CITY COUNCIL
COMMITTEE OF THE WHOLE MEETING
JUNE 26, 2019|6:00 PM
CITY COUNCIL CHAMBERS

Call to Order

Roll Call

Approval of Minutes of Previous Meetings – June 12, 2019

Items also on Council Agenda

A. Consideration of Renewal of a Property Insurance Program for the Period July 1, 2019 through June 30, 2020 ($280,650)
   Objective: Protect the City’s financial resources and provide business interruption insurance.

B. Consideration of Extension of Illinois Criminal Justice Information Authority Victims of Crime Act Law Enforcement/Prosecution/CASA Victim Assistance Grant for Three, Full-Time Case Manager Positions through December 31, 2020 (Acceptance of $389,063 grant; $80,361 local matching contribution)
   Objective: Extend grant funding to continue crime victim support services to the community until December 31, 2020.

Special Presentations and Reports

All items listed in section “Special Presentations and Reports” are for informational purposes only. As such, the city council is not expected to take action at this time on any item listed below.

C. Sikich LLC Audit Presentation
   Jim Savio, Partner of Sikich, LLP will provide an overview of the City of Elgin’s 2018 Consolidated Annual Financial Report (CAFR).

Initiatives and Other Items

D. Consideration of Proposal to Amend the Composition of the Liquor Control Commission (No cost to the City)
   Objective: Discussion of proposal to reduce the membership of the Liquor Control Commission from the Mayor and all City Council members to the Mayor and four City Council members.

E. Consideration of Review of City Council Rules of Procedure (No cost to the City)
   Objective: Review City Council rules of procedure as required by City ordinance.

F. Consideration of Proposed Ordinance to Video Gaming Licensing by the City (No cost to the City)
   Objective: Adoption of local regulations to regulate video gaming in the City.
G. Consideration of Intergovernmental Agreement with the Hoffman Estates Fire Department for Automatic Aid (No cost to the City)
   Objective: Provide and receive automatic aid with Hoffman Estates Fire Department in an effort to improve response times and response coverage.

H. Consideration of Amendment to Chronic Nuisance Property Ordinance (No cost to the City)
   Objective: Provide stronger nuisance property enforcement by expanding violation definitions.

I. Consideration of Community Development Block Grant (CDBG) Annual Action Plan for Program Year 2019 (No cost to the City)
   Objective: Review recommendations from the CDBG Review Panel for Program Year 2019 CDBG funding.

J. Consideration of Amendment to the Emergency Loan Agreement with The Latino Treatment Center (No cost to the City)
   Objective: Amend the agreement with The Latino Treatment Center to begin repayment to the City of the $50,000 loan.

K. Consideration of Waste Management, Inc. Five-Year Contract Renewal for Refuse, Recyclables and Yard Waste Collection Services (No Cost to City—Direct Costs Passed to Customers) (Item must be removed from the Table)
   Objective: Provide comprehensive, customer service-centered refuse, recyclable and yard waste collection services to Elgin residents.

L. Consideration of Honorary Street Name Designation for the 200 Block of South Melrose Avenue to “Cpl. Alex Martinez Avenue” (No Cost) (Councilpersons Dixon and Powell)
   Objective: Honor a combat marine through an honorary street name designation.

Announcements from Council

Announcements from Staff

Executive Session

M. Collective Bargaining Issues or Deliberations Concerning Salary Schedules for One or More Classes of Employees - Exempt Under Section 120/2(c)(2) of the Open Meetings Act

Adjournment

PLEASE NOTE: The City of Elgin is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact the Human Resources Department at (847) 931-6076 or TT/TDD (847) 931-5616 promptly to allow the City of Elgin to make reasonable accommodations for those persons.
AGENDA ITEM: A
MEETING DATE: June 26, 2019

ITEM:
Renewal of a Property Insurance Program for the Period July 1, 2019 through June 30, 2020 ($280,650)

OBJECTIVE:
Protect the City’s financial resources and provide business interruption insurance.

RECOMMENDATION:
Accept Alliant Property Insurance Program’s proposal for renewal of property, inland marine and cyber liability insurance for an annual premium of $280,650.

The City’s property insurance is annually renewed on July 1. The risk management staff obtained a renewal premium that is $39,347 higher than the previous year. Most of the increase is driven by market conditions and there is a three percent inflation factor increase in the City’s portfolio. The City’s insurance carrier has provided five years of rate decreases during the past seven years.

BACKGROUND

Public Entity Property Insurance Program (PEPIP) began writing the property and business interruption insurance for the City in 2011. The new program offered additional property coverages, higher policy limits and more competitive pricing than the previous coverage that was written by Travelers Insurance. In 2015, PEPIP changed their name to Alliant Property Insurance Program (APIP). The current policy term of the APIP program is July 1, 2018 through June 30, 2019.

OPERATIONAL ANALYSIS

APIP (formerly PEPIP) was formed in 1993 to meet the unique property insurance needs faced by public entities. Currently, APIP has more than 9,000 members in 46 states. The City enrolled in the joint purchasing group in 2011, becoming a member and gaining access to highly competitive terms and comprehensive coverage, without assuming any liability for the other members in the group. The members are separated by their geographical location in order to spread the amount of risk and share program limits. The renewal premium quotation for the new policy year is in the amount of $280,650 and this represents an increase of $39,347 or sixteen percent from the annualized premium for last year ($241,303).
Mesirow notified the City in the beginning of the renewal process to expect a premium increase of at least fifteen percent if the loss history did not change from the prior year. The City's risk management staff directed Mesirow to approach alternative insurance carriers since the property market is currently in a firm cycle which means it is a seller’s market. Property carriers are being more selective with their clients and the amount of risk they choose to accept. Insurance companies are not underwriting the same level of insurance that they wrote prior to 2017 and their pricing has increased substantially during the last two years. In 2017, the United States property market suffered three major hurricanes (Harvey, Irma and Maria) as well as the California wildfires. In 2018 and 2019, there has been a higher frequency of rain, hail and wind storms in the southern states as well as the Midwest region and carriers are increasing their premium rates appropriately. APIP’s quotation for the 2019-2020 policy term includes a thirteen percent rate increase for market conditions and a three percent inflation factor change to the building and contents values at each scheduled location. In addition, APIP is providing enhancements to six of the additional coverage sublimits under the cyber liability insurance that will benefit the City and they have provided the City with rate decreases between one and six percent for five out of the seven renewal terms. The all-risk deductible for the 2018-2019 property program is $25,000 per occurrence and APIP provided an alternate quote of $272,138 to increase the deductible from $25,000 to $50,000. This change would generate an annual savings of three percent ($8,512). The City’s loss experience is good and we have experienced one property damage claim during the last nine years. APIP reimbursed the City $160,832 for the Fox River Country Day School water damage claim that occurred on February 5, 2014. It is Risk Management’s recommendation not to increase the all-risk deductible from $25,000 to $50,000 as we will not be able to acquire a $25,000 deductible level during future renewals.

There is one significant change with APIP’s proposal that will affect the tax revenue limit for the riverboat. A new sublimit of $3,000,000 was created by APIP because they no longer want to insure the total business interruption limit of $10,462,000. This change will take effect on July 1, 2019 and it applies to all clients enrolled in the property program and not just Elgin. Staff received notice of the reduction this week so we are attempting to purchase an additional $2,000,000 of tax revenue coverage that would raise the total limit from $3,000,000 to $5,000,000. Specialty markets such as Markel, Iron Shore, Arch and Great American will be asked to provide quotes for $2,000,000 of excess coverage. Early indications reveal that the excess coverage pricing will be steep in excess of $100,000. Carriers are uncomfortable with the Grand Victoria risk because the City does not control the operations or fire protection system of the riverboat and land pavilion. The specialty markets need additional time to review the construction and fire protection information for the Grand Victoria Casino so quotations will be available after July 1, 2019. Other clients in Illinois do not insure to the level of Elgin’s $10,462,000 loss exposure and their business interruption limits do not exceed $3,000,000. A total loss of revenue claim in the amount of $10,462,000 is extremely rare and there is no loss data available according to Mesirow.

The City has $2,000,000 of cyber liability coverage under the current property program with an annual aggregate limit of $2,000,000. There is also a $25,000,000 program aggregate that is shared among the 338 participating members in the cyber liability tower who consist of schools,
counties, airports and libraries. APIP’s policy provides protection against third party claims that result from information, security and privacy breaches and first party computer security coverage if the loss is caused by cyber extortion, damage to electronic data or business interruption. Additional coverages provided by APIP with lower limits are fraudulent instruction and telecommunications fraud with a $75,000 sublimit, forensic expense with a $2,000,000 sublimit and privacy notification costs which has a $500,000 aggregate limit. The deductible for each third party claim is $50,000 and there is a time element deductible of eight hours for first party claims.

Risk management staff instructed Mesirow to obtain alternate property insurance quotes after learning of the rate increases forecasted for the 2019-2020 term. Mesirow approached Affiliated FM, Chubb, C.N.A., Hartford, Travelers and Zurich and they all declined to provide a written proposal as they could not compete with the limits, coverages and pricing of the APIP program. Some of the markets have a concern with the vacant property known as the Rakow School and none of the markets are capable of writing more than $1,000,000 of sales tax revenue coverage for the riverboat. In addition, the carriers mentioned above are unable to offer the City more than $1,000,000 of flood coverage for Riverside Promenade. The Riverside Promenade has a dedicated sublimit of $4,000,000 under the APIP program and that limit will not change with the 2019-2020 term.

Included in the APIP proposal was a quote for a new program called Deadly Weapon Response. The coverage has a $500,000 claims made limit with an annual aggregate of $500,000 and it would provide third party liability, property damage, business interruption and crisis management coverage for events on City property that involve brandishing or using a deadly weapon. The deductible is $10,000 for each event and the annual cost is $6,644.64. The City has third party liability, property damage and business interruption coverage under the Travelers (liability) and APIP (property) programs with much higher limits. Therefore, Risk Management is not advising the purchase of the Deadly Weapon Response Program at this time.

INTERESTED PERSONS CONTACTED

Mesirow Insurance Services, the City’s insurance broker and consultant, was consulted and provided recommendations throughout the renewal process.

FINANCIAL ANALYSIS

The combined APIP premium for property, inland marine and cyber liability will be $280,650. This equates to an increase of $39,347 or sixteen percent in APIP’s property program compared to the annualized premium for last year ($241,303).
BUDGET IMPACT

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<th>FUND(S)</th>
<th>ACCOUNT(S)</th>
<th>PROJECT #(S)</th>
<th>AMOUNT BUDGETED</th>
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LEGAL IMPACT

The proposed procurement requires an exception to the procurement ordinance.

ALTERNATIVES

The city council may choose to reject the recommendations and solicit an alternative source for property insurance, leaving the City without coverage during the process.

NEXT STEPS

1. Grant binding authority to insurance agent.

2. Confirm coverage is bound before 12:01 am on July 1, 2019.

Originator: Kelly Wasilewski, Risk Management Assistant

Final Review: Debra Nawrocki, Chief Financial Officer
William A. Cogley, Corporation Counsel/Chief Development Officer
Richard G. Kozal, City Manager

ATTACHMENTS

None.
AGENDA ITEM: B
MEETING DATE: June 26, 2019

ITEM:
Extension of Illinois Criminal Justice Information Authority Victims of Crime Act Law Enforcement/Prosecution/CASA Victim Assistance Grant for Three, Full-Time Case Manager Positions through December 31, 2020
(Acceptance of $389,063 grant; $80,361 local matching contribution)

PURPOSE:
Extend grant funding to continue crime victim support services to the community until December 31, 2020.

RECOMMENDATION:
Approve the extension of funds granted by the Illinois Criminal Justice Information Authority to support the three, full-time case manager positions in the amount of $389,063 and a local matching contribution of $80,361.

The police department’s social services unit received grant funding in January 2018 to allow its three, part-time case managers to become full-time case managers who provide services to all victims of crime in the City. The case managers review all police reports with an identifiable victim and respond to the victims by providing crisis counseling, information, referrals and safety planning. The last twelve months the case managers have responded by providing assistance and services to 5,080 crime victims. Without these services, many victims would have difficulty obtaining the legal, social and referral assistance they need.

Funding for the three, full-time case managers has been provided by a grant from the Illinois Criminal Justice Information Authority (ICJIA) since the positions were made full-time in January 2018. The ICJIA approved $191,326 in funding for this program from January 2018 through December 2018. In December, the ICJIA provided an additional six-month extension and approved $103,899 in funding to bridge the gap through June 30, 2019. With the grant ending in June, the ICJA has provided the opportunity for an additional eighteen month extension and approved $389,063 in grant funding through December 31, 2020.

The ICJIA grant award requires a matching contribution from the City in the amount of $80,361 for the accepted amount.
BACKGROUND

The police department first hired a victim’s assistance coordinator in 1991. This staff member performs crime victim crisis intervention, refers victims to the appropriate social service agencies and acts as a source of information pertaining to crime victim financial assistance. In 2001, ten years into the department’s victim services program, a study of the services being provided was performed in conjunction with area social service providers. That study determined the department needed to focus more efforts in the area of domestic violence. The study recommended that attention should focus on early intervention, reduction of incidents and integration of other social service agencies into an action plan for victims of domestic violence. A dedicated staff member to address the identified objectives was deemed a necessity.

To meet this need, grant funding was sought for additional domestic violence case manager positions. The social services unit’s case manager positions have been supported by grant funding since 2001. These positions had been part-time until January 2018. Prior to this, the case workers were only able to provide services to approximately 800 victims.

In 2017, the police department applied for the ICJIA Victims of Crime Act (VOCA) Law Enforcement/Prosecution/CASA Victim Assistance Grant. On December 28, 2017, the police department received notice that the ICJIA budget committee approved $259,393 in funding, of which $191,326 was accepted. The award required a local matching contribution of 25 percent ($47,832). The funding cycle was January 1, 2018 through December 31, 2018. In December, the police department received an additional six-month extension with $103,899 approved in funding from the ICJIA with a matching contribution of $25,974. With the grant ending in June, the ICJIA has provided the opportunity for an additional eighteen month extension with $389,063 approved in funding with a matching contribution of $80,361.

Currently, these full-time case managers review all crime incidents with an identifiable victim and provide services for the victim and family members through outreach and referrals to appropriate community social service providers. This is an important function within the department and the community. Without these services, many victims would have difficulty obtaining the legal, social and referral assistance they need. These positions also provide police officers with exposure to crime victim’s issues beyond the criminal incident, helping to improve understanding and sensitivity toward a victim’s situation.

The police department was advised by the ICJIA that an extension was awarded to allow funding through December 31, 2020. This grant extension is $389,063 with a matching contribution of $80,361. By accepting this grant extension opportunity, outreach to all crime victims will continue to occur.
OPERATIONAL ANALYSIS

Funding for the full-time crime victim case manager positions have been provided by a grant since the positions were created in 2018. Every year, staff actively seeks funding opportunities to support these important positions and outreach program. The ICJIA is a state agency that supports criminal justice initiatives for the state of Illinois through grant administration, research and analysis, policy and planning and information systems and technology. The department has received grant funding from ICJIA since 2001. The ICJIA approved $191,326 in funding for this program from January 2018 through December 31, 2018. In December, the police department received an additional six-month extension with $103,899 approved in funding from the ICJIA. With the grant ending in June 30, 2019, the ICJIA has provided the opportunity for an additional eighteen month extension with $389,063 approved in funding. Additionally, this requires a local matching contribution of $80,361. This grant extension is to continue supporting three full-time crime victim case manager positions that are currently funded by the ICJIA grant.

For the last twelve months, the case managers have provided assistance and services to over 5,080 crime victims in the City of Elgin. Victims of crimes range from serious crimes, such as homicides, to lesser crimes, such as battery. To offer perspective on this number, it is inclusive of victims of traffic and theft crimes, which total approximately 30 percent of all crime victims. It is also important to note that many times there will be more than one victim associated with a single crime, such as a burglary, assault, battery and even ordinance violations.

The three full-time case managers have allowed for an enhanced response to the Elgin community. If the positions were not funded by the grant, the police department would continue to support these positions in a part-time capacity as was in place prior to receiving funding from ICJIA. The reduction of staff hours would greatly impact the level of care provided to Elgin residents as the number of victims served would be reduced to half and the vast number of needs of victims would not be met as part-time social workers would struggle to meet larger caseloads. The reduction of hours could also result in the loss of trained staff, which would be detrimental to the program due to the large learning curve required to serve the population.

The purpose of this original grant awarded in January, 2018 was to provide additional funding that enabled the three part-time case managers, whose focus has been solely domestic violence, to expand to full-time positions and new responsibilities. The grant extension will allow funding for continued service to domestic violence victims with the addition of providing services to all crime victims. The full-time supervisor of the social services unit will continue to maintain management responsibilities of all employees and interns, along with focusing on other populations in need to include the homeless population and parolees who are re-entering the community.

INTERESTED PERSONS CONTACTED

The three full-time case managers work closely with the Community Crisis Center, the Department of Children and Family Services, Kane County States Attorney’s Office, Cook County Victim
Services Unit and other community agencies. Additionally, these employees work directly with police personnel and have been actively engaged with the ICJIA during this current grant period.

FINANCIAL ANALYSIS

The accepted awarded extension grant amount of $389,063 will fund three full-time case managers, for eighteen additional months. The total eighteen month salary includes a cost of living increase and changes in benefit enrollment. The required matching contribution for the extension is $80,361. The proposed 2019 General Fund budget includes funding for the salaries and benefits of the case managers and the corresponding grant revenue.

BUDGET IMPACT

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<tr>
<th>FUND(S)</th>
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<th>AMOUNT BUDGETED</th>
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LEGAL IMPACT

None.

ALTERNATIVES

The city council may choose to not accept this grant extension, at which time the crime victims case managers full-time staff will end on June 30, 2019.

NEXT STEPS

1. Finalize grant acceptance with the ICJIA.
2. Oversee and supervise the grant program and employees.
3. Provide the necessary grant reporting to the ICJIA.
4. Continue seeking grant funding to ensure the positions are fully funded beyond December 30, 2020.
Originators: Frank Trost, Commander  
Ana Lalley, Chief of Police

Final Review: Debra Nawrocki, Chief Financial Officer  
William A. Cogley, Corporation Counsel/Chief Development Officer  
Richard G. Kozal, City Manager

ATTACHMENTS

A. Grant Extension Agreement from the Illinois Criminal Justice Information Authority
INTER-GOVERNMENTAL AGREEMENT

BETWEEN
THE STATE OF ILLINOIS, ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY 
AND 
_________________City of Elgin on behalf of the Elgin Police Department

The Illinois Criminal Justice Information Authority (Grantor), with its principal office at 300 West Adams Street, Suite 200, Chicago, Illinois 60606, and ______________City of Elgin on behalf of the Elgin Police Department (Grantee), with its principal office at __150 Dexter Court, Elgin, IL 60120-5570__, hereby enter into this Grant Agreement (Agreement). Grantor and Grantee are collectively referred to herein as “Parties” or individually as a “Party.”

PART ONE – THE UNIFORM TERMS
RECITALS

WHEREAS, it is the intent of the Parties to perform consistent with all Exhibits and attachments hereto and pursuant to the duties and responsibilities imposed by Grantor under the laws of the state of Illinois and in accordance with the terms, conditions and provisions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the value, receipt and sufficiency of which are acknowledged, the Parties hereto agree as follows:

ARTICLE I
AWARD AND GRANTEE-SPECIFIC INFORMATION AND CERTIFICATION

1.1. DUNS Number; SAM Registration; Nature of Entity. Under penalties of perjury, Grantee certifies that __010224772__ is Grantee’s correct DUNS number, that __36-6005862__ is Grantee’s correct FEIN or Social Security Number, and that Grantee has an active State registration and SAM registration. Grantee is doing business as a (check one):

- [ ] Individual
- [ ] Sole Proprietorship
- [ ] Partnership
- [ ] Corporation (includes Not For Profit)
- [ ] Medical Corporation
- [ ] Governmental Unit
- [ ] Estate or Trust
- [ ] Pharmacy-Non Corporate
- [ ] Pharmacy/Funeral Home/Cemetery Corp.
- [ ] Tax Exempt
- [ ] Limited Liability Company (select applicable tax classification)

If Grantee has not received a payment from the state of Illinois in the last two years, Grantee must submit a W-9 tax form with this Agreement.

1.2. Amount of Agreement. Grant Funds shall not exceed $ __389,063__ , of which $ __389,063__ are federal funds. Grantee agrees to accept Grantor’s payment as specified in the Exhibits and attachments.
incorporated herein as part of this Agreement.

1.3. **Identification Numbers.** The Federal Award Identification Number (FAIN) is 2018-V2-GX-0070, the Federal awarding agency is U.S. Department of Justice, Office of Justice Programs, Office for Victims of Crime and the Federal Award date is August 9, 2018. The Catalog of Federal Domestic Assistance (CFDA) Name is Crime Victim Assistance and Number is 16.575. The Catalog of State Financial Assistance (CSFA) Number is 546-00-1745. The State Award Identification Number is 1745-13166.

1.4. **Term.** This Agreement shall commence on July 1, 2019. This Agreement shall expire on December 31, 2020 unless terminated pursuant to this Agreement.

1.5. **Certification.** Grantee certifies under oath that (1) all representations made in this Agreement are true and correct and (2) all Grant Funds awarded pursuant to this Agreement shall be used only for the purpose(s) described herein. Grantee acknowledges that the Award is made solely upon this certification and that any false statements, misrepresentations, or material omissions shall be the basis for immediate termination of this Agreement and repayment of all Grant Funds.

1.6. **Signatures.** In witness whereof, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

By: ____________________________  Date: _________________________
Megan Alderden, Acting Executive Director
Illinois Criminal Justice Information Authority

By: ____________________________  Date: _________________________
David Kaptain, Mayor
City of Elgin

By: ____________________________  Date: _________________________
Debra Nawrocki, Chief Financial Officer
City of Elgin

By: ____________________________  Date: _________________________
Ana Lalley, Chief of Police
City of Elgin
ARTICLE II
REQUIRED REPRESENTATIONS

1.7. **Standing and Authority.** Grantee warrants that:

   (a) Grantee is validly existing and in good standing, if applicable, under the laws of the state in which it was incorporated, organized or created.

   (b) Grantee has the requisite power and authority to execute and deliver this Agreement and all documents to be executed by it in connection with this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

   (c) If Grantee is an agency under the laws of a jurisdiction other than Illinois, Grantee warrants that it is also duly qualified to do business in Illinois and is in good standing with the Illinois Secretary of State.

   (d) The execution and delivery of this Agreement, and the other documents to be executed by Grantee in connection with this Agreement, and the performance by Grantee of its obligations hereunder have been duly authorized by all necessary entity action.

   (e) This Agreement and all other documents related to this Agreement, including the Uniform Grant Application, the Exhibits and attachments to which Grantee is a party constitute the legal, valid and binding obligations of Grantee enforceable against Grantee in accordance with their respective terms.

1.8. **Compliance with Internal Revenue Code.** Grantee certifies that it does and will comply with all provisions of the federal Internal Revenue Code (26 USC 1), the Illinois Income Tax Act (35 ILCS 5), and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

1.9. **Compliance with Federal Funding Accountability and Transparency Act of 2006.** Grantee certifies that it does and will comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282) (FFATA) with respect to Federal Awards greater than or equal to $25,000. A FFATA sub-award report must be filed by the end of the month following the month in which the award was made.

1.10. **Compliance with Uniform Grant Rules (2 CFR Part 200).** Grantee certifies that it shall adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements, which are published in Title 2, Part 200 of the Code of Federal Regulations, and are incorporated herein by reference. See 44 Ill. Admin. Code 7000.30(b)(1)(A).

1.11. **Compliance with Registration Requirements.** Grantee and its sub-grantees shall: (i) be registered with the federal SAM; (ii) be in good standing with the Illinois Secretary of State, if applicable; (iii) have a valid DUNS number; and (iv) have successfully completed the annual registration and prequalification through the Grantee Portal. It is Grantee’s responsibility to remain current with these registrations and requirements. If Grantee’s status with regard to any of these requirements change, or the certifications made in and information provided in the Uniform Grant Application changes, Grantee must notify the Grantor in accordance with ARTICLE XVII.
ARTICLE II
DEFINITIONS

2.1. Definitions. Capitalized words and phrases used in this Agreement have the following meanings:


“Agreement” or “Grant Agreement” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“ Allocable Costs” means costs allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Costs allocable to a specific Program may not be shifted to other Programs in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by the terms of this Agreement, or for other reasons of convenience.

“Allowable Costs” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Award” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Budget” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“CFDA” or “Catalog of Federal Domestic Assistance” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Close-out Report” means a report from the Grantee allowing the Grantor to determine whether all applicable administrative actions and required work have been completed, and therefore closeout actions can commence.

“Conflict of Interest” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Consolidated Year-End Financial Report” means a financial information presentation in which the assets, equity, liabilities, and operating accounts of an entity and its subsidiaries are combined (after eliminating all inter-entity transactions) and shown as belonging to a single reporting entity.

“Cost Allocation Plan” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“CSFA” or “Catalog of State Financial Assistance” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Direct Costs” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Disallowed Costs” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“DUNS Number” means a unique nine digit identification number provided by Dun & Bradstreet for each physical location of Grantee’s organization. Assignment of a DUNS Number is mandatory for all organizations seeking an Award from the state of Illinois.
“FAIN” means the Federal Award Identification Number.

“FFATA” or “Federal Funding Accountability and Transparency Act” has the same meaning as in 31 USC 6101; P.L. 110-252.

“Financial Assistance” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Fixed-Rate” has the same meaning as in 44 Ill. Admin. Code Part 7000. “Fixed-Rate” is in contrast to fee-for-service, 44 Ill. Admin. Code Part 7000.

“GAAP” or “Generally Accepted Accounting Principles” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Grant Funds” means the Financial Assistance made available to Grantee through this Agreement.

“Grantee Portal” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Indirect Costs” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Indirect Cost Rate” means a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, Grantor will not reimburse those Indirect Costs unless Grantee has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate.

“Indirect Cost Rate Proposal” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Net Revenue” means an entity’s total revenue less its operating expenses, interest paid, depreciation, and taxes. “Net Revenue” is synonymous with “Profit.”

“Nonprofit Organization” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Notice of Award” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“OMB” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Prior Approval” has the same meaning as in 44 Ill. Admin. Code Part 7000.

“Profit” means an entity’s total revenue less its operating expenses, interest paid, depreciation, and taxes. “Profit” is synonymous with “Net Revenue.”

“Program” means the services to be provided pursuant to this Agreement.

“Program Costs” means all Allowable Costs incurred by Grantee and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

“Program Income” has the same meaning as in 44 Ill. Admin. Code Part 7000.
“Related Parties” has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-20.

“SAM” means the federal System for Award Management (SAM); which is the federal repository into which an entity must provide information required for the conduct of business as a recipient. 2 CFR 25 Appendix A (1)(C)(1).

“State” means the state of Illinois.

“Term” has the meaning set forth in Paragraph 1.4.

“Unallowable Costs” has the same meaning as in 44 Ill. Admin. Code Part 7000.

**ARTICLE III**

**PAYMENT**

3.1. **Availability of Appropriation; Sufficiency of Funds.** This Agreement is contingent upon and subject to the availability of sufficient funds. Grantor may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the federal funding source, (ii) the Governor or Grantor reserves funds, or (iii) the Governor or Grantor determines that funds will not or may not be available for payment. Grantor shall provide notice, in writing, to Grantee of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

3.2. **Return of Grant Funds.** Any Grant Funds remaining that are not expended or legally obligated by Grantee, including those funds obligated pursuant to ARTICLE XVI, at the end of the Agreement period, or in the case of capital improvement Awards at the end of the time period Grant Funds are available for expenditure or obligation, shall be returned to Grantor within forty-five (45) days. All obligations regarding Grant Funds management shall survive this Agreement’s termination or expiration. See 2 CFR 200.343(d); 2 CFR 200.305(b)(9); 30 ILCS 705/5. A Grantee who is required to reimburse Grant Funds and who enters into a deferred payment plan for the purpose of satisfying a past due debt, shall be required to pay interest on such debt as required by Section 10.2 of the Illinois State Collection Act of 1986. 30 ILCS 210; 44 Ill. Admin. Code 7000.450(c). In addition, as required by 44 Ill. Admin. Code 7000.440(b)(2), unless granted a written extension, Grantee must liquidate all obligations incurred under the Award at the end of the period of performance.

3.3. **Cash Management Improvement Act of 1990.** Unless notified otherwise in PART TWO or PART THREE, federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 USC 6501 et seq.) and any other applicable federal laws or regulations. See 2 CFR 200.305; 44 Ill. Admin. Code Part 7000.

3.4. **Payments to Third Parties.** Grantee agrees that Grantor shall have no liability to Grantee when Grantor acts in good faith to redirect all or a portion of any Grantee payment to a third party. Grantor will be deemed to have acted in good faith when it is in possession of information that indicates Grantee authorized Grantor to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

3.5. **Modifications to Estimated Amount.** If the Agreement amount is established on an estimated
basis, then it may be increased by mutual agreement at any time during the Term. Grantor may decrease the estimated amount of this Agreement at any time during the Term if (i) Grantor believes Grantee will not use the funds during the Term, (ii) Grantor believes Grantee has used funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the federal funding source, (iv) the Governor or Grantor reserves funds, or (v) the Governor or Grantor determines that funds will or may not be available for payment. Grantee will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Grantee under Exhibit A may be reduced accordingly. Grantee shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment. 2 CFR 200.308.

3.6. Interest.

(a) All interest earned on Grant Funds held by a Grantee shall be treated in accordance with 2 CFR 200.305(b)(9), unless otherwise provided in PART TWO or PART THREE. Any amount due shall be remitted annually in accordance with 2 CFR 200.305(b)(9) or to the Grantor, as applicable.

(b) Grant Funds shall be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 CFR Part 200.305(b)(8).

3.7. Timely Billing Required. Grantee must submit any payment request to Grantor within thirty (30) days of the end of the quarter, unless another billing schedule is specified in PART TWO, PART THREE or Exhibit C. Failure to submit such payment request timely will render the amounts billed an unallowable cost which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor’s approval of Grantee’s request for an extension shall not be unreasonably withheld.

3.8. Certification. Pursuant to 2 CFR 200.415, each invoice and report submitted by Grantee (or subgrantee) must contain the following certification by an official authorized to legally bind the Grantee (or subgrantee):

By signing this report [or payment request or both], I certify to the best of my knowledge and belief that the report [or payment request] is true, complete, and accurate; that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the State or federal pass-through award; and that supporting documentation has been submitted as required by the grant agreement. I acknowledge that approval for any other expenditure described herein shall be considered conditional subject to further review and verification in accordance with the monitoring and records retention provisions of the grant agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812; 30 ILCS 708/120).

ARTICLE IV
SCOPE OF GRANT ACTIVITIES/PURPOSE OF GRANT

4.1. Scope of Grant Activities/Purpose of Grant. Grantee will conduct the Grant Activities or provide
the services as described in the Exhibits and attachments, including Exhibit A (Project Description) and Exhibit B (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all applicable administrative rules. In addition, the State’s Notice of Award is incorporated herein by reference. All Grantor-specific provisions and programmatic reporting required under this Agreement are described in PART TWO (The Grantor-Specific Terms). All Project-specific provisions and reporting required under this Agreement are described in PART THREE.

4.2. **Scope Revisions.** Grantee shall obtain Prior Approval from Grantor whenever a Scope revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Scope revisions that require Grantor approval shall be signed by Grantee’s authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. See 2 CFR 200.308.

4.3. **Specific Conditions.** If applicable, specific conditions required after a risk assessment will be included in Exhibit G. Grantee shall adhere to the specific conditions listed therein.

**ARTICLE V**

**BUDGET**

5.1. **Budget.** The Budget is a schedule of anticipated grant expenditures that is approved by Grantor for carrying out the purposes of the Award. When Grantee or third parties support a portion of expenses associated with the Award, the Budget includes the non-federal as well as the federal share (and State share if applicable) of grant expenses. The Budget submitted by Grantee at application, or a revised Budget subsequently submitted and approved by Grantor, is considered final and is incorporated herein by reference.

5.2. **Budget Revisions.** Grantee shall obtain Prior Approval from Grantor whenever a Budget revision is necessary for one or more of the reasons enumerated in 44 Ill. Admin. Code 7000.370(b). All requests for Budget revisions that require Grantor approval shall be signed by Grantee’s authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. 2 CFR 200.308.

5.3. **Discretionary Line Item Transfers.** Unless prohibited from doing so in 2 CFR 200.308, transfers between approved line items may be made without Grantor’s approval only if the total amount transferred does not exceed the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars ($1,000) of the Budget line item. Discretionary line item transfers may not result in an increase to the Budget.

5.4. **Non-discretionary Line Item Transfers.** Total line item transfers exceeding the allowable variance of the greater of either (i) ten percent (10%) of the Budget line item or (ii) one thousand dollars ($1,000) of the Budget line item require Grantor approval as set forth in Paragraph 5.2.

5.5. **Notification.** Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, Grantor will review the request and notify Grantee whether the Budget revision has been approved, denied, or the date upon which a decision will be reached.

**ARTICLE VI**

**ALLOWABLE COSTS**

6.1. **Allowability of Costs; Cost Allocation Methods.** The allowability of costs and cost allocation
methods for work performed under this Agreement shall be determined in accordance with 2 CFR 200 Subpart E and Appendices III, IV, and V.

6.2. **Indirect Cost Rate Submission.**

(a) All Grantees must make an Indirect Cost Rate election in the Grantee Portal, even grantees that do not charge or expect to charge Indirect Costs. 44 Ill. Admin. Code 7000.420(d).

(b) A Grantee must submit an Indirect Cost Rate Proposal in accordance with federal regulations, in a format prescribed by Grantor. For Grantees who have never negotiated an Indirect Cost Rate before, the Indirect Cost Rate Proposal must be submitted for approval no later than three months after the effective date of the Award. For Grantees who have previously negotiated an Indirect Cost Rate, the Indirect Cost Rate Proposal must be submitted for approval within 180 days of the Grantee’s fiscal year end, as dictated in the applicable appendices, such as:

(i) Appendix V and VII to 2 CFR Part 200 governs Indirect Cost Rate Proposals for state and local governments,
(ii) Appendix III to 2 CFR Part 200 governs Indirect Cost Rate Proposals for public and private institutions of higher education,
(iii) Appendix IV to 2 CFR Part 200 governs Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, and
(iv) Appendix V to Part 200 governs state/Local Governmentwide Central Service Cost Allocation Plans.

(c) A Grantee who has a current, applicable rate negotiated by a cognizant federal agency shall provide to Grantor a copy of its Indirect Cost Rate acceptance letter from the federal government and a copy of all documentation regarding the allocation methodology for costs used to negotiate that rate, e.g., without limitation, the cost policy statement or disclosure narrative statement. Grantor will accept that Indirect Cost Rate, up to any statutory, rule-based or programmatic limit.

6.3. **Transfer of Costs.** Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. See 2 CFR 200.451.

6.4. **Higher Education Cost Principles.** The federal cost principles that apply to public and private institutions of higher education are set forth in 2 CFR Part 200 Subpart E and Appendix III.

6.5. **Government Cost Principles.** The federal cost principles that apply to state, local and federally-recognized Indian tribal governments are set forth in 2 CFR Part 200 Subpart E, Appendix V, and Appendix VII.

6.6. **Financial Management Standards.** The financial management systems of Grantee must meet the following standards:

(a) **Accounting System.** Grantee organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each state- and federally-funded Program. Accounting records must contain information pertaining to state and federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other Grant Funds.
Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. To comply with 2 CFR 200.305(b)(7)(i) and 30 ILCS 708/520, Grantee shall use reasonable efforts to ensure that funding streams are delineated within Grantee’s accounting system. See 2 CFR 200.302.

(b) **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the Award and general ledger accounts which are to be charged or credited.

(i) The documentation standards for salary charges to grants are prescribed by 2 CFR 200.430, and in the cost principles applicable to the entity’s organization (Paragraphs 7.4 through 7.5).

(ii) If records do not meet the standards in 2 CFR 200.430, then Grantor may notify Grantee in **PART TWO, PART THREE** or **Exhibit G** of the requirement to submit Personnel activity reports. See 2 CFR 200.430(i)(8). Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee’s actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.

(iii) Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Grantee.

(iv) If third party in-kind (non-cash) contributions are used for Grant purposes, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control.** Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Grantee must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantee must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement. 2 CFR 200.303.

(d) **Budget Control.** Records of expenditures must be maintained for each Award by the cost categories of the approved Budget (including indirect costs that are charged to the Award), and actual expenditures are to be compared with Budgeted amounts at least quarterly.

