
One Mid America Plaza, Suite 700  
Post Office Box 3697  
Oak Brook, Illinois 60522-3697  
Tel +1 630 574 7878  
Fax +1 630 574 1608  
www.crowehorwath.com

January 23, 2018

To the Honorable Mayor and  
Members of the Board of Trustees  
Village of Rantoul  
333 South Tanner Street  
Rantoul, Illinois 61866-2932

This letter confirms the arrangements for Crowe Horwath LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to the Village of Rantoul ("the Village" or "you", "your" or "Entity" or "Client") for the year ending April 30, 2018. The attached Crowe Engagement Terms is an integral part of this letter, and its terms are incorporated herein.

## AUDIT SERVICES

### Our Responsibilities

We will audit and report on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information which collectively comprise the basic financial statements of the Village for the period indicated.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

- Combining and Individual Fund Financial Statements and Schedules
- Schedule of Expenditures of Federal Awards

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Management's Discussion and Analysis
- Budgetary Comparison Schedules
- Schedule of Funding Progress (OPEB)
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Contributions
- Schedule of Investment Rate of Return

## DRAFT

To the Honorable Mayor and Members of the Board of Trustees  
Village of Rantoul  
January 23, 2018  
Page 2

The document will also include the following additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

- Introductory Section of the Comprehensive Annual Financial Report
- Statistical Section of the Comprehensive Annual Financial Report

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, and that we report on the Schedule of Expenditures of Federal Awards (as noted above), and on your compliance with Federal statutes, regulations, and the terms and conditions of Federal awards and on its internal controls as required for a Single Audit. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the Village's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We expect to issue a written report upon completion of our audit of the financial statements. Our report will be addressed to the Village's Board of Trustees. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph, or withdraw from the engagement.

## DRAFT

To the Honorable Mayor and Members of the Board of Trustees  
Village of Rantoul  
January 23, 2018  
Page 3

In addition to our report on the financial statements and supplemental information, we plan to issue the following reports:

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* — The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.
- Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance -- The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

We will also perform tests of controls including testing underlying transactions, as required by the Uniform Guidance, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of your major federal awards programs. We will determine major programs in accordance with the Uniform Guidance. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed. We will inform you of any deficiencies or other matters involving internal control, if any, as required by the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. The objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether you have complied with certain provisions of laws, regulations, contracts and grants. Our procedures will consist of the applicable procedures described in the United States Office of Management and Budget (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major programs. The purpose of our audit will be to express an opinion on your compliance with requirements applicable to major Federal award programs. Because an audit is designed to provide reasonable assurance, but not absolute assurance, the audit is not designed to detect immaterial violations or instances of noncompliance.

Our audit and work product are intended for the benefit and use of the Village only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

## DRAFT

To the Honorable Mayor and Members of the Board of Trustees  
Village of Rantoul  
January 23, 2018  
Page 4

The working papers for this engagement are the property of Crowe and constitute confidential information. However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

*Government Auditing Standards* require that we provide you with a copy of our most recent peer review report, which accompanies this letter along with the related letter of comment and response thereto.

### The Village's Responsibilities

The Village's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. The Village's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, safeguard assets, and design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the Village from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the Village, and their knowledge of any fraud or suspected fraud affecting the Village.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements and to compliance with the requirements of its Federal programs. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of management's representations to an effective audit, you agree to release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

## DRAFT

To the Honorable Mayor and Members of the Board of Trustees  
Village of Rantoul  
January 23, 2018  
Page 5

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the Village of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

At the conclusion of the engagement, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty days after receipt of the auditor's reports or nine months after the end of the audit period.

### OTHER SERVICES

Preparation of the following additional reports on behalf of the Village:

1. State of Illinois Annual Financial Report
2. Illinois Department of Insurance Pension Report (Police Pension)

#### Financial Statement Preparation

The Village will provide us with the necessary information to assist in the preparation of the draft financial statements including the notes thereto. We are relying on the Village to provide us with the detailed trial balance, note disclosure information and any other relevant report information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the financial statements.

#### Preparation of the Schedule of Expenditure of Federal Awards

The Village will provide us with the necessary information to prepare the draft schedule of expenditure of federal awards including the notes thereto. We are relying on the Village to provide us with all information required by the Uniform Guidance for the schedule, notes and other relevant reporting information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the schedule of expenditures of federal awards.

## DRAFT

To the Honorable Mayor and Members of the Board of Trustees  
Village of Rantoul  
January 23, 2018  
Page 6

### Recordkeeping Assistance

The Village will provide us with the necessary information to assist you in your recordkeeping. We will propose year end adjusting entries to management for your review and approval, including cash to accrual conversion entries. We are relying on the Village to provide us with the necessary information in a timely fashion and ensure the data is complete and accurate.

### Account Reconciliation Assistance

The Village will provide us with the necessary information to assist you in preparing account reconciliations that identify reconciling items that management will then evaluate and approve. We are relying on the Village to provide us with all necessary information in a timely fashion and ensure the data is complete and accurate.

### Fixed Asset Service

The Village will provide us with the necessary information to calculate fixed asset depreciation. We are relying on the Village to provide us with this information in a timely fashion and ensure the data is complete and accurate.

Asset acquisition information required:

- Description of the asset
- Date of acquisition
- Book life of the asset
- Tax life of asset, if applicable
- Cost of the asset
- Clarification as to whether the asset is new or used
- General ledger for fixed asset accounts

Disposal information required:

- Date of disposal
- Proceeds from sale, if applicable
- Original cost of asset
- General ledger for fixed asset accounts

### Data Collection Form input services

We will provide assistance in completing sections of the Data Collection Form (DCF) relative to its federal award programs pursuant to the requirements of Section §200.512 of the Uniform Guidance that are promulgated to be completed by the Village. While we may provide this data entry service and assist you in satisfying your electronic data communication requirements to the Federal Audit Clearinghouse, the completeness and accuracy of this information remains the responsibility of your management.

With respect to the above other services, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

## DRAFT

To the Honorable Mayor and Members of the Board of Trustees  
Village of Rantoul  
January 23, 2018  
Page 7

### BOND OFFERINGS

With respect to any official statements issued by the Entity with which Crowe is not involved, the official statement should indicate that the auditor is not involved with the contents of such official statement. The disclosure should read as:

"Crowe Horwath LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Crowe Horwath LLP also has not performed any procedures relating to this official statement."

