
OPERATIONS COMMITTEE MEETING AGENDA



MEETING DATE: Monday, October 1, 2018

MEETING TIME: 6:00 p.m.

MEETING LOCATION: North Aurora Village Hall, 25 E. State St., North Aurora

CALL TO ORDER

ROLL CALL

AUDIENCE COMMENTS

APPROVAL OF MINUTES

1. Approval of the Operations Committee Minutes dated August 6, 2018

NEW BUSINESS

1. Revised Investment Policy
2. FY2018-19 Budget Amendment
3. Revisions to Human Resources Manual
4. 2018 Tax Levy Estimate
5. Route 31 Tax Increment Financing District Funding Request for a Phase II Environmental Assessment

OLD BUSINESS

OTHER INFORMATION

TRUSTEE COMMENTS

ADJOURN

Initials SB

**VILLAGE OF NORTH AURORA
OPERATIONS COMMITTEE MEETING AGENDA
AUGUST 6, 2018**

CALL TO ORDER

Trustee Guethle called the meeting to order.

ROLL CALL

In attendance: Trustee Mark Guethle, Trustee Mark Carroll, Mayor Dale Berman, Village Administrator Steve Bosco, Finance Director Bill Hannah, Community & Economic Development Director Mike Toth.

AUDIENCE COMMENTS – None

APPROVAL OF MINUTES

1. Approval of the Operations Committee Minutes dated 5/7/18

Motion for approval made by Trustee Carroll and seconded by Trustee Guethle. All in favor.

Motion approved (2-0).

NEW BUSINESS

1. Police Actuarial Valuation

Finance Director Bill Hannah stated that the Village is required by law to maintain a police pension trust fund. Currently there are 29 active police officers and 15 retirees or other vested beneficiaries. The Village currently pays out \$860,000 annually. The police officers currently pay 9.91% of their salary as officer contributions. Benefits are defined by state statute. Officers hired after January 1, 2011 are provided reduced benefits, known as Tier 2. Per state law, the Village must be 90% funded by 2040. The Village adopted a resolution in 2011 for 100% funding. Every year the Village does an actuarial of the fund. The valuation as of May 31, 2017 reflected that the Village had \$25.6 million in accrued pension liabilities and about \$16.2 million in actuarial assets. The Village's contribution to the fund reflects \$1,000,047.00 a year. The Village is in the process of finalizing the valuation for May 31, 2018. Foster and Foster wants the Village to consider three changes for the upcoming valuation.

- i. New retirement disability and termination rates – Employees were staying longer in their positions than assumed and there was less turnover. That change in assumption would lower the liabilities and contributions.
- ii. Salary increase assumptions – Wage growth has not been what it was in the past. This reduced salary growth assumptions.
- iii. Interest investment assumption – Consider a discussion of moving from 7% to 6-1/2%. MB Financial also provided their 10-outlook assumption and recommended a 6-1/2% level.

Hannah stated that the net impact is that the first 2 changes would be a net decrease on the upcoming contribution and the change from 7% to 6-1/2% would be an increase. About

\$160,000 would be the impact for next year's police pension contribution by implementing these changes.

Hannah added that if the Village moves forward with these changes, they would be implemented for the December 2018 levy and be effective with the next upcoming budget for 2020.

2. 110 John Street T.I.F. Grant Application

Community & Economic Development Director Mike Toth said that the property owner is seeking \$2,462.50 for five new awnings on the building. Lowest of the bids was for \$4,925. Awnings are a TIF eligible expense and therefore there were no issues from the committee regarding this request.

3. Abandoned Vehicles Text Amendment

Toth said that Chapter 8 of the Municipal Code declares abandoned vehicles to be unlawful and a public nuisance. Chapter 8.04 also has exemptions for abandoned vehicles. One of those is historical vehicles over 25 years of age. This presents issues when there are historical vehicles that are in a state of disrepair. Toth said that the text amendment would remove the exemption vehicles over 25 years of age. There were no issues from the committee on this request.

ADJOURNMENT

Motion to adjourn made by Trustee Carroll and seconded by Trustee Guethle. All in favor.
Motion approved.

Respectfully Submitted,

Lori J. Murray
Village Clerk

Village of North Aurora Memorandum



To: Government Operations Committee

From: Bill Hannah, Finance Director

CC: Steve Bosco, Village Administrator

Date: September 19, 2018

RE: Update of Village's Investment Policy and New Investment Pool

The Village has had in place since at least 1998 an Investment Policy governing the investment of Village funds. In 1999 a new State law was adopted requiring municipalities to adopt an Investment Policy adopting several criteria and requirements. The Investment Policy has been modified at least five (5) times since then, with the most recent update being adopted by Resolution in 2013.

The statutes recommend that the policy be reviewed from time-to-time and any changes adopted by the Board. Staff is proposing the following revisions to the Investment Policy as attached with the more significant changes being:

1. Addition of Illinois Trust (an investment pool similar to Illinois Funds) to the list of authorized suitable investments.
2. Revision so that each major investment pool can have no more than 50% of the total investment portfolio at any given time.
3. Reference made to all ethics and conflict of interest policies the Village may have.
4. Incorporation of recent State law change which allows the Village to invest in corporate obligations with a maturity no longer than three years from the date of purchase
5. Update of items that are considered acceptable collateral for Village deposits in excess of FDIC insurance.
6. Clarification of the maximum, typical maturity for investments up to five years, with separate approval required for any investment with a duration longer than five years.
7. Language clarifying that any more restrictive laws or regulations shall automatically take effect, but regulations or laws that are more permissive require separate Village Board approval to adopt.

We have also attached information regarding the Illinois Trust investment pool which has had consistently very competitive rates compared to the other investment pools of the Village. Staff met with representatives who explained the competitive rate(s) offered and different tiers of investments offered with varying durations. After Committee review and any further discussion and changes, the Resolution would be brought for consideration by the Village Board in October.

Resolution No. _____
Resolution to Approve a Revised Investment Policy for the Village of North Aurora

WHEREAS, the Village of North Aurora has previously adopted an Investment Policy on June 22, 1998 governing the investment of all Village funds except for the Police Pension funds; and

WHEREAS, it is important for the Village of North Aurora to review and update said policy from time-to-time and for the President and Board of Trustees to approve a resolution adopting a revised Investment Policy; and

NOW, THEREFORE, BE IT RESOLVED by the President and the Board of Trustees as follows:

1. The recitals set forth above are incorporated herein as the material findings of the President and the Board of Trustees.
2. This Resolution shall take immediate full force and effect from and after its passage and approval.

Presented to the Board of Trustees of the Village of North Aurora, Kane County, Illinois this ____ day of _____, 2018, A.D.

Passed by the Board of Trustees of the Village of North Aurora, Kane County, Illinois this ____ day of _____, 2018, A.D.

Mark Guethle	_____	Tao Martinez	_____
Mark Gaffino	_____	Mark Carroll	_____
Michael Lowery	_____	Laura Curtis	_____

Approved and signed by me as President of the Board of trustees of the Village of North Aurora, Kane County, Illinois this ____ day of _____, 2018 A.D.

Village President Dale Berman

ATTEST:

Village Clerk

VILLAGE OF NORTH AURORA INVESTMENT POLICY

Revised and Adopted by the Village Board: ~~May 20, 2013~~

1.0 POLICY

It is the policy of the Village of North Aurora to invest public funds in a manner which will provide a competitive investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all statutes governing the investment of public funds. It is the policy of the Village to comply with the Public Funds Investment Act (30 ILCS 235/) which requires the adoption of a written Investment Policy by the Village Board and any changes that may be made to that Act from time-to-time.

2.0 SCOPE

This investment policy applies to all of the financial assets of the Village of North Aurora in all Funds, except for the Police Pension Fund which is governed by its own Board of Trustees and has a separate investment policy. The following fund-types are accounted for in the Village of North Aurora's Comprehensive Annual Financial Report and are covered under this investment policy:

- 2.1 Funds: General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust and Agency Funds (Except Police Pension)
- All other funds created by the Board unless specifically exempt

The Village will consolidate cash and reserve funds from all funds covered under this policy to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration.

3.0 PRUDENCE

Investments shall be made by persons of prudence with judgment and care under circumstances then prevailing. Investments shall be made for investment and not for speculation, considering the probable safety of capital, as well as the probable income to be derived.

3.1 The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVE

The primary objective, in priority order of the Village of North Aurora's investment activities shall be:

4.1 Safety: Safety of the principal is the foremost objective of the investment program. Investments of the Village of North Aurora shall be undertaken in a manner that seeks the preservation of capital and the mitigation of credit and interest rate risk in the overall portfolio.

4.2 Liquidity: The Village of North Aurora's investment portfolio will remain sufficiently liquid to enable the Village to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day or short-notification liquidity for short-term funds.

4.3 Return on Investments: The Village of North Aurora's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Village's investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to low risk securities in anticipation of earning a fair return relative to the risk being assumed.

5.0 DELEGATION OF AUTHORITY

The establishment of investment policies is the responsibility of the Village Board. Management and administrative responsibility for the investment program is hereby delegated to the Finance Director, under the oversight of the Village Administrator ~~Village Administrator who hereby delegates the daily administration to the Finance Director~~ who shall establish written procedures for the operation of the investment program consistent with this investment policy. This internal control directive will direct the use of independent safekeeping of securities and the purchase of and sale of securities on a delivery versus payment basis.

6.0 ETHICS AND CONFLICTS OF INTEREST

The Village Administrator and Finance Director shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Village Administrator and Finance Director shall disclose to the Village Board any material financial interests in financial institutions that conduct business with the Village of North Aurora, and they shall further disclose any large personal/investment positions that could be related to the Village's portfolio. Employees and officers involved in the Village's investment program shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Village. The Village Administrator, Finance Director and any other employees involved in the day-to-day administration, accounting or other aspects of the investment program shall abide by any ethics or conflict of interest policies or ordinances that may be established by the Village from time-to-time.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND BROKER DEALERS

The Finance Director will maintain a list of financial institutions, commercial banks and broker dealers authorized to provide investment services. ~~This list will be updated and submitted to the Village Board for approval as changes occur.~~ The institutions will be selected based on financial condition, proper registrations, level of service and competitive pricing. The Finance Director will use a competitive process where practical to evaluate the investments and securities and prices of investments and securities. Broker dealers and investment managers selected will be required to read and sign off on the Village's investment policy and ensure that all investments proposed for purchase will conform to the Village's investment policy and applicable state statutes prior to providing broker services.

The Village Board authorizes the Finance Director to invest monies in any federally insured financial institution up to the current Federal Deposit Insurance Corporation (FDIC) limits. Investments in Certificates of Deposits shall not exceed FDIC limits at any point for the duration of the investment.

All broker/dealers must provide investments on a "delivery versus payment" basis (the security must be physically delivered or confirmed via the Federal Reserve Bank or DTC system before the Village's payment for the security is released) and must be primary dealers of government securities as listed by the Federal Reserve Bank of New York or regional dealers that qualify under the SEC's uniform net capital rule. Commercial banks authorized to provide investments on a "delivery versus payment" basis must have at least \$500 million in total assets and a Sheshunoff (a company that rates the creditworthiness of banks) rating of at least 30. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Finance Director with the following:

- audited financial statements
- proof of National Association of Security Dealers certification
- proof of state registration
- certification of having read the Village's investment policy
- depository contracts

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The Village may invest in any type of security allowed for in the Illinois statutes regarding investment of public funds. These investments include, but are not limited to:

- Treasury obligations including bills, notes, bonds and stripped coupons.
- Bonds, notes, debentures and similar obligation issued by Agencies of the United States
- Interest bearing savings accounts, certificates of deposit or any other investment constituting direct obligations of commercial banks that are FDIC insured or collateralized.
- ~~Short term~~ Obligations of corporations (~~commercial paper~~) organized in the U.S. with assets exceeding \$500 million and rated at the time of purchase at one of the three (3) the highest qualifications by at least two of the standard rating agencies which mature not later than three (3) years from the date of purchase. ~~Must mature within~~
- ~~180 days from the date of purchase.~~
- The Illinois Funds Investment Pools
- The Illinois Metropolitan Investment Fund (Both the Convenience Fund and the 1-3 Year Fund)
- The Illinois Trust (formerly Illinois Institutional Investors Trust)
- Bonds issued by any county, township, city, village, incorporated town, municipal corporation, school district, any State, or political subdivision of any other State pursuant to the requirements in the Public Funds Investment Act. Bonds shall be rated at the time of purchase within the four (4) highest general classifications established by a rating service of nationally recognized in rating bonds of States and political subdivisions.
- Money market mutual funds permissible under state law
- Consistent with GFOA recommended practices; extreme caution should be exercised in the use of derivative instruments. Any purchase of derivatives, other than U.S. Treasury strips, requires written authorization from the Village Administrator.

9.0 COLLATERALIZATION

It is the policy of the Village of North Aurora to require that funds on deposit in excess of FDIC limits be secured by some form of collateral in order to manage custodial credit risk. The Village will accept any of the following assets as collateral:

- ~~U. S. Treasury Securities~~
- ~~Obligations of U. S. Federal Agencies or States~~
- ~~Obligations, GO Bonds or Revenue Bonds of Municipalities or Other Government Agencies~~
- Bonds, notes, or other securities constituting direct and general obligations of the United States;
- Bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States, the interest and principal of which is unconditionally guaranteed by the United States;

- Bonds, notes, or other securities or evidence of indebtedness constituting the obligation of a U.S. agency or instrumentality;
- Direct and general obligation bonds of the State of Illinois or of any other state of the United States; provided, however, the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;
- Revenue bonds of the State of Illinois or any authority, board, commission, or similar agency thereof; provided, however, the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;
- Direct and general obligation bonds of any city, town, county, school district, or other taxing body of any state, the debt service of which is payable from general ad valorem taxes; provided, however, the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;
- Revenue bonds of any city, town, county, or school district of the State of Illinois; provided, however, the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;

(The Village reserves the right to accept/reject any form of the above assets)

The amount of collateral provided will not be, less than 105% of the fair market value of the net amount of public funds secured. The rate of fair market value of collateral to the amount of funds secured will be reviewed at least quarterly by the Village and additional collateral will be required when the ratio declines below 105% level. Pledged collateral will be held by the Village or in safekeeping and evidenced by a safekeeping agreement. If collateral is held in safekeeping, it may be held by a third party identified by the Village or by an escrow agent of the pledging institution. A collateral agreement will preclude the release of the pledged assets without the written approval of the Village, but the agreement may allow for an exchange of collateral of like value. If a tri-party collateral agreement exists, provisions for release of the pledged assets may occur without prior written approval of the Village provided the collateral ratio never declines below the 105% level and collateral securities are consistent with this policy.