(e) **Cash Management.** Requests for advance payment shall be limited to Grantee’s immediate cash needs. Grantee must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant Funds to avoid having excess funds on hand. 2 CFR 200.305.

6.7. **Federal Requirements.** All Awards, whether funded in whole or in part with either federal or State funds, are subject to federal requirements and regulations, including but not limited to 2 CFR Part 200, 44 Ill. Admin. Code 7000.30(b) and the Financial Management Standards in Paragraph 7.6.

6.8. **Profits.** It is not permitted for any person or entity to earn a Profit from an Award. See, e.g., 2 CFR 200.400(g); see also 30 ILCS 708/60(a)(7).
6.9. **Management of Program Income.** Grantee is encouraged to earn income to defray program costs where appropriate, subject to 2 CFR 200.307.

**ARTICLE VII**
**REQUIRED CERTIFICATIONS**

7.1. **Certifications.** Grantee shall be responsible for compliance with the enumerated certifications to the extent that the certifications apply to Grantee.

(a) **Bribery.** Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the state of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).

(b) **Bid Rigging.** Grantee certifies that it has not been barred from contracting with a unit of state or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Debt to State.** Grantee certifies that neither it, nor its affiliate(s), is/are barred from receiving an Award because Grantee, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Grantee, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Grantee acknowledges Grantor may declare the Agreement void if the certification is false (30 ILCS 500/50-11).

(d) **Educational Loan.** Grantee certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1 et seq.).

(e) **International Boycott.** Grantee certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 USC Appendix 2401 et seq.) or the regulations of the U.S. Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).

(f) **Dues and Fees.** Grantee certifies that it is not prohibited from receiving an Award because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1 et seq.).

(g) **Pro-Children Act.** Grantee certifies that it is in compliance with the Pro-Children Act of 2001 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by federal or state government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 USC 7181-7184).

(h) **Drug-Free Work Place.** If Grantee is not an individual, Grantee certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Grantee is an individual and this Agreement is valued at more than $5,000, Grantee certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Grantee further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 USC 8102.
(i) **Motor Voter Law.** Grantee certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (52 USC 20501 et seq.).

(j) **Clean Air Act and Clean Water Act.** Grantee certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 USC §7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 USC 1251 et seq.).

(k) **Debarment.** Grantee certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal department or agency 2 CFR 200.205(a), or by the State (See 30 ILCS 708/25(6)(G)).

(l) **Non-procurement Debarment and Suspension.** Grantee certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.

(m) **Grant for the Construction of Fixed Works.** Grantee certifies that all Programs for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 et seq.) unless the provisions of that Act exempt its application. In the construction of the Program, Grantee shall comply with the requirements of the Prevailing Wage Act including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Program shall be paid to all laborers, workers, and mechanics performing work under the Award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

(n) **Health Insurance Portability and Accountability Act.** Grantee certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 USC 1320d-2 through 1320d-7, in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Grantee shall maintain, for a minimum of six (6) years, all protected health information.

(o) **Criminal Convictions.** Grantee certifies that neither it nor any managerial agent of Grantee has been convicted of a felony under the Sarbanes-Oxley Act of 2002, nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction. Grantee further certifies that it is not barred from receiving an Award under 30 ILCS 500/50-10.5, and acknowledges that Grantor shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).

(p) **Forced Labor Act.** Grantee certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (30 ILCS 583).

(q) **Illinois Use Tax.** Grantee certifies in accordance with 30 ILCS 500/50-12 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(r) **Environmental Protection Act Violations.** Grantee certifies in accordance with 30 ILCS 500/50-14 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that
this Agreement may be declared void if this certification is false.

(s) **Goods from Child Labor Act.** Grantee certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (30 ILCS 584).

(t) **Federal Funding Accountability and Transparency Act of 2006.** Grantee certifies that it is in compliance with the terms and requirements of 31 USC 6101.

### ARTICLE VIII
**CRIMINAL DISCLOSURE**

8.1. **Mandatory Criminal Disclosures.** Grantee shall continue to disclose to Grantor all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this Award. See 30 ILCS 708/40. Additionally, if Grantee receives over $10 million in total Financial Assistance, funded by either State or federal funds, during the period of this Award, Grantee must maintain the currency of information reported to SAM regarding civil, criminal or administrative proceedings as required by 2 CFR 200.113 and Appendix XII of 2 CFR Part 200, and 30 ILCS 708/40.

### ARTICLE IX
**UNLAWFUL DISCRIMINATION**

9.1. **Compliance with Nondiscrimination Laws.** Both Parties, their employees and subcontractors under subcontract made pursuant to this Agreement, remain compliant with all applicable provisions of state and federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

(a) The Illinois Human Rights Act (775 ILCS 5/1-101 et seq.), including, without limitation, 44 Ill. Admin. Code Part 750, which is incorporated herein;

(b) The Public Works Employment Discrimination Act (775 ILCS 10/1 et seq.);


(d) Section 504 of the Rehabilitation Act of 1973 (29 USC 794);

(e) The Americans with Disabilities Act of 1990 (as amended) (42 USC 12101 et seq.); and

(f) The Age Discrimination Act (42 USC 6101 et seq.).

### ARTICLE X
**LOBBYING**

10.1. **Improper Influence.** Grantee certifies that no Grant Funds have been paid or will be paid by or on
behalf of Grantee to any person for influencing or attempting to influence an officer or employee of any
government agency, a member of Congress or Illinois General Assembly, an officer or employee of Congress or
Illinois General Assembly, or an employee of a member of Congress or Illinois General Assembly in connection
with the awarding of any agreement, the making of any grant, the making of any loan, the entering into of any
cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement,
grant, loan or cooperative agreement. 31 USC 1352. Additionally, Grantee certifies that it has filed the required
certification under the Byrd Anti-Lobbying Amendment (31 USC 1352), if applicable.

10.2.  Federal Form LLL. If any funds, other than federally-appropriated funds, were paid or will be paid
to any person for influencing or attempting to influence any of the above persons in connection with this
Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure of Lobbying Activities
Form, in accordance with its instructions.

10.3.  Lobbying Costs. Grantee certifies that it is in compliance with the restrictions on lobbying set
forth in 2 CFR Part 200.450. For any Indirect Costs associated with this Agreement, total lobbying costs shall be
separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

10.4.  Procurement Lobbying. Grantee warrants and certifies that it and, to the best of its knowledge,
its sub-grantees have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007
generally prohibits Grantees and subcontractors from hiring the then-serving Governor’s family members to
lobby procurement activities of the State, or any other unit of government in Illinois including local governments,
if that procurement may result in a contract valued at over $25,000. This prohibition also applies to hiring for that
same purpose any former State employee who had procurement authority at any time during the one-year
period preceding the procurement lobbying activity.

10.5.  Subawards. Grantee must include the language of this ARTICLE X in the award documents for any
subawards made pursuant to this Award at all tiers. All sub-awardees are also subject to certification and
disclosure. Pursuant to Appendix II(l) to 2 CFR Part 200, Grantee shall forward all disclosures by contractors
regarding this certification to Grantor.

10.6.  Certification. This certification is a material representation of fact upon which reliance was
placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 USC 1352. Any
person who fails to file the required certifications shall be subject to a civil penalty of not less than $10,000, and
not more than $100,000, for each such failure.

ARTICLE XI
MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING

11.1.  Records Retention. Grantee shall maintain for three (3) years from the date of submission of the
final expenditure report, adequate books, all financial records and, supporting documents, statistical records, and
all other records pertinent to this Award, adequate to comply with 2 CFR 200.333, unless a different retention
period is specified in 2 CFR 200.333 or 44 Ill. Admin. Code §§ 7000.430(a) and (b). If any litigation, claim or audit
is started before the expiration of the retention period, the records must be retained until all litigation, claims or
audit exceptions involving the records have been resolved and final action taken.

Code 7000.430(e), shall make books, records, related papers, supporting documentation and personnel relevant
to this Agreement available to authorized Grantor representatives, the Illinois Auditor General, Illinois Attorney
General, any Executive Inspector General, the Grantor’s Inspector General, federal authorities, any person identified in 2 CFR 200.336, and any other person as may be authorized by Grantor (including auditors), by the state of Illinois or by federal statute. Grantee shall cooperate fully in any such audit or inquiry.

11.3. **Failure to Maintain Books and Records.** Failure to maintain books, records and supporting documentation, as described in this ARTICLE XI, shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

11.4. **Monitoring and Access to Information.** Grantee must monitor its activities to assure compliance with applicable state and federal requirements and to assure its performance expectations are being achieved. Grantor shall monitor the activities of Grantee to assure compliance with all requirements and performance expectations of the award. Grantee shall timely submit all financial and performance reports, and shall supply, upon Grantor’s request, documents and information relevant to the Award. Grantor may make site visits as warranted by program needs. See 2 CFR 200.328 and 200.331. Additional monitoring requirements may be in PART TWO or PART THREE.

**ARTICLE XII**

**FINANCIAL REPORTING REQUIREMENTS**

12.1. **Required Periodic Financial Reports.** Grantee agrees to submit financial reports as requested and in the format required by Grantor. Grantee shall file quarterly reports with Grantor describing the expenditure(s) of the funds related thereto, unless more frequent reporting is required by the Grantee pursuant to specific award conditions. 2 CFR 200.207. The first of such reports shall cover the first three months after the Award begins. Quarterly reports must be submitted no later than 30 calendar days following the three month period covered by the report. Additional information regarding required financial reports may be set forth in Exhibit G. Failure to submit the required financial reports may cause a delay or suspension of funding. 30 ILCS 705/1 et seq.; 2 CFR 207(b)(3) and 200.327. Any report required by 30 ILCS 708/125 may be detailed in PART TWO or PART THREE.

12.2. **Close-out Reports.**

(a) Grantee shall submit a Close-out Report within 60 calendar days following the end of the period of performance for this Agreement. In the event that this Agreement is terminated prior to the end of the Term, Grantee shall submit a Close-out Report within 60 calendar days of such termination. The format of this Close-out Report shall follow a format prescribed by Grantor. 2 CFR 200.343; 44 Ill. Admin. Code 7000.440(b).

(b) If an audit or review of Grantee occurs and results in adjustments after Grantee submits a Close-out Report, Grantee will submit a new Close-out Report based on audit adjustments, and immediately submit a refund to Grantor, if applicable. 2 CFR 200.344.

12.3. **Consolidated Year-End Financial Reports.**

(a) This Paragraph 12.3 applies to all Grantees, unless exempted by PART TWO or PART THREE.

(b) Grantees shall submit Consolidated Year-End Financial Reports, according to the
required audit (see Error! Reference source not found.), namely:

(i) For Grantees required to conduct a single audit (or program-specific audit), within the earlier of (a) 9 months after the Grantee’s fiscal year ending on or after June 30, or (b) 30 calendar days following completion of the audit; or

(ii) For Grantees required to conduct a Financial Statement Audit or for Grantees not required to perform an audit, within 180 days after the Grantee’s fiscal year ending on or after June 30.

These deadlines may be extended at the discretion of the Grantor, but only for rare and unusual circumstances such as a natural disaster.

(c) The Consolidated Year-End Financial Report must cover the same period the Audited Financial Statements cover. If no Audited Financial Statements are required, however, then the Consolidated Year-End Financial Report must cover the same period as the Grantee’s tax return.

(d) Consolidated Year-End Financial Reports must include an in relation to opinion from the report issuer on the financial statements included in the Consolidated Year-End Financial Report.

(e) Consolidated Year-End Financial Reports shall follow a format prescribed by Grantor.

(f) Notwithstanding anything herein to the contrary, when such reports or statements required under this section are prepared by the Illinois Auditor General, if they are not available by the above-specified due date, they will be provided to Grantor within thirty (30) days of becoming available.

12.4. Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of improper payments or Unallowable Costs, will be considered a material breach of this Agreement and may be the basis to recover Grant Funds. Grantee’s failure to comply with this ARTICLE XII, ARTICLE XIII, or Error! Reference source not found. shall be considered prima facie evidence of a breach and may be admitted as such, without further proof, into evidence in an administrative proceeding before Grantor, or in any other legal proceeding. Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for policy and consequences for failure to comply.

ARTICLE XIII
PERFORMANCE REPORTING REQUIREMENTS

13.1. Required Periodic Performance Reports. Grantee agrees to submit Performance Reports as requested and in the format required by Grantor. Performance Measures listed in Exhibit E must be reported quarterly, unless otherwise specified in PART TWO or PART THREE. Unless so specified, the first of such reports shall cover the first three months after the Award begins. If Grantee is not required to report performance quarterly, then Grantee must submit a Performance Report at least annually. Pursuant to 2 CFR 200.207, specific conditions may be imposed requiring Grantee to report more frequently based on the risk assessment or the merit based review of the application. In such cases, Grantor shall notify Grantee of same in Exhibit G. Pursuant to 2 CFR 200.328 and 44 Ill. Admin. Code 7000.410(b)(2), periodic Performance Reports shall be submitted no later than 30 calendar days following the period covered by the report. For certain construction-related Awards, such reports may be exempted as identified in PART TWO or PART THREE. 2 CFR 200.328. Failure to submit such required Performance Reports may cause a delay or suspension of funding. 30 ILCS 705/1 et seq.
13.2. **Close-out Performance Reports.** Grantee agrees to submit a Close-out Performance Report, in the format required by Grantor, within 60 calendar days following the end of the period of performance. See 2 CFR 200.343; 44 Ill. Admin. Code 7000.440(b)(1).

13.3. **Content of Performance Reports.** Pursuant to 2 CFR 200.328(b)(2) all Performance Reports must include Program qualitative and quantitative information, including a comparison of actual accomplishments to the objectives of the award established for the period; where the accomplishments can be quantified, a computation of the cost if required; performance trend data and analysis if required; and reasons why established goals were not met, if appropriate. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Performance Reports will be determined by Grantor contingent on the Award’s statutory, regulatory and administrative requirements, and are included in **PART TWO** or **PART THREE** of this Agreement.


**ARTICLE XIV**

**AUDIT REQUIREMENTS**

14.1. **Audits.** Grantee shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and Subpart F of 2 CFR Part 200, and the audit rules and policies set forth by the Governor’s Office of Management and Budget. See 30 ILCS 708/65(c); 44 Ill. Admin. Code 7000.90.

14.2. **Audit Requirements.**

   (a) **Single and Program-Specific Audits.** If, during its fiscal year, Grantee expends $750,000 or more in Federal Awards (direct federal and federal pass-through awards combined), Grantee must have a single audit or program-specific audit conducted for that year as required by 2 CFR 200.501 and other applicable sections of Subpart F of 2 CFR Part 200. The audit report packet must be completed as described in 2 CFR 200.512 (single audit) or 2 CFR 200.507 (program-specific audit), 44 Ill. Admin. Code 7000.90(h)(1) and the current GATA audit manual and submitted to the Federal Audit Clearinghouse, as required by 2 CFR 200.512. The results of peer and external quality control reviews, management letters, AU-C 265 communications and the Consolidated Year-End Financial Report(s) must be submitted to the Grantee Portal. The due date of all required submissions set forth in this paragraph is the earlier of (i) 30 calendar days after receipt of the auditor’s report(s) or (ii) nine (9) months after the end of the Grantee’s audit period.

   (b) **Financial Statement Audit.** If, during its fiscal year, Grantee expends less than $750,000 in Federal Awards, Grantee is subject to the following audit requirements:

      (i) If, during its fiscal year, Grantee expends $500,000 or more in Federal and State Awards, singularly or in any combination, from all sources, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS). Grantee may be subject to additional requirements in **PART TWO**, **PART THREE** or **Exhibit G** based on the Grantee’s risk profile.

      (ii) If, during its fiscal year, Grantee expends less than $500,000 in Federal and State Awards, singularly or in any combination, from all sources, but expends $300,000 or more in Federal and State Awards, singularly or in any combination, from all sources, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Auditing Standards (GAGAS). Grantee may be subject to additional requirements in **PART TWO**, **PART THREE** or **Exhibit G** based on the Grantee’s risk profile.
Standards (GAAS).

(iii) If Grantee is a Local Education Agency (as defined in 34 CFR 77.1), Grantee shall have a financial statement audit conducted in accordance with GAGAS, as required by 23 Ill. Admin. Code 100.110, regardless of the dollar amount of expenditures of Federal and State Awards.

(iv) If Grantee does not meet the requirements in subsections 15.2(b) and 15.2(c)(i-iii) but is required to have a financial statement audit conducted based on other regulatory requirements, Grantee must submit those audits for review.

(v) Grantee must submit its financial statement audit report packet, as set forth in 44 Ill. Admin. Code 7000.90(h)(2) and the current GATA audit manual, to the Grantee Portal within the earlier of (i) 30 calendar days after receipt of the auditor’s report(s) or (ii) 6 months after the end of the Grantee’s audit period.

14.3. **Performance of Audits.** For those organizations required to submit an independent audit report, the audit is to be conducted by the Illinois Auditor General, or a Certified Public Accountant or Certified Public Accounting Firm licensed in the state of Illinois or in accordance with Section 5.2 of the Illinois Public Accounting Act (225 ILCS 450/5.2). For all audits required to be performed subject to Generally Accepted Government Auditing standards or Generally Accepted Auditing standards, Grantee shall request and maintain on file a copy of the auditor’s most recent peer review report and acceptance letter. Grantee shall follow procedures prescribed by Grantor for the preparation and submission of audit reports and any related documents.

14.4. **Delinquent Reports.** Notwithstanding anything herein to the contrary, when such reports or statements required under this section are prepared by the Illinois Auditor General, if they are not available by the above-specified due date, they will be provided to Grantor within thirty (30) days of becoming available. Otherwise, Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for the policy and consequences for late reporting. 44 Ill. Admin. Code 7000.80.

**ARTICLE XV**

**TERMINATION; SUSPENSION; NON-COMPLIANCE**

15.1. **Termination.**

(a) This Agreement may be terminated, in whole or in part, by either Party for any or no reason upon thirty (30) calendar days’ prior written notice to the other Party. If terminated by the Grantee, Grantee must include the reasons for such termination, the effective date, and, in the case of a partial termination, the portion to be terminated. If Grantor determines in the case of a partial termination that the reduced or modified portion of the Award will not accomplish the purposes for which the Award was made, Grantor may terminate the Agreement in its entirety. 2 CFR 200.339(a)(4).

(b) This Agreement may be terminated, in whole or in part, by Grantor without advance notice:

(i) Pursuant to a funding failure under Paragraph 3.1;

(ii) If Grantee fails to comply with the terms and conditions of this or any Award, application or proposal, including any applicable rules or regulations, or has made a false representation in connection with the receipt of this or any Grant;

(iii) For cause, which may render the Grantee ineligible for consideration for future
grants from the Grantor or other State agencies; or

(iv) If Grantee breaches this Agreement and either (1) fails to cure such breach within 15 calendar days’ written notice thereof, or (2) if such cure would require longer than 15 calendar days and the Grantee has failed to commence such cure within 15 calendar days’ written notice thereof. In the event that Grantor terminates this Agreement as a result of the breach of the Agreement by Grantee, Grantee shall be paid for work satisfactorily performed prior to the date of termination.

15.2. Suspension. Grantor may suspend this Agreement, in whole or in part, pursuant to a funding failure under Paragraph 3.1 or if the Grantee fails to comply with terms and conditions of this or any Award. If suspension is due to Grantee’s failure to comply, Grantor may withhold further payment and prohibit Grantee from incurring additional obligations pending corrective action by Grantee or a decision to terminate this Agreement by Grantor. Grantor may determine to allow necessary and proper costs that Grantee could not reasonably avoid during the period of suspension.

15.3. Non-compliance. If Grantee fails to comply with applicable statutes, regulations or the terms and conditions of this or any Award, Grantor may impose additional conditions on Grantee, as described in 2 CFR 200.207. If Grantor determines that non-compliance cannot be remedied by imposing additional conditions, Grantor may take one or more of the actions described in 2 CFR 200.338. The Parties shall follow all Grantor policies and procedures regarding non-compliance, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 44 Ill. Admin. Code §§ 7000.80, 7000.260.

15.4. Objection. If Grantor suspends or terminates this Agreement, in whole or in part, for cause, or takes any other action in response to Grantee’s non-compliance, Grantee may avail itself of any opportunities to object and challenge such suspension, termination or other action by Grantor in accordance with any applicable processes and procedures, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 2 CFR 200.341; 44 Ill. Admin. Code §§ 7000.80, 7000.260.

15.5. Effects ofSuspension and Termination.

(a) Grantor may credit Grantee for expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of a suspension or termination.

(b) Grantee shall not incur any costs or obligations that require the use of these Grant Funds after the effective date of a suspension or termination, and shall cancel as many outstanding obligations as possible.

(c) Costs to Grantee resulting from obligations incurred by Grantee during a suspension or after termination of the Agreement are not allowable unless:

(i) Grantor expressly authorizes them in the notice of suspension or termination; and

(ii) The costs result from obligations properly incurred before the effective date of suspension or termination, are not in anticipation of the suspension or termination, and the costs would be allowable if the Agreement was not suspended or terminated. 2 CFR 200.342.

15.6. Close-out of Terminated Agreements. If this Agreement is terminated, in whole or in part, the
Parties shall comply with all close-out and post-termination requirements of this Agreement. 2 CFR 200.339(c).

ARTICLE XVI
SUBCONTRACTS/SUB-GRANTS

16.1. **Sub-recipients/Delegation.** Grantee may not subcontract nor sub-grant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of Grantor. The requirement for Prior Approval is satisfied if the subcontractor or sub-grantee has been identified in the Uniform Grant Application, such as, without limitation, a Project Description, and Grantor has approved.

16.2. **Application of Terms.** Grantee shall advise any sub-grantee of funds awarded through this Agreement of the requirements imposed on them by federal and state laws and regulations, and the provisions of this Agreement. In all agreements between Grantee and its sub-grantees, Grantee shall insert term(s) that requires that all sub-grantees adhere to the terms of this Agreement.

16.3. **Liability as Guaranty.** Grantee shall be liable as guarantor for any Grant Funds it lawfully obligates to a sub-grantee or sub-contractor pursuant to Paragraph 16.1 in the event the Grantor determines the funds were either misspent or are being improperly held and the sub-grantee or sub-contractor is insolvent or otherwise fails to return the funds.

ARTICLE XVII
NOTICE OF CHANGE

17.1. **Notice of Change.** Grantee shall notify the Grantor if there is a change in Grantee’s legal status, federal employer identification number (FEIN), DUNS number, SAM registration status, Related Parties, or address. See 30 ILCS 708/60(a). If the change is anticipated, Grantee shall give thirty (30) days’ prior written notice to Grantor. If the change is unanticipated, Grantee shall give notice as soon as practicable thereafter. Grantor reserves the right to take any and all appropriate action as a result of such change(s).

17.2. **Failure to Provide Notification.** To the extent permitted by Illinois law, Grantee shall hold harmless Grantor for any acts or omissions of Grantor resulting from Grantee’s failure to notify Grantor of these changes.

17.3. **Notice of Impact.** Grantee shall immediately notify Grantor of any event that may have a material impact on Grantee’s ability to perform this Agreement.

17.4. **Circumstances Affecting Performance; Notice.** In the event Grantee becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Grantee’s ability to perform under this Agreement, Grantee shall notify Grantor, in writing, within five (5) calendar days of determining such litigation or transaction may reasonably be considered to have a material impact on the Grantee’s ability to perform under this Agreement.

17.5. **Effect of Failure to Provide Notice.** Failure to provide the notice described in Paragraph 17.4 shall be grounds for immediate termination of this Agreement and any costs incurred after notice should have been given shall be disallowed.

ARTICLE XVIII
STRUCTURAL REORGANIZATION
18.1. **Effect of Reorganization.** Grantee acknowledges that this Agreement is made by and between Grantor and Grantee, as Grantee is currently organized and constituted. No promise or undertaking made hereunder is an assurance that Grantor agrees to continue this Agreement, or any license related thereto, should Grantee significantly reorganize or otherwise substantially change the character of its corporate structure, business structure or governance structure. Grantee agrees that it will give Grantor prior notice of any such action or changes significantly affecting its overall structure, and will provide any and all reasonable documentation necessary for Grantor to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. This ARTICLE XVIII does not require Grantee to report on minor changes in the makeup of its governance structure. Nevertheless, **PART TWO** or **PART THREE** may impose further restrictions. Failure to comply with this ARTICLE XVIII shall constitute a material breach of this Agreement.

**ARTICLE XIX**

**AGREEMENTS WITH OTHER STATE AGENCIES**

19.1. **Copies upon Request.** Grantee shall, upon request by Grantor, provide Grantor with copies of contracts or other agreements to which Grantee is a party with any other State agency.

**ARTICLE XX**

**CONFLICT OF INTEREST**

20.1. **Required Disclosures.** Grantee must immediately disclose in writing any potential or actual Conflict of Interest to the Grantor. 2 CFR 200.112 and 44 Ill. Admin. Code 7000.40(b)(3).

20.2. **Prohibited Payments.** Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person currently holding an elective office in this State including, but not limited to, a seat in the General Assembly. In addition, where the Grantee is not an instrumentality of the State of Illinois, as described in this Paragraph, Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person employed by an office or agency of the state of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor’s annual salary, or $106,447.20 (30 ILCS 500/50-13). An instrumentality of the State of Illinois includes, without limitation, State departments, agencies, boards, and State universities. An instrumentality of the State of Illinois does not include, without limitation, municipalities and units of local government and related entities. 2 CFR 200.64.

20.3. **Request for Exemption.** Grantee may request written approval from Grantor for an exemption from Paragraph 20.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and that Grantor may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as Grantor may require.

**ARTICLE XXI**

**EQUIPMENT OR PROPERTY**

21.1. **Transfer of Equipment.** Grantor shall have the right to require that Grantee transfer to Grantor any equipment, including title thereto, purchased in whole or in part with Grantor funds, if Grantor determines that Grantee has not met the conditions of 2 CFR 200.439. Grantor shall notify Grantee in writing should Grantor require the transfer of such equipment. Upon such notification by Grantor, and upon receipt or delivery of such equipment by Grantor, Grantee will be deemed to have transferred the equipment to Grantor as if Grantee had
executed a bill of sale therefor.

21.2. **Prohibition against Disposition/Encumbrance.** The Grantee is prohibited from, and may not sell, transfer, encumber (other than original financing) or otherwise dispose of said equipment, material, or real property during the Grant Term without Prior Approval of Grantor. Any real property acquired using Grant Funds must comply with the requirements of 2 CFR 200.311.

21.3. **Equipment and Procurement.** Grantee must comply with the uniform standards set forth in 2 CFR 200.310–200.316 governing the management and disposition of property which cost was supported by Grant Funds. Any waiver from such compliance must be granted by either the President’s Office of Management and Budget, the Governor’s Office of Management and Budget, or both, depending on the source of the Grant Funds used. Additionally, Grantee must comply with the standards set forth in 2 CFR 200.317-200.326 for use in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Grant Funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal and state statutes and executive orders.

21.4. **Equipment Instructions.** Grantee must obtain disposition instructions from Grantor when equipment, purchased in whole or in part with Grant Funds, are no longer needed for their original purpose. Notwithstanding anything to the contrary contained within this Agreement, Grantor may require transfer of any equipment to Grantor or a third party for any reason, including, without limitation, if Grantor terminates the Award or Grantee no longer conducts Award activities. The Grantee shall properly maintain, track, use, store and insure the equipment according to applicable best practices, manufacturer’s guidelines, federal and state laws or rules, and Grantor requirements stated herein.

**ARTICLE XXII**
**PROMOTIONAL MATERIALS; PRIOR NOTIFICATION**

22.1. **Publications, Announcements, etc.** Use of Grant Funds for promotions is subject to the prohibitions for advertising or public relations costs in 2 CFR 200.421(e). In the event that Grantor funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Grantee shall obtain Prior Approval for the use of those funds (2 CFR 200.467) and agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase “Funding provided in whole or in part by the [Grantor].” Exceptions to this requirement must be requested, in writing, from Grantor and will be considered authorized only upon written notice thereof to Grantee.

22.2. **Prior Notification/Release of Information.** Grantee agrees to notify Grantor ten (10) days prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with Grantor in joint or coordinated releases of information.

**ARTICLE XXIII**
**INSURANCE**

23.1. **Maintenance of Insurance.** Grantee shall maintain in full force and effect during the Term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real or personal property, or both, purchased or, otherwise acquired, or improved in whole or in part, with funds disbursed pursuant to this Agreement. 2 CFR 200.310. Additional insurance requirements may be detailed in **PART TWO** or **PART THREE**.
23.2. **Claims.** If a claim is submitted for real or personal property, or both, purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to Grantor.

**ARTICLE XXIV**  
**LAWSUITS**

24.1. **Independent Contractor.** Neither Grantee nor any employee or agent of Grantee acquires any employment rights with Grantor by virtue of this Agreement. Grantee will provide the agreed services and achieve the specified results free from the direction or control of Grantor as to the means and methods of performance. Grantee will be required to provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, Grantor makes any such equipment or supplies available to Grantee, Grantee’s use of such equipment or supplies provided by Grantor pursuant to this Agreement shall be strictly limited to official Grantor or state of Illinois business and not for any other purpose, including any personal benefit or gain.

24.2. **Liability.** Neither Party shall be liable for actions chargeable to the other Party under this Agreement including, but not limited to, the negligent acts and omissions of Party’s agents, employees or subcontractors in the performance of their duties as described under this Agreement, unless such liability is imposed by law. This Agreement shall not be construed as seeking to enlarge or diminish any obligation or duty owed by one Party against the other or against a third party.

**ARTICLE XXV**  
**MISCELLANEOUS**

25.1. **Gift Ban.** Grantee is prohibited from giving gifts to State employees pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/10-10) and Executive Order 15-09.

25.2. **Access to Internet.** Grantee must have Internet access. Internet access may be either dial-up or high-speed. Grantee must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from Grantor. Grantee may list additional e-mail addresses at any time during the Term of this Agreement. The additional addresses may be for a specific department or division of Grantee or for specific employees of Grantee. Grantee must notify Grantor of any e-mail address changes within five (5) business days from the effective date of the change.

25.3. **Exhibits and Attachments.** Exhibits A through G, PART TWO, PART THREE, if applicable, and all other exhibits and attachments hereto are incorporated herein in their entirety.

25.4. **Assignment Prohibited.** Grantee acknowledges that this Agreement may not be sold, assigned, or transferred in any manner by Grantee, to include an assignment of Grantee’s rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer by Grantee without the Prior Approval of Grantor in writing shall render this Agreement null, void and of no further effect.

25.5. **Amendments.** This Agreement may be modified or amended at any time during its Term by mutual consent of the Parties, expressed in writing and signed by the Parties.
25.6. **Severability.** If any provision of this Agreement is declared invalid, its other provisions shall not be affected thereby.

25.7. **No Waiver.** No failure of either Party to assert any right or remedy hereunder will act as a waiver of either Party’s right to assert such right or remedy at a later time or constitute a course of business upon which either Party may rely for the purpose of denial of such a right or remedy.

25.8. **Applicable Law; Claims.** This Agreement and all subsequent amendments thereto, if any, shall be governed and construed in accordance with the laws of the state of Illinois. Any claim against Grantor arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 et seq. Grantor does not waive sovereign immunity by entering into this Agreement.

25.9. **Compliance with Law.** This Agreement and Grantee’s obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and State laws, including, without limitation, federal regulations, State administrative rules, including 44 Ill. Admin. Code 7000, and any and all license requirements or professional certification provisions.

25.10. **Compliance with Confidentiality Laws.** If applicable, Grantee shall comply with applicable state and federal statutes, federal regulations and Grantor administrative rules regarding confidential records or other information obtained by Grantee concerning persons served under this Agreement. The records and information shall be protected by Grantee from unauthorized disclosure.

25.11. **Compliance with Freedom of Information Act.** Upon request, Grantee shall make available to Grantor all documents in its possession that Grantor deems necessary to comply with requests made under the Freedom of Information Act. (5 ILCS 140/7(2)).

25.12. **Precedence.** In the event there is a conflict between this Agreement and any of the exhibits or attachments hereto, this Agreement shall control. In the event there is a conflict between PART ONE and PART TWO or PART THREE of this Agreement, PART ONE shall control. In the event there is a conflict between PART TWO and PART THREE of this Agreement, PART TWO shall control. In the event there is a conflict between this Agreement and relevant statute(s) or Administrative Rule(s), the relevant statute(s) or rule(s) shall control.

25.13. **Illinois Grant Funds Recovery Act.** In the event of a conflict between the Illinois Grant Funds Recovery Act and the Grant Accountability and Transparency Act, the provisions of the Grant Accountability and Transparency Act shall control. 30 ILCS 708/80.

25.14. **Headings.** Article and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

25.15. **Entire Agreement.** Grantee and Grantor acknowledge that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Grantee or Grantor.

25.16. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

25.17. **Attorney Fees and Costs.** Unless prohibited by law, if Grantor prevails in any proceeding to
enforce the terms of this Agreement, including any administrative hearing pursuant to the Grant Funds Recovery Act or the Grant Accountability and Transparency Act, the Grantor has the right to recover reasonable attorneys’ fees, costs and expenses associated with such proceedings.

25.18. **Continuing Responsibilities.** The termination or expiration of this Agreement does not affect: (a) the right of the Grantor to disallow costs and recover funds based on a later audit or other review; (b) the obligation of the Grantee to return any funds due as a result of later refunds, corrections or other transactions, including final indirect cost rate adjustments, including those funds obligated pursuant to ARTICLE XVI; (c) the Consolidated Year-End Financial Report; (d) audit requirements established in **Error! Reference source not found.**; (e) property management and disposition requirements established in 2 CFR 200.310 through 2 CFR 200.316 and ARTICLE XXI; or (f) records related requirements pursuant to ARTICLE XI. 44 Ill. Admin. Code 7000.450.

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EXHIBIT A

Project Description

1. List the county (ies) the program will serve.
   Kane and part of Cook County

2. Check each of the population groups the program will serve:
   x Young children (age 0-5)
   x Children (age 6-12)
   x Adolescents (age 13-17)
   x Young adults (age 18-24)
   x Adults (age 25-59)
   x Older Adults (age 60+)

Program Design

1. Reflecting on program performance during the first grant period, the first 18 months (01/01/18 – 06/30/19), describe the direct services that will be provided in the next 18-month periods of funding (07/01/19 – 12/31/20):

   a) Include the number of total victims serviced by this program in during the first grant period (i.e. Year One plus the extended 6 months), whether the program has a waiting list for services and which program services need to be provided to address victim needs.

   • The total number of victims who received at least one VOCA service from January 2018-February 2019 is 5,063.

   • We did not have or need a waiting list.

   • The services victims have needed and that can be provided directly by the Elgin Police Department are the following:

     o Information and Referral, which includes information regarding victims’ rights, victim compensation, and contact information for additional information and services, and referrals to other agencies as needed, e.g., homeless shelters, medical clinics, public aid office, State’s Attorney’s Office, legal assistance organizations, daycare facilities, charity organizations, financial counseling, etc.

     o Personal Advocacy, which includes case management and coordinating services from other agencies on behalf of the client.
b) Describe any adjustments to the objectives detailed in Performance Measures and the rationale for these adjustments.

For all categories of the VOCA grant services, except the Information and Referral category, we have reduced the projected numbers of victims who will receive services from the VOCA staff during the new grant period. These new projections reflect our experience and what we have learned about the diverse needs of victims of all types of crimes, as explained in the section above, Review of Past Program Performance.

c) Grantees must offer certain services to victims as outlined below.

i. **ALL** grantees must provide the following services to their clients: a) respond to the emotional, psychological, or physical needs of crime victims; b) assist victims to stabilize their lives after victimization; c) assist victims to understand and participate in the criminal justice system; or d) restore a measure of security and safety for the victim. **ALL** grantees must describe how these services will be offered to adult and child victims, including the rationale.