### FEES

Our fees, including out-of-pocket expenses and certain internal technology charges, are outlined below. Our invoices are due and payable upon receipt. Invoices that are not paid within 30 days of receipt are subject to a monthly interest charge of one percent per month or the highest interest rate allowed by law, whichever is less, which we may elect to waive at our sole discretion, plus costs of collection including reasonable attorneys' fees.

Audit of financial statements for the year ending April 30, 2018	\$ 76,950
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Circumstances may arise under which we must perform additional work and, thus, require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Changing audit requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- New or unusual transactions
- Change in your organizational structure or size due to merger and acquisition activity or other events
- Change in your controls
- Agreed-upon level of preparation and assistance from your personnel not provided
- Failure of your staff to prepare information in a timely manner
- Numerous revisions to your information
- Lack of availability of appropriate Village personnel during audit fieldwork.
- Increase in major programs

Additionally, to accommodate requests to reschedule audit fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed-upon deadlines could be impacted.

Our fee assumes that we will be provided with auditable trial balances for all funds at year end, that all bank accounts and investment accounts will be reconciled through the end of the year being audited to the trial balances, that interfund and transfer accounts will balance, that subsidiary ledgers will reconcile to the general ledger and that beginning fund equity amounts will be reconcilable to prior year audited ending fund equity. We assume that the Entity will cooperate with our requests for information such as explanations of account activity.

## DRAFT

To the Honorable Mayor and Members of the Board of Trustees  
Village of Rantoul  
January 23, 2018  
Page 8

We assume that requested records such as invoices, contracts, grant agreements and supporting documentation will be located and provided to us. We also assume the Entity will prepare confirmation letters, the Introductory Section, the MD&A section and provide information related to the Statistical section of the report.

Our fee does not include implementation of any other future accounting or auditing pronouncements and/or government requirements that may change, thus, the scope or amount of auditing necessary to complete our engagements may increase beyond what is currently anticipated. Should such events occur, we would present you with our estimate of any possible increase prior to beginning our audit for the given year. An equitable adjustment in the proposed fee will be negotiated if the cost of time required for performance of the audit service is increased or decreased pursuant to a change in scope of the audit requested by the Village or required by State or Federal regulations.

When we become aware of circumstances which impact the amount or scheduling of our work, we will issue, for your approval, a formal change order detailing the reason and the anticipated impact of the change.

Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs, imposed in respect of the Services, any work product or any license, all of which Client agrees to pay if applicable or if they become applicable (other than taxes imposed on Crowe's income generally), without deduction from any fees or expenses invoiced to Client by Crowe.

To facilitate Crowe's presence at Client's premises, Client will provide Crowe with internet access while on Client's premises. Crowe will access the internet using a secure virtual private network. Crowe will be responsible for all internet activity performed by its personnel while on Client's premises.

## DRAFT

To the Honorable Mayor and Members of the Board of Trustees  
Village of Rantoul  
January 23, 2018  
Page 9

### MISCELLANEOUS

For purposes of this Miscellaneous section, the Acceptance section below, and all of the Crowe Engagement Terms, "Client" will mean the entity(ies) defined in the first paragraph of this letter and will also include all related parents, subsidiaries, and affiliates of Client who may receive or claim reliance upon any Report.

Crowe will provide the services to Client under this Agreement as an independent contractor and not as Client's partner, agent, employee, or joint venturer under this Agreement. Neither Crowe nor Client will have any right, power or authority to bind the other party.

This engagement letter agreement (the "Agreement") reflects the entire agreement between the parties relating to the services (or any reports, deliverables or other work product) covered by this Agreement. The engagement letter and any attachments (including without limitation the attached Crowe Engagement Terms) are to be construed as a single document, with the provisions of each section applicable throughout. This Agreement may not be amended or varied except by a written document signed by each party. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter, and each party agrees that in entering this Agreement, it has not relied on any oral or written representations, statements or other information not contained in or incorporated into this Agreement. Any non-disclosure or other confidentiality agreement is replaced and superseded by this Agreement. The agreements of the parties contained in this Agreement will survive the completion or termination of this Agreement. If any provision (in whole or in part) of this Agreement is found unenforceable or invalid, this will not affect the remainder of the provision or any other provisions in this Agreement, all of which will continue in effect as if the stricken portion had not been included. This Agreement may be executed in two or more actual, scanned, emailed, or electronically copied counterparts, each and all of which together are one and the same instrument. Accurate transmitted copies (transmitted copies are reproduced documents that are sent via mail, delivery, scanning, email, photocopy, facsimile or other process) of the executed Agreement or signature pages only (whether handwritten or electronic signature), will be considered and accepted by each party as documents equivalent to original documents and will be deemed valid, binding and enforceable by and against all parties. This Agreement must be construed, governed, and interpreted under the laws of the State of Illinois, without regard for choice of law principles.

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this letter and the attached Crowe Engagement Terms are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

(Signature Page follows)

DRAFT

To the Honorable Mayor and Members of the Board of Trustees  
Village of Rantoul  
January 23, 2018  
Page 10

ACCEPTANCE

I have reviewed the arrangements outlined above and in the attached "Crowe Engagement Terms," and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

IN WITNESS WHEREOF, the Village of Rantoul and Crowe have duly executed this engagement letter effective the date first written above.

VILLAGE OF RANTOUL

CROWE HORWATH LLP

\_\_\_\_\_  
Signature

*Christine Torres*  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Christine Torres  
\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Partner  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

January 23, 2018  
\_\_\_\_\_  
Date

## DRAFT

### Crowe Engagement Terms

Crowe wants Client to understand the terms under which Crowe provides its services to Client and the basis under which Crowe determines its fees. These terms are part of the Agreement and apply to all services described in the Agreement as well as all other services provided to Client (collectively, the "Services"), unless and until a separate written agreement is executed by the parties for separate services. Any advice provided by Crowe is not intended to be, and is not, investment advice.

**CLIENT'S ASSISTANCE** – For Crowe to provide Services effectively and efficiently, Client agrees to provide Crowe timely with information requested and to make available to Crowe any personnel, systems, premises, records, or other information as reasonably requested by Crowe to perform the Services. Access to such personnel and information are key elements for Crowe's successful completion of Services and determination of fees. If for any reason this does not occur, a revised fee to reflect additional time or resources required by Crowe will be mutually agreed. Client agrees Crowe will have no responsibility for any delays related to a delay in providing such information to Crowe. Such information will be accurate and complete, and Client will inform Crowe of all significant tax, accounting and financial reporting matters of which Client is aware.