10.0 SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the Village of North Aurora shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Village Board and evidenced by safekeeping receipts.

11.0 DIVERSIFICATION

In order to reduce the risk of default and manage credit risk, the Village shall diversify its investments by security type, ~~and~~ institution and investment pools. Therefore, the investment

portfolio of the Village of North Aurora shall generally not exceed the following diversification limits, ~~unless specifically authorized by the Board of Trustees:~~

- No financial institution shall hold more than ~~50~~75% of the Village's investment portfolio, exclusive of U.S. Treasury securities in safekeeping. This does not include custodial accounts, where a financial institution will hold individual securities that are in the Village's name
- No more than 50% of the Village's portfolio may be invested in U.S. Government Agencies, and no more than 25% may be invested in the obligations of a single agency.
- ~~Total deposits~~ Investments in the Illinois Funds shall not exceed ~~65~~50% of the Village's investment portfolio.
- ~~Deposits~~ Investments in the Illinois Metropolitan Investment Fund (1 to 3 year portion) shall not exceed 30% of the Village's investment portfolio.
- ~~Deposits~~ Investments in the Illinois Metropolitan Investment Fund (Convenience Fund) shall not exceed ~~75~~50% of the Village's investment portfolio
- Investments in the Illinois Trust shall not exceed 50% of the Village's investment portfolio.
- Brokered certificates of deposit shall not exceed ~~40~~35% of the Village's investment portfolio.
- Investments in bonds of states, counties, villages, cities, townships, school districts or any other political subdivision of a state shall not exceed 25% of the investment portfolio
- Corporate obligations ~~Commercial paper~~ shall not exceed 10% of the Village's investment portfolio.

12.0 MAXIMUM MATURITIES

To the extent possible, the Village of North Aurora will attempt to match its investments with anticipated cash flow requirements. In order to manage interest rate risk and unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than ~~three~~ five (5) years from the date of purchase.

Reserve funds may be invested in securities exceeding ~~three~~ five (5) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. Any investment purchased with a maturity longer than ~~three~~ five (5) years must be supported with written documentation explaining the reason for the purchase. Any investment purchased with a maturity longer than five years must also be approved by the Village Administrator.

13.0 INTERNAL CONTROLS

The Finance Director is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the Village of North Aurora are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

Accordingly, the Finance Director shall also establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

14.0 PERFORMANCE STANDARDS

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall obtain a market average rate of return during a market/economic environment of stable interest rates. The Village's investment strategy is passive, which means securities are generally intended to be held until maturity. Given this strategy the basis used by the Finance Director to determine whether market yields are being achieved on a 3-month rolling average shall be the three-month U.S. Treasury Bill. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles.

15.0 REPORTING

The Finance Director will prepare a monthly investment report that summarizes the current investment portfolio. The report will list all current investments at their book value and market value, their yield to maturity and maturity date, income earned and the average weighted yield for the portfolio. The report will also determine the percentage of each category of investment compared to the total portfolio. The report will also include a comparison to the performance benchmark. The Finance Director shall communicate such information monthly to the Village Administrator and Village Board of Trustees.

16.0 INVESTMENT POLICY ADOPTION

The Village of North Aurora's investment policy shall be adopted by resolution. This policy shall be reviewed on a regular basis by the Finance Director and any modifications made thereto must be approved by the Village Board of Trustees.

In the event that any state or federal legislation or regulation should further restrict instruments, institutions or procedures authorized by this policy, such restrictions shall be deemed to be immediately incorporated in this policy. If new legislation or regulation should liberalize the permitted instruments, institutions or procedures, such changes shall be available and included in this Policy only after written notification to the Board and their subsequent approval of said changes.

17.0 LEGISLATION AND DOCUMENTATION

The Village's investment program shall comply at all times with the Illinois Public Funds Investment Act (30 ILCS 235/1 et seq.) and other state laws governing the investment of public funds, as amended from time to time. In the event of any conflict between this Policy and the Illinois Public Funds Investment Act and other state laws, the provisions of the Illinois Public Funds Investment Act and other state laws shall control.

The Finance Director will maintain a list and is hereby authorized to deposit Village monies, in accordance with 65 ILCS 5/3.1-35-50, in financial institutions as attached hereto as Appendix A. The Finance Director shall review this list from time to time and shall submit any modifications thereto to the Board for approval.

**Village of North Aurora
Investment Policy
Appendix I**

List of Commercial Banks and Authorized Depositories

U.S. Bank

Old Second National Bank

J. P. Morgan Chase

~~Charter One Bank~~

Fifth Third

~~BMO Harris N.A.~~

Bank of America

Citibank

MB Financial Bank

First State Bank

Wintrust Financial Corporation

List of Authorized Broker Dealers

Fifth Third Securities, Inc.

PMA Financial Network, Inc.



Seeking to Optimize Interest Earnings?

Explore Your Options with Fixed-Rate, Fixed-Term Investment Programs

Putting Your Dollars to Work

Many investors concerned with meeting cash flow needs may keep more cash on hand than is needed. While this is convenient, excess amounts of cash can be costly. Perhaps you know of expenses that need to be met within the next three, six, nine, or 12 months. Cash that is not needed immediately may generate additional interest earnings if invested according to a schedule that can meet expenses down the road.

Many investors are familiar with Illinois Trust's daily liquidity vehicle for governmental entities, the Illinois Portfolio, IIIT Class.* Illinois Trust also offers additional options that can help make the most of your cash by lining up investments with their expected use and doing so at relatively competitive interest rates.

Types of Fixed-Rate Investments

Many governmental entities have accounts with known revenue and expenditure streams, with sources including federal or state subsidies and tax revenues. These accounts are ideal for the following fixed-rate investments offered by Illinois Trust:

- **Illinois TERM:** Allows investors to lock in a competitive fixed rate of return for a specified timeframe. TERM Portfolio investments are based on a pool of open-market securities similar to those invested in the Illinois Portfolio and are matched to the dollar commitments and maturities selected by the individual investor. The investment period ranges from 60 days to one year, and interest is paid to investors upon maturity. Illinois TERM is rated AA+ by Fitch.**
- **Certificates of Deposit (CDs):** Allows investors to invest in FDIC-insured CDs from a network of banks nationwide. FDIC-insured CDs offer fixed competitive rates and flexible terms, typically ranging from 60 days to one year (longer options may be available).

Both principal and interest are FDIC-insured up to allowable limits. Purchases for larger amounts are split into numerous CDs so that each CD (including interest) within the program is within the \$250,000 FDIC limit.

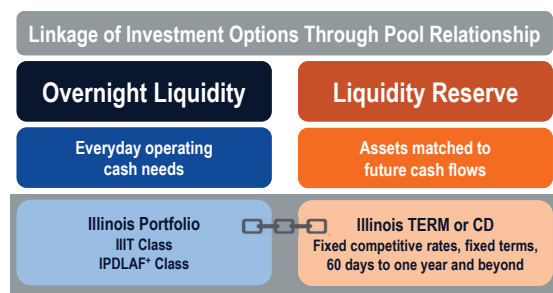
What are the Benefits?

Conveniently linked to your Illinois Portfolio account, fixed-rate investment solutions provide you with an opportunity to:

- Secure competitive interest rates
- Ladder maturities to meet known cash flow needs
- Select from a wide range of maturity dates
- Plan around your interest income stream
- Diversify your portfolio's maturity structure
- Optimize interest earnings

How It Works with Your Illinois Portfolio, IIIT Class Account

Fixed-rate investments are designed to build upon and complement your Illinois Trust relationship. Funds can be transferred directly from your Illinois Portfolio, IIIT Class account to purchase TERM or CD investments and vice versa. In this way, your investments are linked and work in tandem to meet both daily liquidity and longer-term needs.



*The Illinois Portfolio offers two classes: the IIIT Class and the IPDLAF+ Class. The IPDLAF+ Class is offered only to park districts, forest preserve districts, conservation districts and joint recreational programs and shares of the IIIT Class are not available for purchase by these entities. The Illinois Institutional Investors Trust and the Illinois Park District Liquid Asset Fund Plus (collectively the "Funds") entered into a Plan of Reorganization (the "Reorganization") to merge the assets of the Funds into one common law trust. As a result of this Reorganization, the Board of Trustees of the Illinois Institutional Investors Trust established two classes of shares for the existing IIIT Portfolio, namely, the IIIT Class and the IPDLAF+ Class. Effective February 27, 2012, the Illinois Institutional Investors Trust was renamed the Illinois Trust and then the Illinois Park District Liquid Asset Fund Plus was dissolved and its outstanding shares were assumed by the Illinois Portfolio, IPDLAF+ Class.

**The AA+ rating reflects Fitch Ratings' ("Fitch") review of the Term program's investment and credit guidelines, the portfolio's credit quality and diversification, as well as the capabilities of PFM Asset Management LLC as investment adviser. It indicates the highest underlying credit quality (or lowest vulnerability to default). However, it should be understood that this rating is a not "market" rating nor a recommendation to buy, hold or sell the securities. For a full description on rating methodology visit www.fitchratings.com.

Why Use Illinois Trust for Fixed-Rate Investing?

In addition to the convenience of working with Illinois Trust's dedicated team, you benefit from the professional management of PFM Asset Management LLC (PFMAM), investment adviser to Illinois Trust. PFMAM's trading volume and market knowledge can help obtain competitive prices for securities, while PFMAM's access to a network of previously approved banks nationwide helps procure competitive CD rates.

By working with PFMAM's professionals who understand the unique nature of your cash flows, such as the timing of revenue collection, you can seek to prudently identify and invest excess cash, enhancing your investment income while still aiming to meet important cash flow needs.

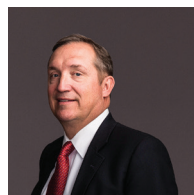
**Adding laddered,
fixed-rate
investments to
your portfolio
provides earnings
potential.**

Contact Us Today

Taking advantage of every opportunity for incremental yield can mean the difference between a tight budget and room to breathe. Investing funds in a combination of the Illinois Portfolio, IIIT Class, Illinois TERM, and CD investment options is a solution designed to help you meet multiple objectives: safety, liquidity, and yield. We invite you to contact your current representative to learn more about how a laddered, fixed-rate investment could enhance your investment program.



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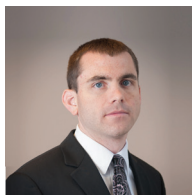


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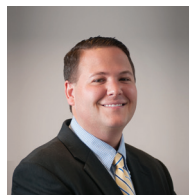
Illinois Trust Client Services Group
1-800-731-6870
www.IIIT.us
CSGMidwestRegion@pfm.com



Amber Cannegieter
Key Account Manager



Josh Groff
Client Consultant



Scott Bilheimer
Client Consultant



Melissa Rodgers
Client Service Representative

*This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Trust's investment objectives, risks, charges and expenses before investing in the Trust. This and other information about the Trust is available in the Trust's current Information Statements, which should be read carefully before investing. A copy of the Trust's Information Statement for the IIIT Class of the Illinois Portfolio and Illinois TERM may be obtained by calling 1-800-731-6870 or is available on the Trust's website at www.iiit.us. A copy of the Information Statement for the IPDLAF⁺ Class and Illinois TERM may be obtained by calling 1-800-731-6830 or is available on its website at www.ipdlaf.org. While both the IIIT and IPDLAF⁺ Classes of the Illinois Portfolio seek to maintain a stable net asset value of \$1.00 per share and the Illinois TERM series seek to achieve a net asset value of \$1.00 per share at its stated maturity, it is possible to lose money investing in the Trust. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Trust are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.*



Exclusively for Illinois Public Entities

IIIT Class at a Glance

The IIIT Class seeks to help you safely maximize yield while balancing liquidity needs.

In addition to the IIIT Class, investors have access to additional services offered by PFM Asset Management LLC, Investment Adviser to the Trust. Included in these additional services are a Fixed Income Investment Program, Separate Account Management, and Bond Account Management.

Limited to Permitted Investments

The primary goal of IIIT Class is to ensure the safety and security of public funds entrusted to it. IIIT Class' investments are limited to instruments in which school districts and municipalities are permitted to invest under applicable Illinois law. Because we understand the importance of safety, the Trust is rated AAAm* by Standard and Poor's. The Trust is overseen and reviewed by the Board of Trustees.

Flexibility

IIIT Class provides a competitive variable rate of return and offers investor flexibility to meet your cash management needs.

If you are interested in hearing more about the investment and reporting services available for operating funds and bond issuances, contact your IIIT Class representative.

- One-day minimum investment period
- \$1.00 balance requirement
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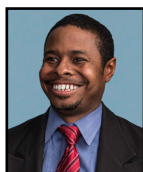
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Village of North Aurora

Memorandum



To: Government Operations Committee

From: Bill Hannah, Finance Director

CC: Steve Bosco, Village Administrator

Date: September 27, 2018

RE: Budget Amendment for FY 2018-19

Two (2) personnel/compensations items are included for the proposed budget amendment.

The first item concerns staffing in the Police Department records unit. Last year, after the retirement of a full-time records specialist, that employee was retained on a limited part-time basis during the transition and training of a new part-time employee. That employee has since continued to assist in a limited, part-time basis and is being requested to remain on a permanent, part-time basis due to the current and continued workloads of the records division. A separate memo regarding the request is attached. An adjustment to Village's authorized staffing level would be made, if approved. The estimated annual cost is approximately \$18,000.

The second item is an adjustment to the compensation range for the Custodian position. During the budget process, positions are evaluated based on job descriptions, current duties and comparable compensation and adjustments are made, if necessary. One review not completed at the time the budget was approved concerned the Custodian position. Based on a change in job duties, internal equity review and comparable information, a mid-year adjustment to the compensation of this position in the amount of 6% and is reflected in the attached range.

INTEROFFICE MEMORANDUM

TO: MAYOR BERMAN AND VILLAGE BOARD OF TRUSTEES
FROM: DAVID C. FISHER, CHIEF OF POLICE
SUBJECT: BUDGET AMENDMENT-PART TIME CLERK
DATE: OCTOBER 15, 2018
CC: STEVEN BOSCO, VILLAGE ADMINISTRATOR

Issue

Staff would like to retain a part-time clerk to help keep up with the increased workload that the records division is experiencing.

Discussion

Late last year a full-time employee retired and a new full-time employee was hired. During the subsequent training of that employee, the former employee was retained on a limited part-time basis to assist with training and a busy workload. Since that time, it has become apparent due to an increased workload that an additional part-time employee is needed in order to address the demands of the records division. Although this was not budgeted in terms of authorized staffing and a specific dollar amount, it is now requested for consideration.