VOCA staff will continue to provide the following services:

a) Respond to the emotional, psychological or physical needs of crime victims through providing trauma-informed crisis intervention and counseling, information and referrals to other agencies or to medical clinics, and personal advocacy and case management as needed to ensure victims receive services from other appropriate community resources.

b) Assist victims to stabilize their lives through ongoing emotional support and personal advocacy and criminal advocacy as needed.

c) Assist victims to understand and participate in the criminal justice system through notifying them of court events, transporting them to court events, accompanying them at court events, and assisting them in communicating with the State’s Attorney and other legal organizations to ensure they understand their victims’ rights and the criminal justice process.
d) Restore a measure of security and safety for the victim through developing safety plans, assisting them in obtaining Orders of Protection, and working as a liaison with the State’s Attorney and other agencies working on behalf of the victim.

ii. **Track One (i.e. Law Enforcement/Prosecution),** grantees are required to utilize advocate(s) to provide crisis intervention and case management. Case management services include: a) assessment and development of a service plan to facilitate a client’s progress; b) information and referrals needed for services; c) advocacy; and, d) ongoing emotional support. Advocacy services must include one or more the following: a) assisting victims in securing rights and services from other agencies; b) writing a victim impact statement; c) completing victim compensation work, or obtaining criminal or civil protection orders; d) intervening with employers, creditors and others on behalf of the victim; and, e) accompanying victims to the hospital, etc (as outlined in the chart above). Track One (i.e. Law Enforcement/Prosecution) grantees must indicate which of these additional services were provided for clients, and describe the rationale for doing so. Also indicate how these services were provided (e.g. in agency, through a subcontracted specialized professional, or from a collaborative partner agency).

The following page provides a table that addresses all of the itemized services above, including the rationale for providing the services and whether each service was directly provided by the Elgin Police Department (EPD) VOCA staff or by another organization within the community:
<table>
<thead>
<tr>
<th>Service</th>
<th>Rationale</th>
<th>Provided by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Service Plan</td>
<td>To identify and meet the victims’ needs and to assess the victims’ progress on achieving their goals</td>
<td>EPD VOCA Staff</td>
</tr>
<tr>
<td>b) Information and Referrals</td>
<td>To ensure victims are aware of their rights, community resources, and contact information for further information and assistance</td>
<td>EPD VOCA Staff and Elgin Police Officers</td>
</tr>
<tr>
<td>c) Advocacy</td>
<td>To ensure victims secure their rights, obtain orders of protections, and are able to understand and participate in either the civil or criminal court to ensure their safety and emotional needs are met. Also to ensure victims’ basic needs are met.</td>
<td>EPD VOCA Staff, and, as needed, working in collaboration with the State’s Attorney and other legal organizations. For basic needs such as food and shelter, emergency financial assistance, and medical treatment, VOCA staff refers victims to the appropriate community resources, including local homeless shelters, medical clinics, rehab programs, charity organizations, the Public Aid Office, Daycare Centers, Financial Counseling agencies, etc.</td>
</tr>
<tr>
<td>d) Ongoing Emotional Support</td>
<td>To assist victims in recovering from the trauma of victimization, stabilizing their lives, and increasing their ability to function in all areas of their lives, personal and professional.</td>
<td>EPD VOCA Staff, and, as needed, working with appropriate community resources such as psychiatrists, physicians, school counselors/social workers, and other sexual assault and domestic violence advocates.</td>
</tr>
</tbody>
</table>
2. Use the table below to detail the program staffing plan, including VOCA and match-funded positions.

<table>
<thead>
<tr>
<th>VOCA and Match-funded Program Staff Positions</th>
<th># of Positions</th>
<th>Total FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>For example: Victim Advocate</td>
<td>3</td>
<td>.75</td>
</tr>
<tr>
<td>Victim Services Interventionist</td>
<td>1</td>
<td>100</td>
</tr>
<tr>
<td>Victim Services Bi-lingual Interventionist</td>
<td>1</td>
<td>100</td>
</tr>
<tr>
<td>Victim Services Specialist</td>
<td>1</td>
<td>100</td>
</tr>
</tbody>
</table>
## EXHIBIT B

### DELIVERABLES OR MILESTONES

<table>
<thead>
<tr>
<th>Task</th>
<th>Staff Position Responsible</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide VOCA direct services to victims, with highest priority given to victims of Part-One (violent) crimes.</td>
<td>All staff</td>
<td>1/1/2019</td>
<td>12/31/2020</td>
</tr>
<tr>
<td>Coordinate VOCA data tracking</td>
<td>Victim Services Specialist</td>
<td>1/1/2019</td>
<td>12/31/2020</td>
</tr>
<tr>
<td>Submit monthly/quarterly Fiscal Report to the Authority</td>
<td>Victim Services Coordinator/Supervisor</td>
<td>1/1/2019</td>
<td>12/31/2020</td>
</tr>
<tr>
<td>Submit quarterly Progress Report to the Authority and Enter metrics in PMT system.</td>
<td>Victim Services Specialist</td>
<td>1/1/2019</td>
<td>12/31/2020</td>
</tr>
<tr>
<td>Complete all Fiscal and Programmatic Closeout Materials</td>
<td>Victim Services Specialist and Victim Services Coordinator/Supervisor</td>
<td>1/1/2019</td>
<td>12/31/2010</td>
</tr>
</tbody>
</table>
EXHIBIT C

PAYMENT

Grantee shall receive a maximum of $389,063 under this Agreement.

The Grantor agrees to make payment to the Grantee for the administration and implementation of the program described in Exhibits A, B, E, F and G. Upon receipt of the fiscal and progress reports described in Part Two of this Agreement, payments will be made to the Grantee. No payment will be made until all outstanding reports are received by the Grantor, including outstanding reports from previously funded Grantor programs. No payment will be made to Grantee unless and until Grantee is in full compliance with applicable State and federal laws and the terms and conditions of this agreement.

The maximum amount of federal funds payable under this agreement is dependent on the performance of Grantee in accordance with the terms and conditions of this agreement.

Grantee must provide for the deposit of federal funds into a bank account in the name of the Grantee. Federal funds shall be immediately deposited into such bank account. Grantee may deposit such funds into an account separate from any of its other bank accounts, or treat such funds as a separate line item per its budget and audited financial statements. If Grantee receives more than one award from the Grantor, Grantee shall ensure that the federal funds for each award are accounted for separately.
EXHIBIT D

CONTACT INFORMATION

CONTACT FOR NOTIFICATION:

Unless specified elsewhere, all notices required or desired to be sent by either Party shall be sent to the persons listed below.

GRANTOR CONTACT

Name: Rise’ Evans
Title: Criminal Justice Specialist I
Address: 300 W. Adams, Ste 200, Chicago, IL 60606
Phone: 312-893-8910
TTY#: _____________________________
Fax#: _____________________________
E-mail Address: Rise.Evans@illinois.gov

GRANTEE CONTACT

Name: Joann Stingley
Title: Victim Assistance Coordinator
Address: 150 Dexter Court, Elgin, IL 60120
Phone: 847-289-2686
TTY #: _____________________________
Fax #: 847-289-2750
E-mail Address: Stingley_J@cityofelgin

Additional Information: ________________________________
**EXHIBIT E**

**PERFORMANCE MEASURES**

**Goal:** To provide advocacy services to victims of crime.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SCREENING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># 4,000 victims screened for eligibility by your agency.</td>
<td># of victims screened for eligibility by your agency.</td>
<td>5,189</td>
<td>Yes</td>
<td>5,000</td>
</tr>
<tr>
<td></td>
<td># of victims not eligible for services by your agency and referred to a victim service provider. Please list the agencies to which you referred. State’s Attorney, Legal agencies, local shelters, and DCFS</td>
<td>127 (A number given in the first quarterly report due to confusion on eligibility criteria early during the grant period. See question 4 later in this document for explanation.)</td>
<td>N/A</td>
<td>0 (Because all victims are eligible.)</td>
</tr>
<tr>
<td># 4,000 clients will be provided services by your agency.</td>
<td># of clients provided services by your agency.</td>
<td>5,063</td>
<td>Yes</td>
<td>5,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INFORMATION &amp; REFERRAL</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td># 4,000 clients will receive information about the criminal justice process.</td>
<td># of clients provided information about the criminal justice process.</td>
<td>5,063</td>
<td>Yes</td>
<td>5,000</td>
</tr>
<tr>
<td></td>
<td># of times staff provided information about the criminal justice process.</td>
<td>5,063</td>
<td>N/A</td>
<td>5,000</td>
</tr>
<tr>
<td># 4,000 clients will receive information about victim rights, how to obtain notifications, etc.</td>
<td># of clients provided information about victim rights, how to obtain notifications, etc.</td>
<td>5,063</td>
<td>Yes</td>
<td>5,000</td>
</tr>
<tr>
<td># of times staff provided information about victim rights, how to obtain notifications, etc.</td>
<td>5,063</td>
<td>N/A</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td># of times staff provided referrals to other victim service providers.</td>
<td>94</td>
<td>No</td>
<td>95</td>
<td></td>
</tr>
<tr>
<td># of clients provided with referrals to other victim service providers. Please list the agencies to which you referred. State’s Attorney, Legal agencies, local shelters, and DCFS</td>
<td>96</td>
<td>N/A</td>
<td>95</td>
<td></td>
</tr>
<tr>
<td># of clients provided with referrals to other victim service providers.</td>
<td>79</td>
<td>No</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td># of clients provided with referrals to other services, supports, and resources (includes legal, medical, faith-based organizations, etc.)</td>
<td>86</td>
<td>N/A</td>
<td>80</td>
<td></td>
</tr>
</tbody>
</table>

**PERSONAL ADVOCACY/ACCOMPANIMENT**

<table>
<thead>
<tr>
<th>Process Objectives/Standards (Projected for the 1st 18 Month Period)</th>
<th>Process Performance Measures</th>
<th>1st 18 Month - Actual</th>
<th>1st 18 Month - Objective met?</th>
<th>2nd 18 Month – Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td># 4,000 clients will receive individual advocacy (e.g., assistance applying for public benefits).</td>
<td># of clients provided individual advocacy (e.g., assistance applying for public benefits).</td>
<td>156</td>
<td>No</td>
<td>160</td>
</tr>
<tr>
<td># of times staff provided individual advocacy (e.g., assistance applying for public benefits).</td>
<td>273</td>
<td>N/A</td>
<td>270</td>
<td></td>
</tr>
<tr>
<td># 4,000 clients will receive assistance filing for victim compensation.</td>
<td># of clients provided assistance filing for victim compensation.</td>
<td>25</td>
<td>No</td>
<td>25</td>
</tr>
<tr>
<td># of times staff provided assistance filing for victim compensation.</td>
<td>35</td>
<td>N/A</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td># 300 clients will receive assistance intervening with an employer, creditor, landlord, or academic institution.</td>
<td># of clients provided with assistance intervening with an employer, creditor, landlord, or academic institution.</td>
<td>20</td>
<td>No</td>
<td>20</td>
</tr>
<tr>
<td># of times staff provided assistance intervening with an employer, creditor, landlord, or academic institution.</td>
<td>21</td>
<td>N/A</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td># 150 clients will receive child or dependent care assistance.</td>
<td># of clients provided with child or dependent care assistance.</td>
<td>1</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td># of times staff provided child or dependent care assistance.</td>
<td>1</td>
<td>N/A</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td># 500 clients will receive transportation assistance.</td>
<td># of clients provided with transportation assistance.</td>
<td>33</td>
<td>No</td>
<td>30</td>
</tr>
<tr>
<td>---------------------------------------------------</td>
<td>---------------------------------------------------</td>
<td>----</td>
<td>----</td>
<td>----</td>
</tr>
<tr>
<td></td>
<td># of times staff provided transportation assistance</td>
<td>32</td>
<td>N/A</td>
<td>30</td>
</tr>
<tr>
<td># 1,000 clients will receive interpreter services.</td>
<td># of clients provided with interpreter services.</td>
<td>105</td>
<td>No</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td># of times staff provided interpreter services.</td>
<td>242</td>
<td>N/A</td>
<td>240</td>
</tr>
<tr>
<td># 500 clients will receive employment assistance (e.g., help creating a resume or completing a job application).</td>
<td># of clients provided with employment assistance (e.g., help creating a resume or completing a job application).</td>
<td>2</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td># of times staff provided employment assistance (e.g., help creating a resume or completing a job application).</td>
<td>4</td>
<td>N/A</td>
<td>0</td>
</tr>
</tbody>
</table>

**PERSONAL ADVOCACY/ACCOMPANIMENT** (Continued)

<table>
<thead>
<tr>
<th>Process Objectives/Standards (Projected for the 1st 18 Month Period)</th>
<th>Process Performance Measures</th>
<th>1st 18 Month - Actual</th>
<th>1st 18 Month - Objective met?</th>
<th>2nd 18 Month – Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td># 200 clients will receive education assistance (e.g., help completing a GED or college application).</td>
<td># clients provided with education assistance (e.g., help completing a GED or college application).</td>
<td>11</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td># of times staff provided education assistance (e.g., help completing a GED or college application).</td>
<td>31</td>
<td>N/A</td>
<td>0</td>
</tr>
<tr>
<td># 200 clients will receive economic assistance (e.g., help creating a budget, repairing credit, providing financial education).</td>
<td># of clients provided with economic assistance (e.g., help creating a budget, repairing credit, providing financial education).</td>
<td>7</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td># of times staff provided economic assistance (e.g., help creating a budget, repairing credit, providing financial education).</td>
<td>9</td>
<td>N/A</td>
<td>0</td>
</tr>
</tbody>
</table>

**EMOTIONAL SUPPORT OR SAFETY SERVICES**

<table>
<thead>
<tr>
<th>Process Objectives/Standards (Projected for the 1st 18 Month Period)</th>
<th>Process Performance Measures</th>
<th>1st 18 Month - Actual</th>
<th>1st 18 Month - Objective met?</th>
<th>2nd 18 Month – Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td># 4,000 clients will receive crisis intervention.</td>
<td># of clients provided with crisis intervention.</td>
<td>314</td>
<td>No</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td># of crisis intervention sessions provided by staff.</td>
<td>415</td>
<td>N/A</td>
<td>400</td>
</tr>
</tbody>
</table>
**SHELTER/HOUSING SERVICES**

<table>
<thead>
<tr>
<th>Process Objectives/Standards (Projected for the 1st 18 Month Period)</th>
<th>Process Performance Measures</th>
<th>1st 18 Month - Actual</th>
<th>1st 18 Month - Objective met?</th>
<th>2nd 18 Month – Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td># 500 clients will receive housing advocacy, or help with implementing a plan for obtaining housing (e.g., accompanying client to apply for Section 8 housing)</td>
<td># of clients provided with receive housing advocacy, or help with implementing a plan for obtaining housing (e.g., accompanying client to apply for Section 8 housing)</td>
<td>16</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td># of times staff provided assistance with receive housing advocacy, or help with implementing a plan for obtaining housing (e.g., accompanying client to apply for Section 8 housing)</td>
<td>19</td>
<td>N/A</td>
<td>0</td>
</tr>
</tbody>
</table>

**CRIMINAL/CIVIL JUSTICE SYSTEM ASSISTANCE**

<table>
<thead>
<tr>
<th>Process Objectives/Standards (Projected for the 1st 18 Month Period)</th>
<th>Process Performance Measures</th>
<th>1st 18 Month - Actual</th>
<th>1st 18 Month - Objective met?</th>
<th>2nd 18 Month – Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td># 4,000 clients will receive notification of criminal justice events (e.g., case status, arrest, court proceedings, case disposition, release, etc.)</td>
<td># of clients provided notification of criminal justice events.</td>
<td>105</td>
<td>No</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td># of times staff provided notification of criminal justice events.</td>
<td>114</td>
<td>N/A</td>
<td>100</td>
</tr>
<tr>
<td># 100 clients will receive victim impact statement assistance.</td>
<td># of clients provided victim impact statement assistance.</td>
<td>4</td>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td># 0 clients will receive assistance with restitution.</td>
<td># of clients provided assistance with restitution.</td>
<td>0</td>
<td>Yes</td>
<td>0</td>
</tr>
<tr>
<td># 500 clients will receive civil advocacy/accompaniment.</td>
<td># of clients provided civil advocacy/accompaniment</td>
<td>67</td>
<td>No</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td># of times staff provided civil advocacy/accompaniment.</td>
<td>100</td>
<td>N/A</td>
<td>60</td>
</tr>
<tr>
<td># 500 clients will receive criminal advocacy/accompaniment.</td>
<td># of clients provided criminal advocacy/accompaniment</td>
<td>57</td>
<td>No</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td># of times staff provided criminal advocacy/accompaniment.</td>
<td>80</td>
<td>N/A</td>
<td>40</td>
</tr>
</tbody>
</table>
## REQUIRED TRAININGS

<table>
<thead>
<tr>
<th>Process Objectives/Standards (Projected for the 1st 18 Month Period)</th>
<th>Process Performance Measures</th>
<th>1st 18 Month - Actual</th>
<th>1st 18 Month - Objective met?</th>
<th>2nd 18 Month – Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td># 3 staff will receive training on trauma</td>
<td># of staff trained</td>
<td>4</td>
<td>Yes</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td># of trainings on trauma held</td>
<td>4</td>
<td>Yes</td>
<td>2</td>
</tr>
</tbody>
</table>
EXHIBIT F

PERFORMANCE STANDARDS

See Exhibit E

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY
EXHIBIT G

SPECIFIC CONDITIONS

1. Program Agency will develop required controls that governs program delivery on accreditation/licensing compliance and document their implementation with six months of the agreement execution.

2. Program Agency will report all open positions to ICJIA within 60 days.

3. Program Agency will develop required standards on developing periodic grant status reports to inform stakeholders about program outcomes and document their implementation within three months of agreement execution.

4. Program Agency must document development of policies and procedures to ensure programmatic expenses are reasonable, necessary and allowable within three months of agreement execution.

5. Grantee agrees to comply with all of the terms and conditions required by the Department of Transportation as a result of Grantee’s Internal Controls Questionnaire (ICQ).

6. Grantor may remove (or reduce) a Specific Condition included in this Exhibit G by providing notice in writing to Grantee.

<table>
<thead>
<tr>
<th>ICQ Section</th>
<th>Conditions:</th>
<th>Risk Explanation:</th>
<th>How to Fix:</th>
<th>Timeframe:</th>
</tr>
</thead>
<tbody>
<tr>
<td>03-Financial and Regulatory Reporting (2 CFR 200.327)</td>
<td>Requires more detailed reporting;</td>
<td>Medium to high risk increases the likelihood that grant revenues and expenditures will be inaccurate that could result in misreporting, and an abusive environment.</td>
<td>Implementation of new or enhanced system, mitigating controls or a combination of both.</td>
<td>One year.</td>
</tr>
<tr>
<td>05-Cost Principles (2 CFR 200.400)</td>
<td>Requires additional prior approvals; Requires more detailed reporting; Requires monthly reporting;</td>
<td>Medium to high risk increases the likelihood unallowable costs or services, audit findings and questioned costs that would be required to be return to the state and federal government.</td>
<td>Implementation of additional controls for reviewing and approval expenditures.</td>
<td>One year from the implementation of additional controls.</td>
</tr>
<tr>
<td>ICQ Section:</td>
<td>11-Fraud, Waste and Abuse</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>----------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Conditions:</strong></td>
<td>Requires technical assistance including required training;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Risk Explanation:</strong></td>
<td>Medium to high risk increases the likelihood of fraud, waste and abuse occurring and not being identified in the normal course of employees duties, also decreases the likelihood of employees or clients not reporting fraud, waste and abuse.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>How to Fix:</strong></td>
<td>Corrective action including implementing a fraud awareness program including information on how to report fraud, waste and abuse without fear of retaliation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Timeframe:</strong></td>
<td>One year after implementation of corrective action.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PART TWO – THE GRANTOR-SPECIFIC TERMS

In addition to the uniform requirements in PART ONE, the Grantor has the following additional requirements for its Grantee:

1. **Definitions**

   “Authority” means the Illinois Criminal Justice Information Authority.

   “Program Agency” means the agency that is implementing the grant-funded program.

2. **Budget Changes.** Grantee may only make a discretionary line item transfer after providing written notification to Grantor.

3. **Costs Incurred.** Grantor shall not be responsible for costs incurred before or after the period of performance of this Agreement. At Grantor’s discretion, costs incurred before the execution date of this Agreement may be charged to this Agreement if included in the Budget, incurred during the period of performance, and Grantee performed in accordance with the terms and conditions of this Agreement. If Grantor finds undue delay on the part of Grantee in executing this Agreement, Grantee may not receive reimbursement for costs incurred prior to execution.

4. **Commencement of Performance.**

   4.1. If performance has not commenced within 60 days of the starting date of this agreement, Grantee agrees to report by letter to Grantor the steps taken to initiate the program, the reasons for the delay, and the expected starting date.

   4.2. If the program is not operational within 90 days of the starting date of this agreement, Grantee agrees to submit a second letter to Grantor explaining the implementation delay. Grantor may at its discretion either cancel this agreement or extend the implementation date of the program past the 90-day period.

   4.3. If the program is interrupted for more than 30 days after commencement, due to loss of staff or any other reason, Grantee agrees to notify Grantor in writing explaining the reasons for the interruption and the steps being taken to resume operation of the program. Grantor may, at its discretion, reduce the amount of federal funds awarded and/or terminate this agreement if the program is interrupted for more than 90 days.

   4.4. If this agreement is terminated due to this section, Grantor will only pay for those services rendered as of the date service delivery ceased. Any funds advanced to Grantee and not expended as of that date shall be repaid to Grantor upon notification by Grantor.

5. **Program Income.**

   5.1. "Program income" means gross income received by Grantee directly generated by a supported activity, or earned only as a result of the award during the period of performance, except as provided in 2 CFR 200.307, paragraph (f) (also see the definition of period of performance). Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under an
award, license fees and royalties on patents and copyrights, and principal and interest on loans made with grant funds. Interest earned on advances of grant funds is not program income. Except as otherwise provided in State or federal statutes, regulations, or the terms and conditions of the award, program income does not include rebates, credits, discounts and interest earned on any of them.

5.2. Program income must be used for the purposes and under the conditions applicable to the use of grant funds. The award proportion of program income must be accounted for up to the same ratio of the award as funded in the program. Program income may be retained by Grantee for any purpose that furthers the objectives of the grant program. Grantee shall report and account for such program income as required by the Grantor.


6.1. Unless another reporting schedule has been required or approved by Grantor, Grantee agrees to submit the following minimum data to Grantor on a quarterly basis, with quarters beginning at the start of the calendar year, within 15 days following the quarter covered by the report:

(a) Victim Statistics: Total number of victims and significant others served by program, type of crime, type of services provided, race, sex, age, national origin and disability, where such information is voluntarily furnished by those receiving services; and

(b) Staff Information: Number of hours and types of service contributed during the reporting period by paid and volunteer staff.

6.2. Grantee agrees to submit the following information as required by Grantor:

(a) Changes that have been made in the program since receiving the federal funds that will benefit victims of crime;

(b) A short description of how the program has coordinated its activities with other service providers in the community;

(c) A short description of how the program has assisted crime victims in seeking available crime victim compensation benefits;

(d) Victim statistics, including the total number of victims served by criminal justice status (i.e. reporting/non-reporting, prosecution/non-prosecution);

(e) Staff information, including the number of hours of training received by volunteers and paid staff;

(f) Program information and activities, including the number of hours of training presented, number of hours of public information and education programs presented; and

(g) Number of referrals to/from other agencies.

6.3. The financial reports should be submitted based on the following schedule:
6.4. Unless another reporting schedule has been required or approved by Grantor, Grantee is also
required to submit quarterly fiscal reports and to file year-end program financial status reports. The
Executive Director of the Authority will determine the content and form of these reports. Grantee agrees
to report any additional information required by the Executive Director of the Authority.

7. **Audit and Inspection.**

7.1. Known or suspected violations of any law encountered during audits, including fraud, theft,
embezzlement, forgery, or other serious irregularities, must be immediately communicated to Grantor
and appropriate federal, State, and local law enforcement officials.

7.2. Grantee agrees to develop and maintain a record-keeping system to document all agreement
related activities and expenditures. These records will act as the original source material for compilation
of the data required in this agreement and all other program activity.

Office of the Chief Financial Officer, and their representatives shall have access to and right to monitor,
audit and examine all relevant books, documents, papers, and records of Grantee, and to all relevant
books, documents, papers, and records of all subcontractors related to this Agreement.

7.4. Grantee understands and agrees that Grantor or OJP may withhold award funds, or may impose
other related requirements, if Grantee does not satisfactorily and promptly address outstanding issues
from audits required by the Part 200 Uniform Requirements (or by the terms of this award), or other
outstanding issues that arise in connection with audits, investigations, or reviews.

8. **Closeout requirements.** Within 30 days of the expiration date of this agreement or any approved
extension thereof the following documents must be submitted by Grantee to Grantor: (a) final financial
status report; (b) final progress reports; (c) property inventory report and (d) other documents required
by Grantor.

9. **Procurement Requirements and Requests for Proposals.**

9.1. All procurement transactions shall be conducted by Grantee in a manner to provide, to the
maximum extent practical, open and free competition. Grantee must use procurement procedures that
minimally adhere to all applicable laws, executive orders and federal guidelines. Grantee shall also
adhere, and assure that its contractors and subcontractors adhere, to all applicable certification and
disclosure requirements of the Illinois Procurement Code.

9.2. Grantee shall follow its established procurement process if it minimally adheres to applicable
federal guidelines, and the following requirements. If Grantee’s established procurement process is less
competitive than the following requirements, the following more competitive requirements must be
adhered to in lieu of Grantee’s procurement process.
For procurements of $100,000 or less, Grantee must solicit quotes or bids from at least three sources.

For procurements over $100,000, Grantee must formally advertise the proposed procurement through an Invitation for Bids (IFB), or a Request for Proposals (RFP) process.

9.3. All RFP or IFB that involve the use of federal or matching funds, must be submitted by Grantee to Grantor for review and approval prior to their issuance. In addition, Grantee shall notify and submit for approval to Grantor any other relevant procurement documents including but not limited to Request For Information (RFI).

9.4. As required by Grantor, Grantee shall submit documentation regarding its procurement procedures and grant-funded purchases for Grantor review and approval, to assure adherence to applicable federal guidelines.

9.5. Grantee agrees to comply with applicable provisions of the Illinois Procurement Code (30 ILCS 500) prohibiting conflicts of interest, and all the terms, conditions and provisions of the code apply to this agreement and are made a part of this agreement the same as though they were incorporated and included herein.

9.6. No employee, officer or agent of grantee shall participate in the selection, or in the award or administration of a contract supported by grant funds if a conflict of interest, real or apparent, would be involved. Grantee shall establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others.

10. Sub-contracting.

10.1. The use of subcontractors for any work or professional services that involves the use of federal or matching funds is subject to Grantor approval. Any work or professional services sub-contracted for shall be specified by written contract and subject to all terms and conditions contained in this agreement. If the use of sub-contractors is approved by Grantor, the terms and conditions of this agreement shall apply to and bind the party or parties to whom such work is subcontracted as fully and completely as Grantee is bound and obligated. Grantee shall make reasonable efforts to assure that all sub-contractors adhere to the terms and conditions of this agreement. Grantor shall not be responsible for the performance, acts or omissions of any sub-contractor.

10.2. When applicable, Grantee is required to submit a copy of the sub-contract, Addendum to the Agreement, Required Documentation for Contractor Payment with Compensation and Rate of Pay certifications form, and Sole Source Justification form to Grantor for approval prior to hiring the contractor.

10.3. As required by Grantor, Grantee shall submit documentation regarding contracts to be funded with federal or matching funds for Grantor review and approval, to assure adherence to applicable federal guidelines.

10.4. Approval of the use of sub-contractors by Grantor does not relieve Grantee of its obligation to assure performance under this agreement. Grantee shall be responsible for the recovery of any unspent and/or misspent grant funds paid to the subcontractor by Grantee.
10.5. Grantee agrees to comply with Grantor’s written policy and guide on sub-contracts.

11. Management and Disposition of Equipment and Commodities.

11.1. Equipment and commodities acquired by Grantor with Grantor funds shall be used for purposes of the program described in the attached exhibits only. Grantee may retain the equipment and commodities acquired with agreement funds as long as they serve to accomplish program purposes, whether or not the program continues to be supported by Grantor grant funds, but such determinations as to retention are within the sole discretion of Grantor. If the equipment or commodities originally purchased for the program are no longer capable of fulfilling the needs of the program and must be traded in or replaced, or there is no longer a need for the equipment or commodities, Grantee shall request instructions from Grantor.

11.2. Grantor may deny equipment and commodities costs or require that Grantee relinquish already purchased equipment and commodities to Grantor if Grantee fails to employ an adequate property management system governing the use, protection, and management of such property. Grantee is responsible for replacing or repairing equipment and commodities that are willfully or negligently lost, stolen, damaged or destroyed. Grantee shall provide equivalent insurance coverage for grant funded equipment and commodities as provided for other equipment and commodities owned by Grantee. Any loss, damage or theft of equipment and commodities shall be investigated and fully documented, and immediately reported to Grantor.

11.3. If, for an item of equipment described in the Budget to be purchased with Grantor funds, Grantee does not have, at a minimum, a purchase order dated within 90 days after the start date of the agreement, Grantee shall submit a letter to Grantor explaining the delay in the purchase of equipment. Grantor may, in its discretion:

(a) Reduce the amount of funding;
(b) Cancel this agreement;
(c) Allow Grantee to reallocate the funds that were allocated for such equipment to other allowable Grantor approved costs; or
(d) Extend the period to purchase this equipment past the 90-day period.

11.4. Equipment purchased using Grantor funds shall be made available for inspection during site visits, and upon request of Grantor as part of its grant monitoring and oversight responsibilities.

11.5. Grantee must use procedures for managing equipment (including replacement equipment) acquired in whole or in part with grant funds, until disposition takes place, that, at a minimum, meet the following requirements:

A. Property records. Property records must be maintained to include all of the following information: (1) Description of the property, (2) Serial number or other (3) Identification number, (4) Source of the property, including the federal award, (5) Identification number, (6) Identification of the title holder, (7) Acquisition date, (8) Cost of the property, (9) Percentage of Federal participation in the cost of the property, (10) Location of the property, (11) Use and condition of the property, and (12) Disposition data, including the date of disposal and sale price

B. Inventory. A physical inventory of the property must be taken and the results reconciled with the property records at least once every 2 years.
C. Maintenance procedures. Adequate maintenance procedures must be established and used to keep the property in good condition.

D. Control system. A control system must be in place with adequate safeguards to prevent loss, damage, and theft.

i. Promptly and properly investigate and fully document any loss, damage, or theft, and make the documentation part of the official project records. 2 C.F.R. § 200.313 (d)(3).

ii. Provide at a minimum, the equivalent insurance coverage for equipment acquired with grant funds that Grantee owns. 2 C.F.R. § 200.310.

iii. Grantee is responsible for replacing or repairing property that is willfully or negligently lost, stolen, damaged, or destroyed.

E. Proper sales procedures. If authorized or required to sell the property, Grantee must establish proper sales procedures to ensure the highest possible return.

11.6. Grantee must compensate Grantor for the grant-making component for its share of residual inventory of unused supplies if both of the following apply:

A. The residual inventory of unused supplies exceeds $5,000 in total aggregate fair market value upon termination or completion of the funding support.

B. The supplies are no longer needed for any other federally sponsored program, if paid with federal grant funds, or Grantor sponsored program, if paid with state funds.

12. Conflicts of Interest in Hiring and Procurements. No employee, officer, or agent of Grantee shall participate in the selection of a contractor, award of a contract, administration of a contract, or hiring of personnel supported by grant funds if a conflict of interest, real or apparent, would be involved. Grantee shall establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others.


14. Disclosure of Solicitation for Employment. Grantee shall notify Grantor's Ethics Officer if Grantee solicits or intends to solicit for employment any of the Grantor's employees during any part of the award funding process or during the term of any interagency agreement awarded.

15. Copyrights and Patents.

15.1. If this agreement results in a copyright, Grantor and the Office of Justice Programs reserve a royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for government purposes, the work or the copyright to any work developed under this agreement and any rights of copyright to which a grantee, sub-grantee or a contractor purchases ownership with grant support.
15.2. If this agreement results in the production of patentable items, patent rights, processes, or inventions, Grantee shall immediately notify Grantor. Grantor will provide Grantee with further instruction on whether protection on the item will be sought and how the rights in the item will be allocated and administered in order to protect the public interest, in accordance with federal guidelines.


16.1. Grantee shall submit to Grantor for review, a draft of any publication that will be issued by Grantee describing or resulting from programs or projects funded in whole or in part with federal or matching funds, no later than 60 days prior to its printing.

16.2. For publications over 20 pages, Grantor will submit comments to Grantee no later than 30 days after receipt of the draft. If more than one such publication is submitted, Grantor reserves the right to extend the 30-day review period.

16.3. For publications of 20 pages or less, Grantor will submit comments to Grantee no later than 10 working days after receipt of the draft. If more than one such publication is submitted, Grantor reserves the right to extend the 10-day review period.

16.4. Grantor reserves the right to require the resubmission of any publication for additional review and comment, prior to its printing.

16.5. Grantee shall submit to Grantor, copies, the number of which will be specified by Grantor, of the final publication no later than 20 days prior to release of the final publication.

16.6. Exceptions to the above publication requirements may be granted upon prior Grantor approval.

16.7. Any such publication shall contain the following statement:

"This project was supported by Grant #2018-V2-GX-0070, awarded by the Office for Victims of Crime, Office of Justice Programs, U.S. Department of Justice, through the Illinois Criminal Justice Information Authority. Points of view or opinions contained within this document are those of the author and do not necessarily represent the official position or policies of the U.S. Department of Justice, or the Illinois Criminal Justice Information Authority."

16.8. Publications subject to these requirements include any planned, written, visual or sound materials, including but not limited to, brochures, booklets, videos, posters, radio and television announcements, training fliers, interim or final reports, and conference and presentation materials, that are substantively based on the project and prepared by Grantee. These requirements are inapplicable to press releases, newsletters and issue analyses.

17. Sub-Contractor and Sub-Grantee Transparency Act Compliance. Grantee and Program Agency further agree that all agreements entered into with sub-grantees or contractors, shall require compliance by the sub-grantee or contractor with the Federal Funding Accountability and Transparency Act of 2006 including obtaining a DUNS number and maintaining registration with SAM.gov. The acquisition of a DUNS number and registration with SAM.gov is not required of sub-grantees and contractors who are individuals.

18. Renegotiation, Modification, or Amendment. No alteration, variation, modification, termination, addition to or waiver of any provisions of this agreement shall be valid or binding unless in writing, and signed by
the parties. The parties agree to renegotiate, modify, or amend this agreement to ensure continued consistency with federal and State laws, and regulations.

19. Failure to File in a Timely Fashion. Failure to meet the reporting dates established for the particular reports shall result in the “freezing” of all funds, in addition to any other remedy stated in this agreement. The frozen funds shall not be limited to a particular grant that is delinquent, but all grant funds that Grantee has with Grantor shall be frozen. Funds will be released following the completion of all the reporting requirements.

20. Reporting Grant Irregularities.

20.1. Grantee shall promptly notify Grantor through their Grant Monitor when an allegation is made, or Grantee otherwise receives information, reasonably tending to show the possible existence of any irregularities or illegal acts in the administration of grant funds. Grantor, per its agency policy, shall determine the reasonableness of the allegation of the irregularities or illegal action and determine the appropriate course of action. Possible actions would include conducting an internal audit or other investigation or contacting the proper authorities. Illegal acts and irregularities shall include but are not limited to such matters as conflicts of interest, falsification of records or reports both data, fiscal and programmatic, and the misappropriation of funds or other assets.

20.2. Grantee shall inform any sub-grantee of Grantor’s grant funds that the sub-grantee is similarly obligated to report irregularities and Grantee shall provide a copy of Grantor’s policy to any sub-recipient. A copy of Grantor’s policy is available on the web at http://www.icjia.state.il.us/public/.

20.3. Failure to report known irregularities can result in suspension of the Interagency Agreement or other remedial action. In addition, if Grantee’s auditor or other staff becomes aware of any possible illegal acts or other irregularities prompt notice shall be given to Grantee’s director. Grantee, in turn, shall promptly notify Grantor as described above of the possible illegal acts or irregularities. If the possible misconduct involves Grantee’s director, Grantee staff member shall provide prompt notice directly to Grantor.

20.4. In addition, Grantor, if in its judgment there is a reasonable allegation of irregularity or illegal act, shall inform the Office of Justice Program’s Office of the Comptroller, the Department of Justice’s Office of Professional Responsibility and the Office of Inspector General, and state and local law enforcement agencies or prosecuting authorities, as appropriate, of any known violations of the law within their respective area of jurisdiction.

20.5. The reporting of any irregularities, illegal acts and the proposed or actual corrective action shall be reported to Grantor at:

Illinois Criminal Justice Information Authority
Attn: Grant Monitor
300 W. Adams Suite 200
Chicago, IL 60606
Phone: 312-793-8550


21.1. Grantee certifies that it is not presently subject to a grant funds recovery action under the Illinois...
Grant Funds Recovery Act (30 ILCS 705) or an Involuntary Withholding by the State of Illinois or any other state. Grantee also certifies that a grant recovery action has not been initiated against it by any grantor, or an Involuntary Withholding by the State of Illinois or any other state within the past five (5) years.