**PROFESSIONAL STANDARDS** – As a regulated professional services firm, Crowe must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA"). Thus, if circumstances arise that, in Crowe's professional judgment, prevent it from completing the engagement, Crowe retains the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or terminating the engagement.

**REPORTS** – Any information, advice, recommendations or other content of any memoranda, reports, deliverables, work product, presentations, or other communications Crowe provides under this Agreement ("Reports"), other than Client's original information, are for Client's internal use only, consistent with the purpose of the Services. Client will not rely on any draft Report. Unless required by an audit or other attestation professional standard, Crowe will not be required to update any final Report for circumstances of which we become aware or events occurring after delivery.

**CONFIDENTIALITY** – Except as otherwise permitted by this Agreement or as agreed in writing, neither Crowe nor Client may disclose to third parties the contents of this Agreement or any information provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Client use of any Crowe work product will be limited to its stated purpose and to Client business use only. However, Client and Crowe each agree that either party may disclose such information to the extent that it: (i) is or becomes public other than through a breach of this Agreement, (ii) is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information, (iii) was known to the recipient at the time of disclosure or is thereafter created independently, (iv) is disclosed as necessary to enforce the recipient's rights under this Agreement, or (v) must be disclosed under applicable law, regulations, legal process or professional standards.

**THIRD PARTY PROVIDER** – Crowe may use a third-party provider in providing Services to Client, which may require Crowe to share Client confidential information with the provider. If Crowe uses a third-party provider, Crowe will enter into a confidentiality agreement with the provider to require the provider to protect the confidentiality of Client's confidential information, and Crowe will be responsible to Client for maintaining its confidentiality.

**CLIENT-REQUIRED CLOUD USAGE** – If Client requests that Crowe access files, documents or other information in a cloud-based or web-accessed hosting service or other third-party system accessed via the internet, including, without limitation iCloud, Dropbox, Google Docs, Google Drive, a data room hosted by a third-party, or a similar service or website (collectively, "Cloud Storage"), Client will confirm with any third-parties assisting with or hosting the Cloud Storage that either such third-party or Client (and not Crowe) is responsible for complying with all applicable laws relating to the Cloud Storage and any information contained in the Cloud Storage, providing Crowe access to the information in the Cloud Storage, and protecting the information in the Cloud Storage from any unauthorized access, including

## DRAFT

without limitation unauthorized access to the information when in transit to or from the Cloud Storage. Client represents that it has authority to provide Crowe access to information in the Cloud Storage and that providing Crowe with such access complies with all applicable laws, regulations, and duties owed to third-parties.

**DATA PROTECTION** – If Crowe holds or uses Client information that can be linked to specific individuals who are Client's customers ("Personal Data"), Crowe will treat it as confidential as described above and comply with applicable US state and federal law and professional regulations in disclosing or using such information to carry out the Services. Crowe has implemented and will maintain physical, electronic and procedural safeguards reasonably designed to (i) protect the security, confidentiality and integrity of the Personal Data, (ii) prevent unauthorized access to or use of the Personal Data, and (iii) provide proper disposal of the Personal Data (collectively, the "Safeguards"). Client warrants that it has the authority to provide the Personal Data to Crowe in connection with the Services and that Client has processed the Personal Data provided to Crowe in accordance with applicable law. To provide the Services, Client may also need to provide Crowe with access to Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law ("Restricted Personal Data"). In the event Client provides Crowe access to Restricted Personal Data, Client will consult with Crowe on appropriate measures (consistent with professional standards applicable to Crowe) to protect the Restricted Personal Data, such as: deleting or masking unnecessary information before making it available to Crowe, encrypting it when transferring it to Crowe, or providing it to Crowe only during on-site review on Client's site. Client will provide Crowe with Restricted Personal Data only in accordance with mutually agreed protective measures. Otherwise, Client and Crowe agree each may use unencrypted electronic media to correspond or transmit information and such use will not in itself constitute a breach of this Agreement.

**INTELLECTUAL PROPERTY** – Crowe may use ideas, concepts, methodologies, data, software, designs, utilities, tools, models, techniques, systems, Reports, or other know-how that it develops, owns or licenses ("Materials") in performing the Services. Crowe retains all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in providing the Services, but not in the Client information reflected in them. Upon payment for Services and subject to the other terms of this Agreement, Client will use Reports, as well as any Materials therein, only to the extent necessary and permitted under this Agreement.

**AGGREGATED DATA** – Client agrees Crowe may from time to time use and process Client's confidential information for data aggregation or industry benchmarking purposes. In using Client's confidential information in this way, Crowe will maintain the information as confidential unless Crowe removes data that specifically identifies Client and Client customers.

**LEGAL AND REGULATORY CHANGE** – Crowe may periodically communicate to Client changes in laws, rules or regulations. However, Client has not engaged Crowe, and Crowe does not undertake an obligation, to advise Client of changes in (a) laws, rules, regulations, industry or market conditions, or (b) Client's own business practices or other circumstances (except to the extent required by professional standards). The scope of Services and the fees for Services are based on current laws and regulations. If changes in laws or regulations change Client's requirements or the scope of the Services, Crowe's fees will be modified to a mutually agreed amount to reflect the changed level of Crowe's effort.

**PUBLICATION** – Client agrees to obtain Crowe's specific permission before using any Report or Crowe work product or Crowe's firm's name in a published document, and Client agrees to submit to Crowe copies of such documents to obtain Crowe's permission before they are filed or published.

**CLIENT REFERENCE** – From time to time Crowe is requested by prospective clients to provide references for Crowe service offerings. Client agrees that Crowe may use Client's name and generally describe the nature of Crowe's engagement(s) with Client in marketing to prospects, and Crowe may also provide prospects with contact information for Client personnel familiar with Crowe's Services.

## DRAFT

**NO PUNITIVE OR CONSEQUENTIAL DAMAGES** – Any liability of Crowe will not include any consequential, special, incidental, indirect, punitive, or exemplary damages or loss, nor any lost profits, goodwill, savings, or business opportunity, even if Crowe had reason to know of the possibility of such damages.

**LIMIT OF LIABILITY** – Except where it is judicially determined that Crowe performed its Services with gross negligence or willful misconduct, Crowe's liability will not exceed fees paid by Client to Crowe for the portion of the work giving rise to liability. A claim for a return of fees paid is the exclusive remedy for any damages. This limit of liability will apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including, without limitation, to claims based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This limit of liability will also apply after this Agreement.