The workload in the records division continues to increase. Due to this issue, the current approved staffing level of two full-time clerks and one part-time clerk is having difficulty completing required tasks on time. The department is experiencing an increase in almost all facets of the job. Through August, 2018, compared to the same time last year, the number of tickets issued is up 65%, the number of warnings issued is up 173%, and ordinance violations issued are up 456%. Also, the department has made 74 DUI arrests so far this year, compared to 69 DUI arrests all of last year. This is an increase of 76% for the same time frame and 7% overall. The department has had 92 administrative tows so far this year, compared to 55 tows all of last year. We have also experienced a 17% increase in reports taken compared to this time last year. The increase in all of these areas means more data entry, more reports to complete and process and more paperwork to push out to the state's attorney's office and private attorneys as well. Certain reports, such as domestic violence reports and juvenile arrest reports, have to be forwarded to the state's attorney's office the next day.

Some recent changes in the law will have an effect on the workload as well. Every year, certain juvenile records will have to be expunged from the record system. This is a time consuming task, as all traces of the juvenile's information has to be erased from the system, such as fingerprints, reports, arrest reports, photos, etc. Certain

marijuana arrests will also have to be removed from the system. Another area that has the potential to be time consuming are FOIA requests. Depending on the request, some can take several hours. The department often gets requests for several years' worth of reports. Those all have to be located, printed out and in many cases, redacted. It is difficult for the current staff to keep up with the above workload, while still dealing with people coming into the desk needing something, phone calls, or anything else that causes work stoppage. Below are some of the tasks the clerks perform:

Walk-Ins Mail/Fax Phone Calls Incident Reporting Case Reports
Crash Reports Ticket Entry FOIA SAO Requests Subpoenas Alarms
Expungements Solicitor Permits Fingerprints Supplemental Reports
Court Scheduling

Conclusion

Staff is requesting to retain a previously retired clerk to work 10 hours per week who has experience with the North Aurora Police Department, who will not need to be trained and has many years of experience in the record department. This clerk held on after retirement and assisted the department during a transition period when a new full-time clerk was hired and needed to be trained. Staff feels that this part-time addition will help in keeping up with the demand of an ever increasing workload. Many of the listed tasks have to be completed in a timely manner (some by statute).

Village of North Aurora
Salary Schedule and Authorized Staffing
FY 2018-19

	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>	<u>Step 7</u>	<u>Step 8</u>	<u>Step 9</u>	<u>Step 10</u>	<u>Authorized</u>	
											<u>FT</u>	<u>PT</u>
Non-Union Positions												
Administrative Intern 2080 Hourly	31,845 15.31	33,093 15.91	34,362 16.52	35,714 17.17	37,086 17.83	38,522 18.52	40,102 19.28	41,746 20.07	43,451 20.89	45,261 21.76	0	0
Custodian 2080 Hourly	36,026 17.32	37,419 17.99	38,875 18.69	40,373 19.41	41,954 20.17	43,638 20.98	45,406 21.83	47,258 22.72	49,192 23.65	51,210 24.62	1	0
Customer Service Specialist 2080 Hourly	39,208 18.85	40,747 19.59	42,349 20.36	43,992 21.15	45,718 21.98	47,507 22.84	49,462 23.78	51,480 24.75	53,602 25.77	55,806 26.83	1	0
Fiscal/AP Specialist	43,347	45,011	46,800	48,630	50,523	52,520	54,662	56,888	59,218	61,630	0	1
Building Permit Technician											1	0
Police Records Specialist											2	2
Fiscal/Utility Billing Specialist 2080 Hourly	20.84	21.64	22.50	23.38	24.29	25.25	26.28	27.35	28.47	29.63	1	0
Accounting Assistant	51,534	53,569	55,664	57,818	60,070	62,422	64,971	67,658	70,425	73,310	0	1
Administrative/GIS Analyst	24.78	25.75	26.76	27.80	28.88	30.01	31.24	32.53	33.86	35.245	1	0
Executive Assistant/DVC 2080 Hourly	54,246 26.08	56,389 27.11	58,594 28.17	60,861 29.26	63,232 30.40	65,707 31.59	68,390 32.88	71,219 34.24	74,131 35.64	77,168 37.10	1	0
Code Enforcement Officer 2080 Hourly	55,016 26.45	57,179 27.49	59,384 28.55	61,714 29.67	64,085 30.81	66,602 32.02	69,326 33.33	72,197 34.71	75,130 36.12	78,229 37.61	1	1
Chief Building Inspector	68,578	71,240	74,048	76,918	79,914	83,034	86,424	89,981	93,642	97,490	1	0
Information Technology Manager											1	0
Accounting and Finance Manager 2080 Hourly	32.97	34.25	35.60	36.98	38.42	39.92	41.55	43.26	45.02	46.87	1	0
Streets Superintendent	83,803	86,694	90,064	93,558	97,219	101,005	105,144	109,450	113,922	118,643	1	0
Water Superintendent 2080 Hourly	40.29	41.68	43.30	44.98	46.74	48.56	50.55	52.62	54.77	57.04	1	0

Does not include additional pay rates for licenses or stipends.

Village of North Aurora
Salary Schedule and Authorized Staffing
FY 2018-19

	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>	<u>Step 7</u>	<u>Step 8</u>	<u>Step 9</u>	<u>Step 10</u>	<u>Authorized</u>	
											<u>FT</u>	<u>PT</u>
Deputy Chief 2080 Hourly	94,328 45.35	98,010 47.12	101,816 48.95	105,789 50.86	109,949 52.86	114,234 54.92	118,893 57.16	123,760 59.50	128,835 61.94	134,118 64.48	2	0
Community Development Director	99,902	103,293	107,328	111,509	115,856	120,370	125,320	130,437	135,782	141,336	1	0
Finance Director											1	0
Public Works Director 2080 Hourly	48.03	49.66	51.60	53.61	55.70	57.87	60.25	62.71	65.28	67.95	1	0
Police Chief 2080 Hourly	108,867 52.34	112,570 54.12	116,938 56.22	121,514 58.42	126,235 60.69	131,165 63.06	136,552 65.65	142,147 68.34	147,992 71.15	154,024 74.05	1	0
Village Administrator	No Established Salary Range										1	0

Does not include additional pay rates for licenses or stipends.

Village of North Aurora Memorandum



To: Government Operations Committee

From: Bill Hannah, Finance Director

CC: Steven Bosco, Village Administrator

Date: September 26, 2018

RE: Revisions to Human Resources Manual

Attached are proposed revisions to the Village's Human Resources Manual covering two (2) different changes. As a reminder, benefits and terms of employment for non-union employees (and union employees where appropriate) are covered in this manual.

1. As previously discussed with the Village Board, the Village has been working for calendar 2019 to reduce the number of official village holidays from twelve (12) to eleven (11), and provide employees with an additional eight (8) hours of personal time in lieu of. This would allow Village offices to remain open an additional day. The official holiday eliminated would be President's Day. This change has been successfully agreed to through the collective bargaining agreements. As stated above this change would go into effect for the 2019 calendar year.
2. The Village joined the Intergovernmental Personnel Benefit Cooperative for the provision of employee health coverages and other benefits effective January 1, 2018. IPBC's fiscal year begins July 1st and the Village's plan year for benefits begins January 1st. The attached change would clarify that the employee contributions for each calendar plan year would be set based on the current percent allocations and premiums in effect as of January 1st. Essentially, employees would not be charged for any additional increase that may occur during the calendar year to Village premiums through IPBC on July 1st, but would take effect the following January 1st.

CHAPTER 5 EMPLOYEE BENEFITS AND ELIGIBILITY

5.1 Employee Eligibility

An employee's eligibility to receive benefits as outlined in this chapter is determined by the following categories of employment status as previously defined:

1. Full-Time Employee: Full-time employees are eligible for all benefits described in this chapter unless specifically stated otherwise.
2. Regular Part-Time Employee (1,000 Hours a Year or More): Employees in this classification are only eligible for:
 - Workers' compensation benefits
 - Participation in the Illinois Municipal Retirement Fund (except sworn police)
 - Prorated holiday pay based on the full-time equivalency of their position
 - Overtime if the total hours worked or compensated is more than forty (40) in the workweek
 - Participation in voluntary life insurance, short-term disability insurance, accident/hospitalization and other related coverages and programs from time-to-time
 - Participation in the Village's 457 deferred compensation program
3. Regular Part-Time Employees working less than 1,000 hours a year and Seasonal/Temporary employees are eligible only for workers' compensation benefits and overtime if hours worked is greater than forty (40) in the workweek.
4. Pursuant to the Affordable Care Act (ACA) the Village will also provide the health insurance benefit option to Regular Part-Time Employees working on average thirty (30) or more hours in a work week. The cost to the employee will be the same as other Full-Time Employees.

As a reminder, if a conflict exists between a provision in this manual and a provision in a collective bargaining agreement with a recognized collective bargaining unit the provision in the collective bargaining agreement will take precedence.

Employees may refer to the appropriate plan documents for eligibility procedures and plan provisions concerning benefit programs. Naturally, it is the legal documents that must be followed in the administration of these plans, and these plan documents will govern in the event any discrepancy exists. Please see the Finance Department for specific information.

5.2 Holidays

The Village recognizes ~~twelve~~eleven (12~~1~~) holidays during the calendar year:

Holiday	Date Observed
New Year's Day	January 1
President's Day	National Holiday (Third Monday In February)
Spring Holiday	Friday Before Easter
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day After Thanksgiving	Friday After Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25
New Years Eve	December 31

If a holiday's observed day falls on a Saturday the holiday will be observed on the preceding Friday. If a holiday's observed day falls on a Sunday the holiday will be observed on the following Monday. If a holiday falls on a Saturday and the preceding Friday is also a Holiday, the two consecutive holidays will be observed on Thursday and Friday. If a holiday falls on a Sunday and the following Monday is also a holiday the two consecutive holidays will be observed on Monday and Tuesday. Holiday time is defined as eight (8) hours of compensation per holiday.

Holidays falling within an employee's scheduled vacation shall not count against the employee's vacation time.

Employees on an unpaid leave of absence are not eligible to receive holiday pay.

In the event an employee does not work the scheduled day before or after a holiday and is not on an authorized absence that employee shall not receive holiday pay until an excusable absence or proof of illness is presented to the satisfaction of the Department Head.

5.3 Personal Days

Employees will be granted two (~~23~~) personal days equivalent to ~~twenty-four~~~~sixteen~~ (~~16~~~~24~~) hours of leave on January 1 that can be used for any purpose during the year. Personal leave days must be used during the calendar year they are granted and cannot be carried over to the following year. Personal days will not be paid out upon termination of active employment. A minimum of one (1) hour increment must be used unless otherwise agreed to by the Department Head.

Personal days for new employees will be prorated depending on the quarter in which their employment begins.

Employment Begins	Time Earned
01/01 – 03/31	12 <u>18</u> Hours
04/01 – 06/30	8 <u>12</u> Hours
07/01 – 09/30	4 <u>6</u> Hours
10/01 – 12/31	0 Hours

5.4 Vacation Leave

Vacation leave is provided on the basis that employees benefit by periodic intervals of rest and recreation and time away from their job with the Village and that an appropriate work-life balance contributes to the employee's overall well-being and ability to effectively carry out their job responsibilities. Accrual of such benefits derives from continued and ongoing service to the Village.

Employees accrue vacation leave based on their full-time anniversary date with the Village and the number of years of service based on the schedule below. Vacation leave will be earned to the employee on a per pay period basis on the 1st and 2nd pay dates of each month (or twenty-four (24) times per year, also the "Accrual Rate.")

<u>Years of Service</u>	<u>Annual Vacation Amount</u>	<u>Accrual Rate</u>
Start Through Completion of 3 Years	2 Weeks (80 Hours)	3.333
Beginning Year 4 Through Completion of Year 5	2 ½ Weeks (100 Hours)	4.166
Beginning Year 6 Through Completion of Year 10	3 Weeks (120 Hours)	5.000
Beginning Year 11 Through Completion of Year 20	4 Weeks (160 Hours)	6.666
Beginning Year 21 and After	5 Weeks (200 Hours)	8.333

The vacation accrual rate for Department Head positions will never be less than three (3) weeks per year but otherwise consistent with the above table.

Maximum Accrual and Exceptions

Vacation leave will be earned per the schedule above and leave will be deducted from the employee's total time when used. The maximum amount of vacation leave that an employee will be allowed to accumulate in their vacation bank will be equal to one (1) year's Annual Vacation Amount as set forth in the schedule above plus one (1) week ("Maximum Accrual"). Once an employee reaches the Maximum Accrual vacation leave will cease to accrue until an employee is no longer at the Maximum Accrual. Employees are responsible for monitoring the amount of vacation leave they have accumulated and providing sufficient notice and request to use such leave so that the Maximum Accrual is not exceeded.

The Village Administrator may approve a temporary accumulation of vacation leave greater than

the Maximum Accrual, at his sole discretion based on the operational needs of the department and Village. Such additional accrual may not exceed one (1) additional week of vacation leave greater than the Maximum Accrual. Employees granted a temporary accumulation of vacation leave greater than the Maximum Accrual must use enough vacation leave within a twelve (12) month period after Village Administrator approval of the temporary accumulation in order to be at or below the Maximum Accrual at the end of the twelve (12) month period.

Vacation Leave Requests

The Village will make reasonable attempts to accommodate vacation leave requests, subject to the operational needs of each Department. Generally no more than two (2) weeks of vacation may be taken consecutively. Requests longer than two weeks require Department Head and Village Administrator approval.

Vacation leave will be paid at the employee's normal straight time hourly rate. Employees should typically attempt to request the use of vacation leave at least one (1) week in advance.

The Department Head and Village Administrator may authorize an advance of vacation leave of up to two (2) days in order to accommodate an employee's vacation leave that may result in an employee's vacation leave accrual being negative after the vacation usage. Employees must be in good standing with the Village to be eligible for consideration.

Accrued but unused vacation leave shall be paid out to the employee upon termination of employment.

Additional Vacation Leave Benefits

The Village Administrator is authorized to grant additional vacation benefits to prospective employees as a condition of employment, recognizing the need of the Village to attract highly qualified candidates as part of an overall wage/benefit proposal. Such benefits shall be made in writing at the time of initial employment, become part of the employee's file and communicated as such to the Village Board.