21.2. Grantee shall notify Grantor if it is currently the subject of a grant funds recovery action, has been the party to a grant funds recovery action in the past five (5) years, is currently subject to an Involuntary Withholding by the State of Illinois or any other state, or has been subject to an Involuntary Withholding by the State of Illinois or any other state within the past five (5) years. If Grantee is a party to a grant funds recovery action, has been a party to a grant funds recovery action within the past five (5) years, becomes a party to a grant funds recovery action, is subject to an Involuntary Withholding, or has been the subject to an Involuntary Withholding within the past five (5) years, or becomes subject to an Involuntary Withholding, Grantor may terminate this agreement at Grantor’s discretion.


22.1. Grantee certifies that its own and its sub-grantees’ and its sub-contractors’ board members, executive officers, directors, administrators, supervisors, managers, and financial officers and anyone holding such a position of authority have not been convicted of theft, fraud, or any other crime involving dishonesty within the past ten (10) years.

22.2. Grantee shall notify Grantor if any of its own or any of its sub-grantees’ and/or its sub-contractors’ board members, executive officers, directors, administrators, supervisors, managers, or financial officers or anyone holding such a position of authority have been convicted of theft, fraud, or any other crime involving dishonesty within the past ten (10) years or become convicted of theft, fraud, or any other crime involving dishonesty. Grantor may terminate this agreement, at the Grantor’s sole discretion, if Grantee’s or any of its sub-grantees’ and/or its sub-contractors’ board members, executive officers, directors, administrators, supervisors, managers, or financial officers or anyone holding such a position of authority have been convicted of theft, fraud, or other crime of dishonesty within the past ten (10) years or become convicted of theft, fraud, or any crime involving dishonesty.

23. Time Keeping.

23.1. Grantee shall, in furtherance of its performance of all aspects of the program description and budget as set forth in the attached exhibits and the Budget, maintain time keeping records for all grant-funded and match personnel as follows:

A. Personnel who spend less than 100% of their time on the funded program must maintain a Personnel Activity Report (PAR) that accurately reflects the time the employee spends performing the program and any other duties. The PAR must:
   1. reflect an after-the-fact distribution of the employee’s actual activity (not budgeted time);
   2. account for attendance and the daily total activity for which the employee is compensated (by all funding sources);
   3. be prepared at least monthly and coincide with one or more pay periods;
   4. be signed by the employee and approved by a supervisor having firsthand knowledge of the work performed; and
   5. be supplemented with daily attendance timesheets.
B. **Personnel who spend 100% of their time on the funded program** must certify on a semi-annual basis. This time certification form must:
   1. include an after-the-fact certification that 100% of the employee’s time was spent in support of activities associated with the program;
   2. be signed every six months by the employee and a supervisor having firsthand knowledge of the employee’s work; and
   3. be supplemented with daily attendance timesheets.

23.2. Payroll records must reflect either the after-the-fact distribution of an employee’s actual activities or the certification of an employee’s actual work performed.

23.3. Volunteers whose time fulfills a match requirement must complete a daily attendance timesheet or log that includes dates and hours worked on the grant program.

23.4. Along with each quarterly report, Grantee shall submit a Quarterly Time Keeping Certification to Grantor. The Quarterly Time Keeping Certification shall include a certification listing all employees who must complete PARs as set forth in this Section, and match volunteers, including their 1) program working hours and 2) total working hours.

23.5. All time keeping documentation and certifications shall be made available for inspection during site visits and upon request by Grantor.

24. **Separate Revenue and Expenditure Accounts.** Grantee must have an accounting system that meets the following requirements:

   (a) Provides for the clear identification, in its accounts, of all Federal awards, State awards, and matching funds received or expended.
   (b) Enables the preparation of reports required by general and program-specific terms and conditions of Grantee’s awards.
   (c) Allows the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes; regulations; and the terms and conditions of the Federal or State award.
   (d) Requires each Federal award, State award, and matching fund revenues and expenditures to be accounted, recorded, and tracked separately by funding source.
   (e) Includes classification of expenditures (e.g., personnel, commodities, equipment).
   (f) Maintains a system coding or classification system that permits summarization and reporting of grant revenue and expenditures by specific accounts, programs, projects, etc.
   (g) Ensures that Federal and State awarded funds and matching funds are not commingled with funds from other Federal, State, or private sources. See 2 CFR 200.302.
   (h) Utilizes generally accepted standards of accounting.

25. **Requirement to Report Actual or Imminent Breach of Personally Identifiable Information (PII).** Grantee (and any “subrecipient” at any tier) must have written procedures in place to respond in the event of an actual or imminent “breach” (OMB M-17-12) if it (or a subrecipient) 1) creates, collects, uses, processes, stores, maintains, disseminates, discloses, or disposes of “personally identifiable information (PII)” (2 CFR 200.79) within the scope of this grant-funded program or activity, or 2) uses or operates a “Federal information system” (OMB Circular A-130). Grantee’s breach procedures must include a requirement to report actual or imminent breach of PII to Grantor no later than 24 hours after an occurrence of an actual breach, or the detection of an imminent breach.
26. **Safeguarding Constitutional Protections Related to Religion**

26.1 **Grantee** certifies that grant and match funded services must be offered without regard to religious affiliation. Grantee also certifies that the receipt of services through the grant funded program shall not be contingent upon participation in a religious event or activity. Grant or match funds may not be used for any explicitly religious activities such as worship, religious instruction, or proselytization. Grantee may engage in inherently religious activities, but such activities must be separate in time or place from the grant funded program, and beneficiaries cannot be compelled to participate in them.

26.2 Faith-based organizations may take into account religion when hiring staff consistent with the Religious Freedom Restoration Act and other applicable laws. However, Grantee must receive approval from the Department of Justice, Office for Civil Rights before doing so, if the grant is funded with federal funds.

26.3 Grantee agrees to comply with 28 CFR Part 38, including, absent exigent circumstance, prior to enrolling or providing services to a beneficiary, faith-based organizations shall provide a written notice to the beneficiary which contains at a minimum the following information: (i) The organization may not discriminate against beneficiaries or prospective beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice; (ii) The organization may not require beneficiaries or prospective beneficiaries to attend or participate in any explicitly religious activities that are offered by the organization, and any participation by beneficiaries in such activities must be purely voluntary; (iii) The organization must separate in time or location any privately funded explicitly religious activities from activities supported by direct Federal financial assistance; (iv) If a beneficiary or prospective beneficiary objects to the religious character of the organization, the organization will undertake reasonable efforts to identify and refer the beneficiary or prospective beneficiary to an alternative provider to which the beneficiary or prospective beneficiary has no objection; and (v) Beneficiaries or prospective beneficiaries may report an organization’s violation of these protections, including any denials of services or benefits by an organization, by contacting or filing a written complaint with the Office for Civil Rights or the intermediary that awarded funds to the organization.

26.4 If a Grantee beneficiary or prospective beneficiary objects to the religious character of the faith-based organization, Grantee shall promptly undertake reasonable efforts to identify and refer the beneficiary or prospective beneficiary to an alternative provider to which the beneficiary or prospective beneficiary has no objection based on the organization’s religious character.

27. **Project Monitoring and Evaluation.**

27.1 **Project Monitoring:** Grantee understands that Grantor may impose additional reporting requirements during the grant period by providing notice in writing to Grantee. Grantee agrees to report any additional information required by Grantor.

27.2 **Grantor Evaluation:** As required by Grantor, Grantee agrees to cooperate with Grantor’s evaluation of the grant project, conducted either by Grantor or external parties. Grantee agrees to cooperate with Grantor’s evaluation during and after the grant period of performance. Grantee understands that failure to cooperate could affect the terms of this Agreement and any future grant funding opportunity.
27.3 Grantee Evaluation: Project evaluation is limited to evaluation of Grantee’s project, as described in this Agreement, to determine the project’s effectiveness in victim service provision. Grantee understands and agrees that VOCA and match funds cannot be used for research purposes, as defined under 45 CFR 46.102(d). Grantee will provide Grantor with aggregate project data and any summary reports related to project performance, including process and outcome, as requested by Grantor.
PART THREE – THE PROJECT-SPECIFIC TERMS

In addition to the uniform requirements in PART ONE and the Grantor-Specific Terms in PART TWO, the Grantor has the following additional requirements for this Project:

1. **Match.**

   1.1. Grantee certifies that it (a) meets the requirements of this agreement and (b) has at least 20 percent of its support (including in-kind contributions) from sources other than federal funds for the program described in the attached exhibits. Therefore, one dollar in cash or in-kind match is required for each four dollars of federal funding received.

   1.2. Failure of Grantee to apply non-federal financial support to the program described in the attached exhibits in the amount of at least 20 percent of such program’s costs, shall result in a proportionate reduction in the amount of federal funds awarded under this agreement and may result in the return of funds already awarded. To meet this matching funds requirement, Grantee shall apply non-federal financial support to the program, as described in the Budget.

   1.3 Grantee shall maintain records that clearly show the source and amount of the program match amount, and the period of time for which such contributions were allocated. The basis for determining the value of personal services, materials, equipment, and space and facilities shall be documented. Volunteer services shall be substantiated by the same methods used by the Grantee for its paid employees. The value of volunteer services must be consistent with the rate of compensation (which may include fringe benefits) paid for similar work in the program, but if the similar work is not performed in the program, the rate of compensation shall be consistent with the rate found in the labor market in which the program competes.

2. **Funding Eligibility Requirements.**

   2.1. Grantee certifies that it, and its sub-contractors, shall use VOCA and match funds for only allowable direct services, supporting activities and administrative costs, as described in the Victims of Crime Act Victim Assistance Program Final Rule, codified at 28 CFR Part 94, Subpart B.

   2.2. Grantee certifies that only those costs related to the delivery of direct services to victims of crime shall be paid pursuant to this agreement, in accordance with the Budget.

   2.3. In administering the program described in the attached exhibits Grantee agrees that it:

      (a) Is a nonprofit organization or public agency that provides services to victims of crime;

      (b) Has a record of providing effective service to victims of crime and at least 20 percent of its financial support (including in-kind contributions) is from non-federal sources; if it has not yet demonstrated a record of providing services, it can also demonstrate that at least 25 percent of its financial support comes from sources other than the Crime Victims Fund;

      (c) Utilizes volunteers;

      (d) Promotes coordinated public and private efforts within the community served to aid crime victims;
(e) Assists victims in seeking available crime victim compensation benefits;

(f) Does not discriminate against victims because they disagree with the way the State is prosecuting the criminal case;

(g) Provides services to victims of federal crimes on the same basis as victims of State and local crimes;

(h) Provides services to crime victims, at no charge, through the program described in the attached exhibits; and

(i) Protects the confidentiality and privacy of victims as required by State and federal law.

2.4. Grantee certifies that it, and its sub-contractors, shall adhere to the following conditions when using VOCA or match funds to pay for public awareness and education presentations given by VOCA- or match-funded personnel.

(a) The presentations shall serve as a means of reaching the VOCA-funded project’s target population through outreach in a public forum, such as community centers or schools.

(b) VOCA- or match-funded staff time shall not exceed an average of 40 hours per month to provide such presentations.

(c) The primary purpose of the presentation must be to inform victims about their rights, the VOCA-funded project, and available services.


3. Program Description, Budget, Exhibits, and Amendments.

3.1. Grantee agrees to undertake and perform in a satisfactory manner in accordance with the terms and conditions of this agreement, the program described in the Program Description attached and incorporated as the attached exhibits and the Budget attached and incorporated.

3.2. The documents appended are made a part of this agreement, as exhibits and amendments as the case may be. Any amendment to this agreement must be signed by the parties to be effective. Grantee shall perform the services subject to this agreement in accordance with all terms, conditions, and provisions set forth in such exhibits and amendments.

4. Financial Capability. Grantor may, in its discretion, require Grantee to provide documentation on its financial capability. This may include, but is not limited to, copies of Grantee’s annual report, credit reports, delinquency status of Federal debt, and assurances on the adequacy of Grantee’s accounting system and...
operations. Grantee must comply with federal and state financial management standards.

5. **National Environmental Policy Act and Related Legislation.**

5.1. Grantee understands that all OJP awards are subject to the National Environmental Policy Act (NEPA, 42 USC section 4321 et seq.) and other related Federal laws (including the National Historic Preservation Act), if applicable. Grantee agrees to assist OJP in carrying out its responsibilities under NEPA and related laws, if Grantee plans to use VOCA funds (directly or through subaward or contract) to undertake any activity that triggers these requirements, such as renovation or construction. (See 28 CFR Part 61, App. D.) Grantee also agrees to comply with all Federal, State, and local environmental laws and regulations applicable to the development and implementation of the activities to be funded under this award.

5.2. Grantee acknowledges that this section applies to new activities whether or not they are being specifically funded with federal grant or matching funds, in connection with the program. As long as the new activity is being conducted by Grantee, or any sub-grantee, sub-contractor, or any third party, and the new activity needs to be undertaken in order to use the federal grant or matching funds in connection with the program, the terms of this section must be met.

5.3. None of the following activities will be conducted, directly or indirectly, by Grantee, or any its sub-grantees, contractors or sub-contractors:

   (a) New construction;
   (b) Any renovation or remodeling of a property either (1) listed or eligible for listing on the National Register of Historic Places or (2) located within a 100-year flood plain;
   (c) A renovation which will change the basic prior use of a facility or significantly change its size.
   (d) Research and technology whose anticipated and future application could be expected to have an effect on the environment; and
   (e) Implementation of a program involving the use of chemicals.

6. **National Historic Preservation Act Compliance.**

6.1. If Grantee is considering renovation work that would alter or otherwise improve the exterior or interior of a structure that will be used to accommodate the grant program, Grantee certifies it shall assist Grantor and the Office of Victims of Crime (OVC) in complying with the National Historic Preservation Act (NHPA).

6.2. Grantee must establish and maintain records to determine if the structure is 50 years or older. If any portion of the structure is 50 years or older, Grantee shall contact Grantor. Grantee shall provide Grantor with any information needed to comply with NHPA. This may include assisting Grantor and OVC in consulting with the State Historic Preservation Office and amending the proposed renovation to avoid any potential adverse impact to an historic structure. Grantee cannot begin the proposed renovation of a structure 50 years or older until Grantee receives written approval from Grantor.

6.3. Grantee acknowledges that this section applies to proposed renovation work whether or not it is being specifically funded with federal grant or matching funds. As long as the proposed renovation is being conducted by Grantee or any third party to accommodate the use of the federal grant or matching funds, Grantee must assist Grantor and OVC in complying with the NHPA.
6.4. If the records established and maintained by Grantee clearly document that the structure is less than 50 years old, Grantee must submit these documents to Grantor to receive approval for the proposed renovation being exempt from the NHPA.

7. **Equal Employment Opportunity Plan (EEOP).**

7.1. Pursuant to 28 CFR Part 42 (Nondiscrimination; Equal Employment Opportunity; Policies and Procedures), except those recipients specifically exempted, if Grantee has 50 or more employees and has received a grant of $25,000 or more, and has a service population with a minority representation of 3 percent or more, Grantee shall formulate, implement and maintain an equal employment opportunity plan that is approved by the Office for Civil Rights relating to employment practices affecting minority persons and women.

7.2. If Grantee has less than fifty employees, receives an award of less than $25,000, is a nonprofit organization, is a medical institution, is an educational institution, or is an Indian tribe, then it is exempt from the EEOP requirement. To claim the exemption, your organization must complete the DOJ OJP online EEO Reporting tool at: [http://www.ojp.usdoj.gov/about/ocr/eeop.htm](http://www.ojp.usdoj.gov/about/ocr/eeop.htm).

7.3. If Grantee is a government agency or private business and receives an award of $25,000 or more, but less than $500,000, and has fifty or more employees (counting both full- and part-time employees but excluding political appointees), then it has to submit a Utilization Report through the DOJ OJP online EEO Reporting tool. The Utilization Report does not have to be approved by the DOJ under this subsection. Grantee agrees to provide proof that a Utilization Report was filed within two years of the execution of this Agreement.

7.4. If Grantee is a government agency or private business, has received an award for $500,000 or more, and has fifty or more employees (counting both full- and part-time employees but excluding political appointees), then it must to submit a Utilization Report for review and approval prior to the execution of this Agreement. The Utilization Report must be completed through the DOJ OJP online EEO Reporting Tool. If Grantee is required to submit a Utilization Report under this subsection, it must provide Grantor proof that the Utilization Report was approved by the OCR.

7.5. Grantee must provide proof that an EEO Certification was completed through the DOJ OJP online EEO Reporting Tool within one year of the execution of this Agreement.

7.6 Grantee must provide proof that a Utilization Report was submitted under pursuant to subsection 7.3 or approved pursuant to subsection 7.4, as applicable, within two years of the execution of this Agreement.

7.7 Grantee acknowledges that failure to submit an acceptable EEO Certification or Utilization Report, if required by this section, is a violation of this Agreement and may result in suspension or termination of funding, until such time Grantee is in compliance.

8. **Nondiscrimination.**

8.1. Grantee certifies that it will not engage in any prohibited discrimination based on any race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, pregnancy, physical or mental disability, military status, sexual orientation, gender identity, or unfavorable discharge from
military service. Grantee understands that federal and state statutes and regulations applicable to awards made by Grantor include civil rights and nondiscrimination requirements and Grantee certifies that it will abide by those requirements. Specifically, those requirements as found in:


b. The applicable statutes pertaining to nondiscrimination contained in section 809(c) of Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. § 10228(c)); section 1407(e) of the Victims of Crime Act of 1984 (34 U.S.C. § 20110(e)); section 299A(b) of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, (34 U.S.C. § 11182(b)); and that the grant condition set out at section 40002(b)(13) of the Violence Against Women Act (34 U.S.C. § 12291(b)(13)), which will apply to all awards made by the Office on Violence Against Women, also may apply to an award made otherwise;


d. The Illinois Human Rights Act (775 ILCS 5), The Public Works Employment Discrimination Act (775 ILCS 10), The Illinois Environmental Barriers Act (410 ILCS 25); and

e. Any other applicable Federal, State, or local civil rights or nondiscrimination laws.

8.2. Grantee certifies it shall comply with such guidance regarding civil rights matters as may be issued by Grantor and the United States Department of Justice, Office of Justice Programs, Office for Civil Rights. Grantee agrees to have written sexual harassment policies which satisfy the requirements set forth in the Illinois Human Rights Act. (775 ILCS 5)

8.3. National origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI of the Civil Rights Act of 1964 and the Safe Streets Act, Grantee is required to take reasonable steps to ensure that LEP persons have meaningful access to programs. Meaningful access may entail providing language assistance services, including oral and written translation when necessary.

8.4. Faith-Based and Community Organizations that statutorily qualify as eligible applicants under OJP programs are invited and encouraged to apply for assistance awards and will be considered for awards on the same basis as any other eligible applicants and, if they receive assistance awards, will be treated on an equal basis with all other grantees in the administration of such awards. No eligible applicant will be discriminated against on the basis of its religious character or affiliation, religious name, or the religious composition of its board of directors or persons working in the organization.

8.5. In the event that a Federal or State court or a Federal, State, or local administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, age, religion, national origin, disability, or sex against Grantee, or any sub-grantee or contractor of Grantee, Grantee will forward a copy of the finding to Grantor within five (5) business days of said finding. If applicable,
Grantee will designate a Civil Rights Coordinator to serve as a liaison for all civil rights related matters. The Civil Rights Coordinator need not be grant funded. Grantee shall promptly notify Grantor of any change regarding the designated Civil Rights Coordinator.

8.7. Grantee’s Civil Rights Coordinator and any program staff and match volunteers who have direct contact with program beneficiaries shall complete annual civil rights training as required and approved by Grantor.

8.8. Grantee shall provide notice to employees and beneficiaries regarding applicable civil rights laws and the procedure for filing a complaint with Grantor and appropriate federal and state agencies. Grantee shall promptly notify Grantor, via its assigned Grant Monitor, of any complaints of prohibited discrimination or harassment filed with Grantor regarding grant employees, beneficiaries, or potential beneficiaries. Grantee shall fully cooperate in any investigation regarding an allegation of prohibited discrimination.

8.9. Grantee shall complete a Civil Rights Compliance Questionnaire as required by Grantor.

8.10. Grantee will require subrecipients and subcontractors to comply with all applicable civil rights and nondiscrimination statutes and regulations.

8.11. Grantee will comply with all applicable requirements of 28 C.F.R. Part 54, which relates to nondiscrimination on the basis of sex in certain "education programs."

9. Confidentiality of Information.

9.1 Grantee shall, to the extent permitted by law, reasonably protect the confidentiality and privacy of persons receiving services under this program and shall not disclose, reveal, or release, except pursuant to paragraphs (b) and (c) of 28 CFR 94.115—(1) Any personally identifying information or individual information collected in connection with VOCA funded services requested, utilized, or denied, regardless of whether such information has been encoded, encrypted, hashed, or otherwise protected; or (2) Individual client information, without the informed, written, reasonably time-limited consent of the person about whom information is sought, except that consent for release may not be given by the abuser of a minor, incapacitated person, or the abuser of the other parent of the minor. If a minor or a person with a legally appointed guardian is permitted by law to receive services without a parent’s (or the guardian’s) consent, the minor or person with a guardian may consent to release of information without additional consent from the parent or guardian.

9.2 If release of individual client information is compelled by statutory or court mandate, Grantee shall make reasonable attempts to provide notice to victims affected by the disclosure of the information, and take reasonable steps necessary to protect the privacy and safety of the persons affected by the release of the information.

9.3 In no circumstances may — (1) A crime victim be required to provide a consent to release personally identifying information as a condition of eligibility for VOCA-funded services; or (2) Any personally identifying information be shared in order to comply with reporting, evaluation, or data-collection requirements of any program.
9.4 Grantee shall not use or reveal any research or statistical information furnished under this program by any person and identifiable to any specific private person for any purpose other than the purpose for which such information was obtained in accordance with this program and all applicable federal guidelines and legislation.

9.5 Nothing in this section prohibits compliance with legally mandated reporting of abuse or neglect.

10. **Debarment Certification.** As required by Grantor, Grantee shall complete and submit the Certification Regarding A Drug-Free Workplace and shall certify that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

11. **Lobbying Certification.**

11.1 Federal funds are prohibited from being used for influencing or attempting to influence persons in connection with covered federal transactions, which include the awarding, making, entering into, extension, continuation, renewal, amendment, or modification, of federal grants or contracts. Grantee understands and agrees that it cannot use any federal funds, either directly or indirectly, to support or oppose the enactment, repeal, modification or adoption of any law, regulation, or policy, at any level of government.

11.2 Grant funds may not be used by Grantee, or any contractor, to pay any person to influence (or attempt to influence) a federal agency, a Member of Congress, or Congress (or an official or employee of any of them) with respect to the awarding of a federal grant or cooperative agreement, sub-grant, contract, subcontract, or loan, or with respect to actions such as renewing, extending, or modifying any such award. See 31 U.S.C. 1352.

11.3 Grantee agrees to provide a Certification Regarding Lobbying to Grantor and, if applicable, a Disclosure of Lobbying Activities form. If a sub-contractor will receive more than $100,000 in federal funds pursuant to this agreement, Grantee will provide to Grantor a Certification Regarding Lobbying and, if applicable, a Disclosure of Lobbying Activities form signed by the sub-contractor. Grantee must provide these certifications and disclosures as required by Grantor.

12. **Eligibility for Employment in the United States.** Grantee shall complete and keep on file, as appropriate, the Immigration and Naturalization Service Employment Eligibility Form (I-9). This form shall be used by Grantee to verify that persons employed by Grantee are eligible to work in the United States.

13. **Public Statements.** When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with federal money, Grantee shall clearly state (1) the percentage of the total cost of the program or project which will be financed with federal money, and (2) the dollar amount of federal funds for the project or program.

14. **Reporting Potential Fraud, Waste, or Similar Misconduct.**

14.1 Grantee shall promptly refer to Grantor, via their assigned Grant Monitor, and the Department of Justice Office of Inspector General (OIG) any credible evidence that a principal, employee, agent, contractor, sub-contractor, sub-grantee, or other person has, in connection with funds under this Agreement – (1) submitted a false claim that violates the False Claims Act; or (2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity or similar misconduct.
14.2. Potential fraud, waste, abuse or misconduct shall be reported to Grantor by mail at:

Illinois Criminal Justice Information Authority
Attn: Grant Monitor
300 W. Adams Suite 200
Chicago, IL 60606
Phone: 312-793-8550

14.3. Potential fraud, waste, abuse or misconduct shall be reported to OIG by mail or e-mail at:

Office of the Inspector General
U.S. Department of Justice
Investigation Division
950 Pennsylvania Ave, N.W. Room 4706
Washington. D.C. 20530
E-mail: oig.hotline@usdoj.gov Phone: 1-800-869-4499 Fax: (202) 616-9881
Website: http://www.usdoj.gov/oig/

15. Use of Funds. Grantee certifies that it, and its subcontractors, shall use federal and match funds, if applicable, for only allowable services, activities and costs, as described in the attached exhibits. Grantee certifies that only those costs listed in the Budget shall be paid pursuant to this agreement.

16. Association of Community Organizations for Reform Now (ACORN). Grantee understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of any contract or sub-award to either the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries, without the express prior approval of Grantor.

17. Text Messaging While Driving. Grantee is encouraged to adopt and enforce policies banning employees of Grantee or Program Agency and contractors or sub-contractors from text messaging while driving any vehicle during the course of performing work funded by this Agreement, and to establish safety policies and conduct education, awareness, and other outreach to decrease crashes caused by distracted drivers.

18. Victim Compensation Awareness. Grantee shall certify that victims are notified of the VOCA Victims Compensation program administered through the Office of the Illinois Attorney General. Notification is defined as simply advertising the Victim Compensation program through posters or brochures publicly displayed in the agency’s office or by verbally making the victim aware of the program. This notification requirement does not apply to crisis services. Grantee shall detail their method of notification in the attached exhibits.

19. Duplicative Funding. If Grantee currently has other active awards of federal funds, or if Grantee receives any other award of federal funds during the period of performance for this award, Grantee promptly must determine whether funds from any of those other federal awards have been, are being, or are to be used (in whole or in part) for one or more of the identical cost items for which funds are provided under this award. If so, Grantee must promptly notify Grantor in writing of the potential duplication, and, if so requested by the Grantor, must seek a budget-modification to eliminate any inappropriate duplication of funding.

20. High-Risk Grantees. Grantee agrees to comply with any additional requirements that may be imposed by Grantor or OJP during the period of performance for this award, if Grantee is designated as "high-risk".
21. **Conferences and Training Materials.**

21.1. Grantee agrees that any training or training materials developed or delivered with OJP award funds must adhere to the OJP Training Guiding Principles for Grantees and Sub-grantees available at [https://ojp.gov/funding/Implement/TrainingPrinciplesForGrantees-Subgrantees.htm](https://ojp.gov/funding/Implement/TrainingPrinciplesForGrantees-Subgrantees.htm).

21.2. Grantee agrees to comply with all applicable laws, regulations, policies and guidance (which includes specific cost limits, prior approval, and reporting requirements) governing the use of federal funds for expense related to conferences, including the provision of food and beverages at such events, and the cost of attendance. Conferences are defined as meetings, retreats, seminars, symposiums, training, and other events.

22. **Religious and Moral Belief of Students.** Grantee understands and agrees that grant funds may not be used to discriminate or denigrate the religious or moral beliefs of students who participate in programs for which financial assistance is provided from those funds, or of the parents or legal guardians of such students.

23. **Computer Network.** Grantee understands and agrees that no award funds shall be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchange of pornography. Nothing in this section limits the use of funds for any Federal, State, tribal, or local law enforcement agency of any other entity carrying out criminal investigations, prosecution, or adjudication activities.

24. **Providing Services To Limited English Proficiency Individuals.** Grantee will, in accordance with DOJ guidance pertaining to Title VI of the Civil Rights Act of 1964, 42 USC 2000d, take reasonable steps to provide meaningful access to their programs and activities for persons with limited English proficiency.

25. **Demographic Data.** Grantee agrees to collect and maintain information on race, sex, national origin, age, and disability of victims receiving assistance through this agreement, where such information is voluntarily furnished by the victim.

26. **Non-Supplantation.** Grantee certifies that grant funds (Federal and match) will not be used to supplant (replace) State, local, or other funds. Grant funds must increase the amount that would otherwise be available to Grantee for the types of activities eligible for funding under this Agreement.

27. **Restrictions and Certifications Regarding Non-Disclosure Agreements and Related Matters.**

27.1. Grantee and any entity that receives a contract or subcontract with any funds under this award, may not require any employee or contractor to sign an internal confidentiality agreement or statement that prohibits or otherwise restricts, or purports to prohibit or restrict, the reporting (in accordance with law) of waste, fraud, or abuse to an investigative or law enforcement representative of a federal department or agency authorized to receive such information.

27.2. The foregoing is not intended, and shall not be understood by Grantor, to contravene requirements applicable to Standard Form 312 (which relates to classified information), Form 4414 (which relates to sensitive compartmented information), or any other form issued by a federal department or agency governing the nondisclosure of classified information.

27.3. In accepting this award, Grantee –
a. represents that it neither requires nor has required internal confidentiality agreements or statements from employees or contractors that currently prohibit or otherwise currently restrict (or purport to prohibit or restrict) employees or contractors from reporting waste, fraud, or abuse as described above; and

b. certifies that, if it learns or is notified that it is or has been requiring its employees or contractors to execute agreements or statements that prohibit or otherwise restrict (or purport to prohibit or restrict), reporting of waste, fraud, or abuse as described above, it will immediately stop any further obligations of award funds, will provide prompt written notification to Grantor, and will resume (or permit resumption of) such obligations only if expressly authorized to do so by Grantor.

27.4. If Grantee makes sub-awards, contracts, sub-contracts, or procurements under this award –

a. it represents that –

1. it has determined that no other entity that Grantee’s application proposes may or will receive award funds (whether through a sub-award, sub-grant, contract, procurement, or subcontract) either requires or has required internal confidentiality agreements or statements from employees or contractors that currently prohibit or otherwise currently restrict (or purport to prohibit or restrict) employees or contractors from reporting waste, fraud, or abuse as described above; and

2. it has made appropriate inquiry, or otherwise has an adequate factual basis, to support this representation; and

b. it certifies that, if it learns or is notified that any sub-grantee, contractor, or sub-contractor entity that receives funds under this award is or has been requiring its employees or contractors to execute agreements or statements that prohibit or otherwise restrict (or purport to prohibit or restrict), reporting of waste, fraud, or abuse as described above, it will immediately stop any further obligations of award funds to or by that entity, will provide prompt written notification to the agency making this award, and will resume (or permit resumption of) such obligations only if expressly authorized to do so by that agency.

28. **Indirect Costs.** If Grantee is eligible under the Part 200 Uniform Requirements to use the "de minimis" indirect cost rate described in 2 CFR 200.414(f), and elects to use the "de minimis" indirect cost rate, Grantee must advise Grantor in writing of both its eligibility and its election, and must comply with all associated requirements in the Part 200 Uniform Requirements. The "de minimis" rate may be applied only to modified total direct costs (MTDC) as defined by the Part 200 Uniform Requirement.

29. **Non-Profit Organization.** Grantee agrees, if it is a non-profit organization, to make their financial statements available online (either on Grantor’s, its own, or another publicly available website). OVC will consider sub-recipient organizations that have Federal 501(c)(3) tax status as in compliance with this requirement, with no further action needed, to the extent that such organization files IRS Form 990 or similar tax document (e.g., 990-EZ), as several sources already provide searchable online databases of such financial statements.
30. **Trafficking in Persons.** Grantee agrees to comply with all applicable requirements (including requirements to report allegations) pertaining to prohibited conduct related to the trafficking of persons, whether on the part of Grantee, sub-grantees, contractors, and sub-contractors, or individuals defined (for purposes of this condition) as "employees" of Grantee, sub-grantees, contractors, and sub-contractors. The details of Grantee's obligations related to prohibited conduct related to trafficking in persons are posted on the OJP web site at http://ojp.gov/funding/Explore/ProhibitedConduct-Trafficking.htm.

31. **Compliance with General Appropriations-Law Restrictions.** Grantee agrees to comply with all applicable restrictions on the use of federal funds set out in federal appropriations statutes. Pertinent restrictions, including from various "general provisions" in the Consolidated Appropriations Act, 2018, are set out at https://ojp.gov/funding/Explore/FY18AppropriationsRestrictions.htm, and are incorporated by reference here.

32. **Compliance with 41 U.S.C. 4712.** Grantee must comply with, and is subject to, all applicable provisions of 41 U.S.C. 4712, including all applicable provisions that prohibit, under specified circumstances, discrimination against an employee as reprisal for the employee's disclosure of information related to gross mismanagement of a federal grant, a gross waste of federal funds, an abuse of authority relating to a federal grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal grant. Grantee also must inform its employees, in writing (and in the predominant native language of the workforce), of employee rights and remedies under 41 U.S.C. 4712.

33. **Integrity and Performance Matters.**

   33.1. Grantee must comply with any and all applicable requirements regarding reporting of information on civil, criminal, and administrative proceedings connected with (or connected to the performance of) either this award or any other grant, cooperative agreement, or procurement contract from the federal government. Under certain circumstances, recipients of OJP awards are required to report information about such proceedings, through the federal System for Award Management, to the designated federal integrity and performance system (currently, "FAPIIS").

   33.2. The details of Grantee obligations regarding the required reporting (and updating) of information on certain civil, criminal, and administrative proceedings to the federal designated integrity and performance system (currently, "FAPIIS") within SAM are posted on the OJP web site at http://ojp.gov/funding/FAPIIS.htm (Award condition: Recipient Integrity and Performance Matters, including Recipient Reporting to FAPIIS), and are incorporated by reference here.

34. **Background Checks/Youth Program.**

   34.1. Background checks are required for all program staff and volunteers who have direct contact with youth (under 18 years) before hiring or before working on the program. Grantee must have a written protocol on file requiring background checks for all such staff and volunteers, and maintain documentation of their completion and results. Background checks must include fingerprint-based background checks through the Illinois State Police.

   34.2. Staff or volunteers with a record of the following offenses will automatically be excluded from having direct contact with youth: 1) any sex offense or 2) an offense in which the victim is, by statute, a youth, including but not limited to, child abuse and child endangerment. Staff or volunteers with a Class X felony for which the person has completed parole/supervised release within the past 5 years will
automatically be excluded from having direct contact with youth, unless the program model or service provision relies on staff access or credibility with at-risk populations.

34.3. No waivers to this policy shall be granted.

35. **VOCA Requirements.** Grantee assures that Grantee, and its subrecipients will comply with the conditions of the Victims of Crime Act (VOCA) of 1984, sections 1404(a)(2), and 1404(b)(1) and (2), 34 U.S.C. 20103(a)(2) and (b)(1) and (2) (and the applicable program guidelines and regulations), as required. Specifically, Grantee certifies that funds under this award will:

a) be awarded only to eligible victim assistance organizations, 34 U.S.C. 20103(a)(2);

b) not be used to supplant State, local, or other funds that would otherwise be available for crime victim assistance, 34 U.S.C. 20103(a)(2), if Grantee is a governmental entity; and

c) be allocated in accordance with program guidelines or regulations implementing 34 U.S.C. 20103(a)(2)(A) and 34 U.S.C. 20103(a)(2)(B) to, at a minimum, assist victims in the following categories: sexual assault, child abuse, domestic violence, and underserved victims of violent crimes as identified by Grantor.

36. **Remedies for Non-Compliance or for Materially False Statements.**

36.1. The conditions of this award are material requirements of the award. Compliance with any certifications or assurances submitted by or on behalf of Grantee that relate to conduct during the period of performance also is a material requirement of this award.

36.2. Failure to comply with any one or more of these award requirements -- whether a condition set out in full in the Agreement, a condition incorporated by reference, or a certification or assurance related to conduct during the award period -- may result in Grantor or the Office of Justice Programs ("OJP") taking appropriate action with respect to Grantee and the award. Among other things, the Grantor or OJP may withhold award funds, disallow costs, or suspend or terminate the award. Grantor or the Department of Justice ("DOJ"), including OJP, also may take other legal action as appropriate.

36.3. Any materially false, fictitious, or fraudulent statement to the federal government related to this award (or concealment or omission of a material fact) may be the subject of criminal prosecution (including under 18 U.S.C. 1001 and/or 1621, and/or 34 U.S.C. 10271-10273), and also may lead to imposition of civil penalties and administrative remedies for false claims or otherwise (including under 31 U.S.C. 3729-3730 and 3801-3812).