**INDEMNIFICATION FOR THIRD-PARTY CLAIMS** – In the event of a legal proceeding or other claim brought against Crowe by a third party, except where it is judicially determined that Crowe performed Services with gross negligence or willful misconduct, Client agrees to indemnify and hold harmless Crowe and its personnel against all costs, fees, expenses, damages and liabilities, including attorney fees and any other fees or defense costs, associated with such third-party claim, relating to or arising from any Services performed or work product provided by Crowe that Client uses or discloses to others or this engagement generally. This indemnification is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim, liability, or damages asserted, including, without limitation, to claims, liability or damages based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This indemnification will also apply after termination of this Agreement.

**NO TRANSFER OR ASSIGNMENT OF CLAIMS** – No claim against Crowe, or any recovery from or against Crowe, may be sold, assigned or otherwise transferred, in whole or in part.

**TIME LIMIT ON CLAIMS** – In no event will any action against Crowe, arising from or relating to this engagement letter or the Services provided by Crowe relating to this engagement, be brought after the earlier of 1) two (2) years after the date on which occurred the act or omission alleged to have been the cause of the injury alleged; or 2) the expiration of the applicable statute of limitations or repose.

**RESPONSE TO LEGAL PROCESS** – If Crowe is requested by subpoena, request for information, or through some other legal process to produce documents or testimony pertaining to Client or Crowe's Services, and Crowe is not named as a party in the applicable proceeding, then Client will reimburse Crowe for its professional time, plus out-of-pocket expenses, as well as reasonable attorney fees, Crowe incurs in responding to such request.

**MEDIATION** – If a dispute arises, in whole or in part, out of or related to this engagement, or after the date of this agreement, between Client or any of Client's affiliates or principals and Crowe, and if the dispute cannot be settled through negotiation, Client and Crowe agree first to try, in good faith, to settle the dispute by mediation administered by the American Arbitration Association, under its mediation rules for professional accounting and related services disputes, before resorting to litigation or any other dispute-resolution procedure. The results of mediation will be binding only upon agreement of each party to be bound. Costs of any mediation will be shared equally by both parties. Any mediation will be held in Chicago, Illinois.

**JURY TRIAL WAIVER** – FOR ALL DISPUTES RELATING TO OR ARISING BETWEEN THE PARTIES, THE PARTIES AGREE TO WAIVE A TRIAL BY JURY TO FACILITATE JUDICIAL RESOLUTION AND TO SAVE TIME AND EXPENSE. EACH PARTY AGREES IT HAS HAD THE OPPORTUNITY TO HAVE ITS LEGAL COUNSEL REVIEW THIS WAIVER. THIS WAIVER IS IRREVOCABLE, MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND APPLIES TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A BENCH TRIAL WITHOUT A JURY. HOWEVER, AND NOTWITHSTANDING THE FOREGOING, IF ANY COURT RULES OR FINDS THIS JURY TRIAL WAIVER TO BE UNENFORCEABLE AND INEFFECTIVE IN WAIVING A JURY, THEN ANY DISPUTE RELATING TO OR ARISING FROM THIS ENGAGEMENT OR THE PARTIES'

## DRAFT

RELATIONSHIP GENERALLY WILL BE RESOLVED BY ARBITRATION AS SET FORTH IN THE PARAGRAPH BELOW REGARDING "ARBITRATION."

**ARBITRATION** – If any court rules or finds that the JURY TRIAL WAIVER section is not enforceable, then any dispute between the parties relating to or arising from this Agreement or the parties' relationship generally will be settled by binding arbitration in Chicago, Illinois (or a location agreed in writing by the parties). Any issues concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of this Section, will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). The arbitration will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). The parties will use the International Institute for Conflict Prevention & Resolution (the "CPR Institute") Global Rules for Accelerated Commercial Arbitration (the "Accelerated Rules") then in effect, or such other rules or procedures as the parties may agree in writing. In the event of a conflict between those rules and this Agreement, this Agreement will control. The parties may alter each of these rules by written agreement. If a party has a basis for injunctive relief, this paragraph will not preclude a party seeking and obtaining injunctive relief in a court of proper jurisdiction. The parties will agree within a reasonable period of time after notice is made of initiating the arbitration process whether to use one or three arbitrators, and if the parties cannot agree within fifteen (15) business days, the parties will use a single arbitrator. In any event the arbitrator(s) must be retired federal judges or attorneys with at least 15 years commercial law experience and no arbitrator may be appointed unless he or she has agreed to these procedures. If the parties cannot agree upon arbitrator(s) within an additional fifteen (15) business days, the arbitrator(s) will be selected by the CPR Institute. Discovery will be permitted only as authorized by the arbitrator(s), and as a rule, the arbitrator(s) will not permit discovery except upon a showing of substantial need by a party. To the extent the arbitrator(s) permit discovery as to liability, the arbitrator(s) will also permit discovery as to causation, reliance, and damages. The arbitrator(s) will not permit a party to take more than six depositions, and no depositions may exceed five hours. The arbitrator(s) will have no power to make an award inconsistent with this Agreement. The arbitrator(s) will rule on a summary basis where possible, including without limitation on a motion to dismiss basis or on a summary judgment basis. The arbitrator(s) may enter such prehearing orders as may be appropriate to ensure a fair hearing. The hearing will be held within one year of the initiation of arbitration, or less, and the hearing must be held on continuous business days until concluded. The hearing must be concluded within ten (10) business days absent written agreement by the parties to the contrary. The time limits in this section are not jurisdictional. The arbitrator(s) will apply substantive law and may award injunctive relief or any other remedy available from a judge. The arbitrator(s) may award attorney fees and costs to the prevailing party, and in the event of a split or partial award, the arbitrator(s) may award costs or attorney fees in an equitable manner. Any award by the arbitrator(s) will be accompanied by a reasoned opinion describing the basis of the award. Any prior agreement regarding arbitration entered by the parties is replaced and superseded by this agreement. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. All aspects of the arbitration will be treated by the parties and the arbitrator(s) as confidential.

**NON-SOLICITATION** – Client and Crowe acknowledge the importance of retaining key personnel. Accordingly, both parties agree that during the period of this agreement, and for one (1) year after its expiration or termination, neither party will solicit any personnel or subcontractors (if any) of the other party for employment without the written consent of the other party. If an individual becomes an employee of the other party, the other party agrees to pay a fee equal to the individual's compensation for the prior full twelve-month period to the original employer.

**AFFILIATES** – Crowe Horwath LLP is an independent member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath International is a separate and independent legal entity. Crowe Horwath LLP and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe Horwath LLP. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe Horwath LLP and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath LLP.