Payment in Lieu of Vacation Time

Eligible employees not represented by a collective bargaining agreement may elect to "cash out" a limited number of hours of vacation time on an annual basis. Annually in November the Finance Department will inform employees of the option and provide forms and deadlines for employees to consider the option for the year. Generally, the process will be conducted so that the payout of accrued time is processed by the first paycheck in December.

In order to be eligible an employee must have at least one (1) year of continuous full-time employment as of November 30th, not be in any introductory status and be in good standing with the Village. Employees may elect to cash out up to forty (40) hours of vacation time annually. Payment will be made at the employee's current hourly rate as of the last day of the prior two-week payroll period being paid on the 1st payday of December. Employees electing to cash out

5.8 Health Coverage Plans

The Village provides health coverage to eligible employees and their dependents. The coverage or insurance may take one of several configurations including an HMO, PPO, HSA or other type of program. Exact plan configurations will be determined annually by the Village. Coverage begins the first day of employment. Employee contributions will generally be set for the plan year based on premiums in effect at the beginning of the plan year, with amounts based on the following percentages: ~~The current employee contributions to the total cost of the group health coverage plan are as follows:~~

HMO	8%
PPO	20%
HSA	20%

The above percentage contributions apply to all types of tiers that may be defined such as single, family, employee plus child and employee plus spouse.

Employees may refer to the appropriate plan documents for eligibility procedures and plan provisions concerning benefit programs. Naturally, it is the legal documents that must be followed in the administration of these plans, and these plan documents will govern in the event any discrepancy exists.

5.9 COBRA Coverage

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation of group health plan coverage is available for qualified employees for predetermined amounts of time. If an employee opts to continue coverage they will be responsible to pay the full monthly premium to the Village. Failure of the former employee to pay the Village full premium when due will result in the forfeit of continuing coverage eligibility in accordance with current COBRA law.

5.10 Continuation of Coverage Upon Retirement

Employees eligible for health insurance benefits may continue participation in the existing health coverage program upon retirement with the Village. Employees will be responsible for 100% of the cost of the coverage. Continuation may continue past medicare-eligible age at the discretion of the employee. Terms and conditions of the coverage may be affected by State statute and federal law.

5.11 Dental Insurance

The Village may provide employees with the option of enrolling in a dental insurance program that may take a variety of forms. The employee contribution towards the program will be set by the Village from time to time.

Village of North Aurora Memorandum



To: Government Operations Committee

From: Bill Hannah, Finance Director

CC: Steven Bosco, Village Administrator

Date: September 21, 2018

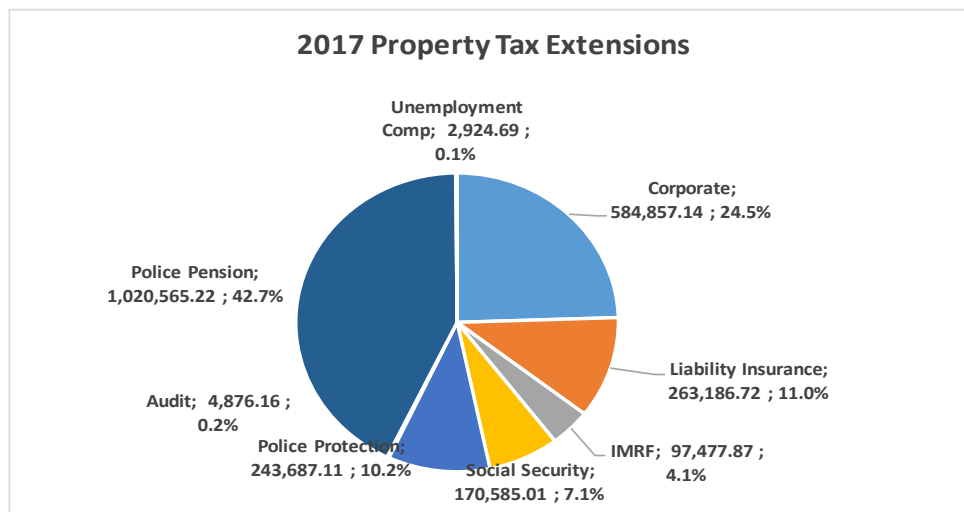
RE: Estimate of Tax Levy for Purposes of Truth in Taxation

Attached is a summary of information for discussion on the proposed property tax levy estimate for 2018. Village Board approval of an estimate is required for the **November 5th** Village Board meeting. Actual Village Board approval of all regular and special service area tax levies is scheduled for **December 3rd**.

Summary

Property taxes represent about 19% of all General Fund revenues and are a key revenue source to fund Village services and pension obligations, especially given the fluctuations the Village has experienced in sales tax and income tax revenue and the increasing pension obligations the Village must fund. Current State law restricts any increases in total property taxes extended to the rate of inflation as described below. This inflation allowance can not be deferred to a future year.

To recap, the total 2017 property tax extensions received during calendar 2018 were \$2,388,160 (excluding debt). This was broken out by specific levies as follows:



The Village is a non-home rule municipality that is also subject to the Property Tax Extension Limitation Law (PTELL) as dictated by the State. The statutes limit the increase in the total amount of property taxes that can be extended (for capped funds) to the **annual change in the applicable Consumer Price Index which for this levy year is 2.1%**, or 5%, whichever is less.

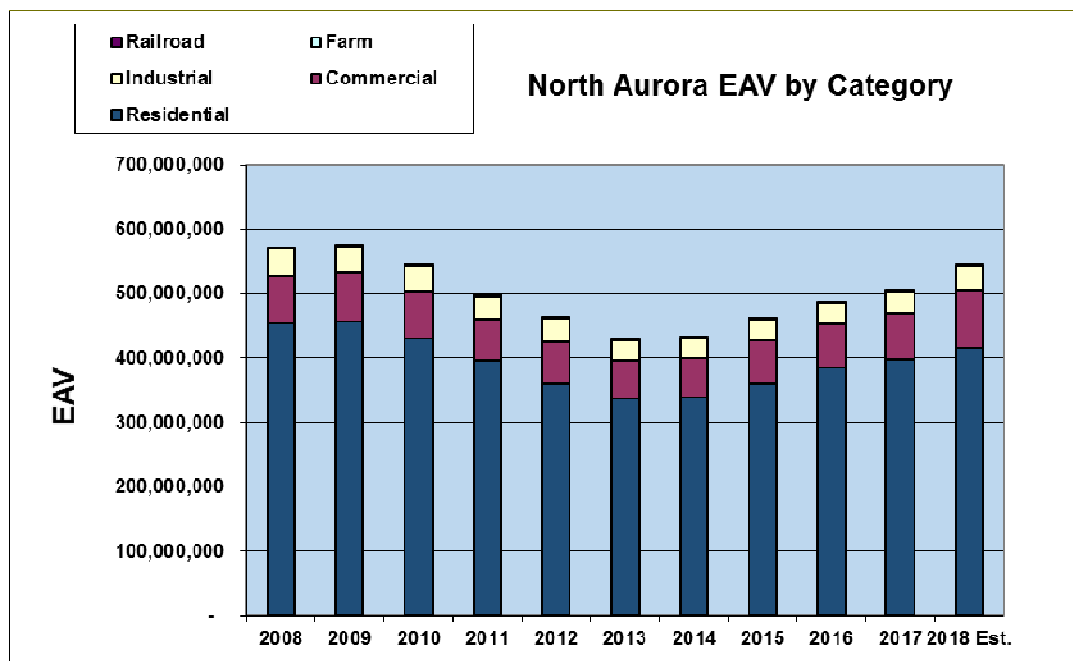
In addition, the Village is allowed to “capture” the increase in the equalized assessed valuation (EAV) of the Village that is attributable to new construction. In order to “capture” this new growth within its tax base, the Village has typically passed a levy higher than what is expected to be extended by the County (**through the CPI and new construction increases**) in order to ensure that the allowable increase due to new construction of residential, commercial and industrial growth are fully realized.

The following summarizes the estimated calculations for this year’s potential extensions for consideration by the Village:

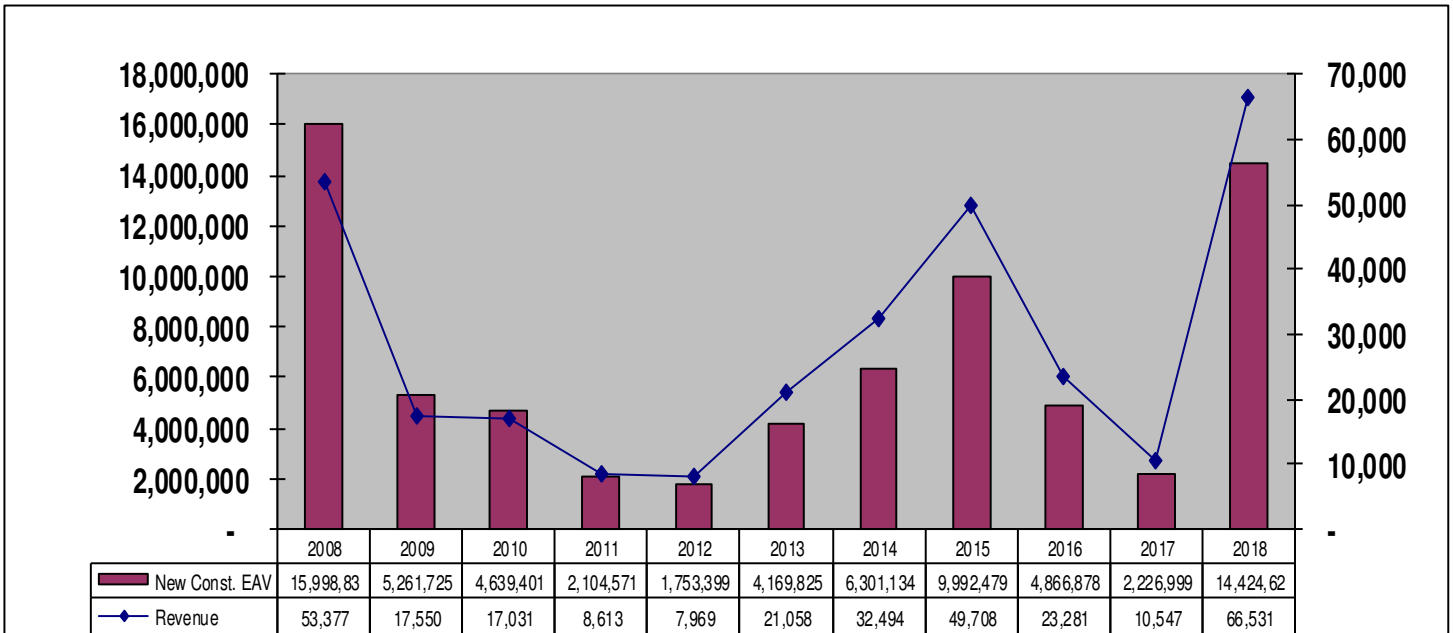
Last Year’s Total Property Tax Extensions:	\$2,388,160
Est. Increase Due to Inflation (2.1%)	\$ 50,151
Est. Increase Due to New Construction:	\$ 66,531 (14,424,625 New EAV)
Total Est. Available Extensions:	\$2,504,842

EAV Change and New Construction

The 2018 taxable EAV is currently estimated to increase 7.70% to \$543,073,340. The 2018 estimate is based on preliminary data from the County Clerk’s office. This number will change and likely lower slightly as final appeals and adjustments are made. The 2018 EAV numbers appear to show a strong increase in current property value of about 4.8%. The 2018 estimated EAV is based on property sales that occurred during 2015, 2016 and 2017.

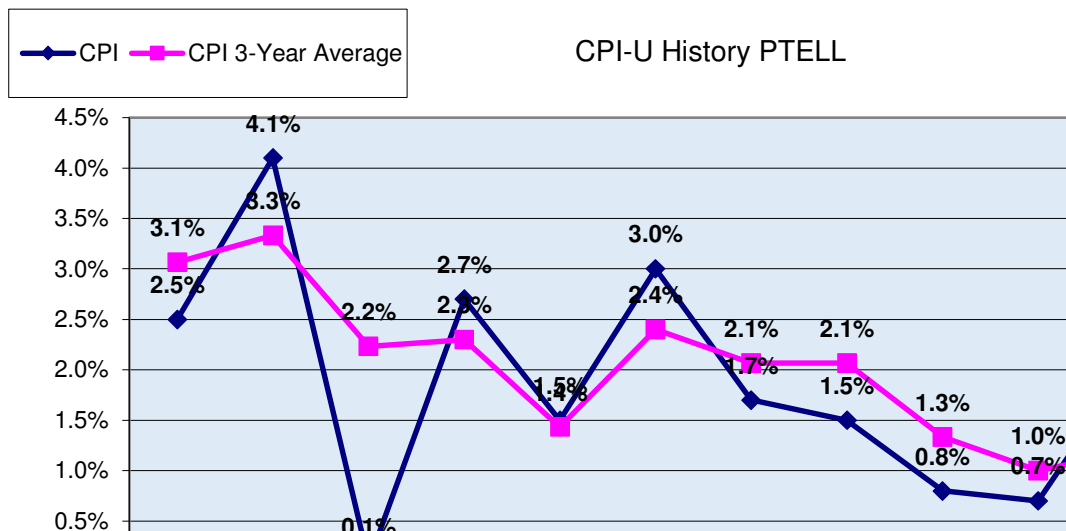


The 2018 estimated EAV includes an estimated \$14,424,625 in new construction EAV. This is the largest new construction value since 2008, or the largest in 10 years. The following chart shows the amount of new construction EAV over the last 10 years and the resulting additional property tax revenue available made available as a result.



Application of Consumer Price Index

The index used to determine the increase is the CPI-U or the Consumer Price Index for All Urban Consumers. For the December 2018 levy payable in 2019 this increase is 2.1%. Section 18-185 of the Property Tax Code defines “extension limitation” as “...the lesser of 5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year...” This change was measured from December 2016 to December 2017.



SSA's

Last year the Village levied the following amounts for the various SSA's for the 2017 tax levy year.

- | | |
|------------------------------|--------------------------------|
| 1. Waterford Oaks | \$ 3,700 (Mowing) |
| 2. Timber Oaks | \$ 2,500 (Mowing) |
| 3. Pinecreek III | \$ 700 (Mowing) |
| 4. Willow Lakes | \$ 400 (Mowing) |
| 5. North Aurora Towne Center | \$15,500 (Wetland/Basin Maint) |

Staff will be evaluating the SSA amounts necessary to levy over the next several weeks and bring more information to the Board for discussion. State law now requires that the Village hold a separate public hearing if an SSA levy is anticipated to increase more than 5% from last year, or if an inactive SSA is planned on being activated. It is currently anticipated that all of current SSA's will have to be significantly increased to address updated costs of maintenance.