37. **Reclassification of Various Statutory Provisions to a New Title 34 of the United States Code.**

37.1. Various statutory provisions previously codified elsewhere in the U.S. Code were editorially reclassified to a new Title 34, entitled "Crime Control and Law Enforcement." The reclassification encompassed a number of statutory provisions pertinent to OJP awards (that is, OJP grants and cooperative agreements), including many provisions previously codified in Title 42 of the U.S. Code.

37.2. Any reference in this award document to a statutory provision that has been reclassified to the new Title 34 of the U.S. Code is to be read as a reference to that statutory provision as reclassified to Title 34. This rule of construction specifically includes references set out in award conditions, references set out in material incorporated by reference through award conditions, and references set out in other award.
38. **Effect of Failure to Address Audit Issues.** Grantee understands and agrees that Grantor or the DOJ awarding agency (OJP or OVW, as appropriate) may withhold award funds, or may impose other related requirements, if Grantee does not satisfactorily and promptly address outstanding issues from audits required by the Part 200 Uniform Requirements (or by the terms of this award), or other outstanding issues that arise in connection with audits, investigations, or reviews of DOJ awards.

39. **Requirement to Disclose Whether Grantee is Designated "high risk".** If Grantee is designated "high risk" by a state or federal grant-making agency, currently or at any time during the course of the period of performance under this award, Grantee must disclose that fact and certain related information to Grantor. For purposes of this disclosure, high risk includes any status under which a state or federal awarding agency provides additional oversight due to Grantee’s past performance, or other programmatic or financial concerns with Grantee. Grantee’s disclosure must include the following: 1. The state or federal awarding agency that currently designates Grantee high risk, 2. The date Grantee was designated high risk, 3. The high-risk point of contact at that state or federal awarding agency (name, phone number, and email address), and 4. The reasons for the high-risk status, as set out by the state or federal awarding agency.

40. **Sub-granting.**

40.1. **Sub-Grantee Monitoring.**

a. Grantee will monitor sub-grantees to ensure compliance with State and/or Federal statutes, regulations, and the terms and conditions of the sub-award. Grantee will ensure that all sub-grantees comply with Grant Accountability and Transparency Act (30 ILCS 708/1 et al.) and 2 CFR 200 requirements.

b. Sub-grantees are subject to site visits by both Grantee and Grantor, and must make available all fiscal, personnel, and programmatic data to Grantee and Grantor at either’s request. Grantor reserves the right to conduct site visits of all sub-grantees.

c. Grantee will require all sub-grantees to submit, at a minimum, quarterly data and fiscal reports to Grantee.

d. As Grantee awards each sub-grant, Grantee will forward a site visit schedule to Grantor along with any increased monitoring provisions.

e. Grantee shall submit all sub-grantee site visit reports resulting in corrective action along with verification of the completed corrective action to Grantor with its Close-Out report.

40.2. **Sub-grantee selection.** If Grantee’s established sub-grantee selection process is less competitive than the following requirements, Grantee must follow the more following requirements:

- For sub-grants of $100,000 or less, the Grantee is encouraged to formally advertise the sub-grant through an Invitation for Bids (IFB), or a Request for Proposals (RFP) process. If this is not possible, the Grantee must solicit quotes or bids from at least three sources.

- For sub-grants over $100,000, the Grantee must formally advertise the proposed sub-grant through an Invitation for Bids (IFB), or a Request for Proposals (RFP) process.

- Grantee may enter into a sole source sub-grant, if pre-approved by Grantor. Grantee must request a sole-
source sub-grant in writing to Grantor. Grantee must complete and submit Grantor’s Sole Source Justification Checklist.

40.3. Any sub-grant under this Agreement shall be specified by written contract, and shall be subject to all terms and conditions contained in this Agreement. If the use of a sub-grantee is approved by Grantor, the terms and conditions of this Agreement shall apply to and bind the party to whom such work is sub-granted as fully and completely as Grantee is bound and obligated. Grantee will ensure that all sub-grantees comply with the requirements to obtain a DUNS number and to register with SAM.gov. Grantee must have and adhere to its own sub-grantee monitoring protocol.

40.4. Grantor reserves the right to deny a sub-grantee, impose additional conditions to the sub-grant, or reduce the amount of the sub-grant. Grantee shall submit to Grantor a copy of a sub-grantee’s grant agreement and budget for Grantor approval. Approval of a sub-grantee does not relieve Grantee of its obligation to assure performance under this Agreement.

40.5. Grantee shall be responsible for the recovery of any unspent and/or misspent grant funds paid to the sub-grantee by Grantee.

40.6. Grantor is not responsible for the performance, acts, or omissions of any sub-grantee.

40.7. Grantee will evaluate each sub-grantee’s risk of noncompliance with federal and state statutes; regulations; rules; laws; guidelines; and conditions of this award. Grantee will impose specific conditions upon a sub-grantee, if appropriate.

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SIKICH, LLC AUDIT PRESENTATION

Sikich, LLP partner, James Savio, will be discussing the City’s 2018 Consolidated Annual Financial Report (CAFR).

NO MATERIALS
AGENDA ITEM: D
MEETING DATE: June 26, 2019

ITEM:
Proposal to Amend the Composition of the Liquor Control Commission
(No cost to the City)

OBJECTIVE:
Discussion of proposal to reduce the membership of the Liquor Control Commission from the mayor and all city council members to the mayor and four city council members.

RECOMMENDATION:
Approve an Ordinance amending the composition of the Liquor Control Commission to the mayor and four city council members

The City’s local liquor control commission historically comprised the mayor and two city council members. The local liquor control commission was expanded to consist of the mayor and all six city council members in 2011. The city council increased to eight members in 2013 so that the liquor control commission now consists of nine members. The proposed ordinance changes the composition of the local liquor control commission to the mayor and four city council members.

BACKGROUND

Section 5/4-2 of the Illinois State Liquor Code (235 ILCS 5/4-2) provides that the mayor of each city is the local liquor control commissioner. Section 5/4-2 further provides that the mayor may appoint a person or persons to assist in the exercise of the powers and the performance of duties for such local control commissioner. Section 5/4-6 provides that references to the local control commissioner in the state liquor code shall include any committee or other agency appointed by the local liquor control commissioner.

The City has historically adopted an ordinance to provide for a City Liquor Control Commission. Prior to 2011, the Liquor Control Commission consisted of the mayor and two city council members. In 2011, the Liquor Control Commission was expanded to consist of the mayor and all six (now eight) city council members.
OPERATIONAL ANALYSIS

Attached is an ordinance which would amend Section 6.06.020B of the City’s liquor control ordinance. Such ordinance would amend the composition of the Liquor Control Commission from the mayor and all members of the city council to the mayor and four members of the city council. The mayor would continue to serve as chairman of the Liquor Control Commission. Members of the city council would serve for two-year terms on the Liquor Control Commission, which was the practice prior to 2011. The suggested two-year term would allow members of the city council the opportunity to alternate serving on the Liquor Control Commission. City council members would be appointed to the Liquor Control Commission by the mayor with the consent of the city council, which also appears to have been the practice prior to 2011.

INTERESTED PERSONS CONTACTED

This issue has previously been discussed with the mayor and members of the city council.

FINANCIAL ANALYSIS

There is no financial impact to the City in connection with the proposed ordinance amendment.

BUDGET IMPACT

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LEGAL IMPACT

None.

ALTERNATIVES

The city council may choose to not amend the composition of the Liquor Control Commission.

NEXT STEPS

Adoption of the ordinance.
ATTACHMENTS

A. Proposed Ordinance Amending the Composition of the Liquor Control Commission
AN ORDINANCE
AMENDING CHAPTER 6.06 OF THE ELGIN MUNICIPAL CODE, 1976,
AS AMENDED, ENTITLED “ALCOHOLIC LIQUOR DEALERS”

WHEREAS, the Liquor Control Commission of the City of Elgin is currently composed of
the mayor and the members of the city council then holding office; and

WHEREAS, the city council of the City of Elgin has determined that it is desirable to reduce
the composition of the Liquor Control Commission to include the mayor and four members of the
city council; and

WHEREAS, the City of Elgin is a home rule unit and as a home rule unit is authorized to
exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the control and regulation of alcoholic liquors within the City of Elgin and the
composition of the city’s Liquor Control Commission pertains to the government and affairs of the
city.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
ELGIN, ILLINOIS:

Section 1. That Section 6.06.020 of the Elgin Municipal Code, 1976, as amended, entitled
“Liquor Control Commission Established; Composition” be and is hereby further amended by further
amending subparagraph B thereof to read as follows:

“B. The commission shall be composed of five (5) members and shall
include the mayor and the four (4) members of the city council then holding
office. The mayor shall serve as chairman of the commission. The mayor,
with the approval of the city council, shall appoint members of the city
council to the commission for a term of two years.”

Section 2. That all ordinances or parts of ordinances in conflict with the
provisions of this ordinance be and are hereby repealed.

Section 3. That this ordinance shall be in full force and effect upon its passage
and publication in the manner provided by law.

David J. Kaptain, Mayor

Presented:
Passed:
Vote: Yeas   Nays:
Recorded:
Published:

Attest:

____________________________
Kimberly A. Dewis, City Clerk

F:\Legal Dept\Ordinances\Alcoholic Liquor-Amend 6.06.020-redlined 6-6-19.docx
AGENDA ITEM: E
MEETING DATE: June 26, 2019

ITEM:
Review of City Council Rules of Procedure
(No cost to the City)

OBJECTIVE:
Review city council rules of procedure as required by City ordinance.

RECOMMENDATION:
Consideration of city council initiatives to amend city council rules of procedure.

City ordinances provide for the city council's review of the council's rules of procedures within sixty (60) days following each city council election. This item is being presented to the council to comply with that ordinance requirement.

BACKGROUND

Elgin Municipal Code Section 2.08.100 is entitled "Review of Rules of Procedure" and provides that within sixty (60) days following each city council election, the city manager is directed to submit to the city council at a meeting of the city council a copy of Chapter 2.08 for the city council's review and consideration. This item is being presented to the council to comply with this ordinance requirement.

Attached is a copy of Elgin Municipal Code Chapter 2.08. Section 2.08.080 thereof provides for the city council's rules of procedure for city council meetings.

OPERATIONAL ANALYSIS

There are currently three city council initiatives regarding potential amendments to the city council rules of procedure or regarding other policies affecting the city council. The city council initiatives are as follows:

1. The city council has recently discussed and implemented an amended procedure with respect to recognition of persons present. Section 2.08.080CC provides for the current rule regarding persons wishing to address the council as follows:
"Persons wishing to address the city council may do so as provided in this section. Any such persons wishing to address the city council shall register on a form furnished by the city clerk prior to the meeting. Such a form shall include identification of the speaker’s name, address, telephone number, e-mail address and the subject matter(s) to be addressed by the speaker. Speakers shall be heard in the order of registration and shall be limited to three (3) minutes, and the total time allocated for all speakers shall not exceed thirty (30) minutes at each meeting. Persons shall not be permitted to assign time to another speaker. The city clerk shall monitor the time for each speaker and the total time allotted for all speakers and shall advise the speakers and the city council when any time limits have expired. Speakers who have registered but who are not permitted to speak because of the lapse of time shall be granted time to speak after miscellaneous business."

The city council has recently altered this procedure whereby the recognized persons present is being divided into two categories of (1) persons wishing to address the city council on matters not on the agenda, and (2) persons wishing to address the city council on matters on the agenda. The revised procedures should be formally incorporated into Section 2.08.080 by ordinance amendment.

2. Councilmember Powell, with a second from Councilmember Rauschenberger, has requested a discussion of changing the roll call order of how the city council votes on agenda items. The current practice, which is not specifically set forth in a city council rule, is to call the roll on each vote in alphabetical order of council members by last name, with the mayor voting last.

3. Councilmember Powell, with a second from Councilmember Dixon, has requested a discussion of creating a city council travel/conference policy. Attached for informational purposes is the City’s current travel policy which applies to City employees and Section 8.07 from the employee manual which provides conference and seminar guidelines for City employees. The travel policy and conference and seminar guidelines apply to City employees but have not been previously adopted by the city council and do not currently apply to members of the city council.

INTERESTED PERSONS CONTACTED

None.

FINANCIAL ANALYSIS

None at this time.
BUDGET IMPACT

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LEGAL IMPACT

None.

ALTERNATIVES

None. City ordinances require staff to submit Elgin Municipal Code Chapter 2.08 to the city council for review.

NEXT STEPS


2. City council to provide direction to staff on any proposed amendments to the city council rules or other policies affecting the city council.

Originators: William A. Cogley, Corporation Counsel

Final Review: Debra Nawrocki, Chief Financial Officer
              Richard G. Kozal, City Manager

ATTACHMENTS

A. Elgin Municipal Chapter 2.08
B. City of Elgin Travel Policy
C. City of Elgin Employee Manual Section 8.07, Conference and Seminar Guidelines
Chapter 2.08
CITY COUNCIL

2.08.010: COMPOSITION, POWERS AND DUTIES:

Effective with the biannual municipal election in 2013, the city council shall consist of the mayor and eight (8) councilmen elected for four (4) year terms as provided by law. The city council shall be the governing body of the city and shall have the powers and duties prescribed by the constitution of the state of Illinois, by state statute and by ordinance of this city. The powers of the city council shall be purely legislative except as otherwise provided by statute or ordinance. The city council shall approve for payment all expenses and liabilities of the municipality except as may otherwise be provided by ordinance. (Ord. G51-12, 2012)

2.08.020: MINUTES OF MEETING:

A journal of the minutes of each meeting of the city council shall be kept by the city clerk and a copy of the minutes of the last meeting shall be delivered to each councilman prior to the convening of the next regular meeting. (Ord. G57-05 § 1, 2005)

2.08.030: QUORUM:

A majority of the corporate authorities shall constitute a quorum to do business. Except as required by the statutes of the state, enacted ordinances of the city, or the rules set out in this chapter, action may be taken by a majority vote of a quorum. (Ord. G57-05 § 1, 2005)

2.08.040: REGULAR MEETINGS:

Regular meetings of the city council shall be held on the second and fourth Wednesdays of each month at seven o'clock (7:00) P.M. at the municipal building, unless a different date, time or place shall have been specified by council action. The council shall remain in session until adjournment by a majority vote of the members present. (Ord. G57-05 § 1, 2005)

2.08.050: SPECIAL MEETINGS:

Special meetings may be held at any time by call of the mayor or by the call of four (4) or more councilmen; the call for such meetings shall be in writing duly signed and presented to the city clerk who shall proceed to prepare notice of the special meeting and shall cause the notice to be served personally or by mail on the mayor and all members of the council at least twenty four (24) hours before the meeting. Such notice shall specify the time and place of the special meeting and the matters to be considered at the special meeting. Notice of a special meeting may be waived by attendance at such meeting or by written waiver of notice. No business other than that provided by the call shall be in order at any special meeting. No vote of the city council shall be reconsidered or
rescinded at a special meeting unless there are present at the special meeting as many council members as were present when the vote was taken. Special meetings may also be called by a motion, adopted at a regular meeting, specifying the matters to be considered. No notice shall be required for special meetings announced at a regular meeting except to members not present at the time such motion was adopted. (Ord. G18-13, 2013)

2.08.060: OPEN MEETINGS; EXCEPTIONS:

All meetings of the city council shall be open to the public and the news media unless as excepted in the open meetings act and closed in accordance with the open meetings act. (Ord. G57-05 § 1, 2005)

2.08.065: ELECTRONIC ATTENDANCE AT MEETINGS:

A. Any member of the city council may attend any open or closed meeting of the city council via electronic means (such as by telephone, video or internet connection) provided that a quorum of the city council is physically present throughout such meeting and such attendance is in compliance with the provisions of this chapter and any applicable laws.

B. A member of the city council may attend a meeting electronically if the member meets the following conditions:

1. The member shall notify the city clerk at least twenty four (24) hours before the meeting, unless impractical, so that necessary communications equipment can be arranged. Inability to make the necessary technical arrangements will result in denial of a request for remote attendance.

2. The member must assert one of the following three (3) reasons why he or she is unable to physically attend the meeting:

   a. The member cannot attend because of personal illness or disability; or

   b. The member cannot attend because of employment purposes or the business of the city; or

   c. The member cannot attend because of a family or other emergency.

C. The city clerk, after receiving the electronic attendance request, shall inform the city council of the request for electronic attendance.

D. After a roll call establishing that there is a quorum physically present at a meeting where a member of the city council desires to attend electronically, the presiding officer shall state that: 1) a notice was received by a member of the city council in accordance with this section, including the reason for the member's absence, and 2) the member will be deemed authorized to attend the meeting electronically unless a motion objecting to the member's electronic attendance is made, seconded, and approved by two-thirds (2/3) of the members of the city council physically present at the meeting. If no such motion is made and seconded or if any such motion fails to achieve the required vote by the members of the city council physically present at the meeting, then the request by the member to attend the meeting electronically shall be deemed approved by the city council and the presiding officer shall declare the requesting member present. After such
declaration by the presiding officer, the question of a member's electronic attendance may not be reconsidered.

E. The member participating electronically and other members of the city council must be able to communicate effectively, and members of the audience must be able to hear all communications at the meeting site. Before allowing electronic attendance at any meeting, the city council shall provide equipment adequate to accomplish this objective at the meeting site.

F. Any member attending electronically shall be considered an off site attendee and counted as present electronically for that meeting if the member is allowed to attend. The meeting minutes shall also reflect and state specifically whether each member is physically present or present by electronic means.

G. A member permitted to attend electronically will be able to express his or her comments during the meeting and participate in the same capacity as those members physically present, subject to all general meeting guidelines and procedures previously adopted and adhered to. The member attending electronically shall be heard, considered, and counted as to any vote taken. Accordingly, the name of any member attending electronically shall be called during any vote taken, and his or her vote counted and recorded by the city clerk and placed in the minutes for the corresponding meeting. A member attending electronically may leave a meeting and return as in the case of any member, provided the member attending electronically shall announce his or her leaving and returning.

H. No more than two (2) members may attend a city council meeting by electronic means. (Ord. G24-14, 2014)

2.08.070: AGENDA AND ORDER OF BUSINESS:

The city manager shall be responsible for the preparation of the agenda of city council meetings. The city manager shall also place matters on the city council agenda which are requested to be placed on the agenda by the mayor or two (2) or more members of the city council. Requests from the mayor or members of the city council for matters to be added to the agenda of the city council shall be to the city manager not less than seven (7) days prior to the date of the meeting. Requests from citizens for matters to be added to the agenda of the city council shall be presented in written form to the city manager not less than fourteen (14) days prior to the date of the meeting. The city manager shall determine whether to place such matters requested by citizens on the city council agenda. The city manager shall inform the city council of all requests by citizens to add matters to the agenda. Items placed on a city council agenda shall include within the associated agenda materials information describing the agenda item and the anticipated city council action being requested. Such requirement shall not apply to an agenda item which is purely informational and for which no city council action is anticipated to be requested at the meeting in question. The order of business to be observed at all regular meetings of the city council shall be as follows, unless a majority vote of all councilmen present suspends the established order of business:

A. Calling the meeting to order

B. Invocation
C. Pledge Of Allegiance

D. Roll call of members

E. Approval of the minutes of a previous meeting

F. Communications addressed to the council

G. Recognition of persons present

H. Bids

I. Other business

J. Consent agenda

K. Miscellaneous business including announcements and appointments


2.08.080: RULES OF PROCEDURE:

A. The mayor shall preside at all meetings of the city council and shall decide all questions of priority of business without debate and shall decide all other questions of order.

B. The mayor shall preserve order and decorum.

C. Rulings of the mayor shall be appealable to the city council and shall be decided by a majority vote without debate.

D. No member shall leave the council chambers during the conduct of business without the consent of the mayor.

E. No member of the council shall speak until recognized by the mayor; members of the council shall seek recognition by saying "Mr. Mayor". No person except a council member or officer of the city may address the council unless by consent of the majority of the council members present. The mayor with the consent of a majority of council members present may limit the length of time that any person other than council members and city officers may address the council.
F. Council members shall address only the mayor or address each other through the mayor and shall confine their remarks to the merits of the pending question.

G. Members shall refrain from addressing the mayor or other members through the mayor personally and shall not engage in personal or degrading comments or attacking the motives of other members.

H. Only one subject shall be considered at a time and no new subject shall be considered until there is a decision on the pending matter.

I. No council member shall speak for longer than five (5) minutes on the same subject nor more than twice on the same subject except by consent of a majority of the members present. However, no council member shall speak a second time on the same subject until all other members have spoken on the subject.

J. A roll call vote of "yeas" and "nays" shall be taken and recorded on the journal of proceedings for all ordinances for whatever purpose and any resolutions or motions that create any liability against or obligation on the part of the city, or for the expenditure or appropriation of its money, or on the request of any council member.

K. The unanimous adoption of a motion to approve the consent agenda shall be considered unanimous consent to take a single vote by yeas and nays on the several questions of the passage of any two (2) or more of the designated ordinances, orders, resolutions, or motions placed together for voting purposes on the consent agenda. The unanimous adoption of a motion to take a single vote by yeas and nays on several questions on the passage of any two (2) or more of the designated ordinances, orders, resolutions, or motions on other portions of the agenda shall likewise be considered unanimous consent to take a single vote on such matters. Upon the taking of such a single or omnibus vote the entries of the words "omnibus vote" or "consent agenda" in the city council minutes shall be made.

L. Any matter before the council may be made a special order of business for any future time by action of the council.

M. A motion is not before the council until it has been seconded and it shall be reduced to writing upon request of any council member.

N. A motion may be withdrawn at any time before a vote is called.

O. No debate or discussion or comment shall be in order during the taking of the vote on any matter.

P. The mayor shall announce the result of the council's vote on any roll call. Prior to such announcement any council member may change his vote.
Q. The mayor or any council member who in good conscience believes he may have a conflict of interest in any matter before the council shall disqualify himself from voting thereon.

R. Any council member who does not vote on any matter for which the roll is called shall be counted as having voted with the prevailing side. This rule shall not apply when a council member has disqualified himself as a result of a conflict of interest.

S. When a motion is made and seconded to "put the previous question" said motion shall be stated by the mayor in this form: "Are you now ready for the question?" If this motion is carried, all further motions and debate shall be excluded and the question shall be put.

T. A motion to table any matter is not debatable and if adopted shall end all further debate on the subject. A motion to take a matter from the table may be proposed at the same meeting or at any subsequent meeting.

U. A motion to amend shall always be in order.

V. An amendment to modify or change the intent of an original motion shall be in order but no amendment to a motion shall be made which relates to a different subject.

W. A substitute for any original motion or proposition may be entertained, and if adopted by the council, shall entirely supersede the original proposition. The vote taken on any motion (other than a motion to reconsider an appointment by the mayor to a commission, board or advisory body), proposition or ordinance may be reconsidered at any time of the same meeting or at the next regular meeting. A motion to reconsider shall not be in order unless made by a council member who voted on the prevailing side; however, when a motion, proposition or ordinance is lost by reason of not having received an extraordinary majority vote, motion to reconsider may be made by any council member who was present at the previous consideration. Any motion to reconsider properly made may be seconded by any other council member. When a question is before the council no motion shall be in order except the following:

1. To adjourn;
2. To lay on the table;
3. Previous question;
4. To postpone to a certain time;
5. To amend;
6. To postpone indefinitely.

The foregoing motions are privileged and have precedence in the order in which they succeed each other in this rule. Motions to adjourn, lay on the table and for the previous question shall be decided without debate.
X. A motion to adjourn the council shall always be in order except: when a member is in possession of the floor; when the "yeas" and "nays" are being called; when the members are voting; when adjournment was the last preceding motion; and when it has been decided that the previous question shall be taken.

Y. Special committees of the council may be appointed at any time by the council or by the mayor to consider any special problem and shall continue until discharged by the appointed authority.

Z. All persons appearing before the council shall make such appearance only in their own behalf or as members of some civic, religious, business or neighborhood organization. All persons may also be represented before the council by their attorneys.

AA. Any rule other than the rule relating to the adoption of ordinances may be temporarily suspended at any time by a two-thirds (2/3) vote of council members present.

BB. Any rule may be amended or repealed at any regular meeting of the city council upon a prior submission thereof in writing by the mayor or by four (4) or more council members distributed to the members of the city council at least one week in advance of the vote thereon, if the proposed amendment or repeal is approved by two-thirds (2/3) of the council currently holding office.

CC. Persons wishing to address the city council may do so as provided in this section. Any such persons wishing to address the city council shall register on a form furnished by the city clerk prior to the meeting. Such a form shall include identification of the speaker's name, address, telephone number, e-mail address and the subject matter(s) to be addressed by the speaker. Speakers shall be heard in the order of registration and shall be limited to three (3) minutes, and the total time allocated for all speakers shall not exceed thirty (30) minutes at each meeting. Persons shall not be permitted to assign time to another speaker. The city clerk shall monitor the time for each speaker and the total time allotted for all speakers and shall advise the speakers and the city council when any time limits have expired. Speakers who have registered but who are not permitted to speak because of the lapse of time shall be granted time to speak after miscellaneous business.

DD. The rules of parliamentary procedure contained in the current edition of "Robert's Rules Of Order", newly revised shall govern the council in all cases in which they are applicable and not in conflict with the written rules of the council or any applicable ordinance or state statute.

EE. The following additional rules of procedure shall apply to public hearings on annexation agreements conducted by the city council:

1. Anyone other than the city wishing to testify, present evidence or otherwise address the city council must first register with the city council by signing the registration sheets provided. All persons must register prior to the commencement of the public hearing. Any person that has failed to register prior to the commencement of the public hearing shall not be permitted to address the city council unless such person obtains leave from the mayor. The mayor may grant such a person leave to testify, present evidence or address the city council when good cause is shown for such person's failure to register prior to the commencement of the public hearing. The city of Elgin shall be a party in every proceeding and need not register.
2. Any person wishing to address the city council during the public hearing shall have five (5) minutes to present his or her testimony or other evidence during the public hearing.

3. The city council shall not be bound by the strict rules of evidence, however, irrelevant, immaterial or unduly repetitious evidence from the same person shall not be admissible.

4. The mayor shall take such actions as are required to maintain an orderly and civil hearing. Discourtesy or disorderly conduct shall be deemed a breach of order and such misconduct shall be dealt with as appropriate.

5. Any person participating in the public hearing shall identify him or herself for the record, giving his or her name or address, either orally or in writing, and indicating whether an attorney is representing him or her during the hearing.

6. The city council or city staff may ask questions at any time during the public hearing. Questions from the city council or city staff and answers thereto shall not be counted against a person's five (5) minute time period limitation.

7. At the conclusion of the public hearing the mayor may elect, for good cause shown, to keep the record of the public hearing open, for a period not to exceed seven (7) additional days to allow persons to submit to the city council additional written materials regarding a proposed annexation agreement. In such event, any person wishing to submit such additional written materials shall submit fifteen (15) copies of such written materials to the city clerk not later than seven (7) days after the date of the conclusion of the public hearing and such written materials shall be provided by the city clerk to the city council prior to the city council taking final action concerning the proposed annexation agreement.

FF. The following additional rules of procedure shall apply to the naming of city owned facilities and rights of way:

1. The naming or renaming of any city owned facility or right of way must be approved by a vote of two-thirds \( \frac{2}{3} \) of all members of the city council then holding office.

2. A public hearing shall be held by the city council a minimum of two (2) weeks before final action on the naming or changing the name of a public facility or right of way.

3. The voting requirement and other procedures in this subsection shall not apply to the approval of a final plat of subdivision by the city council which includes the naming of streets being dedicated to the city as part of such final plat of subdivision. (Ord. G28-13, 2013; Ord. G18-13, 2013; Ord. G24-11, 2011; Ord. G37-10, 2010; Ord. G77-06 § 1, 2006; Ord. G71-06 § 2, 2006; Ord. G73-05 § 1, 2005; Ord. G57-05 § 1, 2005)

2.08.090: MAYOR PRO TEM; APPOINTMENT; DUTIES:

A. If a temporary absence or temporary disability of the mayor interrupts him from the performance of his duties but does not create a vacancy in the office of the mayor, the city council shall appoint one of its members to act as the mayor pro tem. The mayor pro tem during the absence or disability of the mayor shall perform the duties and shall possess all the rights and powers of the mayor.
B. The appointment of the mayor pro tem shall be made by a majority vote of council members in attendance upon notification that the mayor is or shall be temporarily absent. (Ord. G57-05 § 1, 2005)

2.08.100: REVIEW OF RULES OF PROCEDURE:

Within sixty (60) days following each city council election the city manager is directed to submit to the city council at a meeting of the city council a copy of this chapter for the city council's review and consideration. (Ord. G57-05 § 1, 2005)
CITY OF ELGIN TRAVEL POLICY OVERVIEW

This document explains the travel policy and the procedures a traveler on official City business is required to follow. The intention of the procedures is not only to codify the City's travel policy, but also to simplify the making of travel arrangements and to help travelers have a cost-effective and trouble-free trip.

City representatives on official travel are expected to be cost-conscious when spending the taxpayer's money and to make reasonable efforts to reduce their travel expenses. Many of the procedures described in this manual have cost-control as their objective.

It is understood that exceptions to these procedures will occasionally be required due to unique circumstances. However, exceptions must be approved by the department head and City Manager prior to travel.

It is the responsibility of each individual who travels on behalf of the City to follow the established procedures as specified in this document.
PURPOSE

The purpose of this policy is to provide guidelines governing travel expenses and to detail procedures for travel documentation and accounting. The City's objective is to allow travel arrangements for City business that (1) conserve funds, (2) provide uniform treatment and (3) allow travel in a manner that is dignified and reflects positively on the City of Elgin. These guidelines should not be construed as guaranteeing attendance at any event, but as a means of establishing criteria under which individuals may attend an event. Other considerations, such as available funding and departmental operational needs and policies, will also be taken into consideration.

SCOPE

This policy is applicable for all expenses incurred on behalf of the city by employees, representatives, elected officials, and Board and Commission members traveling and/or attending special events, conferences, training sessions, or other elements of official city business.

This travel policy is divided into two major areas; travel requiring overnight stays, and travel that is completed in one day. This policy assumes that the individual has received approval for the event that requires travel.

Specifically, procedures for travel advances and advance payments, expenditure limitations, expense parameters, and requests for reimbursement are described.

The City Manager’s office may authorize deviations to these policies when warranted.

OVERNIGHT TRAVEL

If a seminar or conference is offered in multiple locations, individuals shall choose the more cost effective option. For example, if a seminar is being held in Washington DC and Los Angeles, the least expensive location, factoring in airfare and hotel costs, shall be selected. The City Manager may waive this requirement if there are special circumstances, such as timing of the conference or schedule conflicts.

CITY CREDIT CARD

Those individuals who travel on City business are encouraged to use a City of Elgin credit card. Only charges directly related to the approved travel and covered in the policy will be allowed. Cash advances through the credit card are strictly prohibited. The credit card may be used for expenses such as conference registration, meals, lodging, and air transportation. Travelers may elect to use their personal credit cards to charge City travel expenses. Reimbursement shall be made in accordance with provisions set forth in this policy.

TRAVEL ADVANCE

Travel advance requests and vendor checks for registration, room reservations, travel expenses or other related items should be prepared using the standard requisition process. A copy of the Statement of Travel Expenses form (sample attached) should be completed for the advance and retained for completion at the conclusion of the trip. The necessary checks for a travel advance and/or travel expenses shall be picked up by the department representative or the individual traveling, prior to the
date of travel, unless instructed otherwise.

The City shall directly pay vendors for as many travel expenses as possible, including registration fees, room deposits and airline or other commercial carrier expenses. As a general rule, travel advances will be limited to the per diem expenditure determined by the duration of the travel (See “MEALS”, below). Advances shall be processed and distributed according to the accounts payable payout schedule. Please consult your department head for specific submission date requirements to ensure your advance is available prior to departure.

Travel requests/advances for more than one person may be placed on one form provided all travelers are identified. One individual must be designated as responsible for the advanced monies.

REQUEST FOR REIMBURSEMENT

Within five business days after returning from a trip, the Statement of Travel Expenses form shall be reviewed and approved by the department head.

- The completed form shall list day-by-day expenses incurred by the traveler. Category totals (i.e., registration, lodging) and daily totals should be added across and down to the "TOTAL" columns. Please recheck all calculations for accuracy.

- Required receipts shall be attached to the Statement of Travel Expenses form when submitted.

- If actual expenses exceed the travel advance, said excess may be paid as soon as the expense report has been audited for compliance with the Travel Regulations, approved for payment, and scheduled on the Accounts Payable Schedule.

- Any unused portion of the travel advance shall be given to the Accounting Division within the Finance Department.

- Any additional or unusual expenses shall be fully explained on the form or an attachment.

- Expense reports not filed in a timely manner may result in advances being deducted from an employee's paycheck.

TRANSPORTATION

All modes of travel shall be by the most economical mode of transportation available considering travel time, costs and work requirements.

If an individual chooses to use a method of transportation other than that normally approved for a given trip, they shall detail the comparison of transportation methods available and attach the information to their Statement of Travel Expense form. The comparison should include the cost of overnight lodging as an element of travel when applicable. Upon approval, the traveler shall be reimbursed for the least cost option of travel regardless of the method that the individual ultimately uses. Any additional travel time must be taken as non-work time (i.e., vacation).

Air Travel

Commercial carrier fares shall be limited to "coach" or "economy" fares when such services are available. Air travel reservations should be made as soon as practicable after approval for attendance at a convention or seminar in order to obtain the lowest possible rate.
The lowest airfare rates generally require a travel over a Saturday night. In this instance a cost comparison of the additional expense that would be incurred (meals, hotel lodging, etc.) versus the next lowest round trip fare would be required and Department Head approval received prior to reservations being made. Frequent flyer mileage may not be used for personal use. The Internal Revenue Service views personal benefits (e.g., frequent flyer miles, payments for “bumping”) arising out of business travel as taxable income. Travel to and from train stations and airports may be by bus, limousine, taxi, or private vehicle (for which mileage will be paid), whichever is the most economical and reasonable under the circumstances. When possible, travel arrangements should be made through the travel agencies designated by the Purchasing Department and billed directly to the City.

**City Vehicles**

City cars, if available, shall be used for travel when warranted by distances, time requirements or other justification. Prior approval must be obtained from the department head. Gasoline, repairs and other expenses attributable to the vehicle are reimbursable and paid receipts must be submitted. Parking and garage charges are also reimbursable. Receipts must be submitted for reimbursement. Tolls are reimbursable, but do not require receipts.

**Private Vehicle**

The use of a private vehicle for out of town travel shall be limited to when a City vehicle is unavailable and other modes of transportation would involve excessive loss of time. Reimbursable expenses are limited to mileage, parking fees and toll charges. Receipts are required, except in the case of toll charges. Mileage reimbursement shall be the then-current Internal Revenue Service rate for mileage.

**INDIVIDUALS ON OFFICIAL BUSINESS, DRIVING PERSONAL AUTOMOBILES MUST BE ADEQUATELY PROTECTED BY PERSONAL LIABILITY AND PROPERTY DAMAGE INSURANCE. THE INSURANCE REQUIREMENTS ARE AS FOLLOWS:**

<table>
<thead>
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<tr>
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<td>$  5,000</td>
</tr>
<tr>
<td>UNDER INSURED/UNINSURED MOTORIST</td>
<td>$100,000/$300,000</td>
</tr>
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</table>

THE DEPARTMENT HEAD SHOULD ASSURE HIMSELF/HERSELF THAT THE TRAVELER HAS MINIMUM COVERAGE AND INSIST ON THE USE OF A CITY OWNED OR RENTAL VEHICLE IN THE ABSENCE OF SUCH KNOWN PROTECTION.

All automobile travel is to be by the most direct route. Any person traveling by another route without adequate justification shall assume all additional expenses incurred.

**Vehicle Rental**

An individual will not be reimbursed for the use of a rental car except when transportation is required at the destination and other means would be too costly. Department head prior approval for the use of a rental car is required.

Rental car agencies provide two types of insurance. Collision damage is not provided by the City’s insurance company on rental vehicles and therefore is required and is an allowable expense. Personal accident (death and dismemberment) is provided under the City’s group health policies and also under workers compensation when traveling on official business. Therefore, it is not a reimbursable expense.

Automobile rental costs shall be reimbursed at the standard compact car rate when the automobile is
used for official City business and approved in advance. Fuel for rental automobiles shall also be an expense eligible for reimbursement.

**Taxi**

Taxi fares for travel to dinner (or other purposes) will not be allowed, unless food service is not available within walking distance of the hotel at which the traveler is staying, or approved by the City Manager. When traveling by private or City vehicle, any taxi or bus fares will be disallowed unless specifically noted and approved on the Statement of Travel Expense form.