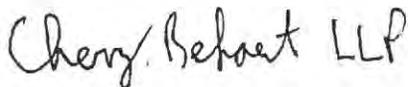
**System Review Report**

To the Partners of Crowe Horwath LLP  
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe Horwath LLP (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, audits of carrying broker-dealers, and examinations of service organizations [Service Organizations Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Crowe Horwath LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Crowe Horwath LLP has received a peer review rating of *pass*.



Cherry Bekaert LLP  
August 23, 2016

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DRAFT



American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

October 31, 2016

James L Powers  
Crowe Horwath LLP  
225 W Wacker Dr Ste 2600  
Chicago, IL 60606

Dear Mr. Powers:

It is my pleasure to notify you that on October 27, 2016 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is September 30, 2019. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

A handwritten signature in black ink that reads "Michael Fawley". The signature is written in a cursive, flowing style.

Michael Fawley  
Chair—National PRC  
nprc@aicpa.org 919 4024502

cc: Samuel Edward Johnson; Scot D Ivey

Firm Number: 10014904

Review Number 446067

Letter ID: 1122915A

**BOARD OF TRUSTEES  
VILLAGE OF RANTOUL**

AGENDA ITEM

PAGE \_\_\_\_\_ OF \_\_\_\_\_

<b>ITEM: Budget Transfer</b>	<b>DEPARTMENT: Police</b>
<b>AGENDA SECTION:</b>	<b>AMOUNT: \$35,000</b>
<b>ATTACHMENTS:</b> <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Supporting Documents	<b>DATE: February 6, 2018</b>
<b>SUMMARY HIGHLIGHTS:</b>	
<p>The police department is requesting the transfer of \$35,500 from the special police funds to the Vehicle Purchase account (account # 0522-420.75.50).</p> <p>In 2015, the Village Board approved the purchase of three (3) new squad cars for a total price \$106,947.00. At the time a three year lease was entered into with the Bank of Rantoul paying for the total amount. The first lease payment was made in October 2016 with subsequent lease payments made each October. The last lease payment was due in October 2018.</p> <p>The Rantoul Police Department is requesting a budget transfer of \$35,500.00 from the special funds account to make the final payment in FY 17-18. The special funds account is from asset forfeiture and drug funds. This early payment will reduce the overall interest amount on the loan.</p>	
<b>RECOMMENDED ACTION:</b>	
<b>DEPARTMENT HEAD APPROVAL</b> 	<b>VILLAGE ADMINISTRATOR</b> 

**BUDGET AMENDMENT**  
BA-FY #18-03

REQUESTED BY: COMPTROLLER'S OFFICE	DEPARTMENT/FUND	DEPT. PRIORITY
COMPTROLLER'S OFFICE	FUND 001 POLICE DEPT	
<b>THIS BUDGET INCREASE IS:</b>		
<input type="checkbox"/> FOR A RECURRING EXPENSE <input checked="" type="checkbox"/> FOR A ONE-TIME EXPENDITURE	<input type="checkbox"/> FOR CAPITAL OUTLAY <input type="checkbox"/> FOR O & M EXPENSE	

**COST DETAIL**

ACCOUNT CODE	FY 17-18 BUDGET	AMENDED BUDGET	DIFFERENCE
001-0522-420-75-50 Property & Equip-Fixed Asset/Vehicles	\$0	\$35,500	\$35,500

<b>DESCRIPTION:</b> A three year lease was entered into with the Bank of Rantoul for the purchase of three (3) new squad cars in 2015. The first lease payment was in October 2016 and the last lease payment was due in October 2018. The funds will be transferred from the special funds account to make the final payment in FY 18. The special funds account is from asset forfeiture and drug funds.		
<b>JUSTIFICATION:</b> The funds are available from the asset forfeiture and drug funds and will reduce the overall interest amount on the loan.		
PREPARED BY:	DATE:	COMPTROLLER REVIEW & DATE  2/1/18
MAYOR/BOARD APPROVAL & DATE:	INPUT INTO SYSTEM & DATE	

**ORDINANCE NO. 2559**

**AN ORDINANCE  
REVISING THE ANNUAL BUDGET  
(Police Dept.)**

**VILLAGE OF RANTOUL  
CHAMPAIGN COUNTY, ILLINOIS**

**CERTIFICATE OF PUBLICATION**

Published in pamphlet form this 13<sup>th</sup> day of February, 2018, by authority of the President and Board of Trustees of the Village of Rantoul, Champaign County, Illinois.

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Village Clerk

**ORDINANCE NO. 2559**

**AN ORDINANCE  
REVISING THE ANNUAL BUDGET  
(Police Dept.)**

**WHEREAS**, the annual budget for the fiscal year beginning May 1, 2017 and ending April 30, 2018 (the “**Annual Budget**”) of the Village of Rantoul, Champaign County, Illinois (the “**Village**”) was duly adopted by the President and Board of Trustees (the “**Corporate Authorities**”) of the Village under and pursuant to Ordinance No. 2518, passed and approved at a regular meeting on March 28, 2017; and

**WHEREAS**, the Corporate Authorities now desire to supplement and amend the Annual Budget in order to add to, delete, change or otherwise revise the Annual Budget by providing for certain transfers between or among the funds or accounts so designated or for certain authorized expenditures from unexpended balances or other additional revenues so designated; and

**WHEREAS**, funds are available to effectuate such revisions.

**NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF RANTOUL, ILLINOIS, CHAMPAIGN COUNTY, ILLINOIS**, as follows:

**Section 1. Revision to Annual Budget.** The Annual Budget, as heretofore supplemented and amended, is hereby further supplemented and amended in order to add to, delete, change or otherwise revise the Annual Budget by providing for such transfers between or among the funds or accounts so designated or for such authorized expenditures from the unappropriated balances or other additional revenues so designated, all as set forth in the form of the Budget Amendment document (BA-FY-18-03), a copy of which is attached hereto and hereby incorporated herein by the reference thereto.

**Section 2. Effective Date.** The provisions of this ordinance shall become effective ten (10) days after its passage, approval and publication as provided by law.

**Section 3. Publication.** The Village Clerk is hereby authorized and directed to cause this ordinance to be published in pamphlet form.

This Ordinance is hereby passed, the “ayes” and “nays” being called, by the vote of two-thirds of the members of the Corporate Authorities then holding office at a regular meeting on the date set forth below.