Police Pension Valuation

The May 31, 2018 police pension valuation was also recently completed. The valuation incorporates the new information required to be included and disclosed per the new GASB Statement 67 and 68 reporting standards including statement of changes in the net pension liability, changes in the discount rate affecting the total net pension liability, and other information.

The attached valuation incorporates the recommendations of the Village's Operations Committee discussion on August 6th to modify certain assumptions in the valuation. Those recommendations were to:

1. Adopt the new retirement, disability and termination rates based on the outside study done by the Illinois Department of Insurance in October 2017. (delayed retirement and lower withdrawal assumptions).
2. Adopt revised salary increase assumption tables (slightly lowers assumed future increases).
3. Lower the Interest/Investment assumption rate from the current 7.0% to 6.5%.

These changes and normal actuarial year-to-year results were primarily the reason for the increase in the Village's contribution determination from \$1,046,968 to \$1,166,171 for the 2018 tax levy. During the last year investment experience for the fund was 6.10% versus the assumption of 7.0% and salary increases were 2.75% versus the assumption of 5.43%. Due to the smoothing of gains and losses over a five-year period one-fifth of the investment gain is recognized in the current year. The actuarial investment return for the fund for the year was then calculated to be 6.11%.

The valuation continues the Board Pension Funding Policy (adopted in 2011) of a 100% funding goal with a remaining 23 year closed amortization period. This is higher than the State minimums which incorporate a 90% funding goal by 2040. The comparative State minimum for funding would have been \$1,053,001. The Net Position as a Percentage of the Total Pension Liability went from 63.05% to 61.27%. The Total Pension Liability

was \$28,175,501 and the Fiduciary Net Position was \$17,262,779 creating a Net Pension Liability of \$10,912,722.

Summary and Options

If the Village adopts a levy which when extended by the County after complying with PTELL law realizes all of the allowances provided by CPI and new construction the total increase in general property tax revenue that would be estimated to be received would be an increase of \$116,682 (estimated) or about an increase of about 4.9% to \$2,504,842. This is significantly higher than in prior years due to the new construction EAV added for 2018 as a result of the Springs at Orchard and Opus east developments.

Staff has started to analyze what next year's budget may start to look like, and has taken into consideration several positive fiscal/budget indicators:

- Anticipated completion of a sales tax rebate agreement during the year
- Increased revenues due to reinstatement of OTB
- Increased revenues due to local Police DUI prosecution and fine adjudication
- Increased building permit revenues due to current and anticipated permit

These positives are partially offset by budgetary concerns such as

- Increased mandatory employer pension contributions
- Challenging retail environment affecting sales tax revenues and sustainability of retail businesses
- State legislative uncertainty regarding changes to state-shared revenues or changes to locally derived revenues such as property taxes

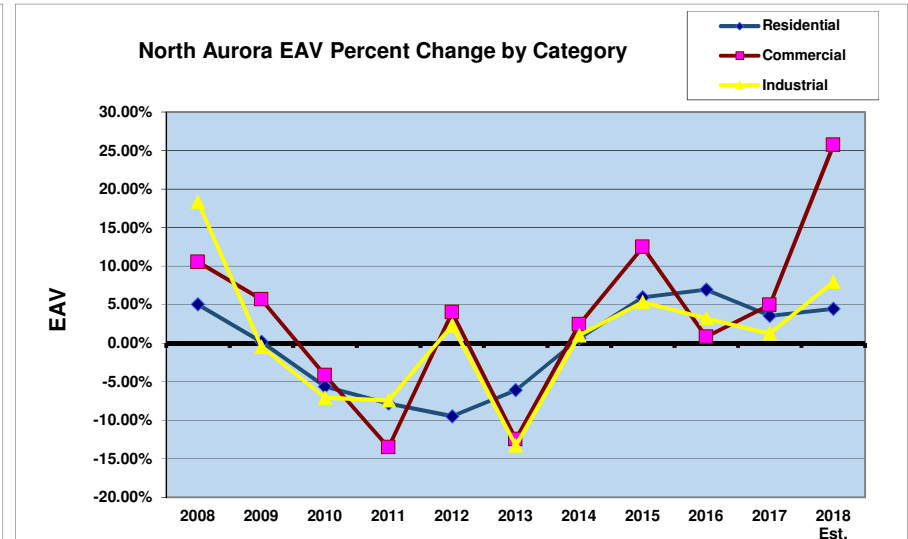
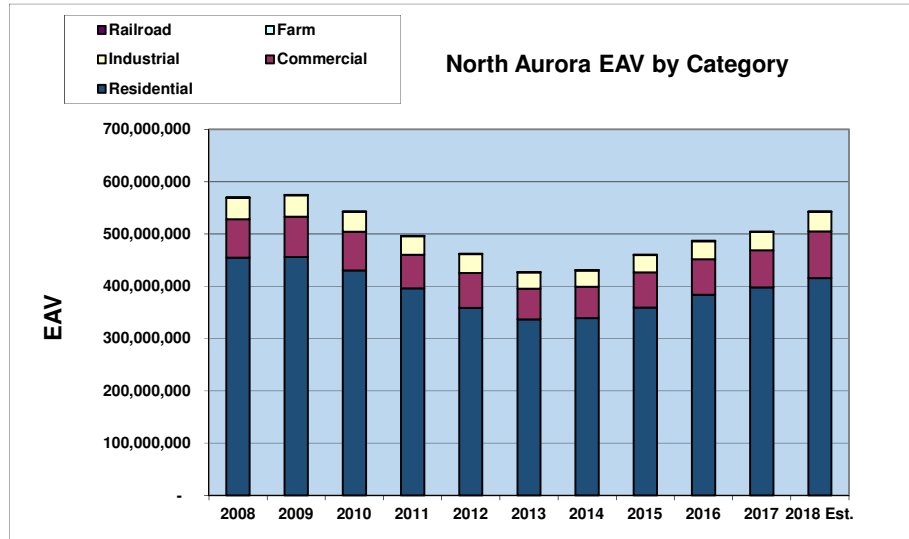
During the early stages of last year's budget development process in March, 2018, staff mentioned in an update to the Board that it would evaluate the feasibility of deviating from standard practice of levying to capture all new growth and CPI increases given what was anticipated to be more budgetary flexibility for FY 2019-2020 (which is what this tax levy is intended to fund).

After discussion, staff feels comfortable that **a levy less than the maximum amount can be considered, and would suggest a levy of \$2,450,000 which is a reduction of \$54,842 from the maximum possible extensions of \$2,504,842.** In this option, the Village would essentially be forgoing the 2.1% CPI increase, but capturing the value of new construction under the tax extension.

In this scenario, the Village would be freezing the levy to the same total levy as last year, \$2,450,000. Assuming every property owner's EAV changed by the same average percentage amount, there would be virtually no increase in property taxes paid to the Village by current property owners (with the understanding that different percentage changes in EAV will impact a property owner's total property taxes paid to all governments for the year). The Village can also consider a higher levy to capture more allowances if it so chooses, however, at this point in time this is currently the lower end of options that staff feels comfortable bringing, given fiscal and legislative uncertainties.

Village of North Aurora Taxable Equalized Assessed Valuation

Category	Levy Year 2008	Levy Year 2009	Levy Year 2010	Levy Year 2011	Levy Year 2012	Levy Year 2013	Levy Year 2014	Levy Year 2015	Levy Year 2016	Levy Year 2017	Levy Year 2018 Est.
Residential	455,105,924	455,869,473	430,166,785	396,460,429	358,899,978	337,016,726	339,111,156	359,301,370	384,212,041	397,846,748	415,593,285
Commercial	73,362,075	77,510,259	74,268,198	64,212,904	66,774,379	58,444,313	59,859,375	67,329,121	67,873,407	71,244,763	89,552,694
Industrial	40,855,140	40,660,653	37,777,327	34,967,983	35,772,199	31,023,446	31,341,315	33,018,080	34,089,473	34,513,524	37,260,456
Farm	268,650	337,496	378,796	385,110	338,753	336,302	244,838	248,169	275,248	288,822	304,019
Railroad	169,537	205,003	224,708	268,280	286,904	312,020	316,153	330,034	374,889	362,886	362,886
TOTAL EAV	569,761,326	574,582,884	542,815,814	496,294,706	462,072,213	427,132,807	430,872,837	460,226,774	486,825,058	504,256,743	543,073,340
Estimated Actual Value	1,709,283,978	1,723,748,652	1,628,447,442	1,488,884,118	1,386,216,639	1,281,398,421	1,292,618,511	1,380,680,322	1,460,475,174	1,512,770,229	1,629,220,020
Percent of Total											
Residential	79.88%	79.34%	79.25%	79.88%	77.67%	78.90%	78.70%	78.07%	78.92%	78.90%	76.53%
Commercial	12.88%	13.49%	13.68%	12.94%	14.45%	13.68%	13.89%	14.63%	13.94%	14.13%	16.49%
Industrial	7.17%	7.08%	6.96%	7.05%	7.74%	7.26%	7.27%	7.17%	7.00%	6.84%	6.86%
Farm	0.05%	0.06%	0.07%	0.08%	0.07%	0.08%	0.06%	0.05%	0.06%	0.06%	0.06%
Railroad	0.03%	0.04%	0.04%	0.05%	0.06%	0.07%	0.07%	0.07%	0.08%	0.07%	0.07%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Percent Increase											
Residential	5.02%	0.17%	-5.64%	-7.84%	-9.47%	-6.10%	0.62%	5.95%	6.93%	3.55%	4.46%
Commercial	10.53%	5.65%	-4.18%	-13.54%	3.99%	-12.47%	2.42%	12.48%	0.81%	4.97%	25.70%
Industrial	18.31%	-0.48%	-7.09%	-7.44%	2.30%	-13.27%	1.02%	5.35%	3.24%	1.24%	7.96%
Farm	-3.69%	25.63%	12.24%	1.67%	-12.04%	-0.72%	-27.20%	1.36%	10.91%	4.93%	5.26%
Railroad	15.22%	20.92%	9.61%	19.39%	6.94%	8.75%	1.32%	4.39%	13.59%	-3.20%	0.00%
TOTAL	6.56%	0.85%	-5.53%	-8.57%	-6.90%	-7.56%	0.88%	6.81%	5.78%	3.58%	7.70%



Village of North Aurora
Preliminary Calculations for 2018 Property Tax Levy

Taxable Rate Setting EAV Estimations

		<u>Percent Increase</u>
Total 2017 EAV	504,256,743	
Estimated 2018 New Construction	14,424,625	2.86%
Change in 2018 Current EAV/Other	<u>24,391,972</u>	4.84%
Total 2018 Estimated Taxable EAV	<u>543,073,340</u>	7.70%

	<u>Total Property Taxes Subject to Cap</u>	<u>Village Debt Service Not Subject to Cap</u>	<u>TOTAL VILLAGE</u>
2017 Property Tax Extensions	2,388,159.92	542,307.96	2,930,467.88
Est. Increase Due to CPI of 2.10%	50,151.36	-	50,151.36
2018 Property Tax Extension After Applicable CPI Increase of 2.10%	2,438,311.28	542,307.38	2,980,618.66
Additional Est. Extensions Due to New Construction (Estimated)	<u>66,531.42</u>	-	66,531.42
TOTAL 2018 Tax Extensions (Preliminary Estimate)	2,504,842.70	542,307.38	3,047,150.08
2017 Property Tax Rate	0.473600	0.107546	0.581146
2018 Property Tax Rate (Estimated)	0.461235	0.099859	0.561094
Percent Change in Property Tax Rate	-2.61%	-7.15%	-3.45%
Proposed 2018 Property Tax Levy	2,450,000.00	538,750.00	2,988,750.00
Additional Levy "Buffer" to Ensure Capture of New Construction	-2.19%		
Percent Increase 2018 Proposed Levy Versus Last Year's 2017 Extensions	2.59% 61,840.08	-0.66%	1.99%
2018 Est. Extensions vs. 2017 Extensions	4.89%	0.00%	3.98%
2018 Levy vs 2017 Ext	2.59%	-0.66%	1.99%
Extensions Forgone	54,842.70	3,557.38	58,400.08

VILLAGE OF NORTH AURORA OPERATIONS COMMITTEE REPORT

TO: OPERATIONS COMMITTEE MEMBERS
CC: STEVE BOSCO, VILLAGE ADMINISTRATOR
FROM: MIKE TOTH, COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR
SUBJECT: VALLEY GREEN PHASE II ENVIRONMENTAL TIF REQUEST
DATE: OCTOBER 1, 2018

DISCUSSION

Space Center is the current contract buyer and potential developer of the 84 acres of land comprised of the Valley Green Golf Course and the 24-acre property located directly to the east of Valley Green. As the submitted conceptual site plan illustrates, Space Center intends to develop the properties with warehouse buildings in combined excess of one million square feet. As part of the due diligence process a Phase I environmental assessment was conducted and noted that the properties have a history of farming, maintenance activities associated with the golf course, underground storage tanks and are divided by a vacated rail line. In order to achieve compliant status with the Illinois Environmental Protection Agency, the next step would be the physical testing of the properties through a Phase II environmental assessment.

Based on the results of the borings and lab analysis the approved vendor would be submitting an initial report to the IEPA (site Investigation report). The IEPA would respond within 90 days and provide direction on how to proceed with further testing or a remedial action plan in order to obtain the NFR letter. Depending on the level of contamination this NFR letter would be required of any buyer or lender involved in the project.

Space Center is now requesting the use of the Route 31 Tax Increment Financing District funds to finance the Phase II environmental assessment. Proposals from both Carlson Environmental (\$34,400) and Synergya (\$31,885) were submitted for the Phase II testing. According to Space Center, Carlson Environmental would be their preferred group as they have worked with them in the past and Carlson is currently working on a similar golf course assessment in Northbrook, IL.

Staff notes that there is no precedence for such request to the Village. Upon verification of the applicability of the use of TIF funds for the Phase II, the Village's TIF consultant confirmed that the Phase II is a TIF-eligible expense and other municipalities have used TIF funds for similar requests.

Staff is seeking feedback from the Operations Committee's on this TIF request. While the Phase II would provide the buyer, seller and the Village with information on an area that has been discussed for years as being a potential development site, any further testing or physical remediation would not be included as part of this request. According to Space Center, they have spent in excess of \$70,000 on initial site investigation including architectural, environmental, traffic study, IDOT submission, civil engineering, and legal fees towards the potential development of the subject properties.