**Public Transportation**

Public transportation may be utilized as an alternative to other modes of transportation when it is economically feasible to do so. Receipts for public transportation under $20 are not required.

**LODGING**

Hotel or motel reservations shall be made well in advance to ensure that lodging is secured at moderate rates. Receipts for lodging are required. Reimbursement of lodging shall be limited to the minimum number of nights required to conduct the assigned City business, unless airfare prices dictate longer travel dates. If a conference, for example, opens on Sunday evening and closes Thursday noon, reimbursement for Saturday through Wednesday night would be allowed if a Saturday airline departure lowered the fare to cover the room expense and per diem and remain less expensive than a Sunday to Wednesday night stay. Otherwise, if the traveler chooses to arrive earlier or stay later, the additional lodging and other expenses related to this decision are personal expenses and will not be reimbursed.

If a spouse and/or other family members travel on an official trip, reimbursement shall be limited to the single rate for the room occupied. The traveler shall provide a conference brochure, hotel flyer, etc. that states the room rates. The completed Statement of Travel Expense form shall reflect the single room rate and any difference shall be paid for by the traveler.

Lodging expense shall only be reimbursed for meetings or conferences held outside a 60 mile radius of Elgin's city limits.

**MEALS**

Individuals receive a per diem of $40.00 to cover meals, including tips.

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<tr>
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The per diem meal expenses provided herein may be adjusted annually by the City Manager based upon any increases in the Consumer Price Index.

No receipts are required for meals. The per diem for the day of departure and the day of return will be pro-rated based on the number of meals required away from home.

When registration fees include one or more meals, the maximum allowable per diem will be decreased by the appropriate meal per diem amount.
REGISTRATION FEES

Registration and tuition fees for professional and technical meetings and conferences are reimbursable. Receipts are required.

MISCELLANEOUS

1) The cost of related special expenses, if reasonable, shall be reimbursable. Examples are:
   a) Laundry and dry cleaning if a travel stay is for five consecutive days.
   b) Storage and handling of baggage.
   c) Telephone calls on official business.

2) Examples of non-reimbursable expenses include, but are not limited to:
   a) Alcohol
   b) Coat check
   c) Entertainment (e.g., golf, in-room motion pictures, concierge amenities)
   d) Parking tickets or other traffic tickets
   e) Meals for other people
   f) Late check out

The City shall assume no liability (financial including travel, lodging, per diem, or otherwise) should an individual who is traveling on city business for more than one week return home on the weekends.

REQUIRED RECEIPTS

Receipts are required for the following expenses in order to receive reimbursement:
- Commercial carrier travel cost
- Parking and garage charges
- Gas, repairs and vehicle expense for City vehicles
- Lodging
- Registration and tuition fees
- Extraordinary expenses not covered by these regulations
- Public transportation (over $20)
- Taxi
- Car rental

SAME DAY TRAVEL

TRANSPORTATION

City Vehicles
City cars, if available, shall be used for travel when distances, time requirements or other justification warrant it. Prior approval must be obtained from the department head. Gasoline, repairs and other expenses attributable to the vehicle are reimbursable and paid receipts must be submitted. Parking and garage charges are also reimbursable, but care should be exercised to select a parking facility that charges economical rates. Receipts must be submitted for reimbursement. Tolls are reimbursable, but do not require receipts.

Private Vehicles
Private vehicles may be used for travel on City business when authorized by the department head. Reimbursement shall be based on a per mile rate plus tolls, parking and garage charges. When two or more people travel in the same private vehicle, reimbursement shall be paid to the owner of the vehicle.

Mileage determinations will be set according to the Rand-McNally Road Atlas and the Illinois Official Highway Map. Travelers shall be reimbursed according to the then-current Internal Revenue Service rate for mileage reimbursement. Travelers who receive car allowances do not receive per mile reimbursements for same day travel.

Mileage should be based on departure from the individual's principal work location to the destination and then returning to principal work location. If the individual lives in closer proximity to the final destination, the mileage shall be calculated at the lesser distance.

MEALS

The per diem for meal expenses for same day travel is:

- Breakfast - $7.00
- Lunch - $13.00
- Dinner - $20.00

The per diem meal expenses provided herein may be adjusted annually by the City Manager based upon any increases in the Consumer Price Index.

The basic travel day shall start at 7:00 a.m. and end at 6:00 p.m. The basic travel day includes lunch if the business meeting or travel encompasses noon to 1:00 p.m., but does not include breakfast or dinner if the travel is accomplished between 7:00 a.m. and 6:00 p.m.

REGISTRATION FEES

Registration and tuition fees for professional and technical meetings and conferences are reimbursable. Receipts are required.
Section 8.07 Conference and Seminar Guidelines

Elgin encourages its employees to further their professional knowledge and networks through attendance at conferences, seminars and training. Accordingly, departments are provided funding for staff development. This resource should be made available to staff at all levels to permit them to partake in educational opportunities. As a general rule, management employees will be permitted to attend out of state conferences as budgets allow.

A “conference” is defined as a multi-day event which may or may not be out of state. A “seminar” is defined as an event no more than one day in length.

During the budget preparation process, each department must provide a conference outline, including position attending, name of event, sponsor, location, dates, and a breakdown of costs. Events that do not require overnight stays are preferred. Each department must also provide a summary of seminars anticipated for the following year, including general topics and an estimated total number of seminars to be attended by staff. Attendance at an out of region seminar is permitted only if a seminar is unavailable in the regional area.

The required procedures and documentation for all travel are outlined in the City’s Travel Policy, available on the City’s intranet site.

Attendance at an out of state conference that has not been approved during the budget process must receive prior approval from the Human Resources Director. Such requests shall be made using the Travel Request Form, available on the City's intranet site.
ITEM: Proposed Ordinance Relating to Video Gaming Licensing by the City
(No cost to the City)

OBJECTIVE:
Adoption of local regulations to regulate video gaming in the City.

RECOMMENDATION:
Adoption of the proposed ordinance.

The Local Liquor Control Commission has been considering a proposed ordinance relating to video gaming licensing by the City which would include City license requirements and fees for video gaming distributors and video gaming establishments. A survey of video gaming regulations of twenty municipalities in the Chicago area was conducted. Of the twenty municipalities surveyed last fall, eight of the municipalities prohibited video gaming and the twelve remaining municipalities have adopted regulations requiring local permits or licenses for video gaming establishments and additional fees therefor.

As of May 2019, the City had 32 licensed video gaming establishments in Elgin with a total of 148 gaming terminals. A revised draft ordinance was considered by the Local Liquor Control Commission which would provide for a required City license for distributors of video gaming terminals and a required City license for establishments with video gaming terminals. Distributors would be required to pay the City a yearly license fee in the amount of $1,500 for each video gaming terminal distributed, sold, leased-out, established or supplied in the City. Establishments keeping or displaying video gaming terminals in the City would pay the City a yearly license fee in the amount of $25 for each video gaming terminal in the City.

The annual license year would be May 1 through April 30, the same as liquor licenses. No video gaming terminal could be located in any establishment without having a valid and current Class A, AA, C, E, E-1, E-2 or E-3 liquor license from the City. The six video gaming establishments in the city which currently have other types of liquor license classifications would be grandfathered. A numerical limit on the number of video gaming terminal licenses would be set at 148, which is the current amount of video gaming terminals in the City. The Local Liquor Control Commission would administer the new ordinance relating to video gaming license.
A letter of April 30, 2019 along with a draft of the proposed ordinance was sent to the then 31 existing license video gaming establishments in the City along with the nine distributor's license by the Illinois Gaming Board. Staff has to date not received any comments in response to such letter.

BACKGROUND

The Illinois Gaming Act (230 ILCS 40/1 et seq.) was enacted on July 13, 2009 and legalized the use of video gaming terminals in specific locations in the state. The Video Gaming Act was adopted as part of the State of Illinois capital bill funding package. Pursuant to the Video Gaming Act, the state receives a tax of 25 percent on gaming operation revenues and municipalities receive a tax on five percent of gaming revenues within their corporate limits. Pursuant to the recently approved Senate Bill 690 which is awaiting the governor’s signature, beginning on July 1, 2019 an additional tax of three percent will be collected and beginning on July 1, 2020 an additional tax of one percent will be collected. These additional taxes are to be deposited into the State Capital Projects Fund. The City of Elgin as a home rule unit can also impose a fee on video gaming terminals in an amount as determined by the City. To date, the City has not imposed additional fees on video gaming terminals.

The Video Gaming Act defines four types of establishments where video gaming machines are permitted as follows:

- Licensed establishment—a licensed retail establishment where alcoholic liquor is served for consumption on the premises such as a bar or restaurant.
- Licensed fraternal organization—a qualified fraternal organization that derives its charter from a national fraternal organization.
- Licensed veterans organization—a qualified veterans organization that derives its charter from a national veterans organization.
- Licensed truck stop establishment—a facility that is at least three acres with a convenience store and with separate diesel islands for fueling and parking commercial motor vehicles.

Pursuant to the recently approved Senate Bill 690, an additional fifth type of establishment would be permitted consisting of a licensed large truck stop establishment. A licensed large truck stop establishment is defined as a facility located within three road miles from a freeway interchange that is at least a three acre facility with a convenience store, with separate diesel islands for fueling commercial motor vehicles, that sells at retail more than 50,000 gallons of diesel or bio-diesel fuel per month, and with parking spaces for commercial motor vehicles.

The Video Gaming Act also provides for a number of restrictions on the operation of video gaming machines, including the following significant restrictions:
• Video gaming terminals may not be operated at any premises that is: (i) located within 1,000 feet of a horse racing or riverboat gambling facility; or (ii) located within 100 feet of a school or place of worship.
• Number of machines: There may not be more than five (5) machines on any premises. The recently approved Senate Bill 690 would increase the maximum number of machines from five to six and a licensed large truck stop establishment would be able to operate up to ten video gaming terminals on its premises.
• Location of machines: Video gaming terminals must be located in an area that is restricted to persons over 21 years of age. The entrance to that area must be within the view of at least one employee.
• Age restrictions: No licensee may cause any person under the age of 21 years to use or play a video gaming terminal.
• Liquor license required: Each establishment must possess a valid liquor license issued by the Illinois Liquor Control Commission.
• Hours of operation: Those premises that are licensed establishments, licensed fraternal establishments and licensed veterans establishments may operate video gaming terminals only during the hours of operation for the consumption of alcohol at that premises. Licensed truck stop establishments do not appear to currently have a limit on the hours of operation.

Section 27 of the Video Gaming Act authorizes municipalities to prohibit video gaming within their corporate limits. At the time of the enactment of the Illinois Gaming Act the City prohibited video gaming within the City pursuant to two ordinances relating to gambling which were in existence prior to the adoption of the Video Gaming Act.

In 2013, the city council decided to allow video gaming establishments in the City. The City of Elgin’s current regulation of video gaming establishments is provided through the City’s liquor code and zoning ordinance. In summary, the City’s liquor code provides the City a mechanism to decide whether to issue additional liquor licenses and thereby allow additional video gaming establishments within the City. The City’s zoning ordinance provides an additional mechanism to track the opening of video gaming establishments in the City. Unless video gaming at an establishment qualified as an accessory use including, but not limited to, not exceeding ten percent (10%) of the floor area of the establishment, the video gaming would be considered as an additional principal (or component) use on the zoning lot in question. Such a principal use is currently only allowed as a conditional use in the RB Residence Business District, NB Neighborhood Business District, AB Area Business District, CC1 Center City Business District, CC2 Center City Business District and the CI Commercial Industrial District. The city council’s policy to date has been to limit video gaming to being an accessory use to new liquor license establishments. As an accessory use, the floor area allocated to video gaming in a liquor license establishment cannot exceed ten percent of the floor area of the establishment in which the devices are to be located. Such a policy limiting new video gaming facilities to accessory uses has prohibited the so-called "Gaming Cafes" from opening within the City.
Attached is an Illinois Gaming Board Video Gaming Report for Elgin for January through December of 2018. Such report identifies the 33 different establishments in Elgin which had a video gaming license in 2018 with the state and the number of video gaming terminals at each establishment. It appears that approximately 23 of these 33 establishments were in business prior to the City allowing video gaming in 2013. The 33 video gaming establishments in Elgin had a total of 146 video gaming terminals, which is an average of 4.42 video gaming terminals per establishment. As stated above, the Illinois Video Gaming Act currently limits an establishment to five video gaming terminals. Senate Bill 690 which is awaiting the governor’s signature would increase the authorized limit from five video gaming terminals to six. Also attached is the Illinois Gaming Board Video Gaming Report for Elgin for the most recent reporting period of May 2019. This report identifies 32 establishments in Elgin which have a video gaming license with the state with a total of 148 video gaming terminals. It appears from these reports that since December of 2018 the Antunez Group, Inc. (Casa Lara) and Uthaiwan Witanen (Toom Toom Thai Restaurant) no longer have video gaming and that TJ's Bar and Grill, LLC has been added as a video gaming licensee.

The Local Liquor Control Commission discussed the subject of an ordinance for video gaming licensing by the City at the liquor commission meetings in October of 2018, February of 2019 and March of 2019. Draft ordinances were discussed at the February and March 2019 liquor commission meetings.

As part of the Local Liquor Control Commission's consideration of video gaming licensing, City staff conducted a survey of video gaming regulations of municipalities in the Chicagoland area. Twenty communities were surveyed including the eight municipalities which have previously been determined to be comparable to the City and utilized for purposes of collective bargaining negotiations. The eight municipalities previously determined to be comparable and utilized in connection with collective bargaining negotiations are Evanston, Des Plaines, Joliet, Oak Park, Arlington Heights, Skokie, Aurora and Waukegan. The survey was conducted by a review of applicable ordinances and in several instances contacting staff of the municipalities.

In summary, of the twenty municipalities surveyed last fall, eight of the municipalities prohibited video gaming and the remaining twelve municipalities have adopted regulations requiring local permits or licenses for video gaming establishments and additional fees therefor.

The following is a summary of the video gaming regulations for the surveyed municipalities:


9. City of Aurora. Requires a video gaming operator’s license to be obtained from the city. Also requires a video gaming terminal distributor’s license for each video gaming terminal be obtained from the city. Specifies the liquor license classifications eligible to hold a video gaming license. Requires an establishment must be in operation as a licensed liquor license premise for no less than 120 days prior to the issuance of a video gaming terminal license. Limits the number of video gaming terminal licenses in the city to 200 video gaming terminals. Provides a distancing requirement of 2,640 feet from another video gaming licensed establishment without obtaining a special use permit. Prohibits new video gaming establishments within the downtown and downtown fringe as defined in the zoning ordinance. Prohibits video gaming establishments within 1,000 feet of a casino. Requires an initial application fee of $100 in addition to the annual fees. Provides for an annual fee for a video game establishment operator of $600 ($50 per month) for each video gaming terminal and an annual license fee for a video gaming terminal distributor of $1,200 ($100 per month) for each video gaming terminal.

10. City of Joliet. Requires a liquor licensee to obtain an additional liquor license permit from the city to provide for video gaming on a licensed premises. Requires a liquor license establishment to be in operation as a licensed premise for at least 120 days before being eligible to obtain the video gaming permit. Limits video gaming permits to one permit for any single shopping center plaza or strip mall. Provides for an annual video gaming license fees of $250 for each video gaming terminal.

11. City of Waukegan. Requires a video gaming license to be obtained from the city. Provides for a distancing requirement within 1,500 feet of another video gaming establishment and 100 feet from a pre-existing school or church. Provides for annual license fees of $1,000 for each video gaming terminal. Effective May 1, 2019, this fee shall be adjusted upwards annually by three percent per year for ten years. Provides for a possible limit on the number of video gaming licenses.

12. City of Peoria. Requires a video gaming license be obtained from the city. Provides for a license application fee of $500 for each video gaming terminal per license year. Requires establishments to generate at least 80 percent of their revenue from the sale of food or beverages. For previous applicants, the establishment must maintain a minimum of 60 percent of total revenue from the sale of food or beverages. The requirements related to minimum level of sales of food and beverages do not apply to any fraternal or veterans establishment that possess a valid liquor license.
13. Village of West Dundee. Requires a video gaming license to be obtained from the village. Provides for annual license fees of $1,000 for a video gaming establishment and $250 for each video gaming terminal.

14. Village of East Dundee. Requires a supplemental liquor video gaming permit be obtained from the village. Limits the number of the supplemental video gaming permits in the village to fourteen. Provides for annual fees for a supplemental liquor video gaming permit of $1,000 and $250 per video gaming machine. Provides for a distancing requirement of 100 feet of any school or church.

15. Village of Carpentersville. Requires a video gaming permit to be obtained from the village. A video gaming sticker issued by the village is affixed to each video gaming terminal in a conspicuous place. Provides for annual video gaming terminal fees of $500 per terminal through December 31, 2018, and $750 per video gaming terminal after January 1, 2019.

16. Village of South Elgin. Requires a video gaming license to be obtained from the village. Provides for an annual license fee of $25 for each video gaming terminal.

17. Village of Hoffman Estates. Requires a video gaming license to be obtained from the village for each video gaming terminal. Provides for an annual fee of $400 for each video gaming terminal.

18. Village of Bartlett. Requires a video gaming license to be obtained from the village for each video gaming terminal. Provides for an annual license fee of $500 for each video gaming terminal.

19. Village of Streamwood. Requires a video gaming license to be obtained from the village for each video gaming terminal. Provides for an annual license fee of $150 for each video gaming terminal.

20. City of St. Charles. Requires a video gaming license to be obtained from the city. Provides for a $1,000 license fee for the initial license, a $500 fee for each renewal license plus a $100 fee per year for each video gaming terminal. Prohibits any licensee to post or display any advertisement which is visible to the public that advertise gaming terminals are located at the licensed establishment.

OPERATIONAL ANALYSIS

Attached is the current revised draft proposed ordinance relating to video gaming licensing by the City. The proposed ordinance may be summarized as follows:

1. Section 6.08.010 would adopt definitions provided for in the Illinois Video Gaming Act.
2. Section 6.08.020 would adopt the regulations of the Illinois Video Gaming Act and other various administrative regulations adopted pursuant thereto. The adopted video gaming regulations include the following restrictions:

- Video gaming terminals may not be operated at any premises that is: (i) located within 1,000 feet of a horse racing or riverboat gambling facility; or (ii) located within 100 feet of a school or place of worship.
- Number of machines: There may not be more than five (5) machines on any premises. Senate Bill 690 if signed by the governor would increase this limit to six (6) and to ten (10) for a licensed large truck stop establishment.
- Location of machines: Video gaming terminals must be located in an area that is restricted to persons over 21 years of age. The entrance to that area must be within the view of at least one employee.
- Age restrictions: No licensee may cause any person under the age of 21 years to use or play a video gaming terminal.
- Liquor license required: Each establishment must possess a valid liquor license issued by the Illinois Liquor Control Commission.
- Hours of operation: Those premises that are licensed establishments, licensed fraternal establishments and licensed veterans establishments may operate video gaming terminals only during the hours of operation for the consumption of alcohol at that premises. Licensed truck stop establishments do not appear to currently have a limit on the hours of operation.

3. Section 6.08.030 would provide for a required license for distributors of video gaming terminals and would provide that no distributor or any person could distribute, sell, lease out, establish or supply any video gaming terminal in the City without first obtaining a distributor’s license from the Local Liquor Control Commission of the City pursuant to the ordinance. Distributors would be required to pay the City a yearly license fee in the amount of $1,500 for each video gaming terminal distributed, sold, leased out, established or supplied in the City. The annual license year would be May 1 through the following April 30, the same as liquor licenses. An entity seeking a distributor’s license from the City must also have a valid distributor’s license from the State of Illinois as a distributor of video gaming terminals.

4. Section 6.08.040 would provide for a required license for establishments with video gaming terminals. No establishment or any person could keep or display for operating or patrons by the public within the City any video gaming terminal without having first obtained a license therefor from the Local Liquor Control Commission of the City pursuant to the ordinance. Establishments keeping or displaying video gaming terminals in the City would pay the City a yearly license fee in the amount of $25 for each video gaming terminal in the City. As discussed below, the proposed $25 fee per video gaming terminal equals the lowest video gaming terminal licensing fee of the surveyed communities.
The video gaming terminals at the various Elgin establishments currently range from two to five, which would result in annual licensing fee for the various establishments of $50 to $125. The annual license would also be May 1 through the following April 30, the same as the distributor’s licenses and liquor licenses. It would be a prerequisite for any such video gaming terminal license that licensee also have a valid license from the State of Illinois for each such video gaming terminal. The licensing of establishments with video gaming terminals has several benefits. These benefits include, but are not limited to, assisting the City in identifying distributors of video gaming terminals, allowing for more control over the establishment of additional video gaming establishments and allowing for local and more direct enforcement of video gaming regulations.

5. Section 6.08.050 of the ordinance provides for the application process for the licenses pursuant to the ordinance. Licenses would be directed and filed with the Local Liquor Control Commissions. In addition to the licensing fees applicants for a distributor’s license would also pay a $200 application fee at the time of filing an initial application to cover the cost of processing the application.

6. Section 6.08.060 provides for conditions on the licenses. Distributors and establishments operating video gaming terminals must also be licensed by the State of Illinois. Video gaming terminals would need to be placed and operated in strict compliance with video gaming regulations of the state, the requirements of the ordinance and any other applicable requirements of law. No video gaming terminal could be located in any establishment without having a valid and current Class A, AA, C, E, E1, E2 or E3 liquor license from the City. There are currently six video gaming establishments in the City which have other types of liquor license classifications. The City liquor license classification for each video gaming licensee has been added to the attached May 2019 report from the Illinois Gaming Board for Elgin. These other establishments would be grandfathered and would be eligible to receive a video gaming license from the City for as long as those establishments were owned by the now current holder of the subject liquor license. No video gaming terminal could be used or operated at a liquor license establishment except during the legal hours of operation allowed for the sale or consumption of alcoholic liquors on the premises. No video gaming license could be issued, and no video gaming terminals could be used or operated on the premises except as an accessory use to a principal use on such a premises as defined in the City’s zoning ordinance.

7. Section 6.08.070 would provide that no licenses issued pursuant to the ordinance could be transferred. Such section also provides for limits and notification regarding changes of more than five percent of business entities holding the licenses. A sale, transfer or assignment of more than 50 percent of the ownership of a business would terminate a license and the new owner would need to apply for and obtain their own new license.

8. Section 6.08.080 includes provisions relating to revocations, suspensions or fines. The Local Liquor Control Commission would have the authority to suspend, revoke or fine a licensee who has violated the provisions of the ordinance pursuant to the same rules
and procedures set forth in regard to liquor licenses as provided in the City’s liquor
code, provided, however, appeals from orders or actions of the Local Liquor Control
Commission with respect to video gaming licenses shall not be taken to the Illinois State
Liquor Control Commission, and such appeals would be made as otherwise provided by
law. Actions for fines and injunctive relief could also be initiated in the Circuit Court of
Kane County or pursuant to Chapter 1.25 of the Elgin Municipal Code which provides for
administrative adjudication of code violations.

9. Section 6.08.080 would provide for a numerical limit on the number of video gaming
terminal licenses of 148, which is the current amount of video gaming terminals in the
City. The City of Aurora provides a similar numerical limitation. The City’s liquor code al-
so limits the number of various licenses, which is amended from time to time as the liq-
uor commission determines to issue an additional particular class of liquor license. The
proposed numerical limit may require further discussion given the provision within Sen-
ate Bill 690 which would increase the maximum number of video gaming machines on a
premises from five to six.

10. Section 2 of the ordinance would amend the City’s liquor code to provide the Local Liq-
uor Control Commission with the additional authority to administer the new ordinance
relating to video gaming licenses.

As noted in the background section above, as part of the research regarding a possible ordi-
nance relating to video gaming licensing by the City, staff surveyed video gaming regulations for
twenty selected municipalities. In summary, of the twenty municipalities surveyed, eight of the
municipalities prohibit video gaming and the remaining twelve municipalities have adopted
regulations requiring local permits or licenses for video gaming establishments and additional
fees therefor. The annual licensing fees for the twelve municipalities with video gaming termi-

The attached draft ordinance for the City would provide for a distributor’s license fee of $1,500
per year and a video gaming terminal license fee of $25 per year for each video gaming ter-

nal. The City of Aurora is the only other surveyed community that also has a distributor’s li-
cense. The City of Aurora’s distributor license fee is $1,200 per year for each video gaming ter-
minal distributed by a distributor. The City of Aurora also has an annual license fee of $600 per
year for each video gaming terminal which amounts to $3,000 of annual licensing fees for an
establishment with five video gaming terminals.
INTERESTED PERSONS CONTACTED

The attached letter dated April 30, 2019, along with a draft proposed ordinance was sent to the then 31 existing licensed video gaming establishments in the City along with the nine distributors licensed by the Illinois Gaming Board. The letter summarizes the proposed ordinance and invited written comments thereon. The letter further advised that the city council would be further discussing the proposed ordinance at the June 26, 2019 committee of the whole meeting. Staff to date has not received any comments in response to such letter.

FINANCIAL ANALYSIS

Based upon the current number of 148 video gaming terminals in the City, the proposed ordinance would generate $3,700 from establishments with video gaming terminals ($25 x 148) and $222,000 from distributors ($1,500 x 148).

BUDGET IMPACT

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<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

LEGAL IMPACT

None.

ALTERNATIVES

1. The city council may choose to adopt the proposed ordinance as presented or in a form as determined by the city council.

2. The city council may choose to not adopt an ordinance providing for video gaming licensing by the City.

NEXT STEPS

1. Adopt the ordinance.

2. Send notifications to existing license establishments and distributors.
Originators: William A. Cogley, Corporation Counsel/Chief Development Officer
Final Review: Debra Nawrocki, Chief Financial Officer
Richard G. Kozal, City Manager

ATTACHMENTS
A. Illinois Gaming Board Video Gaming Report for Elgin for January through December 2018
B. Illinois Gaming Board Video Gaming Report for Elgin for May 2019
C. Draft Ordinance Providing for Video Gaming Licensing by the City
D. Letter to Licensed Establishments and Distributors Regarding Proposed Ordinance
E. Portion of Senate Bill 690 Relating to Proposed Amendments to Video Gaming Act

## ILLINOIS GAMING BOARD
### VIDEO GAMING REPORT
### Elgin

### May 2019

**Amount Placed** | **Amount Won** | **Net Wagering Activity**
--- | --- | ---
$544,878.72 | $50,552.96 | $489,589.25
$216,977.60 | $15,117.07 | $19,860.53
$137,781.84 | $66,770.18 | $71,011.66
$10,918.88 | $18,211.58 | $7,392.70
$293,932.45 | $393,358.25 | $90,425.80
$671,482.06 | $439,275.15 | $232,206.91
$378,957.09 | $532,992.94 | $154,035.85
$316,266.23 | $372,932.64 | $56,666.41
$30,845.98 | $64,504.12 | $33,658.14
$10,409.85 | $6,937.04 | $3,472.81
$175,563.15 | $20,982.27 | $154,580.88
$2,888.38 | $2,323.82 | $664.56
$2,451.60 | $1,043.40 | $408.20
$4,668.60 | $3,309.30 | $1,359.30
$4,316.70 | $2,827.25 | $599.45
$11,279.61 | $6,485.33 | $4,794.27
$889.73 | $503.11 | $386.62
$3,940.38 | $2,295.00 | $1,645.38
$4,855.00 | $2,452.89 | $602.90
$10,189.15 | $5,912.78 | $4,276.37
$1,969.47 | $1,037.19 | $932.28
$2,146.26 | $1,780.95 | $355.31
$3,645.80 | $3,520.64 | $125.16
$3,234.18 | $3,214.79 | $19.39
$3,104.00 | $1,914.89 | $1,189.11
$3,091.82 | $3,050.64 | $411.18
$3,036.07 | $2,975.90 | $500.17
$2,974.33 | $2,930.18 | $44.15
$3,170.70 | $2,642.20 | $524.50

**VGT Income**

<table>
<thead>
<tr>
<th>Hours</th>
<th>Funds In</th>
<th>Funds Out</th>
<th>MS</th>
</tr>
</thead>
</table>
$54,315.60 | $19,596.50 | $319.30
$19,595.26 | $6,655.25 | $493.05
$3,957.66 | $5,297.86 | $859.60
$5,812.40 | $4,677.02 | $320.38
$3,109.31 | $1,639.82 | $1,469.27
$14,402.35 | $5,651.55 | $8,750.80
$10,284.24 | $8,633.30 | $1,730.94
$2,788.38 | $2,323.82 | $464.56
$2,451.60 | $1,043.40 | $408.20
$4,855.00 | $2,452.89 | $602.90
$10,189.15 | $5,912.78 | $4,276.37
$1,969.47 | $1,037.19 | $932.28
$2,146.26 | $1,780.95 | $355.31
$3,645.80 | $3,520.64 | $125.16
$3,234.18 | $3,214.79 | $19.39
$3,104.00 | $1,914.89 | $1,189.11
$3,091.82 | $3,050.64 | $411.18
$3,036.07 | $2,975.90 | $500.17
$2,974.33 | $2,930.18 | $44.15
$3,170.70 | $2,642.20 | $524.50

**VGT Tax Distribution**

<table>
<thead>
<tr>
<th>Hour</th>
<th>State Share</th>
<th>Municipality Share</th>
</tr>
</thead>
</table>
$54,315.60 | $19,596.50 | $319.30
$19,595.26 | $6,655.25 | $493.05
$3,957.66 | $5,297.86 | $859.60
$5,812.40 | $4,677.02 | $320.38
$3,109.31 | $1,639.82 | $1,469.27
$14,402.35 | $5,651.55 | $8,750.80
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$3,104.00 | $1,914.89 | $1,189.11
$3,091.82 | $3,050.64 | $411.18
$3,036.07 | $2,975.90 | $500.17
$2,974.33 | $2,930.18 | $44.15
$3,170.70 | $2,642.20 | $524.50
AN ORDINANCE
RELATING TO VIDEO GAMING LICENSING

WHEREAS, the Illinois Video Gaming Act (230 ILCS 40/1, et seq) was enacted on July 13, 2009, and legalized the use of video gaming terminals in certain liquor license establishments and license truck stop establishments within the state; and

WHEREAS, pursuant to Ordinance G17-13, adopted by the City Council on March 13, 2013, the City Council of the City of Elgin determined that it was appropriate to allow video gaming within the City of Elgin pursuant to the Illinois Video Gaming Act; and

WHEREAS, the City Council of the City of Elgin has determined that it is appropriate to adopt video gaming license requirements for establishments operating any video gaming terminal pursuant to the Illinois Video Gaming Act and for distributors of video gaming terminals; and

WHEREAS, the City of Elgin is a home rule unit and as a home rule unit may exercise any power and perform any function pertaining to its government affairs; and

WHEREAS, the power to license as provided in this ordinance pertains to the government and affairs of the city and is an appropriate exercise of municipal authority pursuant to the Illinois Video Gaming Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELGIN, ILLINOIS:

Section 1. That a new Chapter 6.08 of the Elgin Municipal Code, 1976, as amended, be and is hereby created and added to the Elgin Municipal Code entitled “Video Gaming” to read as follows:

“CHAPTER 6.08
VIDEO GAMING

6.08.010: DEFINITIONS:

Words or phrases as used in this chapter shall be defined as provided in Section 5 of the Illinois Video Gaming Act (230 ILCS 40/5), as amended, except as otherwise provided herein.

PERSON: Natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business, limited liability company, trust or organization, or the manager, lessee, agent, servant, officer or employee of any of them.

6.08.020: VIDEO GAMING REGULATIONS ADOPTED:
Regulations of the Illinois Video Gaming Act 230 ILCS 40/1 et seq, as amended, and Title 11 of the Illinois Administrative Code, Subtitle D, Video Gaming, Chapter I, Illinois Gaming Board, Art. 1800, Video Gaming (General) (11 Ill Adm Code 1800.110 et seq, as amended) be and are hereby adopted and incorporated by reference herein. Such laws and regulations relating to video gaming, as amended, are referred to in this chapter collectively as video gaming regulations.

6.08.030: LICENSE REQUIRED FOR DISTRIBUTORS OF VIDEO GAMING TERMINALS:

A. No distributor or any person shall distribute, sell, lease out, establish or supply any video gaming terminal in the city without first obtaining a distributor’s license from the Local Liquor Control Commission of the city pursuant to this chapter.

B. Each distributor licensed under this chapter shall maintain a current list of all premises in the city in which the distributor owns, has sold, leased out, supplied or delivered any video gaming terminal. Such list shall be available for inspection by the city clerk or his or her designee, on demand, during normal business hours.

C. No distributor or any other person shall own, sell, lease out, supply or deliver any video gaming terminal to any premises within the city unless the owner or lessee of the premises shall also have applied for and obtained a current valid city license for the video gaming terminal.

D. Every distributor that is licensed to distribute, sell, lease out, establish or supply any video gaming terminal in the city pursuant to this chapter shall pay a yearly license fee to the city in the amount of $1,500 for each video gaming terminal distributed, sold, leased out, established or supplied in the city.

E. Failure or neglect to pay the requisite fees in a timely manner shall be cause for denial of issuance or non-renewal or revocation as the case may be.

F. All distributor’s licenses shall expire on April 30, next after the date of issue.

G. It shall be a prerequisite to any distributor’s license from the city that the person distributing video gaming terminals have a valid license from the State of Illinois as a distributor of video gaming terminals. A loss or suspension of any such license by the State of Illinois shall automatically result in the same status for the license issued hereunder, without refund of any license fee.

6.08.040: LICENSE REQUIRED FOR ESTABLISHMENTS WITH VIDEO GAMING TERMINALS:

A. No establishment or any person shall keep or display for operating or patronage by the public within the city any video gaming terminal without having first obtained a license therefor from the Local Liquor Control Commission of the city pursuant to this chapter.
B. Every establishment that is licensed to keep or display any video gaming terminal in the city pursuant to this chapter shall pay a yearly license fee to the city in the amount of $25 for each video gaming terminal in the city.

C. Failure and neglect to pay the requisite fees in a timely manner shall be cause for denial of issuance or non-renewal or revocation as the case may be.

D. All licenses shall expire on April 30, next after the date of issue.

E. It shall be a prerequisite to any license from the city that the person keeping or displaying video gaming terminals shall have a valid license from the State of Illinois for each such video gaming terminal. A loss or suspension of any such license by the State of Illinois shall automatically result in the same status for the license issued hereunder, without refund of any license fee.

F. A license for a video gaming terminal issued by the city shall be framed and hung in plain view in a conspicuous place on the licensed premises.

6.08.050: APPLICATIONS:

A. Applications for license pursuant to this chapter shall be directed to and filed with the Local Liquor Control Commission of the city. In addition to the licensing fees imposed applicants for a distributor's license should also pay a non-refundable $200 application fee at the time of filing of an initial application to cover the cost of processing the application. Prior to the issuance of any license applicants shall also pay to the city clerk the full amount of the annual license fee required to be paid for the kind of license applied for.

B. All applications shall be on forms approved by the local liquor control commission and provided by the city. If the applicant is a partnership, all partners shall sign the application. If the applicant is a corporation or club, the president and secretary of the applicant business entity shall sign the application. If the applicant is a limited liability company, the managers of the limited liability company shall sign the application. If the members of the limited liability company do not elect managers, the application shall be signed by the members with interest representing the majority of the book value of the membership interest unless the articles of organization or operating agreement otherwise provide the manner in which members or managers may bind a limited liability company. Each application shall contain at the least the following information and statements:

1. The applicant’s name, birthdate, social security number, driver’s license number, address, position and percentage of ownership in the business; and the name, birthdate, social security number, driver’s license number, address, position and percentage of ownership in the business of every sole owner, partner, corporate officer, director, manager of a limited liability company, manager and any person or member of the limited liability company who
owns 5% or more of the shares of the applicant business entity or parent corporations of the applicant business entry. The articles of incorporation for any corporation shall be attached to the application.

2. The type of license applied for, whether distributors license or video gaming terminal license.

3. Description of the principal business and any ancillary business to be operated on the premises.

4. For a distributor’s license a list of all premises in the city and number of video gaming terminals at each premises the distributor owns, has sold, leased out, supplied or delivered for which a distributor’s license is being sought.

5. For licenses for video game terminals the name and address of the distributor and the terminator operator for each of the video gaming terminals for which permission is sought under the license.

6. For an initial license for video gaming terminals at a premises a set of floor plans showing the design and layout of the premises including, but not limited to, seating, dining rooms, bars, game and waiting areas, proposed video gaming areas, and the position of equipment and fixtures therein. The layout of any video gaming terminal licensed premises may not be substantially changed without submission of a new set of plans and approval by the Local Liquor Control Commission.