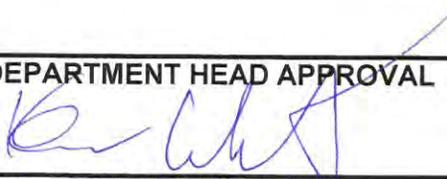
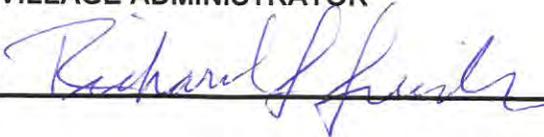
**PASSED** this 13th day of February, 2018.

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

**APPROVED** this 13th day of February, 2018.

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

BOARD OF TRUSTEES  
VILLAGE OF RANTOUL

AGENDA ITEM	PAGE	OF
<b>ITEM:</b> Increase Fire call fees	<b>DEPARTMENT:</b> Fire Dept./Comptroller	
<b>AGENDA SECTION:</b>	<b>AMOUNT:</b>	
<b>ATTACHMENTS:</b> <input type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> OTHER <input type="checkbox"/> SUPPORTING DOCUMENTS	<b>DATE:</b> January 31, 2018	
<b>SUMMARY HIGHLIGHTS:</b>		
<p>The Fire Department is responding to more calls for accidents on the Interstate. The current fee charged is not meeting the cost involved for these responses. Municipalities in the surrounding area have adopted the fees allowed by State Statute.</p> <p>Vehicle charge: \$250.00 per vehicle per hour or fraction thereof            Personnel Charge: \$70.00 per hour per responding member</p> <p>These fees would not apply to homeowners outside the Village limits who have signed a Fire Response Agreement with the Department.</p>		
<b>RECOMMENDED ACTION:</b> Approve the above fees for Fire Response		
<b>DEPARTMENT HEAD APPROVAL</b> 	<b>VILLAGE ADMINISTRATOR</b> 	
<b>AGENDA PAGE NUMBER:</b>		

**SURVEYOR'S REPORT**

I, EDWARD L. CLANCY, ILLINOIS PROFESSIONAL LAND SURVEYOR 2207 AND VICE PRESIDENT OF BERNIS, CLANCY AND ASSOCIATES, P.C. DO HEREBY STATE THAT AT THE REQUEST OF AND FOR THE EXCLUSIVE BENEFIT OF THE VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS, I PREPARED A BOUNDARY SURVEY ON THE GROUND TO THE NORMAL STANDARD OF CARE OF PROFESSIONAL LAND SURVEYORS PRACTICING IN CHAMPAIGN COUNTY, ILLINOIS OF A PART OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 21 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**PARENT TRACTS**

**PARCEL A2b-2**

A TRACT OF LAND BEING PART OF SECTION 2, TOWNSHIP 21 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CHAMPAIGN COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS, WITH BEARINGS ON ILLINOIS STATE PLANE COORDINATE SYSTEM - EAST ZONE.

COMMENCING AT AN IRON PIN AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 2, PROCEED SOUTH 89 DEGREES 38 MINUTES 35 SECONDS WEST ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER, 75.85 FEET; THENCE SOUTH 0 DEGREES 46 MINUTES 35 SECONDS EAST, 100 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 46 MINUTES 35 SECONDS EAST, 65.18 FEET; THENCE AROUND THE ARC OF A TANGENT CIRCULAR CURVE TO THE LEFT, HAVING A RADIUS OF 600.00 FEET, A CHORD LENGTH OF 125.60 FEET, A CHORD BEARING OF SOUTH 06 DEGREES 47 MINUTES 04 SECONDS EAST FOR AN ARC LENGTH OF 125.83 FEET; THENCE TANGENT SOUTH 12 DEGREES 47 MINUTES 32 SECONDS EAST, 27.87 FEET; THENCE AROUND THE ARC OF A NON-TANGENT CIRCULAR CURVE TO THE LEFT, HAVING A RADIUS OF 600.00 FEET, A CHORD LENGTH OF 87.66 FEET, A CHORD BEARING OF SOUTH 67 DEGREES 53 MINUTES 36 SECONDS WEST FOR AN ARC LENGTH OF 87.74 FEET; THENCE AROUND THE ARC OF A TANGENT CIRCULAR CURVE TO THE RIGHT, HAVING A RADIUS OF 500 FEET, A CHORD LENGTH OF 224.47 FEET, A CHORD BEARING OF SOUTH 76 DEGREES 40 MINUTES 30 SECONDS WEST FOR AN ARC LENGTH OF 226.40 FEET; THENCE TANGENT 89 DEGREES 38 MINUTES 45 SECONDS WEST, 781.66 FEET; THENCE NORTH 44 DEGREES 13 MINUTES 29 SECONDS EAST, 140.39 FEET; THENCE SOUTH 89 DEGREES 38 MINUTES 45 SECONDS WEST, 851.06 FEET; THENCE 67 DEGREES 35 MINUTES 31 SECONDS WEST, 61.48 FEET; THENCE NORTH 00 DEGREES 33 MINUTES 27 SECONDS WEST, 176.20 FEET; THENCE NORTH 89 DEGREES 38 MINUTES 35 SECONDS EAST PARALLEL WITH SAID NORTH LINE OF THE SOUTHWEST QUARTER, 766.36 FEET; THENCE NORTH 00 DEGREES 21 MINUTES 32 SECONDS WEST, 60.00 FEET; THENCE NORTH 89 DEGREES 38 MINUTES 35 SECONDS EAST PARALLEL WITH SAID NORTH LINE OF THE SOUTHWEST QUARTER, 700.04 FEET; THENCE SOUTH 00 DEGREES 23 MINUTES 10 SECONDS EAST, 60.00 FEET; THENCE NORTH 89 DEGREES 38 MINUTES 35 SECONDS EAST PARALLEL WITH SAID NORTH LINE OF THE SOUTHWEST QUARTER, 404.69 FEET TO THE TRUE POINT OF BEGINNING, ENCOMPASSING 11.719 ACRES MORE OR LESS.