**SPACE
CENTER**

Village of North Aurora
Dale Berman Village President
Village Board of Trustees
25 East State Street
North Aurora, IL 60542

September 24, 2018

RE: 84 Acre North Aurora Industrial Development

Dear President Berman and Village Board Trustees:

Space Center Inc. is currently under contract to purchase and develop the 84 acre aforementioned parcel. Attached for your review is the most recent site plan as well as the IDOT Rt. 31 entryway and realignment exhibit. I am also attaching proposals from Carlson Environmental and Synergys to complete the initial steps to obtain a No Further Remediation (NFR) letter from the IEPA. Space Center kindly requests the approval to be reimbursed through the TIF for an amount not to exceed \$34,400. This additional testing, analysis and reporting is required to enter into the Illinois Voluntary Site Remediation Program (SRP).

While normally a Seller's obligation, Space Center, in conjunction with Carlson Environmental, has agreed to finance and control this initial Phase II process with the understanding that the Village of North Aurora will reimburse SC through the TIF. This is a required step to determine the extent of the contamination, report the results to the IEPA and obtain plans and procedures to remediate accordingly. Any and all remediation would take place post-closing.

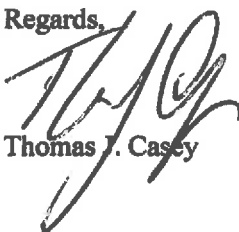
Space Center has chosen Carlson Environmental due to our long standing business relationship as well as our experience working with them on both Phase I and II analyses. In addition, Carlson Environmental is currently obtaining a site wide, comprehensive NFR Letter for a golf course in Northbrook, IL, with the same chemicals of concern identified at the subject's site.

All of the Phase I and II information will be shared with the Village and the Sellers. This information will be beneficial to the further advancement of the development of the site, whether now or in the future.

Once approved by the Village President and Board of Trustees, Space Center will contract immediately with Carlson Environmental and manage the process from start to finish. The approximate time frame of the completion of the sampling, field work, lab analysis and recording should be approximately 30 days.

Please feel free to contact me at any time with any questions or concerns.

Regards,



Thomas J. Casey

September 17, 2018

P-33296R

Mr. Tom Casey
Space Center, Inc.
19 East First Street, Suite B
Hinsdale, Illinois 60521

**Re: Proposal
Site Remediation Program Support
84-Acre North Aurora Industrial Development
Valley Green Golf Course
314 Kingswood Drive
North Aurora, Illinois**

Dear Mr. Casey:

Carlson Environmental, Inc. (Carlson) welcomes the opportunity to provide Space Center, Inc. (Client) with this proposal for Site Remediation Program (SRP) support services for the above-referenced property. It is our understanding that an industrial/commercial development is planned for the subject site, and that pursuit of a site-wide, comprehensive No Further Remediation (NFR) letter from the Illinois Environmental Protection Agency (IEPA) is desired at this time.

Carlson has obtained more NFR Letters than any other firm in Illinois except one (and they have twice as many employees) and we are also currently obtaining a site wide comprehensive NFR Letter for a golf course in Northbrook that is being converted to residential use with the same chemicals of concern identified at the subject site.

Background

Carlson was provided with a July 10, 2018, Phase I Environmental Site Assessment Report (Phase I) prepared by Jacob & Hefner Associates, Inc. (J&H). According to J&H's report, the western portion of the 84-acre site was previously used as a quarry, farmland, and then a golf course beginning in 1956. In addition to the golf course, a club house/cart storage building, a lawn mower storage building, a maintenance building, and parking lots are present on the western portion of the site. Reportedly, the east and west portions of the site were once separated by a railroad line. Though the tracks and ties have been removed, the now-overgrown track bed remains. The eastern portion of the site was previously a farmstead, beginning in 1906 until present. Various outbuildings have been erected and demolished over time on this portion of the site.

Mr. Tom Casey
Space Center, Inc

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J&H's Phase I identified the following recognized environmental conditions (RECs):

- Maintenance activities associated with equipment and vehicles for the operation of the Valley Green Golf Course Building due to use of solvents and petroleum products.
- A former railroad line once bisected the site. Although the railroad track and ties have since been removed and the area is now overgrown, the remaining rail bed has the potential to be impacted with contaminants such as polynuclear aromatics (PNAs), creosote and herbicides. Additionally, earlier sampling of this area by Testing Service Corporation (TSC) indicated elevated concentrations of arsenic and lead within the railroad grade area.

Additionally, J&H identified the following historic RECs and de minimis conditions:

- An historic 550-gallon gasoline underground storage tank (UST) was reported located on the eastern portion of the property behind the garage. The UST was reportedly removed in 2016; neither groundwater nor soil contamination was observed in association with the UST.
- Surficial staining noted by TSC was assessed by soil sampling; no contamination was indicated.
- J&H observed numerous labeled/unlabeled containers, including petroleum hydrocarbons, as well as two aboveground storage tanks.

Scope of Work

In order to obtain a comprehensive NFR from the IEPA, it will be necessary to obtain additional soil, groundwater and soil gas samples to characterize the subsurface conditions present on the entire site, and particularly where historic activities may have results in releases to the environment.

J&H's Phase I notes that the farmstead has one or two water wells on the eastern property. It was unclear whether this well(s) remains in active use. Regardless, this well(s) will require abandonment in accordance with the Illinois Water Well Code as a condition of and prior to obtaining a NFR letter. No costs for this abandonment have been included in this proposal.

Carlson assumes that Space Center, Inc. does not object to submission of J&H's Phase I ESA to the IEPA in support of the goal of obtaining a NFR letter for the site. Carlson was not provided with a copy of TSC's 2016 reports nor of the UST removal photos. In order to present their

Mr. Tom Casey
Space Center, Inc

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earlier findings to the IEPA, Carlson has assumed that we will be provided with a copy and that TSC's reports can also be submitted to IEPA. This will allow us to avoid duplicating their earlier sampling work.

As requested Carlson will also conduct asbestos sampling of the material identified during the recent Phase I assessment as well sample the potential Lead Based paint for lead content.

Task 1: Supplemental Investigation

Carlson proposes to advance 16 - 24 additional soil borings on site using a combination of hand tooling and a pickup truck-mounted GeoProbe rig to collect additional soil samples as follows:

- 1) Advance 3-5 borings in the golf course maintenance building area at locations to be determined after review of TSC's report and after observing site conditions for staining, ponding, and buried utilities which can provide preferential pathways for contaminant migration. These samples will be analyzed for volatile organic compounds (VOCs), PNAs, pesticides, RCRA metals and pH. One or two soil samples will also be collected from these borings for fraction organic carbon analysis and for flexible wall permeameter testing to potentially aid in the derivation of Tier 2 soil remediation objectives and groundwater modeling, if helpful. One to two of these borings will be converted to temporary monitoring wells to facilitate collection of groundwater samples. The groundwater samples will be analyzed for VOCs, PNAs and RCRA metals.
- 2) Advance 1-2 borings near the former 550-gallon UST to determine whether impacted soils are present in this area. These samples will be analyzed for benzene, toluene ethylbenzene and xylenes (BTEX), PNAs, RCRA metals and pH.
- 3) Advance 3-4 borings along the former railroad line to assess whether historic railroad ties and/or application of chemicals have impacted subsurface soils. These samples will be analyzed for semi-volatile organic compounds (SVOCs) including PNAs and creosote. The samples will also be analyzed for pesticides, RCRA metals and pH. One of these will be finished as a temporary monitoring well to facilitate collection of groundwater samples for VOC, PNA and RCRA metals analyses.
- 4) Advance 9-13 shallow soil borings throughout the site. These samples will be analyzed for PNAs, RCRA metals, pesticides and/or pH to assess for impacts from historic golf course activities, as well as overall site characterization. IEPA requires that an acceptable minimum data set size be collected in order to be sufficiently robust to allow for statistical evaluation. These samples will potentially support that objective, potentially eliminating or minimizing engineered barriers. A temporary monitoring well will be installed in one of these borings (to greater depth) to facilitate collection of groundwater samples for VOC, PNA and RCRA metals analyses.

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- 5) Collect five soil gas samples at various locations throughout the site to assess the indoor inhalation exposure route. The soil gas samples will be collected using GeoProbe's post-run tubing method and will be analyzed for toxic organics.

The soil and groundwater samples will be placed in a clean laboratory approved containers with teflon-lined lids and will be stored on ice in an insulated container.

All tools and augers used in drilling and sampling will be cleaned with an Alconox solution prior to collection of each sample. The individual collecting the samples will use new vinyl or latex gloves for each sample and the samples will be placed into clean glass jars/vials. Each borehole will be brought back to grade with soil cuttings and/or bentonite chips, and completed with asphalt or concrete patching, if appropriate. Carlson is not responsible for any additional surface restoration.

Physical constraints such as building foundations, pole mounted and buried utility locations, etc. can impact the placement of boring locations. Prior to emplacing the boreholes, Carlson will contact an underground utilities locating service to identify natural gas, electrical, cable, telephone and other underground utilities in the areas to be drilled. The Client is responsible for arranging and providing access to the site. Additionally, the Client is responsible for informing Carlson regarding the location of any private utilities (sewers, water mains, steam tunnels, and other utilities). Carlson is not responsible for repairing property damage incurred during or as a result of the drilling or sampling activities.

Task 2: Asbestos/Lead Paint Testing

As part of the proposed investigation, Carlson will also collect samples of the materials identified during the recent Phase 1 as potentially containing asbestos or being lead based paint.

Task 3: SRP Reporting

Assuming that the results of the additional soil, groundwater and soil gas sampling are favorable and additional sampling or active remediation is not warranted for purposes of being able to submit the information to the IEPA, the results of the proposed and previous site investigations will be combined into a submittal to the IEPA SRP. Carlson assumes that all prior work by J&H and TSC may be included in the SRP reports.

The results of the investigation will be documented in a combined Comprehensive Site Investigation Report (CSIR), Remediation Objectives Report (ROR), and a Remedial Action Plan (RAP) or Remedial Action Completion Report (RACR), and will be submitted to the IEPA on behalf of the client in order to document site investigations at the subject site, propose remediation objectives for the subject site, and present the strategies to mitigate the potential

Mr. Tom Casey
Space Center, Inc

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risks posed by soil, groundwater or soil gas contamination on site such that it can be managed in place as allowed by the IEPA SRP and TACO regulations. As such, Carlson has assumed that the Client does not object to inclusion of various institutional controls as part of the remedy proposed for this site. Such institutional controls typically include deed restrictions that require worker caution statements, an industrial/commercial future land use restriction, the installation and maintenance of engineered barriers, such as pavements and building slabs over all or portions of the site, or the use of Soil Management Zones (SMZs) at the site. *Please note that a NFR letter cannot be issued for the subject site until engineered barriers are in place over areas where contaminant concentrations necessitate their construction including over SMZs and until the existing well(s) has been properly abandoned.* Other institutional controls can include building control technologies to mitigate indoor air concerns where volatile chemicals are present in groundwater or soil gas. They may also include a requirement that any buildings constructed on site have full concrete floors with no sumps.

Carlson notes that the Village of North Aurora does not currently have a water well ordinance that encompasses the subject site (though they have others for different locations within the village, suggesting that they are familiar with the process). In the event that groundwater contamination is detected on site at concentrations exceeding the IEPA TACO remediation objectives, then an on-site water well prohibition may be triggered. At this time, Carlson has assumed that off-site lateral migration of groundwater contamination will not be predicted. No costs for working with the Village on an additional ordinance or with potentially affected neighbors on pursuit of Environmental Land Use Controls are included in this proposal. Should either of these become necessary, Carlson will prepare a second proposal for your consideration.

As documented by J&H/TSC, arsenic, lead and dieldrin were reported in site soils at concentrations exceeding the IEPA TACO remediation objectives. If warranted or helpful, Carlson will conduct a statistical evaluation of one or more of these contaminants in an attempt to demonstrate that they do not pose a potential ingestion risk to future site occupants. If successful, this will avoid having to install an engineered barrier over all or part of the site or for having to relocate impacted soils to SMZs at the subject site.

Carlson notes, at the discretion of the IEPA, the IEPA SRP project manager could require the client to conduct additional soil, groundwater or soil gas testing at the subject site, or require the remediation applicant to respond to comments regarding the SRP submittal. The costs for additional investigations are not included in this cost proposal. If IEPA requires additional investigation, a separate proposal will be prepared. However, costs associated with responding to IEPA comments that do not require the performance of additional field work, sampling or lab analysis are included in this proposal. Carlson also notes that the cost to construct any new engineered barriers at the subject site, install remedial systems (vapor building control technologies), create SMZs, or perform active remediation is not included in this cost proposal. Additionally, if a FSI/RO/RAP is prepared instead of a FSI/RO/RACR due to client preferences

Mr. Tom Casey
Space Center, Inc

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related to timing, redevelopment plans or other considerations, Carlson will prepare a separate proposal for a stand-alone RACR to facilitate issuance of the NFR letter when all elements of the RAP are in place.

Carlson will also prepare the DRM-1 and DRM-2 forms required by IEPA for entry into the SRP. Please note that a \$500 application fee to enter the site into the IEPA's Site Remediation Program will be paid by Carlson.

The IEPA bills the Remedial Applicant for its costs associated with review of the report and issuance of the NFR Letter. **All charges billed by the IEPA directly to the remedial applicant (other than the application fee) will not be paid by Carlson and are not part of this proposal.** Carlson estimates the cost for the IEPA SRP review to be approximately \$4,000 – \$9,500.

Authorization

Carlson will need to receive your authorization to proceed in writing before we can commence work on this project. Authorization to proceed can be initiated by signing as indicated on the last page of the enclosed contract forms. A signed acceptance page should be scanned or faxed to Carlson at 312/346-6956. Carlson and the Client both agree that facsimile transmission of the signed acceptance of this Agreement shall be regarded and accepted as if it were an original document bearing original signatures. Please retain a copy of this proposal for your records.

Duration of Proposal

It is understood that the estimated costs reflected in this proposal are valid for a period of thirty days. Unless accepted prior to the expiration of said 30-day period, Carlson reserves the right to review the proposed basis of charges and fees to allow for changing costs as well as to adjust the time of performance to conform to work loads. No contract between the parties shall arise until this proposal is acknowledged by a representative of Carlson as provided on the Acceptance Page.

Costs

Carlson works on a time and materials basis according to the enclosed rate schedule. The cost estimate for conducting the scope of services is **\$34,400**, as shown below. Estimates for subsequent investigations, if required, and/or site remediation are dependent on information collected during this project and can be quoted upon completion of the activities proposed herein.