7. The number of video gaming terminals for which permission is sought under the license.

8. A copy of the license from the State of Illinois for the distributor or for each video gaming terminal for which an application to the city is being made along with a copy of the application for such license submitted to the State of Illinois.

9. Such other information required by the Local Liquor Commission to determine compliance with the requirements of this chapter.

6.08.060: CONDITIONS OF LICENSE:

A. In addition to any other conditions or regulations contained in this chapter, each and every video gaming terminal shall be licensed by the State of Illinois and the license of each and every video gaming terminal shall be maintained at the licensed premises where the video gaming terminal is operated.

B. Video gaming terminals shall be placed and every video gaming terminal licensee shall be responsible to ensure that video gaming terminals are placed and operated in
strict compliance with video gaming regulations, the requirements of this chapter, and any other applicable requirements of law.

C. In addition to any other conditions or regulations contained in this chapter or in the statutes of the State of Illinois, no video gaming terminal shall be located in any establishment that does not have a valid and current Class A, AA, C, E, E1, E2 or E3 liquor license from the city. Notwithstanding the foregoing, any establishment which as of the effective date of this ordinance had a valid and current liquor license from the city other than a Class A, AA, C, E, E1, E2 or E3, and which was lawfully operating video gaming terminals licensed by the State of Illinois, shall be eligible to be issued a video gaming terminal license by the city so long as such a licensee is in compliance with all other applicable requirements and so long as the video gaming terminal license is issued to the current holder of the liquor license issued by the city as of the effective date of this ordinance. Any sale, transfer or assignment of more than 50% of the ownership of a business or partnership holding the liquor license issued by the city shall terminate such grandfathered right to receive a video gaming terminal license from the city. In the event that such a liquor license is held in the name of a corporation, the sale, transfer or assignment of 50% of the stock shall terminate such grandfathered right to receive a video gaming terminal license from the city.

D. No video gaming terminal may be used, operated or played at a liquor licensed establishment where alcoholic liquor is sold except during the legal hours of operation allowed for the sale or consumption of alcoholic liquor on the premises pursuant to the provisions of Chapter 6.06 of this Code.

E. No video gaming license shall be issued, and no video gaming terminals may be used or operated on a premises except as an accessory use to a principal use on such a premises as such terms are defined in Title 19 of this Code, as amended.

6.08.070: LICENSES NOT TRANSFERRABLE

A. No license issued pursuant to this chapter may be transferred to any other person or entity or to any other premises.

B. Any changes in partnerships, officers, directors, members or managers of a limited liability company or persons holding directly or beneficially more than 5% of the stock or ownership interest in a partnership or limited liability company holding a license under this chapter shall be reported in writing to the Local Liquor Control Commission within ten (10) days of the change. All such persons shall meet the standards of this chapter and must otherwise qualify to hold a license issued pursuant to this chapter. When a license has been issued to a partnership or limited liability company and a change of ownership occurs resulting in a partnership interest, or a membership interest in the case of a limited liability company, by one who is not eligible hold their liquor license, said license shall terminate. When a license has been issued to a corporation and a change takes place in the officers, directors, managers or shareholders of more than 5% of the stock, which changes the results in
the holding of officer or shares by one who is not eligible for a license, said license shall terminate.

C. Any sale, transfer or assignment of more than 50% of the ownership of a business or partnership shall terminate licenses issued pursuant to this chapter. In the event that the license is held in the name of a corporation, the sale, transfer of assignment of 50% of the stock shall terminate licenses issued pursuant to this chapter.

6.08.080: REVOCATION; SUSPENSION; FINES

The Local Liquor Control Commission has the authority to suspend, revoke and/or fine a licensee who is violating or has violated the provisions of this chapter pursuant to the same rules and procedures set forth in regard to liquor licenses as provided in Chapter 6.06 of this Code, provided however, appeals from orders or actions of the Local Liquor Control Commission with respect to video gaming licenses shall not be taken to the Illinois State Liquor Control Commission, and such appeals shall be made as otherwise provided by law. Actions for fines and injunctive relief may also be filed in the Circuit Court of Kane County or pursuant to Chapter 1.25 of this Code providing for administrative adjudication of non-vehicular code violations.

6.08.080: LIMITATIONS ON THE ISSUANCE OF VIDEO GAMING TERMINAL LICENSES:

The number of video gaming terminal licenses shall be limited to 148 video gaming terminals.”

Section 2. That Section 6.06.020 of the Elgin Municipal Code, 1976, as amended, entitled “Liquor Control Commission Established; Composition:” be and is hereby further amended by amending subparagraph A thereof to read as follows:

“A. For purposes of the administration of this chapter, there is established a Local Liquor Control Commission that shall be charged with the administration of the laws of the State and the City pertaining to the sale of alcoholic liquor. The Local Liquor Control Commission shall also be charged with the administration of Chapter 6.08 of this Code relating to video gaming licensing and the administration of the laws of the state and the city pertaining to video gaming and the licensing thereof.”

Section 3. That all ordinances or parts of ordinance in conflict with the provisions of this ordinance be and are hereby repealed to the extent of any such conflict.

Section 4. That this ordinance shall be in full force and effect from and after ____________, 2019, upon its passage and publication in the manner provided by law.

David J. Kaptain, Mayor
Presented:
Passed:
Vote: Yeas  Nays:
Recorded:
Published:

Attest:

____________________________
Kimberly A. Dewis, City Clerk

F:\Legal Dept\Ordinances\Ord-Video Gaming License-6-18-19.docx
SEE ATTACHED SERVICE LIST

Re: Proposed Ordinance Relating to Video Gaming Licensing by the City of Elgin

Dear Sir or Madam:

The purpose of this letter is to provide you information on a draft proposed ordinance relating to video gaming licensing by the City of Elgin.

The Elgin Local Liquor Control Commission has been considering whether to adopt an ordinance relating to video gaming licensing by the city. As part of this review city staff surveyed video gaming regulations for 20 selected municipalities. Of the 20 municipalities surveyed, 8 of the municipalities prohibit video gaming and the remaining 12 municipalities have adopted regulations requiring local permits or licenses for video gaming establishments and additional fees therefore.

After review of this subject for the past several months the attached draft ordinance relating to video gaming licensing by the city has been prepared. The attached draft ordinance may be summarized as follows:

1. Section 6.08.010 would adopt definitions provided for in the Illinois Video Gaming Act.

2. Section 6.08.020 would adopt the regulations of the Illinois Video Gaming Act and other various administrative regulations adopted pursuant thereto. The adopted video gaming regulations include the following restrictions:

   - Video gaming terminals may not be operated at any premises that is: (i) located within 1,000 feet of a horse racing or riverboat gambling facility; or (ii) located within 100 feet of a school or place of worship.
   - Number of machines: There may not be more than five (5) machines on any premises.
   - Location of machines: Video gaming terminals must be located in an area that is restricted to persons over 21 years of age. The entrance to that area must be
within the view of at least one employee.

- Age restrictions: No licensee may cause any person under the age of 21 years to use or play a video gaming terminal.
- Liquor license required: Each establishment must possess a valid liquor license issued by the Illinois Liquor Control Commission.
- Hours of operation: Those premises that are licensed establishments, licensed fraternal establishments and licensed veterans establishments may operate video gaming terminals only during the hours of operation for the consumption of alcohol at that premises. Licensed truck stop establishments do not appear to currently have a limit on the hours of operation.

3. Section 6.08.030 would provide for a required license for distributors of video gaming terminals and would provide that no distributor or any person could distribute, sell, lease out, establish or supply any video gaming terminal in the city without first obtaining a distributor’s license from the local Liquor Control Commission of the city pursuant to the ordinance. Distributors would be required to pay the city a yearly license fee in the amount of $1,500 for each video gaming terminal distributed, sold, leased out, established or supplied in the city. The annual license year would be May 1 through the following April 30, the same as liquor licenses. An entity seeking a distributor’s license from the city must also have a valid distributor’s license from the State of Illinois as a distributor of video gaming terminals.

4. Section 6.08.040 would provide for a required license for establishments with video gaming terminals. No establishment or any person could keep or display for operating or patrons by the public within the city any video gaming terminal without having first obtained a license therefor from the Local Liquor Control Commission of the city pursuant to the ordinance. Establishments keeping or displaying video gaming terminals in the city would pay the city a yearly license fee in the amount of $25 for each video gaming terminal in the city. The proposed $25 fee per video gaming terminal equals the lowest video gaming terminal licensing fee of the surveyed communities. The annual license would also be May 1 through the following April 30, the same as the distributor’s licenses and liquor licenses. It would be a prerequisite for any such video gaming terminal license that licensee also have a valid license from the State of Illinois for each such video gaming terminal.

5. Section 6.08.050 of the ordinance provides for the application process for the licenses pursuant to the ordinance. Licenses would be directed and filed with the Local Liquor Control Commission. In addition to the licensing fees applicants for a distributor's license would also pay a $200 application fee at the time of filing an initial application to cover the cost of processing the application.

6. Section 6.080.060 provides for conditions on the licenses. Distributors and establishments operating video gaming terminals must also be licensed by the State of Illinois. Video gaming terminals would need to be placed and operated in strict compliance with video gaming regulations of the state, the requirements of the ordinance
and any other applicable requirements of law. No video gaming terminal could be located in any establishment without having a valid and current Class A, AA, C, E, E1, E2 or E3 liquor license from the city. There are currently six video gaming establishments in the city which have other types of liquor license classifications. These other establishments would be grandfathered and would be eligible to receive a video gaming license from the city for as long as those establishments were owned by the now current holder of the subject liquor license. No video gaming terminal could be used or operated at a liquor license establishment except during the legal hours of operation allowed for the sale or consumption of alcoholic liquors on the premises. No video gaming license could be issued, and no video gaming terminals could be used or operated on the premises except as an accessory use to a principal use on such a premises as defined in the city’s zoning ordinance.

7. Section 6.08.070 would provide that no licenses issued pursuant to the ordinance could be transferred. Such section also provides for limits and notification regarding changes of more than 5% of business entities holding the licenses. A sale, transfer or assignment of more than 50% of the ownership of a business would terminate a license and the new owner would need to apply for and obtain their own new license.

8. Section 6.08.080 includes provisions relating to revocations, suspensions or fines. The Local Liquor Control Commission would have the authority to suspend, revoke or fine a licensee who has violated the provisions of the ordinance pursuant to the same rules and procedures set forth in regard to liquor licenses as provided in the city’s liquor code, provided, however, appeals from orders or actions of the Local Liquor Control Commission with respect to video gaming licenses shall not be taken to the Illinois State Liquor Control Commission, and such appeals would be made as otherwise provided by law. Actions for fines and injunctive relief could also be initiated in the Circuit Court of Kane County or pursuant to Chapter 1.25 of the Elgin Municipal Code which provides for administrative adjudication of code violations.

9. Section 6.08.080 would provide for a numerical limit on the number of video gaming terminal licenses of 142, which is the current amount of video gaming terminals in the city. The City of Aurora provides a similar numerical limitation. The city’s liquor code also limits the number of various licenses, which is amended from time to time as the liquor commission determines to issue an additional particular class of liquor license.

10. Section 2 of the ordinance would amend the city’s liquor code to provide the Local Liquor Control Commission with the additional authority to administer the new ordinance relating to video gaming licenses.

As discussed in the above summary, the draft ordinance for the City of Elgin would provide for a distributor's license fee of $1,500 per year and a video gaming terminal license fee of $25.00 per year for each video gaming terminal. The City of Aurora is a surveyed community that also has a distributor's license in addition to a video gaming terminal license. For purposes of comparison, the City of Aurora distributor's license fee is $1,200 per year for each video gaming
terminal distributed by a distributor. The City of Aurora also has an annual license fee of $600 per year for each video gaming terminal which amounts to $3,000 of annual licensing fees for an establishment with 5 video gaming terminals.

Please provide me any written comments you may have with respect to the attached draft ordinance to me via email at cogley_w@cityofelgin.org. The city council will also be further discussing the proposed ordinance at the June 26, 2019 city council committee of the whole meeting which is at 6:00 p.m. in the city council chambers at city hall, 150 Dexter Court, Elgin.

Very truly yours,

William A. Cogley
Corporation Counsel

ksb
Attachment
cc: Mayor & Members of the City Council (via email w/attachment)
    Richard G. Kozal (via email w/attachment)
    Laura Valdez-Wilson (via email w/attachment)
    Kimberly Dewis (via email w/attachment)
    Michael R. Gehrman (via email w/attachment)
    Christopher J. Beck (via email w/attachment)
SERVICE LIST
VIDEO GAMING LICENSED ESTABLISHMENTS

Alexander's Restaurant, Inc.
1725 N. State Street
Elgin, IL 60123
hbkaras@aol.com

American Legion Elgin Post 57
802 N. Liberty Street
Elgin, IL 60120
alelgpinpost57@yahoo.com

Bowlway Enterprises, Inc.
810 Villa Street
Elgin, IL 60120
bowlwaylanes@yahoo.com

Carmina's Restaurant & Banquets, Inc.
1055 N. Randall Road
Elgin, IL 60123
francisorealzola@hotmail.com

D Hangout Bar and Grill, Inc.
550 S. McLean Boulevard
Elgin, IL 60123
mike.deol@d-hangout.com

Eaton's Redwood Inn, Ltd.
118 W. Chicago Street
Elgin, IL 60123
scott5145@att.net

Elgin Buffet, Inc.
300 S. McLean Boulevard, Unit 12
Elgin, IL 60123
elginbuffet8888@gmail.com

Elgin Lanes Corporation
401 Shepard Drive
Elgin, IL 60123
elginlanes@sbcglobal.net

Elgin Lodge No. 799 Loyal Order of Moose
925 S. McLean Boulevard
Elgin, IL 60123
lodge799@mooseunits.org

Elgin Riverside Club
21 Lincoln Avenue
Elgin, IL 60120
erc_treasurer@wowway.biz

Elgin Turners
112 Villa Street
Elgin, IL 60120
sales@elginturners.org

Elgin's Best Pizza, Inc.
d/b/a Danny's Pizza
231 Douglas Avenue
Elgin, IL 60120
dannyspizza@comcast.net

Giffords Bar and Restaurant, LLC
d/b/a Gifford's Kitchen and Social
2300 Bushwood Drive
Elgin, IL 60123
mturasky@capitalcompaniesllc.com

Glogovsky Oil Company IV, Inc.
d/b/a The Grove Mart
2320 N. Randall Road
Elgin, IL 60123
patelkunjan78@yahoo.com

Got Fat Inc.
d/b/a Fatsoz
959 Villa Street
Elgin, IL 60120
fatsoz716@gmail.com

Greg Shannon, Inc.
d/b/a Elgin Public House
219 E. Chicago Street
Elgin, IL 60120
greg@elginpublichouse.com
Grotto at Elgin Corporation d/b/a Grotto at the Grove
2300 N. Randall Road, Unit D
Elgin, IL 60124
patelkunjan78@yahoo.com

Hoopers Sports Bar & Grill, Inc.
975 N. McLean Boulevard
Elgin, IL 60123
CHRIS@WARDLANE.COM

Hoppe's Corner, Inc.
1075 N. Liberty Street
Elgin, IL 60120
anthony@wardlane.com

J & S Papa, Inc.
d/b/a Papa Saverio's Pizza Pub
1350 E. Chicago Street, Suite 12
Elgin, IL 60120
sharon_rodriguez@att.net

Jimmy's Charhouse of Elgin, Inc.
2290 Point Boulevard
Elgin, IL 60123
jimmyscharhouseelgin@comcast.net

KMK Ventures, Inc.
Rookies Sport Bar & Grill
2486 Bushwood Drive
Elgin, IL 60123
hbkaras@aol.com

Mariscos El Charco, Inc.
302 S. McLean, Suite G
Elgin, IL 60123
zamiralopez@gmail.com

Oasis on 20, Inc.
3191 US Hwy 20, Unit C
Elgin, IL 60124
oasison20@gmail.com

Olde Towne Inn, Inc.
412 Bluff City Boulevard
Elgin, IL 60120
patsymaple@gmail.com

OR1, Inc.
d/b/a Old Republic
155 S. Randall Road
Elgin, IL 60123
nick@oldrepublicbar.com

Owls Athletic Club Elgin
214 E. Chicago Street
Elgin, IL 60120
owlsclub33@gmail.com

Sammy's Mexican Restaurant, Inc.
3091 W. Route 20, Unit 111
Elgin, IL 60124
oralerestaurantgroup@gmail.com

The Walnut Speakeasy, Inc.
214 Walnut Avenue
Elgin, IL 60123
thewalnut@sbcglobal.net

TJs Bar and Grill, LLC
3145 Route 20, Unit 207
Elgin, IL 60123
tdiegel@gmail.com

Village Pizza and Pub, LLC
2496 N. Randall Road
Elgin, IL 60123
marcie@villagepizzaandpub.com
DISTRIBUTORS

American Vending Sales, Inc.
750 Morse Avenue
Elk Grove Village, IL 60007
info@avscompanies.com

AGS, LLC
5475 South Decatur Boulevard, Suite 100
Las Vegas, NV 89118
702-722-6700
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Aristocrat Technologies, Inc.
10220 Aristocrat Way
Las Vegas, NV 89135
contact@aristocrat-inc.com

H. Betti Industries, Inc.
303 Paterson Plank Road
Carlstadt, NJ 07072
service@betson.com

Konami Gaming, Inc.
585 Konami Circle
Las Vegas, NV 89119
sales@konamigaming.com

Bally Gaming, Inc.
6601 S. Bermuda Road
Las Vegas, NV 89119
702-532-7700
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6355 S. Buffalo Drive
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1050 E. Business Center Drive
Mount Prospect, IL 60056
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SUZOHAPP Gaming Solutions, LLC
1743 Linneman Road
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H. Betti Industries, Inc.
303 Paterson Plank Road
Carlstadt, NJ 07072
service@betson.com
AN ORDINANCE
RELATING TO VIDEO GAMING LICENSING

WHEREAS, the Illinois Video Gaming Act (230 ILCS 40/1, et seq) was enacted on July 13, 2009, and legalized the use of video gaming terminals in certain liquor license establishments and license truck stop establishments within the state; and

WHEREAS, pursuant to Ordinance G17-13, adopted by the City Council on March 13, 2013, the City Council of the City of Elgin determined that it was appropriate to allow video gaming within the City of Elgin pursuant to the Illinois Video Gaming Act; and

WHEREAS, the City Council of the City of Elgin has determined that it is appropriate to adopt video gaming license requirements for establishments operating any video gaming terminal pursuant to the Illinois Video Gaming Act and for distributors of video gaming terminals; and

WHEREAS, the City of Elgin is a home rule unit and as a home rule unit may exercise any power and perform any function pertaining to its government affairs; and

WHEREAS, the power to license as provided in this ordinance pertains to the government and affairs of the city and is an appropriate exercise of municipal authority pursuant to the Illinois Video Gaming Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELGIN, ILLINOIS:

Section 1. That a new Chapter 6.08 of the Elgin Municipal Code, 1976, as amended, be and is hereby created and added to the Elgin Municipal Code entitled “Video Gaming” to read as follows:

“CHAPTER 6.08
VIDEO GAMING

6.08.010: DEFINITIONS:

Words or phrases as used in this chapter shall be defined as provided in Section 5 of the Illinois Video Gaming Act (230 ILCS 40/5), as amended, except as otherwise provided herein.

PERSON: Natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business, limited liability company, trust or organization, or the manager, lessee, agent, servant, officer or employee of any of them.

6.08.020: VIDEO GAMING REGULATIONS ADOPTED:
Regulations of the Illinois Video Gaming Act 230 ILCS 40/1 et seq, as amended, and Title 11 of the Illinois Administrative Code, Subtitle D, Video Gaming, Chapter I, Illinois Gaming Board, Art. 1800, Video Gaming (General) (11 Ill Adm Code 1800.110 et seq, as amended) be and are hereby adopted and incorporated by reference herein. Such laws and regulations relating to video gaming, as amended, are referred to in this chapter collectively as video gaming regulations.

6.08.030: LICENSE REQUIRED FOR DISTRIBUTORS OF VIDEO GAMING TERMINALS:

A. No distributor or any person shall distribute, sell, lease out, establish or supply any video gaming terminal in the city without first obtaining a distributor’s license from the Local Liquor Control Commission of the city pursuant to this chapter.

B. Each distributor licensed under this chapter shall maintain a current list of all premises in the city in which the distributor owns, has sold, leased out, supplied or delivered any video gaming terminal. Such list shall be available for inspection by the city clerk or his or her designee, on demand, during normal business hours.

C. No distributor or any other person shall own, sell, lease out, supply or deliver any video gaming terminal to any premises within the city unless the owner or lessee of the premises shall also have applied for and obtained a current valid city license for the video gaming terminal.

D. Every distributor that is licensed to distribute, sell, lease out, establish or supply any video gaming terminal in the city pursuant to this chapter shall pay a yearly license fee to the city in the amount of $1,500 for each video gaming terminal distributed, sold, leased out, established or supplied in the city.

E. Failure or neglect to pay the requisite fees in a timely manner shall be cause for denial of issuance or non-renewal or revocation as the case may be.

F. All distributor’s licenses shall expire on April 30, next after the date of issue.

G. It shall be a prerequisite to any distributor’s license from the city that the person distributing video gaming terminals have a valid license from the State of Illinois as a distributor of video gaming terminals. A loss or suspension of any such license by the State of Illinois shall automatically result in the same status for the license issued hereunder, without refund of any license fee.

6.08.040: LICENSE REQUIRED FOR ESTABLISHMENTS WITH VIDEO GAMING TERMINALS:

A. No establishment or any person shall keep or display for operating or patronage by the public within the city any video gaming terminal without having first obtained a license therefor from the Local Liquor Control Commission of the city pursuant to this chapter.
B. Every establishment that is licensed to keep or display any video gaming terminal in the city pursuant to this chapter shall pay a yearly license fee to the city in the amount of $25 for each video gaming terminal in the city.

C. Failure and neglect to pay the requisite fees in a timely manner shall be cause for denial of issuance or non-renewal or revocation as the case may be.

D. All licenses shall expire on April 30, next after the date of issue.

E. It shall be a prerequisite to any license from the city that the person keeping or displaying video gaming terminals shall have a valid license from the State of Illinois for each such video gaming terminal. A loss or suspension of any such license by the State of Illinois shall automatically result in the same status for the license issued hereunder, without refund of any license fee.

F. A license for a video gaming terminal issued by the city shall be framed and hung in plain view in a conspicuous place on the licensed premises.

6.08.050: APPLICATIONS:

A. Applications for license pursuant to this chapter shall be directed to and filed with the Local Liquor Control Commission of the city. In addition to the licensing fees imposed applicants for a distributor's license should also pay a non-refundable $200 application fee at the time of filing of an initial application to cover the cost of processing the application. Prior to the issuance of any license applicants shall also pay to the city clerk the full amount of the annual license fee required to be paid for the kind of license applied for.

B. All applications shall be on forms approved by the local liquor control commission and provided by the city. If the applicant is a partnership, all partners shall sign the application. If the applicant is a corporation or club, the president and secretary of the applicant business entity shall sign the application. If the applicant is a limited liability company, the managers of the limited liability company shall sign the application. If the members of the limited liability company do not elect managers, the application shall be signed by the members with interest representing the majority of the book value of the membership interest unless the articles of organization or operating agreement otherwise provide the manner in which members or managers may bind a limited liability company. Each application shall contain at the least the following information and statements:

1. The applicant’s name, birthdate, social security number, driver’s license number, address, position and percentage of ownership in the business; and the name, birthdate, social security number, driver’s license number, address, position and percentage of ownership in the business of every sole owner, partner, corporate officer, director, manager of a limited liability company, manager and any person or member of the limited liability company who
owns 5% or more of the shares of the applicant business entity or parent corporations of the applicant business entry. The articles of incorporation for any corporation shall be attached to the application.

2. The type of license applied for, whether distributors license or video gaming terminal license.

3. Description of the principal business and any ancillary business to be operated on the premises.

4. For a distributor’s license a list of all premises in the city and number of video gaming terminals at each premises the distributor owns, has sold, leased out, supplied or delivered for which a distributor’s license is being sought.

5. For licenses for video game terminals the name and address of the distributor and the terminator operator for each of the video gaming terminals for which permission is sought under the license.

6. For an initial license for video gaming terminals at a premises a set of floor plans showing the design and layout of the premises including, but not limited to, seating, dining rooms, bars, game and waiting areas, proposed video gaming areas, and the position of equipment and fixtures therein. The layout of any video gaming terminal licensed premises may not be substantially changed without submission of a new set of plans and approval by the Local Liquor Control Commission.

7. The number of video gaming terminals for which permission is sought under the license.

8. A copy of the license from the State of Illinois for the distributor or for each video gaming terminal for which an application to the city is being made along with a copy of the application for such license submitted to the State of Illinois.

9. Such other information required by the Local Liquor Commission to determine compliance with the requirements of this chapter.

6.08.060: CONDITIONS OF LICENSE:

A. In addition to any other conditions or regulations contained in this chapter, each and every video gaming terminal shall be licensed by the State of Illinois and the license of each and every video gaming terminal shall be maintained at the licensed premises where the video gaming terminal is operated.

B. Video gaming terminals shall be placed and every video gaming terminal licensee shall be responsible to ensure that video gaming terminals are placed and operated in
strict compliance with video gaming regulations, the requirements of this chapter, and any other applicable requirements of law.

C. In addition to any other conditions or regulations contained in this chapter or in the statutes of the State of Illinois, no video gaming terminal shall be located in any establishment that does not have a valid and current Class A, AA, C, E, E1, E2 or E3 liquor license from the city. Notwithstanding the foregoing, any establishment which as of the effective date of this ordinance had a valid and current liquor license from the city other than a Class A, AA, C, E, E1, E2 or E3, and which was lawfully operating video gaming terminals licensed by the State of Illinois, shall be eligible to be issued a video gaming terminal license by the city so long as such a licensee is in compliance with all other applicable requirements and so long as the video gaming terminal license is issued to the current holder of the liquor license issued by the city as of the effective date of this ordinance. Any sale, transfer or assignment of more than 50% of the ownership of a business or partnership holding the liquor license issued by the city shall terminate such grandfathered right to receive a video gaming terminal license from the city. In the event that such a liquor license is held in the name of a corporation, the sale, transfer or assignment of 50% of the stock shall terminate such grandfathered right to receive a video gaming terminal license from the city.

D. No video gaming terminal may be used, operated or played at a liquor licensed establishment where alcoholic liquor is sold except during the legal hours of operation allowed for the sale or consumption of alcoholic liquor on the premises pursuant to the provisions of Chapter 6.06 of this Code.

E. No video gaming license shall be issued, and no video gaming terminals may be used or operated on a premises except as an accessory use to a principal use on such a premises as such terms are defined in Title 19 of this Code, as amended.

6.08.070: LICENSES NOT TRANSFERRABLE

A. No license issued pursuant to this chapter may be transferred to any other person or entity or to any other premises.

B. Any changes in partnerships, officers, directors, members or managers of a limited liability company or persons holding directly or beneficially more than 5% of the stock or ownership interest in a partnership or limited liability company holding a license under this chapter shall be reported in writing to the Local Liquor Control Commission within ten (10) days of the change. All such persons shall meet the standards of this chapter and must otherwise qualify to hold a license issued pursuant to this chapter. When a license has been issued to a partnership or limited liability company and a change of ownership occurs resulting in a partnership interest, or a membership interest in the case of a limited liability company, by one who is not eligible hold their liquor license, said license shall terminate. When a license has been issued to a corporation and a change takes place in the officers, directors, managers or shareholders of more than 5% of the stock, which changes the results in
the holding of officer or shares by one who is not eligible for a license, said license shall terminate.

C. Any sale, transfer or assignment of more than 50% of the ownership of a business or partnership shall terminate licenses issued pursuant to this chapter. In the event that the license is held in the name of a corporation, the sale, transfer or assignment of 50% of the stock shall terminate licenses issued pursuant to this chapter.

6.08.080: REVOCATION; SUSPENSION; FINES

The Local Liquor Control Commission has the authority to suspend, revoke and/or fine a licensee who is violating or has violated the provisions of this chapter pursuant to the same rules and procedures set forth in regard to liquor licenses as provided in Chapter 6.06 of this Code, provided however, appeals from orders or actions of the Local Liquor Control Commission with respect to video gaming licenses shall not be taken to the Illinois State Liquor Control Commission, and such appeals shall be made as otherwise provided by law. Actions for fines and injunctive relief may also be filed in the Circuit Court of Kane County or pursuant to Chapter 1.25 of this Code providing for administrative adjudication of non-vehicular code violations.

6.08.080: LIMITATIONS ON THE ISSUANCE OF VIDEO GAMING TERMINAL LICENSES:

The number of video gaming terminal licenses shall be limited to 142 video gaming terminals.”

Section 2. That Section 6.06.020 of the Elgin Municipal Code, 1976, as amended, entitled “Liquor Control Commission Established; Composition:” be and is hereby further amended by amending subparagraph A thereof to read as follows:

“A. For purposes of the administration of this chapter, there is established a Local Liquor Control Commission that shall be charged with the administration of the laws of the State and the City pertaining to the sale of alcoholic liquor. The Local Liquor Control Commission shall also be charged with the administration of Chapter 6.08 of this Code relating to video gaming licensing and the administration of the laws of the state and the city pertaining to video gaming and the licensing thereof.”

Section 3. That all ordinances or parts of ordinance in conflict with the provisions of this ordinance be and are hereby repealed to the extent of any such conflict.

Section 4. That this ordinance shall be in full force and effect from and after ________________, 2019, upon its passage and publication in the manner provided by law.

______________________________
David J. Kaptain, Mayor
Presented:
Passed:
Vote: Yeas      Nays:
Recorded:
Published:

Attest:

____________________________
Kimberly A. Dewis, City Clerk

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Act, and all rules promulgated thereunder, shall apply to the Video Gaming Act, except where there is a conflict between the Acts. In the event of a conflict between this Act and the Video Gaming Act, the terms of this Act shall prevail.
(Source: P.A. 96-37, eff. 7-13-09.)

Section 35-60. The Video Gaming Act is amended by changing Sections 5, 15, 20, 25, 30, 35, 45, 55, 58, 60, 79, and 80 as follows:

(230 ILCS 40/5)
Sec. 5. Definitions. As used in this Act:
"Board" means the Illinois Gaming Board.
"Credit" means one, 5, 10, or 25 cents either won or purchased by a player.
"Distributor" means an individual, partnership, corporation, or limited liability company licensed under this Act to buy, sell, lease, or distribute video gaming terminals or major components or parts of video gaming terminals to or from terminal operators.
"Electronic card" means a card purchased from a licensed establishment, licensed fraternal establishment, licensed veterans establishment, or licensed truck stop establishment, or licensed large truck stop establishment for use in that establishment as a substitute for cash in the conduct of gaming on a video gaming terminal.
"Electronic voucher" means a voucher printed by an
electronic video game machine that is redeemable in the
licensed establishment for which it was issued.

"In-location bonus jackpot" means one or more video gaming
terminals at a single licensed establishment that allows for
wagers placed on such video gaming terminals to contribute to a
cumulative maximum jackpot of up to $10,000.

"Terminal operator" means an individual, partnership,
corporation, or limited liability company that is licensed
under this Act and that owns, services, and maintains video
gaming terminals for placement in licensed establishments,
licensed truck stop establishments, licensed large truck stop
establishments, licensed fraternal establishments, or licensed
veterans establishments.

"Licensed technician" means an individual who is licensed
under this Act to repair, service, and maintain video gaming
terminals.

"Licensed terminal handler" means a person, including but
not limited to an employee or independent contractor working
for a manufacturer, distributor, supplier, technician, or
terminal operator, who is licensed under this Act to possess or
control a video gaming terminal or to have access to the inner
workings of a video gaming terminal. A licensed terminal
handler does not include an individual, partnership,
corporation, or limited liability company defined as a
manufacturer, distributor, supplier, technician, or terminal
operator under this Act.

"Manufacturer" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that manufactures or assembles video gaming terminals.

"Supplier" means an individual, partnership, corporation, or limited liability company that is licensed under this Act to supply major components or parts to video gaming terminals to licensed terminal operators.

"Net terminal income" means money put into a video gaming terminal minus credits paid out to players.

"Video gaming terminal" means any electronic video game machine that, upon insertion of cash, electronic cards or vouchers, or any combination thereof, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

"Licensed establishment" means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises, whether the establishment operates on a nonprofit or for-profit basis. "Licensed establishment" includes any such establishment that
has a contractual relationship with an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975, provided any contractual relationship shall not include any transfer or offer of revenue from the operation of video gaming under this Act to any licensee licensed under the Illinois Horse Racing Act of 1975. Provided, however, that the licensed establishment that has such a contractual relationship with an inter-track wagering location licensee may not, itself, be (i) an inter-track wagering location licensee, (ii) the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975, or (iii) the corporate subsidiary of a corporation that is also the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975. "Licensed establishment" does not include a facility operated by an organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or a riverboat licensed under the Illinois Riverboat Gambling Act, except as provided in this paragraph. The changes made to this definition by Public Act 98-587 are declarative of existing law.

"Licensed fraternal establishment" means the location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

"Licensed veterans establishment" means the location where
a qualified veterans organization that derives its charter from
a national veterans organization regularly meets.

"Licensed truck stop establishment" means a facility (i)
that is at least a 3-acre facility with a convenience store,
(ii) with separate diesel islands for fueling commercial motor
vehicles, (iii) that sells at retail more than 10,000 gallons
of diesel or biodiesel fuel per month, and (iv) with parking
spaces for commercial motor vehicles. "Commercial motor
vehicles" has the same meaning as defined in Section 18b-101 of
the Illinois Vehicle Code. The requirement of item (iii) of
this paragraph may be met by showing that estimated future
sales or past sales average at least 10,000 gallons per month.

"Licensed large truck stop establishment" means a facility
located within 3 road miles from a freeway interchange, as
measured in accordance with the Department of Transportation's
rules regarding the criteria for the installation of business
signs: (i) that is at least a 3-acre facility with a
convenience store, (ii) with separate diesel islands for
fueling commercial motor vehicles, (iii) that sells at retail
more than 50,000 gallons of diesel or biodiesel fuel per month,
and (iv) with parking spaces for commercial motor vehicles.
"Commercial motor vehicles" has the same meaning as defined in
Section 18b-101 of the Illinois Vehicle Code. The requirement
of item (iii) of this paragraph may be met by showing that
estimated future sales or past sales average at least 50,000
gallons per month.
Sec. 15. Minimum requirements for licensing and registration. Every video gaming terminal offered for play shall first be tested and approved pursuant to the rules of the Board, and each video gaming terminal offered in this State for play shall conform to an approved model. For the examination of video gaming machines and associated equipment as required by this Section, the Board shall may utilize the services of one or more independent outside testing laboratories that have been accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement signifying they are qualified to by a national accreditation body and that, in the judgment of the Board, are qualified to perform such examinations. Notwithstanding any law to the contrary, the Board shall consider the licensing of independent outside testing laboratory applicants in accordance with procedures established by the Board by rule. The Board shall not withhold its approval of an independent outside testing laboratory license applicant that has been accredited as required by this Section and is licensed in gaming jurisdictions comparable to Illinois. Upon the finalization of
required rules, the Board shall license independent testing laboratories and accept the test reports of any licensed testing laboratory of the video gaming machine's or associated equipment manufacturer's choice, notwithstanding the existence of contracts between the Board and any independent testing laboratory. Every video gaming terminal offered in this State for play must meet minimum standards set by an independent outside testing laboratory approved by the Board. Each approved model shall, at a minimum, meet the following criteria:

(1) It must conform to all requirements of federal law and regulations, including FCC Class A Emissions Standards.

(2) It must theoretically pay out a mathematically demonstrable percentage during the expected lifetime of the machine of all amounts played, which must not be less than 80%. The Board shall establish a maximum payout percentage for approved models by rule. Video gaming terminals that may be affected by skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.

(3) It must use a random selection process to determine the outcome of each play of a game. The random selection process must meet 99% confidence limits using a standard chi-squared test for (randomness) goodness of fit.

(4) It must display an accurate representation of the
game outcome.

(5) It must not automatically alter pay tables or any function of the video gaming terminal based on internal computation of hold percentage or have any means of manipulation that affects the random selection process or probabilities of winning a game.

(6) It must not be adversely affected by static discharge or other electromagnetic interference.

(7) It must be capable of detecting and displaying the following conditions during idle states or on demand: power reset; door open; and door just closed.

(8) It must have the capacity to display complete play history (outcome, intermediate play steps, credits available, bets placed, credits paid, and credits cashed out) for the most recent game played and 10 games prior thereto.