**PARCEL A2B-7**

COMMENCING AT AN IRON PIN AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 2, PROCEED SOUTH 89 DEGREES 38 MINUTES 35 SECONDS WEST ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER, 75.85 FEET; THENCE SOUTH 00 DEGREES 46 MINUTES 35 SECONDS EAST, 100.00 FEET; THENCE SOUTH 00 DEGREES 46 MINUTES 35 SECONDS EAST, 65.18 FEET, THENCE AROUND THE ARC OF A CIRCULAR CURVE TO THE LEFT, HAVING A RADIUS OF 600.00 FEET, A CHORD LENGTH OF 125.60 FEET, A CHORD BEARING OF SOUTH 06 DEGREES 47 MINUTES 04 SECONDS EAST FOR AN ARC LENGTH OF 125.83 FEET, THENCE SOUTH 12 DEGREES 47 MINUTES 32 SECONDS EAST, 27.87 FEET; THENCE AROUND THE ARC OF A NON-TANGENT CIRCULAR CURVE TO THE LEFT, HAVING A RADIUS OF 600.00 FEET, A CHORD LENGTH OF 87.66 FEET, A CHORD BEARING OF SOUTH 67 DEGREES 53 MINUTES 36 SECONDS WEST FOR AN ARC LENGTH OF 87.74 FEET; THENCE AROUND THE ARC OF A CIRCULAR CURVE TO THE RIGHT, HAVING A RADIUS OF 500.00 FEET, A CHORD LENGTH OF 224.47 FEET, A CHORD BEARING OF SOUTH 76 DEGREES 40 MINUTES 30 SECONDS WEST FOR AN ARC LENGTH OF 226.40 FEET; THENCE SOUTH 89 DEGREES 38 MINUTES 45 SECONDS WEST, 781.66 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 38 MINUTES 45 SECONDS WEST, 558.50 FEET; THENCE NORTH 67 DEGREES 35 MINUTES 31 SECONDS WEST, 271.82 FEET; THENCE NORTH 00 DEGREES 33 MINUTES 27 SECONDS WEST, 18.62 FEET; THENCE SOUTH 67 DEGREES 35 MINUTES 31 SECONDS EAST, 61.48 FEET; THENCE NORTH 89 DEGREES 38 MINUTES 45 SECONDS EAST, 851.06 FEET; THENCE SOUTH 44 DEGREES 13 MINUTES 29 SECONDS WEST, 140.39 FEET TO THE TRUE POINT OF BEGINNING, ENCOMPASSING 1.684 ACRES MORE OR LESS.

**ADDITIONAL TRACTS**

**PARCEL 1**

COMMENCING AT AN IRON PIN AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 2, TOWNSHIP 21 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS, THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 40 FEET TO THE EASTERLY EXTENSION OF THE SOUTHERLY RIGHT OF WAY LINE OF URBANA AVENUE; THENCE SOUTH 89 DEGREES 38 MINUTES 36 SECONDS WEST ALONG THE EASTERLY EXTENSION OF THE SOUTHERLY RIGHT OF WAY LINE OF URBANA AVENUE AND THE SOUTHERLY RIGHT OF WAY LINE OF URBANA AVENUE, A DISTANCE OF 1179.54 FEET TO A MAG NAIL FOUND AND THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 21 MINUTES 29 SECONDS EAST ALONG A JOG IN THE EXISTING SOUTHERLY RIGHT OF WAY LINE OF URBANA AVENUE, A DISTANCE OF 59.80 FEET TO A BRASS TABLET SURVEY MONUMENT FOUND; THENCE SOUTH 89 DEGREES 38 MINUTES 36 SECONDS WEST ALONG THE EXISTING SOUTHERLY RIGHT OF WAY OF URBANA AVENUE, A DISTANCE OF 766.35 FEET TO A BRASS TABLET SURVEY MONUMENT FOUND; THENCE SOUTH 00 DEGREES 33 MINUTES 18 SECONDS EAST ALONG THE EXISTING EASTERLY RIGHT OF WAY LINE OF EAGLE DRIVE, A DISTANCE OF 194.97 FEET TO A BRASS TABLET SURVEY MONUMENT FOUND; THENCE SOUTH 67 DEGREES 35 MINUTES 11 SECONDS EAST ALONG THE EXISTING NORTHERLY RIGHT OF WAY LINE OF VETERANS PARKWAY, A DISTANCE OF 271.49 TO AN IRON PIPE SURVEY MONUMENT FOUND; THENCE SOUTH 89 DEGREES 38 MINUTES 32 SECONDS WEST, A DISTANCE OF 43.68 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE AROUND A CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 2061.11 FEET, A CHORD LENGTH OF 415.36 FEET, A CHORD BEARING OF NORTH 85 DEGREES 09 MINUTES 10 SECONDS WEST FOR AN ARC LENGTH OF 416.07 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE NORTH 00 DEGREES 33 MINUTES 49 SECONDS WEST, A DISTANCE OF 270.78 FEET TO AN IRON PIPE SURVEY MONUMENT SET;

**SURVEYOR'S REPORT CONTINUED**

THENCE AROUND THE ARC OF A CIRCULAR CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 20.00 FEET, A CHORD LENGTH OF 25.63 FEET, A CHORD BEARING OF NORTH 39 DEGREES 17 MINUTES 31 SECONDS EAST FOR AN ARC LENGTH OF 27.82 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE NORTH 82 DEGREES 22 MINUTES 25 SECONDS EAST, A DISTANCE OF 224.71 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE NORTH 89 DEGREES 23 MINUTES 32 SECONDS EAST, A DISTANCE OF 734.40 FEET TO THE POINT OF BEGINNING, CONTAINING 2.690 ACRES, MORE OR LESS, ALL SITUATED IN CHAMPAIGN COUNTY ILLINOIS.

**PARCEL 2**

COMMENCING AT AN IRON PIN AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 2, TOWNSHIP 21 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS, THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 40.00 FEET TO THE EASTERLY EXTENSION OF THE EXISTING SOUTHERLY RIGHT OF WAY LINE OF URBANA AVENUE; THENCE SOUTH 89 DEGREES 38 MINUTES 36 SECONDS WEST ALONG SAID EASTERLY EXTENSION OF THE EXISTING SOUTHERLY RIGHT OF WAY LINE OF URBANA AVENUE, A DISTANCE OF 124.86 FEET TO AN IRON PIPE SURVEY MONUMENT SET AND THE POINT OF BEGINNING; THENCE AROUND THE ARC OF A CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 60.00 FEET, A CHORD LENGTH OF 70.45 FEET, A CHORD BEARING OF SOUTH 45 DEGREES 33 MINUTES 59 SECONDS EAST FOR AN ARC LENGTH OF 75.30 FEET TO AN IRON PIPE SURVEY MONUMENT SET ON THE WESTERLY RIGHT OF WAY LINE OF CHANUTE STREET; THENCE SOUTH 00 DEGREES 46 MINUTES 35 SECONDS EAST ALONG THE WESTERLY RIGHT OF WAY LINE OF SAID CHANUTE STREET, A DISTANCE OF 10.41 FEET TO CHISELED X SURVEY MONUMENT FOUND; THENCE SOUTH 89 DEGREES 38 MINUTES 36 SECONDS WEST ALONG THE EXISTING SOUTHERLY RIGHT OF WAY LINE OF URBANA STREET, A DISTANCE OF 404.78 FEET TO A BRASS TABLET SURVEY MONUMENT FOUND; THENCE NORTH 00 DEGREES 17 MINUTES 26 SECONDS WEST ALONG A JOG IN THE EXISTING SOUTHERLY RIGHT OF WAY LINE OF SAID URBANA STREET, A DISTANCE OF 60.04 FEET TO AN IRON PIPE SURVEY MONUMENT SET; THENCE NORTH 89 DEGREES 38 MINUTES 36 SECONDS EAST, A DISTANCE OF 354.64 FEET TO THE POINT OF BEGINNING, CONTAINING 0.542 ACRES, MORE OR LESS. ALL SITUATED IN CHAMPAIGN COUNTY ILLINOIS.