Task	Associated Cost
Task 1 – Site Investigation	

Mr. Tom Casey
Space Center, Inc

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Task	Associated Cost
Field Labor/Expenses/Equipment	\$5,500
GeoProbe/Private Utility Locating Service (subcontracted)	\$8,200
Lab Analysis (subcontracted)	\$12,900
Task – Asbestos/Lead Paint Sampling (conducted during Task 1)	\$300
Task 3 – SRP Reporting	
FSI/RO/RAP or RACR Preparation/Project Management (incl IEPA fee)	\$7,500
Estimated Total	\$ 34,400

The attached Terms and Conditions shall apply to the services proposed herein and all agreements between Carlson and Client. Carlson appreciates the opportunity to provide you with this proposal. Should you have any questions regarding this proposal or other Carlson environmental service capabilities, please do not hesitate to contact Edward Garske or me at 312/346-2140.

Sincerely,

CARLSON ENVIRONMENTAL, INC.



Gail Artrip, PE
VP - Engineering

Mr. Tom Casey
Space Center, Inc

P-33296R

CARLSON ENVIRONMENTAL, INC. (CARLSON) STANDARD TERMS AND CONDITIONS

1. **Entire Agreement:** This Agreement, consisting of the attached Proposal, Fee Schedule and these Terms and Conditions, constitutes the entire agreement between the Client and Carlson. No representations, warranties, undertaking, or promises, whether oral or otherwise, have been made, nor may this Agreement be waived, altered or modified in any manner, except as provided for in Condition 5 below, unless expressly stated herein or unless mutually agreed to in writing by the parties hereto. In the event that any purchase order, requisition, or other notice of authorization to proceed in accordance with this Agreement contains any provision, term or condition which is in addition to or inconsistent with any of the provisions, terms or conditions of this Agreement, such additional or inconsistent provisions, terms or conditions shall neither become a part of this Agreement nor be deemed to have been accepted by Carlson by reason of Carlson's commencement of services pursuant to any such purchase order, requisition or other notice of authorization to proceed. Wherever there is an inconsistency between the Proposal and these Terms and Conditions, the terms of the Proposal shall control.
2. **Billing and Payment:** All invoices not contested within ten (10) calendar days of the date of the invoice are deemed accepted by the Client as true and accurate, and are payable in full. Invoices shall be payable upon receipt, and shall be considered past due if not paid within thirty (30) calendar days of the date of the invoice. All past due amounts shall be subject to interest at a rate of 1.5 percent, per month. If the Client fails to make payments due, or otherwise is in breach of this Agreement, Carlson may, after seven (7) calendar days of giving written notice, suspend services, without liability, until all past due amounts have been paid. In the event Carlson has to take legal action to be paid for its services or enforce this Agreement and prevails, the Client shall reimburse all collection and reasonable legal costs and fees associated with such action.
3. **Client's Responsibilities:**
 - a) The Client shall provide Carlson, and its agents, with legal access to the project site and secure and pay for all necessary approvals, easements, assessments, permits and rights of entry required for the performance of this Agreement, unless otherwise agreed upon.
 - b) The Client agrees to furnish, or cause to be furnished to Carlson, all information known to the Client, which is necessary for the proper performance of this Agreement. Such information includes, but is not limited to, materials, documents, reports, data, studies, plans, surveys and specifications that relate to surface and subsurface project site conditions, and/or the identity, location, quantity or characteristics of any waste, hazardous substances or suspect hazardous substances on or under the project site.
4. **Project Scope/Change Order:** The Client and Carlson have agreed to a Basic Scope of Services Carlson will provide to the Client, as listed on the Proposal. If agreed to in writing by the Client and Carlson, Carlson shall provide Additional Services. Additional Services are not included as part of the Basic Scope of Services, and shall be paid for by the Client in addition to the payment for the Basic Scope of Services, in accordance with Carlson's prevailing fee schedule, or as agreed to by the Client and Carlson.
5. **Delays:** Notwithstanding anything to the contrary, Estimated Project Cost and estimated completion dates may be increased or extended due to delays or increased cost of performance due to: Client's failure to provide specified facilities or information; the negligent acts or omissions of the Client or agents, assigns, successors and parent and affiliated entities or corporations, subsidiaries, divisions, officers, directors, shareholders, or contractors of the Client; delays authorized by the Client; matters beyond Carlson's control or force majeure, including but not limited to fire, flood, strike, riot, explosion, adverse weather conditions not reasonably anticipated, unavoidable casualties, unavailability of labor, materials or services, process shutdown, acts of God or of the public enemy, court orders, or acts, orders or regulations of any governmental agency. Any such delay shall not result in liability for Carlson.
6. **Termination:** Except as provided in Condition 2, this Agreement may be terminated, in whole or in part, with seven (7) days written notice, by either party in the event of a material breach by one party to fulfill its obligations hereunder. This termination may be accomplished through no fault of the non-breaching party; however, no such termination may be effective unless the breaching party is given written notice of intent to terminate, describing the alleged breach; and an opportunity to cure such breach and/or discuss same with the non-breaching party. Upon termination, a final invoice shall be calculated in accordance with Carlson's prevailing fee schedule.
7. **Insurance:** Carlson shall maintain policies of insurance for coverage shown on a Certificate of Insurance to be provided by Carlson upon request. If Client shall require insurance or coverage in addition to that provided in the Certificate of Insurance, Client shall be solely responsible for such additional premiums and/or costs incurred in connection therewith.
8. **Indemnification:** Carlson agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Client, its officers, directors and employees (collectively, Client) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by Carlson's negligent performance of professional services under this Agreement and that of its subconsultants or anyone for whom Carlson is legally liable. This

Mr. Tom Casey
Space Center, Inc

P-33296R

indemnity obligation shall not apply to any claims covered by Carlson's Workers Compensation Insurance.

The Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless Carlson, its officers, directors, employees and subconsultants (collectively, Carlson) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the Client's negligent acts in connection with the project and the acts of its contractors, subcontractors or consultants or anyone for whom the Client is legally liable. Neither Carlson nor the Client shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence.

Subcontracting to subconsultants normally contemplated by Carlson shall not be considered an assignment for purposes of this Agreement.

15. **Fees:** If the services covered by this Agreement are subject to fees associated with programs, agencies, or other entities, such additional costs will be charged to the project and subject to reimbursement by Client.

16. **Use of Client's Name:** Client agrees that Carlson has permission and authority to use its name as a client and a general description of the project and work or service performed as a reference for other prospective clients.

9. **Diminution of Value:** Since the results of Carlson's assessment may include the option of certain conditions that can result in diminution of the value of the property or property on close proximity, the Client should waive any claim and indemnify Carlson from claim, liability or injury arising from the theory that Carlson's findings, conclusions, or recommendations diminished the value of the property.

17. **RCRA and CERCLA Status:** Nothing contained herein shall be construed or interpreted as requiring Carlson to assume the status of a generator, or a storage, treatment or disposal facility as those terms are defined by the Resource Conservation Recovery Act of 1976, 42 U.S.C. § 6901 *et seq.*, as amended (hereinafter "RCRA"), or any state statute or regulation governing the generation, treatment, storage or disposal of hazardous waste or solid waste. If the work includes the transportation of waste materials from the project site, Carlson may evaluate and recommend possible disposal sites for Client's use. However, under RCRA and the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, as amended ("CERCLA"), and, pursuant thereto, Client shall select a proper disposal site and is solely responsible therefore.

10. **Limitation of Liability:** To the maximum extent permitted by law, the Client agrees to limit Carlson's liability for the Client's damages to the sum of \$50,000 or Carlson's fee, whichever is greater. This limitation shall apply regardless of the cause of action or legal theory pled or asserted.

In addition, all claims shall be deemed waived unless made by the Client in writing, and received by Carlson within one (1) year after the Client reasonably knew or should have known of its existence but, in no event, shall such claim be asserted by Client later than two (2) years after Carlson's completion of services with respect to which the claim is made.

18. **Notices:** Any notice to be given under this Agreement shall be in writing and shall be deemed given and received when delivered in person or deposited in the U.S. Mail, postage prepaid, by registered or certified mail, return receipt requested or by facsimile with proof of transmission sent by regular U.S. Mail on the date of transmission. The parties agree that "Facsimile" transmission of the signed acceptance of this Agreement shall be regarded and accepted as if bearing original signatures. Similarly, the parties agree that electronic communications shall be deemed the equivalent of written and signed documents. Written or verbal authority to proceed constitutes acceptance of the Terms and Conditions contained in this Agreement.

11. **No Warranty:** CARLSON MAKES NO WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING THE SERVICES OR WORK TO BE PROVIDED UNDER THE AGREEMENT OR ANY RELATED AGREEMENT.

19. **Applicable Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. The parties agree that the services provided pursuant hereto shall not be subject to the provisions of the Uniform Commercial Code.

12. **Ownership of Documents:** Survey data, field notes, maps, computations, studies, reports, drawings and specifications prepared by or for Carlson are and shall remain the property of Carlson.

20. **Severability:** Any term or provision of this Agreement found to be invalid under an applicable statute or rule of law shall be deemed omitted, and the remainder of this Agreement shall remain in full force and effect.

13. **Reliance:** Materials identified in Condition 11 are not to be used by Client on other projects or extensions of this project except upon prior written approval of Carlson. Such materials are not to be used by or relied upon by any third party without the written approval of Carlson. Carlson may, upon default by Client hereunder, withhold the delivery of any and all documents in its possession pending the cure of such default.

21. **Survival:** The terms and provisions of this Agreement shall survive the termination or expiration of this Agreement.

14. **Assignment:** The Client may not assign this Agreement or any portion thereof without the prior written consent of Carlson.

ACCEPTANCE PAGE

IN WITNESS WHEREOF, Carlson and the Client have executed this Agreement, **Proposal P-33296R**, as of this _____ day of _____, 2018.

Client: _____

Address: _____

Signature: _____

Printed: _____

CARLSON ENVIRONMENTAL, INC.

Address: **65 E. Wacker Place, Suite 2210** _____

Chicago, IL 60601 _____

Signature: _____

Printed: _____



LAWNLAN-01

KMOLLOV

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

09/21/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER TASK Insurance, LLC 1821 Walden Office Square Suite 350 Schaumburg, IL 60173		CONTACT NAME: PHONE (A/C, No, Ext): (847) 440-2320 FAX (A/C, No): (847) 430-5307 E-MAIL ADDRESS:		
INSURED LawnBoyz Landscaping, Inc. 902 Randall Road Suite C305 Saint Charles, IL 60174		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A : West Bend Mutual Insurance		15350
		INSURER B :		
		INSURER C :		
		INSURER D :		
		INSURER E :		
		INSURER F :		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			A39267100	02/25/2018	02/25/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 EB AGGREGATE \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			A39267100	02/25/2018	02/25/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			A39267100	02/25/2018	02/25/2019	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	A39276400	02/25/2018	02/25/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Proof of Insurance

CERTIFICATE HOLDER

CANCELLATION

Village of North Aurora
25 E State Street
North Aurora, IL 60542

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

PROPOSAL

September 12, 2018

Tom Casey
Space Centers Inc.
19 East First Street, Suite B
Hinsdale, Illinois 60521

VIA Email: Tom Casey <tcasey@spacecenterinc.com>

It is assumed with this proposal that a No Further Remediation (NFR) Letter will be secured from the Illinois Voluntary Site Remediation Program (SRP). The SRP was created to bring contaminated sites that were not clearly regulated in a prescribed program into compliance without contentious legal proceedings. IEPA offers to allow a voluntary submittal to the authority of the IEPA to direct the remediation of a contaminated property in exchange for a deferment of enforcement action.

The IEPA has created a prescribed method for clean-up and a series of reports that are required for the program. The SRP Project manager assigned to the site, reviews, comments upon, and directs further action that may be required to comply with the regulations in order to achieve the NFR letter. The IEPA charges for this service. The charges vary considerably depending on the site and the time it takes to perform the review. These charges typically range from \$2000 to \$11,000 and average around \$7000. In addition to the hourly fees, the SRP will require a \$500 application fee (included in this proposal), and the final writing of the NFR letter is charged at a \$2500 flat fee. The hourly fees and the NFR letter fee are not included here and will be invoiced by the IEPA.

We have included in this proposal the application fee of \$500 as stated above, and the first report required by the SRP – The Site Investigation Report – as this would be the equivalent of producing a typical Phase 2 ESA analytical report. The remaining reports required for continuing to the NFR are included as Alternate Bid No. 1. We have done this in this manner because it is possible, after applying approved techniques and sample averaging, establishing background concentrations, *etc.* that an NFR letter is not required. The SRP may require additional sampling or field work beyond this scope, however this scope covers all other requests by the IEPA pursuant to acquiring the NFR. This proposal does not include the cost of remedial actions in the field such as excavation or engineered barriers.

IMPORTANT:

We intend to pursue a **Comprehensive NFR** (as opposed to a Focused NFR letter). A Focused NFR can leave liability for later-discovered unknown contamination not covered by the NFR. The **Comprehensive NFR** costs very little more, and provides protection from *ALL* potential contaminants of concern. This may provide extremely valuable liability protection for the client and will be significant interest to lenders, *et al.*

DETAILED PROJECT COSTS

PROPERTY 136 Lincolnway, North Aurora, IL @ 314 Kingswood Dr.

SCOPE OF WORK **Phase 2 Environmental Site Assessment Pursuant to an SRP NFR Letter:**

- Advance 26 shallow borings (5 feet) in a series of three transects in the railroad bed arranged to determine the extent of contamination. Secure samples at 2 feet and 5 feet below grade. Analyze samples for Arsenic and Lead, and for some samples, PNAs.
- Advance 10 perimeter borings 3 of which will be converted to temporary monitoring wells.
- Advance 10 shallow borings on tees and greens

BASE COST

\$8,950.00

SAMPLE COSTS (subject to change without notice):

\$3,320.00

RAILROAD BED:

We do not believe that PNAs will exceed Metropolitan Statistical Area Back ground levels. Therefore, a smaller sampling is included here to directly confront assertions by others.

- 52 Lead @ \$20 each
- 52 Arsenic @ \$20 each
- 10 PNAs @ \$120 Each

GREENS AND TEES:

\$2,350.00

There is no need to sample all greens and tees as results on a representative sample allows for an accurate estimate. IEPA is concerned with *extent* of contamination allowing for numerous assumptions that control sampling costs. Borings will be sampled at 2 and 5 feet in depth.

- 20 Pesticides and Herbicides (5 greens, 5 tees) @ \$235.00 each
- 6 Lead @ \$20 each
- 6 Arsenic @ \$20 each

GROUNDWATER:

\$1,260.00

If groundwater is encountered within 20 feet of the surface, we will establish 3 monitoring wells and sample groundwater.

- 3 Lead @ \$20 each
- 3 Arsenic @ \$20 each
- 3 PNAs @ \$130 each
- 3 Pesticides and Herbicides @ \$250 each

**PERIMETER BORINGS****\$5,460.00**

It is prudent and typical to perform borings at the perimeter of the property as this is the furthest possible extent of contamination. Since the borings that will be extended to the water table will account for three of these, we will need 7 additional, 2 samples from each boring.

- 14 Lead @ \$20 each
- 14 Arsenic @ \$20 each
- 14 PNAs @ \$120 each
- 14 Pesticides and Herbicides @ \$230 each

GEOTECHNICAL SAMPLES**\$345.00**

- 3 FOC @ \$15 each
- 20 pH @ \$15 each

Site Investigation Report**\$2,500.00**

This is not the unnecessary Site Investigation Work Plan proposed by others. This is a necessary, and comprehensive, initial report that is usually tendered to the SRP with the application fee and application.

Sample Preparation & Overnight Delivery of Samples to the Laboratory**\$300.00****Site Remediation Program Application Fee****\$500.00****Contingent Costs**

- Private utility location if required (unlikely) \$350

TOTAL COSTS \$24,985.00**ALTERNATE BID 1****All remaining reports required for securing an NFR letter from the SRP:****\$6,000.00**

- Site Investigation Completion Report
- Remediation Objectives Report
- Remedial Action Plan
- Remedial Action Completion Report

ALTERNATE BID 2**Asbestos & Lead Assessment for All Structures****\$900.00**

Asbestos & Lead Sample Analysis
(unknown quantity, billed on a sliding scale)

\$15 Each max**GRAND TOTAL COST INCLUDING ALTERNATES****\$31,885.00**

CONDITIONS

Down Payment: No down payment is required for this job.

Fees: All remaining fees are due and payable upon completion of the report. Fees for the Phase 2 (\$24,985.00) will be invoiced after the completion of field work and are due and payable at that time. Fees for the SRP reports (\$6000) and the Asbestos/Lead Survey (\$900 + sample analytical) will be billed after they are each complete and they are due and payable at that time.

Commencement Commencement shall be the date that written direction to proceed is issued by the client. We will verify verbal direction to commence in an email or by phone to the signatory party.

Cancellation

- If client cancels after authorization to commence, a flat fee of \$2000 will be charged.
- If work is cancelled after the commencement of field work, a flat fee of \$3000 will become due and payable PLUS the cost of equipment purchased for the job.

Delivery We make every attempt to complete a job as soon as is practical. **We expect ALL work to be completed within 20 business days of the site visit or less** but we do not guarantee the delivery date. We shall not be responsible for accidents and acts-of-God that might affect the timely delivery of a complete report, including but not limited to: weather delays, broken equipment in the laboratory or field, traffic accidents, closed highways, illness, failure of vendors to supply materials, or any other unforeseen situation or institution that might delay completion. The most common cause of delay are availability of supplies. The report will be delivered electronically.

Disclaimer We do not intend to imply in any way that the nature of the results of our investigation will be positive or negative or have a beneficial or non-beneficial impact on the site or any future plans for development of the subject site. We do, however, guarantee that all methods and procedures conform to those established and approved by the appropriate reviewing regulatory agencies where applicable.

Hazardous Materials We will discontinue work if hazardous materials are discovered or deposited in a condition which, in our sole opinion, will endanger human health and safety of the inspector or others. We will not use hazardous materials on site.

Right of Entry We have the right of entry to the subject property for the duration the project. We will provide at least 48 hours notice prior to initial arrival and 24 hours thereafter. Client will provide SYNERGYA Pure & Applied Science INC with the means and permissions to make this right effective.

SYNERGYA Pure & Applied Science INC

Company: Space Center, Inc.

By

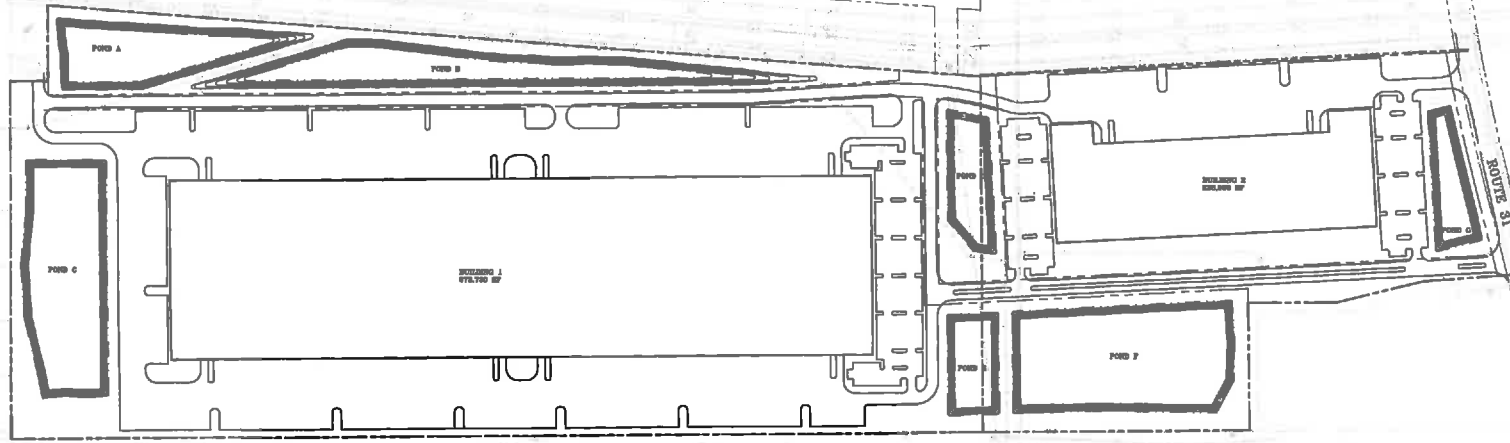



By

(signature)

Name John J. Sabuco
Title President
Date September 12, 2018

Name Tom Casey
Title Sr. Vice President
Date



1"=150'			JACOB & HEFNER ASSOCIATES 1113 Westfield Rd., Suite 100, Downers Grove, IL 60515 PHONE: (630) 652-6600, FAX: (630) 652-6601 www.jacobandhefner.com	PRELIMINARY SITE PLAN																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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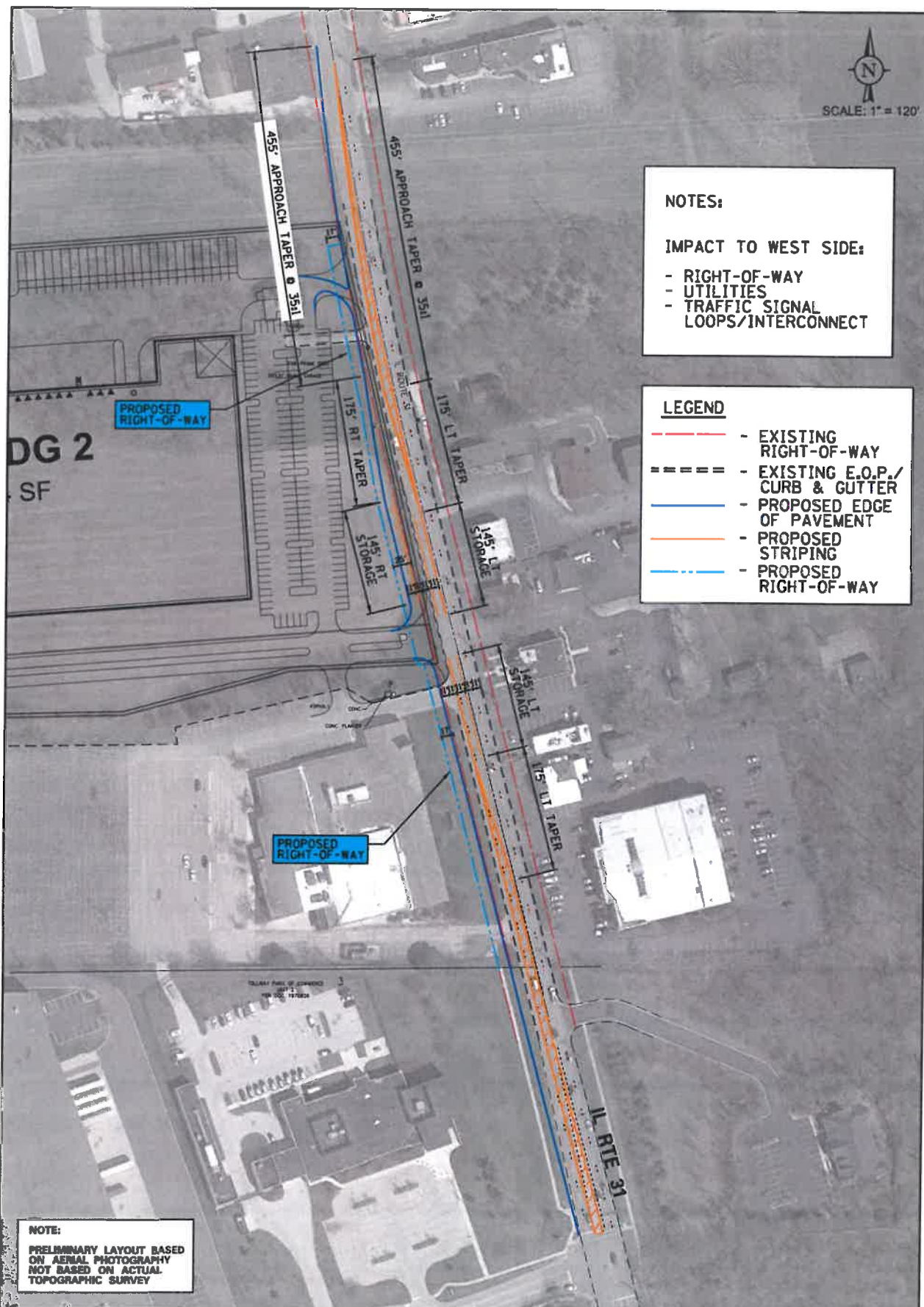
NOTES:

IMPACT TO WEST SIDE:

- RIGHT-OF-WAY
- UTILITIES
- TRAFFIC SIGNAL
LOOPS/INTERCONNECT

LEGEND

- - - - - EXISTING RIGHT-OF-WAY
- - - - - EXISTING E.O.P./
CURB & GUTTER
- - - - - PROPOSED EDGE
OF PAVEMENT
- - - - - PROPOSED
STRIPING
- - - - - PROPOSED
RIGHT-OF-WAY



NOTE:

PRELIMINARY LAYOUT BASED
ON AERIAL PHOTOGRAPHY
NOT BASED ON ACTUAL
TOPOGRAPHIC SURVEY

WAREHOUSE DEVELOPMENT
NORTH AURORA, ILLINOIS

PRELIMINARY PROPOSED GEOMETRICS
ASSYMETRICAL WIDENING TO THE WEST ON IL RTE 31

DESIGNED BY: CMC/WH/BJ
DATE: 06-25-09
PROJECT # 09-000
FIGURE: A

CHECKED BY: BJ

REV: 06-06-09



Estimated Assessed Value

Estimated Land Value		Estimated Building Values		
Total Area	3,627,464	Building 1	873,730	\$8,082,003
\$/SF	\$0.44	Building 2	228,090	\$2,109,833
Estimated Value	\$1,596,084			
		\$/SF	\$9.25	
		Estimated Value		10,191,835
Total Estimated Value			\$11,787,919	
(Land and Buildings)				

YEAR	EAV PLUS APPRECIATION	INCREMENTAL EAV	TAX INCREMENT	PHASE	NEW DEVELOPMENT	EAV PLUS NEW DEVELOPMENT	INCREMENTAL EAV	TAX INCREMENT
2018	\$241,104	\$0	\$0			\$241,104	\$0	\$0
2019	\$243,515	\$2,411	\$262			\$243,515	\$2,411	\$262
2020	\$245,950	\$2,435	\$265	LAND	\$1,596,084	\$1,842,034	\$1,598,519	\$173,696
2021	\$248,410	\$2,460	\$267	BLDG #1	\$8,082,003	\$9,942,457	\$9,696,507	\$1,053,626
2022	\$250,894	\$2,484	\$270			\$10,041,882	\$9,793,472	\$1,064,162
2023	\$253,403	\$2,509	\$273	BLDG #2	\$2,109,833	\$12,252,133	\$12,001,239	\$1,304,059
2024	\$255,937	\$2,534	\$275			\$12,374,654	\$12,121,252	\$1,317,100
2025	\$258,496	\$2,559	\$278			\$12,498,401	\$12,242,464	\$1,330,271
2026	\$261,081	\$2,585	\$281			\$12,623,385	\$12,364,889	\$1,343,573
2027	\$263,692	\$2,611	\$284			\$12,749,619	\$12,488,538	\$1,357,009
2028	\$266,329	\$2,637	\$287			\$12,877,115	\$12,613,423	\$1,370,579
2029	\$268,992	\$2,663	\$289			\$13,005,886	\$12,739,557	\$1,384,285
2030	\$271,682	\$2,690	\$292			\$13,135,945	\$12,866,953	\$1,398,128
2031	\$274,399	\$2,717	\$295			\$13,267,304	\$12,995,622	\$1,412,109
2032	\$277,143	\$2,744	\$298			\$13,399,978	\$13,125,579	\$1,426,230
Projected tax invcrement w/o new development			\$3,916		\$11,787,919	Projected tax increment with new development		\$15,935,088

	2021	2022	2023	2024	2025	2026	2027	2028
Land	\$1,612,045	\$1,628,165	\$1,644,447	1660892	\$1,677,500	\$1,694,275	\$1,711,218	\$1,728,330
BLDG #1	\$8,082,003	\$8,162,823	\$8,244,451	\$8,326,895	\$8,410,164	\$8,494,266	\$8,579,209	\$8,665,001
BLDG #2			\$2,109,833	\$2,130,931	\$2,152,240	\$2,173,763	\$2,195,500	\$2,217,455
	2029	2030	2031	2032				
Land	\$1,745,614	\$1,763,070	\$1,780,701	\$1,798,508				
Bldg #1	\$8,751,651	\$8,839,167	\$8,927,559	\$9,016,834				
Bldg #2	\$2,239,630	\$2,262,026	\$2,284,646	\$2,307,493				