I FURTHER STATE THAT THE OWNERS DESIRE TO FACILITATE THE SALE OF SAID LAND FOR WHICH PURPOSE I PREPARED A PLAT TO WHICH THIS REPORT IS ATTACHED AND MADE A PART THEREOF, PARTICULARLY DESCRIBING THE LOT INTO WHICH SAID LANDS HAVE BEEN SO PLATTED AND I NUMBERED THE LOT, WHICH NUMBER IS SHOWN IN LARGE SIZE ON SAID PLAT AND HAVE STATED AND SHOWN THE PRECISE DIMENSIONS OF SAID LOT.

I FURTHER STATE THAT REPORTEDLY THE VILLAGE OF RANTOUL DOES NOT PARTICIPATE IN THE NATIONAL FLOOD INSURANCE PROGRAM AND NO REGULATORY FLOOD ZONE EXISTS FOR THE PROPERTY SURVEYED, BASED UPON MY REVIEW OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP, PANEL 200 OF 625, MAP NUMBER 17019C0200D WITH AN EFFECTIVE DATE OF OCTOBER 2, 2013. THE PROPERTY SURVEYED IS REPORTEDLY LOCATED WITHIN ZONE "D" (AREAS IN WHICH FLOOD HAZARDS ARE UNDETERMINED, BUT POSSIBLE).

I FURTHER STATE THAT REFERENCE HAS BEEN MADE UPON SAID PLAT TO KNOWN AND PERMANENT SURVEY MONUMENTS FROM WHICH FUTURE SURVEYS MAY BE MADE AND THAT I PLACED SURVEY MONUMENTS AT EACH LOT CORNER AS SHOWN ON THE ACCOMPANYING PLAT AND THAT ALL OF THE DIMENSIONS ARE SHOWN IN FEET AND HUNDRETHS OF FEET AND THAT THE EASEMENT LOCATIONS AND WIDTHS ARE AS INDICATED ON SAID PLAT.

I FURTHER STATE THAT NO INVESTIGATION CONCERNING ENVIRONMENTAL AND SUBSURFACE CONDITIONS, OR TO DETERMINE THE EXISTENCE OF UNDERGROUND OR OVERHEAD CONTAINERS OR FACILITIES WHICH MAY AFFECT THE USE OR DEVELOPMENT OF THIS PROPERTY WAS MADE AS A PART OF THIS SURVEY.

I FURTHER STATE THAT AS A PART OF THIS BOUNDARY SURVEY, EXCEPT AS MAY BE SPECIFICALLY NOTED ON THIS PLAT, I MADE NO INVESTIGATION CONCERNING ZONING OR LAND USE, NOR HAVE I MADE AN INDEPENDENT SEARCH OF THE RECORDS FOR EASEMENTS, ENCUMBRANCES, RESTRICTIVE COVENANTS, SUBDIVISION RESTRICTIONS, OWNERSHIP, TITLE EVIDENCE OR ANY OTHER FACTS WHICH AN ACCURATE AND CURRENT TITLE SEARCH MAY DISCLOSE FOR SUBJECT PROPERTY OR FOR ADJOINING PARCELS AS I RELIED UPON THE MATERIALS AND REPRESENTATIONS SUPPLIED TO ME BY CLIENT.

I FURTHER STATE THAT NO ATTEMPT HAS BEEN MADE AS A PART OF THIS BOUNDARY SURVEY TO OBTAIN DATA CONCERNING THE EXISTENCE, SIZE, DEPTH, CONDITION, CAPACITY, OR LOCATION OF ANY MUNICIPAL OR PUBLIC SERVICE FACILITY. FOR INFORMATION REGARDING THESE UTILITIES, PLEASE CONTACT THE APPROPRIATE AGENCIES.

I FURTHER STATE THAT THERE ARE NO APPARENT ABOVE GROUND ENCROACHMENTS EXCEPT AS SHOWN ON THE ACCOMPANYING PLAT OF SURVEY.

I FURTHER STATE THAT THE AREA COVERED BY THIS PLAT OF SURVEY IS WITHIN THE CORPORATE LIMITS OF THE VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS.

I FURTHER STATE THAT NO PART OF THE AREA COVERED BY THIS PLAT OF SURVEY IS WITHIN 500 FEET OF A SURFACE DRAIN OR WATER COURSE SERVING A TRIBUTARY AREA OF 640 ACRES OR MORE.

I FURTHER STATE AT THE REQUEST OF THE OWNERS, THIS SUBDIVISION IS TO BE KNOWN AS '718 SUBDIVISION TO THE VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS'.

I FURTHER STATE THAT THIS PROFESSIONAL SERVICE CONFORMS TO THE CURRENT ILLINOIS MINIMUM STANDARDS FOR A BOUNDARY SURVEY.

SIGNED AND SEALED DECEMBER 4, 2017

*Edward L. Clancy*

EDWARD L. CLANCY, L.S., P.E., VICE PRESIDENT  
BERNIS, CLANCY AND ASSOCIATES, P.C.  
ILLINOIS PROFESSIONAL LAND SURVEYOR 2207  
LICENSE EXPIRATION: NOVEMBER 30, 2018  
URBANA, CHAMPAIGN COUNTY, ILLINOIS  
ILLINOIS PROFESSIONAL DESIGN FIRM 2999  
LICENSE EXPIRATION: APRIL 30, 2019



718 subdivision

7450