(9) The theoretical payback percentage of a video gaming terminal must not be capable of being changed without making a hardware or software change in the video gaming terminal, either on site or via the central communications system.

(10) Video gaming terminals must be designed so that replacement of parts or modules required for normal maintenance does not necessitate replacement of the electromechanical meters.

(11) It must have nonresettable meters housed in a
locked area of the terminal that keep a permanent record of
all cash inserted into the machine, all winnings made by
the terminal printer, credits played in for video gaming
terminals, and credits won by video gaming players. The
video gaming terminal must provide the means for on-demand
display of stored information as determined by the Board.

(12) Electronically stored meter information required
by this Section must be preserved for a minimum of 180 days
after a power loss to the service.

(13) It must have one or more mechanisms that accept
cash in the form of bills. The mechanisms shall be designed
to prevent obtaining credits without paying by stringing,
slamming, drilling, or other means. If such attempts at
physical tampering are made, the video gaming terminal
shall suspend itself from operating until reset.

(14) It shall have accounting software that keeps an
electronic record which includes, but is not limited to,
the following: total cash inserted into the video gaming
terminal; the value of winning tickets claimed by players;
the total credits played; the total credits awarded by a
video gaming terminal; and pay back percentage credited to
players of each video game.

(15) It shall be linked by a central communications
system to provide auditing program information as approved
by the Board. The central communications system shall use a
standard industry protocol, as defined by the Gaming
Standards Association, and shall have the functionality to enable the Board or its designee to activate or deactivate individual gaming devices from the central communications system. In no event may the communications system approved by the Board limit participation to only one manufacturer of video gaming terminals by either the cost in implementing the necessary program modifications to communicate or the inability to communicate with the central communications system.

(16) The Board, in its discretion, may require video gaming terminals to display Amber Alert messages if the Board makes a finding that it would be economically and technically feasible and pose no risk to the integrity and security of the central communications system and video gaming terminals.

Licensed terminal handlers shall have access to video gaming terminals, including, but not limited to, logic door access, without the physical presence or supervision of the Board or its agent to perform, in coordination with and with project approval from the central communication system provider:

(i) the clearing of the random access memory and reprogramming of the video gaming terminal;

(ii) the installation of new video gaming terminal software and software upgrades that have been approved by the Board;
(iii) the placement, connection to the central communication system, and go-live operation of video gaming terminals at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment;

(iv) the repair and maintenance of a video gaming terminal located at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, including, but not limited to, the replacement of the video gaming terminal with a new video gaming terminal;

(v) the temporary movement, disconnection, replacement, and reconnection of video gaming terminals to allow for physical improvements and repairs at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, such as replacement of flooring, interior repairs, and other similar activities; and

(vi) such other functions as the Board may otherwise authorize.

The Board shall, at a licensed terminal operator's expense, cause all keys and other required devices to be provided to a terminal operator necessary to allow the licensed terminal
handler access to the logic door to the terminal operator's video gaming terminals.

The Board may adopt rules to establish additional criteria to preserve the integrity and security of video gaming in this State. The central communications system vendor may be licensed as a video gaming terminal manufacturer or a video gaming terminal distributor, or both, but in no event shall the central communications system vendor be licensed as a video gaming terminal operator.

The Board shall not permit the development of information or the use by any licensee of gaming device or individual game performance data. Nothing in this Act shall inhibit or prohibit the Board from the use of gaming device or individual game performance data in its regulatory duties. The Board shall adopt rules to ensure that all licensees are treated and all licensees act in a non-discriminatory manner and develop processes and penalties to enforce those rules.

(Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582, eff. 8-27-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/20)

Sec. 20. Video gaming terminal payouts Direct dispensing of receipt tickets only.

(a) A video gaming terminal may not directly dispense coins, cash, tokens, or any other article of exchange or value except for receipt tickets. Tickets shall be dispensed by
pressing the ticket dispensing button on the video gaming
terminal at the end of one's turn or play. The ticket shall
indicate the total amount of credits and the cash award, the
time of day in a 24-hour format showing hours and minutes, the
date, the terminal serial number, the sequential number of the
ticket, and an encrypted validation number from which the
validity of the prize may be determined. The player shall turn
in this ticket to the appropriate person at the licensed
establishment, licensed truck stop establishment, licensed
large truck stop establishment, licensed fraternal
establishment, or licensed veterans establishment to receive
the cash award.

(b) The cost of the credit shall be one cent, 5 cents, 10
cents, or 25 cents, or $1, and the maximum wager played per
hand shall not exceed $4 or $2. No cash award for the maximum
wager on any individual hand shall exceed $1,199 or $500. No cash
award for the maximum wager on a jackpot, progressive or
otherwise, shall exceed $10,000.

(c) In-location bonus jackpot games are hereby authorized.
The Board shall adopt emergency rules pursuant to Section 5-45
of the Illinois Administrative Procedure Act to implement this
subsection (c) within 90 days after the effective date of this
amendatory Act of the 101st General Assembly. Jackpot winnings
from in-location progressive games shall be paid by the
terminal operator to the player not later than 3 days after
winning such a jackpot.
(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/25)

Sec. 25. Restriction of licensees.

(a) Manufacturer. A person may not be licensed as a manufacturer of a video gaming terminal in Illinois unless the person has a valid manufacturer's license issued under this Act. A manufacturer may only sell video gaming terminals for use in Illinois to persons having a valid distributor's license.

(b) Distributor. A person may not sell, distribute, or lease or market a video gaming terminal in Illinois unless the person has a valid distributor's license issued under this Act. A distributor may only sell video gaming terminals for use in Illinois to persons having a valid distributor's or terminal operator's license.

(c) Terminal operator. A person may not own, maintain, or place a video gaming terminal unless he has a valid terminal operator's license issued under this Act. A terminal operator may only place video gaming terminals for use in Illinois in licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. No terminal operator may give anything of value, including but not limited to a loan or financing arrangement, to a licensed establishment, licensed truck stop establishment, licensed
A video terminal operator that violates one or more requirements of this subsection is guilty of a Class 4 felony and is subject to termination of his or her license by the Board.

(d) Licensed technician. A person may not service, maintain, or repair a video gaming terminal in this State unless he or she (1) has a valid technician's license issued under this Act, (2) is a terminal operator, or (3) is employed by a terminal operator, distributor, or manufacturer.

(d-5) Licensed terminal handler. No person, including, but not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator licensed pursuant to this Act, shall have possession or control of a video gaming terminal, or access to the inner workings of a video gaming terminal, unless that person possesses a valid terminal handler's license issued under this Act.
(e) Licensed establishment. No video gaming terminal may be placed in any licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed large truck stop establishment, or licensed fraternal establishment unless the owner or agent of the owner of the licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed large truck stop establishment, or licensed fraternal establishment has entered into a written use agreement with the terminal operator for placement of the terminals. A copy of the use agreement shall be on file in the terminal operator's place of business and available for inspection by individuals authorized by the Board. A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment may operate up to 6 video gaming terminals on its premises at any time. A licensed large truck stop establishment may operate up to 10 video gaming terminals on its premises at any time.

(f) (Blank).

(g) Financial interest restrictions. As used in this Act, "substantial interest" in a partnership, a corporation, an organization, an association, a business, or a limited liability company means:

(A) When, with respect to a sole proprietorship, an individual or his or her spouse owns, operates, manages, or conducts, directly or indirectly, the organization,
association, or business, or any part thereof; or
(B) When, with respect to a partnership, the individual
or his or her spouse shares in any of the profits, or
potential profits, of the partnership activities; or
(C) When, with respect to a corporation, an individual
or his or her spouse is an officer or director, or the
individual or his or her spouse is a holder, directly or
beneficially, of 5% or more of any class of stock of the
corporation; or
(D) When, with respect to an organization not covered
in (A), (B) or (C) above, an individual or his or her
spouse is an officer or manages the business affairs, or
the individual or his or her spouse is the owner of or
otherwise controls 10% or more of the assets of the
organization; or
(E) When an individual or his or her spouse furnishes
5% or more of the capital, whether in cash, goods, or
services, for the operation of any business, association,
or organization during any calendar year; or
(F) When, with respect to a limited liability company,
an individual or his or her spouse is a member, or the
individual or his or her spouse is a holder, directly or
beneficially, of 5% or more of the membership interest of
the limited liability company.
For purposes of this subsection (g), "individual" includes
all individuals or their spouses whose combined interest would
qualify as a substantial interest under this subsection (g) and whose activities with respect to an organization, association, or business are so closely aligned or coordinated as to constitute the activities of a single entity.

(h) Location restriction. A licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that is (i) located within 1,000 feet of a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Illinois Riverboat Gambling Act or (ii) located within 100 feet of a school or a place of worship under the Religious Corporation Act, is ineligible to operate a video gaming terminal. The location restrictions in this subsection (h) do not apply if (A) a facility operated by an organization licensee, a school, or a place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment becomes licensed under this Act or (B) a school or place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment obtains its original liquor license. For the purpose of this subsection,
"school" means an elementary or secondary public school, or an elementary or secondary private school registered with or recognized by the State Board of Education.

Notwithstanding the provisions of this subsection (h), the Board may waive the requirement that a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment not be located within 1,000 feet from a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Illinois Riverboat Gambling Act. The Board shall not grant such waiver if there is any common ownership or control, shared business activity, or contractual arrangement of any type between the establishment and the organization licensee or owners licensee of a riverboat. The Board shall adopt rules to implement the provisions of this paragraph.

(h-5) Restrictions on licenses in malls. The Board shall not grant an application to become a licensed video gaming location if the Board determines that granting the application would more likely than not cause a terminal operator, individually or in combination with other terminal operators, licensed video gaming location, or other person or entity, to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation.

(1) In making determinations under this subsection
(h-5), factors to be considered by the Board shall include, but not be limited to, the following:

(A) the physical aspects of the location;
(B) the ownership, control, or management of the location;
(C) any arrangements, understandings, or agreements, written or otherwise, among or involving any persons or entities that involve the conducting of any video gaming business or the sharing of costs or revenues; and
(D) the manner in which any terminal operator or other related entity markets, advertises, or otherwise describes any location or locations to any other person or entity or to the public.

(2) The Board shall presume, subject to rebuttal, that the granting of an application to become a licensed video gaming location within a mall will cause a terminal operator, individually or in combination with other persons or entities, to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation if the Board determines that granting the license would create a local concentration of licensed video gaming locations.

For the purposes of this subsection (h-5):
"Mall" means a building, or adjoining or connected buildings, containing 4 or more separate locations.
"Video gaming operation" means the conducting of video

gaming and all related activities.

"Location" means a space within a mall containing a

separate business, a place for a separate business, or a place

subject to a separate leasing arrangement by the mall owner.

"Licensed video gaming location" means a licensed

establishment, licensed fraternal establishment, licensed

veterans establishment, licensed truck stop establishment, or

licensed large truck stop.

"Local concentration of licensed video gaming locations"

means that the combined number of licensed video gaming

locations within a mall exceed half of the separate locations

within the mall.

(i) Undue economic concentration. In addition to

considering all other requirements under this Act, in deciding

whether to approve the operation of video gaming terminals by a

terminal operator in a location, the Board shall consider the

impact of any economic concentration of such operation of video

gaming terminals. The Board shall not allow a terminal operator

to operate video gaming terminals if the Board determines such

operation will result in undue economic concentration. For

purposes of this Section, "undue economic concentration" means

that a terminal operator would have such actual or potential

influence over video gaming terminals in Illinois as to:

(1) substantially impede or suppress competition among

terminal operators;
(2) adversely impact the economic stability of the video gaming industry in Illinois; or
(3) negatively impact the purposes of the Video Gaming Act.

The Board shall adopt rules concerning undue economic concentration with respect to the operation of video gaming terminals in Illinois. The rules shall include, but not be limited to, (i) limitations on the number of video gaming terminals operated by any terminal operator within a defined geographic radius and (ii) guidelines on the discontinuation of operation of any such video gaming terminals the Board determines will cause undue economic concentration.

(j) The provisions of the Illinois Antitrust Act are fully and equally applicable to the activities of any licensee under this Act.

(Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77, eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/30)

Sec. 30. Multiple types of licenses prohibited. A video gaming terminal manufacturer may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed to sell only to persons having a valid
distributor's license or, if the manufacturer also holds a valid distributor's license, to sell, distribute, lease, or market to persons having a valid terminal operator's license. A video gaming terminal distributor may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall only contract with a licensed terminal operator. A video gaming terminal operator may not be licensed as a video gaming terminal manufacturer or distributor or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed only to contract with licensed distributors and licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. An owner or manager of a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment may not be licensed as a video gaming terminal manufacturer, distributor, or operator, and shall only contract with a licensed operator to place and service this equipment.

(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)
(230 ILCS 40/35)

Sec. 35. Display of license; confiscation; violation as felony.

(a) Each video gaming terminal shall be licensed by the Board before placement or operation on the premises of a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment. The license of each video gaming terminal shall be maintained at the location where the video gaming terminal is operated. Failure to do so is a petty offense with a fine not to exceed $100. Any licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 2012. Every gambling device found in a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment operating gambling games in violation of this Act shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 2012. Any license issued under the Liquor Control Act of 1934 to any owner or operator of a licensed establishment, licensed truck stop establishment,
licensed large truck stop establishment, licensed fraternal
establishment, or licensed veterans establishment that
operates or permits the operation of a video gaming terminal
within its establishment in violation of this Act shall be
immediately revoked. No person may own, operate, have in his or
her possession or custody or under his or her control, or
permit to be kept in any place under his or her possession or
control, any device that awards credits and contains a circuit,
meter, or switch capable of removing and recording the removal
of credits when the award of credits is dependent upon chance.

Nothing in this Section shall be deemed to prohibit the use
of a game device only if the game device is used in an activity
that is not gambling under subsection (b) of Section 28-1 of
the Criminal Code of 2012.

A violation of this Section is a Class 4 felony. All
devices that are owned, operated, or possessed in violation of
this Section are hereby declared to be public nuisances and
shall be subject to seizure, confiscation, and destruction as
provided in Section 28-5 of the Criminal Code of 2012.

The provisions of this Section do not apply to devices or
electronic video game terminals licensed pursuant to this Act.
A video gaming terminal operated for amusement only and bearing
a valid amusement tax sticker shall not be subject to this
Section until 30 days after the Board establishes that the
central communications system is functional.

(b) (1) The odds of winning each video game shall be posted
on or near each video gaming terminal. The manner in which the
odds are calculated and how they are posted shall be determined
by the Board by rule.

(2) No video gaming terminal licensed under this Act may be
played except during the legal hours of operation allowed for
the consumption of alcoholic beverages at the licensed
establishment, licensed fraternal establishment, or licensed
veterans establishment. A licensed establishment, licensed
fraternal establishment, or licensed veterans establishment
that violates this subsection is subject to termination of its
license by the Board.

(Source: P.A. 97-1150, eff. 1-25-13; 98-111, eff. 1-1-14.)

(230 ILCS 40/45)

Sec. 45. Issuance of license.

(a) The burden is upon each applicant to demonstrate his
suitability for licensure. Each video gaming terminal
manufacturer, distributor, supplier, operator, handler,
licensed establishment, licensed truck stop establishment,
licensed large truck stop establishment, licensed fraternal
establishment, and licensed veterans establishment shall be
licensed by the Board. The Board may issue or deny a license
under this Act to any person pursuant to the same criteria set

(a-5) The Board shall not grant a license to a person who
has facilitated, enabled, or participated in the use of
coin-operated devices for gambling purposes or who is under the
significant influence or control of such a person. For the
purposes of this Act, "facilitated, enabled, or participated in
the use of coin-operated amusement devices for gambling
purposes" means that the person has been convicted of any
violation of Article 28 of the Criminal Code of 1961 or the
Criminal Code of 2012. If there is pending legal action against
a person for any such violation, then the Board shall delay the
licensure of that person until the legal action is resolved.

(b) Each person seeking and possessing a license as a video
gaming terminal manufacturer, distributor, supplier, operator,
handler, licensed establishment, licensed truck stop
establishment, licensed large truck stop establishment,
licensed fraternal establishment, or licensed veterans
establishment shall submit to a background investigation
conducted by the Board with the assistance of the State Police
or other law enforcement. To the extent that the corporate
structure of the applicant allows, the background
investigation shall include any or all of the following as the
Board deems appropriate or as provided by rule for each
category of licensure: (i) each beneficiary of a trust, (ii)
each partner of a partnership, (iii) each member of a limited
liability company, (iv) each director and officer of a publicly
or non-publicly held corporation, (v) each stockholder of a
non-publicly held corporation, (vi) each stockholder of 5% or
more of a publicly held corporation, or (vii) each stockholder
of 5% or more in a parent or subsidiary corporation.

(c) Each person seeking and possessing a license as a video
gaming terminal manufacturer, distributor, supplier, operator,
handler, licensed establishment, licensed truck stop
establishment, licensed large truck stop establishment,
licensed fraternal establishment, or licensed veterans
establishment shall disclose the identity of every person,
association, trust, corporation, or limited liability company
having a greater than 1% direct or indirect pecuniary interest
in the video gaming terminal operation for which the license is
sought. If the disclosed entity is a trust, the application
shall disclose the names and addresses of the beneficiaries; if
a corporation, the names and addresses of all stockholders and
directors; if a limited liability company, the names and
addresses of all members; or if a partnership, the names and
addresses of all partners, both general and limited.

(d) No person may be licensed as a video gaming terminal
manufacturer, distributor, supplier, operator, handler,
licensed establishment, licensed truck stop establishment,
licensed large truck stop establishment, licensed fraternal
establishment, or licensed veterans establishment if that
person has been found by the Board to:

(1) have a background, including a criminal record,
reputation, habits, social or business associations, or
prior activities that pose a threat to the public interests
of the State or to the security and integrity of video
gaming;

(2) create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of video gaming; or

(3) present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.

(e) Any applicant for any license under this Act has the burden of proving his or her qualifications to the satisfaction of the Board. The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in this State.

(f) A non-refundable application fee shall be paid at the time an application for a license is filed with the Board in the following amounts:

(1) Manufacturer .................................... $5,000

(2) Distributor........................................ $5,000

(3) Terminal operator............................... $5,000

(4) Supplier .......................................... $2,500

(5) Technician ...................................... $100

(6) Terminal Handler ............................... $100

(7) Licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment ............................... $100

(g) The Board shall establish an annual fee for each
license not to exceed the following:

(1) Manufacturer .......................... $10,000
(2) Distributor .............................. $10,000
(3) Terminal operator ....................... $5,000
(4) Supplier ................................. $2,000
(5) Technician ............................... $100
(6) Licensed establishment, licensed truck stop
    establishment, licensed large truck stop establishment,
    licensed fraternal establishment, or licensed
    veterans establishment .......................... $100
(7) Video gaming terminal .................... $100
(8) Terminal Handler ........................... $100
(h) A terminal operator and a licensed establishment,
    licensed truck stop establishment, licensed large truck stop
    establishment, licensed fraternal establishment, or licensed
    veterans establishment shall equally split the fees specified
    in item (7) of subsection (g).
(Source: P.A. 100-1152, eff. 12-14-18.)

(230 ILCS 40/55)

Sec. 55. Precondition for licensed location. In all cases
of application for a licensed location, to operate a video
gaming terminal, each licensed establishment, licensed
fraternal establishment, or licensed veterans establishment
shall possess a valid liquor license issued by the Illinois
Liquor Control Commission in effect at the time of application
and at all times thereafter during which a video gaming terminal is made available to the public for play at that location. Video gaming terminals in a licensed location shall be operated only during the same hours of operation generally permitted to holders of a license under the Liquor Control Act of 1934 within the unit of local government in which they are located. A licensed truck stop establishment or licensed large truck stop establishment that does not hold a liquor license may operate video gaming terminals on a continuous basis. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a county with a population between 6,500 and 7,000, based on the 2000 U.S. Census, (ii) the county prohibits by ordinance the sale of alcohol, and (iii) the establishment is in a portion of the county where the sale of alcohol is prohibited. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a municipality within a county with a population between 8,500 and 9,000 based on the 2000 U.S. Census and (ii) the municipality or county prohibits or limits the sale of alcohol by ordinance in a way that prohibits the establishment from selling alcohol.
(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10; 97-594, eff. 8-26-11.)
(230 ILCS 40/58)

Sec. 58. Location of terminals. Video gaming terminals must be located in an area restricted to persons over 21 years of age the entrance to which is within the view of at least one employee, who is over 21 years of age, of the establishment in which they are located. The placement of video gaming terminals in licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments shall be subject to the rules promulgated by the Board pursuant to the Illinois Administrative Procedure Act.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/60)

Sec. 60. Imposition and distribution of tax.

(a) A tax of 30% is imposed on net terminal income and shall be collected by the Board.

(b) Of the tax collected under this subsection (a) Section, five-sixths shall be deposited into the Capital Projects Fund and one-sixth shall be deposited into the Local Government Video Gaming Distributive Fund.

(b) Beginning on July 1, 2019, an additional tax of 3% is imposed on net terminal income and shall be collected by the Board.

Beginning on July 1, 2020, an additional tax of 1% is imposed on net terminal income and shall be collected by the
Board.

The tax collected under this subsection (b) shall be deposited into the Capital Projects Fund.

(c) Revenues generated from the play of video gaming terminals shall be deposited by the terminal operator, who is responsible for tax payments, in a specially created, separate bank account maintained by the video gaming terminal operator to allow for electronic fund transfers of moneys for tax payment.

(d) Each licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall maintain an adequate video gaming fund, with the amount to be determined by the Board.

(e) The State's percentage of net terminal income shall be reported and remitted to the Board within 15 days after the 15th day of each month and within 15 days after the end of each month by the video terminal operator. A video terminal operator who falsely reports or fails to report the amount due required by this Section is guilty of a Class 4 felony and is subject to termination of his or her license by the Board. Each video terminal operator shall keep a record of net terminal income in such form as the Board may require. All payments not remitted when due shall be paid together with a penalty assessment on the unpaid balance at a rate of 1.5% per month.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)
Sec. 79. Investigators. Investigators appointed by the Board pursuant to the powers conferred upon the Board by paragraph (20.6) of subsection (c) of Section 5 of the [Illinois Riverboat Gambling Act and Section 80 of this Act shall have authority to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act and the Illinois Riverboat Gambling Act, as deemed necessary by the Board. These investigators have and may exercise all of the rights and powers of peace officers, provided that these powers shall be (1) limited to offenses or violations occurring or committed in connection with conduct subject to this Act, including, but not limited to, the manufacture, distribution, supply, operation, placement, service, maintenance, or play of video gaming terminals and the distribution of profits and collection of revenues resulting from such play, and (2) exercised, to the fullest extent practicable, in cooperation with the local police department of the applicable municipality or, if these powers are exercised outside the boundaries of an incorporated municipality or within a municipality that does not have its own police department, in cooperation with the police department whose jurisdiction encompasses the applicable locality.

(Source: P.A. 97-809, eff. 7-13-12.)
Sec. 80. Applicability of Illinois Riverboat Gambling Act.
The provisions of the Illinois Riverboat Gambling Act, and all rules promulgated thereunder, shall apply to the Video Gaming Act, except where there is a conflict between the 2 Acts. In the event of a conflict between the 2 Acts, the provisions of the Illinois Gambling Act shall prevail. All current supplier licensees under the Illinois Riverboat Gambling Act shall be entitled to licensure under the Video Gaming Act as manufacturers, distributors, or suppliers without additional Board investigation or approval, except by vote of the Board; however, they are required to pay application and annual fees under this Act. All provisions of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.
(Source: P.A. 100-1152, eff. 12-14-18.)

Section 35-65. The Liquor Control Act of 1934 is amended by changing Sections 5-1 and 6-30 as follows:

(235 ILCS 5/5-1) (from Ch. 43, par. 115)

Sec. 5-1. Licenses issued by the Illinois Liquor Control Commission shall be of the following classes:
(a) Manufacturer's license - Class 1. Distiller, Class 2. Rectifier, Class 3. Brewer, Class 4. First Class Wine
AGENDA ITEM:  G  
MEETING DATE:  June 26, 2019

ITEM:  
Intergovernmental Agreement with the Hoffman Estates Fire Department for Automatic Aid  
(No cost to the City)

OBJECTIVE:  
Provide and receive automatic aid with Hoffman Estates Fire Department in an effort to improve response times and response coverage.

RECOMMENDATION:  
Approve the intergovernmental agreement with the Hoffman Estates Fire Department for the provision of automatic aid.

Automatic aid agreements deliver enhanced public safety response by providing mutual response from two fire departments in geographic areas where the potential exists for a neighboring fire department to arrive first. The Village of Hoffman Estates’ Fire Department will be providing automatic aid to a portion of Elgin’s northeast district to afford that area with shorter emergency response times. Elgin’s fire department will not be providing automatic aid to the Village of Hoffman Estates as part of the agreement, but Elgin will continue to provide a fire engine or ladder truck on mutual aid to the village’s far west station for coverage during large-scale events in Hoffman Estates.

BACKGROUND

Automatic aid is based on the premise of providing a mutual response from two fire departments in geographic areas where the potential exists for a neighboring fire department to arrive first. Automatic aid responses do not relieve a municipality from responding with fire equipment, but rather enhance the municipality’s response. This supplemental response is provided by each municipality’s fire department provided that an engine and/or ambulance are available from the fire station closest to the address of the incident. This strategy aids in meeting the time-sensitive importance of response to medical, fire or other emergencies and provides for efficient use of resources between both municipalities. Elgin is in close proximity to other fire jurisdictions and automatic aid assistance is beneficial to participating departments, as well as those in need of an emergency response.
The fire department is seeking an intergovernmental agreement with Hoffman Estates for automatic aid. Hoffman Estates Fire Department will be providing automatic aid in an effort to provide a shorter response time to a portion of Elgin’s northeast district. Elgin fire department will not be providing automatic aid at this time but will continue to provide a fire engine or ladder truck on mutual aid to their far west station for coverage during large-scale events in Hoffman Estates.

**OPERATIONAL ANALYSIS**

When a 911 call is received for an address within an identified automatic aid area, each municipality will dispatch the appropriate resources (i.e., ambulance or fire engine). The fire department arriving first begins the necessary action for dealing with the incident, regardless of jurisdiction. The emphasis and philosophy is on providing high quality services to the citizens of both municipalities.

The City currently has automatic aid agreements with the Bartlett Fire Protection District (FPB), East Dundee FPD, South Elgin FPD, Pingree Grove FPD, Rutland Dundee FPD and West Dundee Fire Department. These agreements have been in place for a period of years and are working effectively to the benefit of the residents of each community. In 2018, Elgin’s automatic aid consisted of the following:

- Received from Bartlett FPB 16 times
- Received from East Dundee FPD 2 times / provided 4 times
- Received from South Elgin FPD 79 times / provided to 190 times
- Received from Rutland Dundee FPD 102 times / provided to 11 times
- Received from the Pingree Grove FPD 95 times / provided to 40 times
- Received from West Dundee FD 7 times / provided to 9 times

Geographic areas have been identified within the City that would benefit from the automatic aid agreement. Those identified areas are depicted in an attached map referenced as Attachment A.

**INTERESTED PERSONS CONTACTED**

Hoffman Estates FD personnel were contacted pertaining to this agreement.

**FINANCIAL ANALYSIS**

None.
BUDGET IMPACT

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LEGAL IMPACT

None.

ALTERNATIVES

The city council may elect to not enter into an automatic aid intergovernmental agreement between Elgin and the Hoffman Estates Fire Department.

NEXT STEPS

Finalize the agreement.

Originators: David Schmidt, Fire Chief
Final Review: Debra Nawrocki, Chief Financial Officer
William A. Cogley, Corporation Counsel/Chief Development Officer
Richard G. Kozal, City Manager

ATTACHMENTS

A. Map of Response Areas
B. Intergovernmental Agreement with Hoffman Estates Fire Department
Exhibit A
Automatic Aid from Hoffman Estates Fire Department

Date: 6/14/2019
INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITY OF ELGIN AND THE VILLAGE OF HOFFMAN ESTATES
FOR AUTOMATIC FIRE AND EMERGENCY MEDICAL SERVICES

THIS AGREEMENT is made and entered on the last date set forth next to the signatures of the Village of Hoffman Estates, an Illinois municipal corporation (the “Village”), and the City of Elgin, an Illinois municipal corporation (the “City”) (collectively the “Parties”), which have approved this Agreement in the manner provided by law.

WHEREAS, the City and the Village have respectively determined that it is in the best interests of the residents of the City of Elgin and the Village of Hoffman Estates to cooperate in providing continued fire protection and emergency medical services upon certain lands; and

WHEREAS, Article VII, Section 10 of the Illinois Constitution authorizes units of local government to enter into agreements “to obtain or share services and to exercise, combine, or transfer any power or function, in any manner not prohibited by law or ordinance”; and

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/3 (1998), provides in pertinent part: “Any power or powers, privileges, functions, or authority exercised or which may be exercised, combined, transferred, and enjoyed jointly with any other public agency of the State...”; and

WHEREAS, the Parties are both public agencies and units of local government as defined by Illinois law; and

WHEREAS, both Parties have the capability of providing fire protection and emergency medical services to the area for mutual aid and protection; and

WHEREAS, the Parties hereto have determined that it is in their best interests to enter into this agreement to secure to each the benefits of cooperation in providing first response automatic aid fire and emergency medical services to areas within the Parties’ respective jurisdictions as more fully depicted on Exhibit A, attached hereto and made a part hereof by reference. Each party’s respective area for which it will provide first response emergency services to the other party shall hereinafter be referred to as either the “Village’s First Response Service Area” or the “City’s First Response Service Area”. Collectively, these service areas are sometimes referred to as the “Subject Area;” and

WHEREAS, the City and the Village have determined that the growth of the Subject Area should involve cooperation and planning by both Parties; and

WHEREAS, both of the Parties have previously shared services by virtue of mutual aid agreements; and

WHEREAS, the Parties acknowledge that it is in the best interests of their respective taxpayers to continue to provide cooperative services so that the resources of both Parties can be most effectively utilized in providing effective and cost efficient fire protection and emergency medical services to their respective jurisdictions and to the Subject Area; and
WHEREAS, the Parties acknowledge fire protection and emergency medical services should where practicable be planned so as to minimize duplication of effort and expenses and to assure that public funds will be best utilized for the purposes herein; and

WHEREAS, the Parties acknowledge that it is in their best interests to continually work together to keep evaluating the present and future needs of the public that they serve as to minimize duplication of effort and expenses and to assure public funds will be best utilized for the purposes herein.

NOW, THEREFORE, the Parties do hereby enter into this Intergovernmental Agreement upon the following terms and conditions:

Section One: As mutual consideration for the promises and agreements entered into herein, the Parties agree that:

1) The Village will provide first response automatic aid fire and emergency medical Services and related emergency services performed by fire departments to the properties in the City in the area identified as the Village’s First Response Service Area as depicted on the map dated 2019, attached hereto and previously incorporated herein as Exhibit A. It is agreed and understood that the Village’s obligation to provide such first response automatic aid is subject to the Village’s reasonable ability to do so. The City will continue to receive 911 calls from properties and/or the portions of I-90 within the City’s corporate limits which are in the Village’s First Response Service Area. Upon receipt of an alarm for fire-related emergencies and/or emergency medical services and related emergency services for a property or portion of I-90 in the City’s corporate limits and within the Village’s First Response Service Area the following procedures shall be followed:

   a) The City of Elgin Communications Center will dispatch the appropriate City of Elgin Fire Department equipment based on the City’s current response criteria for that location and type of emergency.

   b) The City of Elgin Communications Center will contact the Village Dispatch Center in a timely manner by telephone to request either a fire engine or an ambulance based on the call type and appropriateness to the incident.

   c) The Village unit responding will advise via radio communications the City of Elgin Communication’s Division that they are en-route and indicate their unit number.

   d) On arrival, the Village response unit will contact the City of Elgin Communications Division via radio communications and will acknowledge their arrival and any necessary size-up information

   e) Once on scene, the City’s responding units will assume, where practical to do so and circumstances permit, scene control or patient responsibility. The intent is to relieve
the Village of further responsibility as quickly as possible so they may return to their jurisdiction. As such, the Parties only expect first responder actions from the Village. The City’s responding units will assume responsibility for patient transport unless a delay in doing so would compromise patient care.

f) The respective Fire Chiefs of the City and the Village along with the City’s Communications Director shall be responsible for the implementation of such procedures and shall have the authority to refine or amend such procedures to ensure that 911 calls for fire protection or emergency medical services for those portions of the City which are to receive primary service from the Village pursuant to this Agreement are immediately and properly routed to the Village. Such procedures may be refined or amended only by a written document executed by the respective Fire Chiefs of the City and the Village along with the City’s Communication Director.

2) The City will provide first response automatic aid fire and emergency medical services and related emergency services performed by fire departments to properties in the Village in the area identified as the City’s First Response Service Area, said area being that portion of Interstate 90 (I-90) as depicted on the map dated 2019, attached hereto and previously incorporated herein as Exhibit A. It is agreed and understood that the City’s obligation to provide such first response automatic aid is subject to the City’s reasonable ability to do so. The Village will continue to receive all 911 calls from properties and/or the portions of I-90 not within the City’s corporate limits which are in the City’s First Response Service Area upon receipt of an alarm for fire related emergencies and/or emergency medical services and related emergency services for a property or portion of I-90 not within the City’s corporate limits and within the City’s First Response Service Area, the following procedures shall be followed:

a) The Village’s Dispatch Center will dispatch the appropriate Village equipment based upon the Village’s current response criteria for that location and type of emergency.

b) The Village’s Dispatch Center will contact the City’s communications Center in a timely manner by telephone to request either a fire engine or an ambulance based on the call type and appropriateness to the incident.

c) The City unit responding will advise the Village Dispatch Center via radio communications that they are en-route and indicate their unit number.

d) On arrival, the City response unit will contact the Village Dispatch Center via radio communications and will acknowledge their arrival and any necessary size up information.

e) Once on scene, the Village’s responding units will assume, where practical to do so, and circumstances permit, scene control or patient responsibility. The intent is to relieve the City of further responsibility as quickly as possible so they may return to their jurisdiction. As such, the Parties only expect first responder actions from the City.
The Village’s responding units will assume responsibility for patient transport unless a delay in doing so would compromise patient care.

f) The respective Fire Chiefs of the City and the Village along with the Village’s Communications Director shall be responsible for the implementation of such procedures and shall have the authority to refine or amend such procedures to ensure 911 calls for fire protection and/or emergency medical services for those portions of the Village which are to receive primary services from the City pursuant to this Agreement are immediately and properly routed to the City. Such procedures may be refined or amended only by a written document executed by the respective fire chiefs of the City and the Village along with the Village’s Communication Director.

3) The Village shall make one officer available to attend the meetings of the Elgin City Council upon the City’s request, and likewise the City shall make one officer available to attend the meetings of the Village of Hoffman Estates upon the Village’s request.

4) The City and the Village will continue to respond to the other party’s requests for assistance pursuant to all mutual and automatic aid agreements currently existing between them. Furthermore, the City and the Village agree to adopt general departmental orders requiring joint cooperation by and among the departments and which amongst other things, specify emergency calls within the service areas designated by this Agreement will be simultaneously dispatched to the greatest extent possible, that the first arriving company shall assume and remain in command until a formal transfer of command to the authority having jurisdiction occurs pursuant to the established incident command system covering the areas described herein.

5) The Parties agree that the Village may bill persons who are residents of either the City or the Village for emergency medical services rendered within the Village’s First Response Service Area in uniformity with other areas of the Village. If the City provides emergency medical services to residents of the Village, it may bill the recipients of such services in the same manner and amount as are uniformly applied to residents of the City. This practice is consistent with current MABAS policy.

**Section Two:** This Agreement shall supersede any agreement, resolution, or motion, or part of any agreement, resolution, or motion in conflict with any part therein, and any such conflicting agreement, resolution, or motion is hereby repealed to the extent of any conflict.

**Section Three:** If any section, paragraph, or provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any of the remaining provisions of this Agreement.

**Section Four:** This Agreement may be terminated by the City or the Village upon thirty (30) days written notice to the other party hereto whereupon this Agreement shall be terminated without any further obligations of the parties hereunder.
Section Five: This Agreement shall be binding upon and inure to the benefit of the Village and the City, and upon any persons or entities who may be assigned or otherwise succeed to all or any portion of the authority, rights, duties, powers, functions or purposes of the Village and the City, or either of them. This Agreement and the obligations herein may not be assigned without the express written consent of each of the Parties hereto which consent may be withheld at the sole discretion of either of the Parties hereto.

Section Six: This Agreement is not intended and shall not be deemed or construed to create an employment, joint venture, partnership or other agency relationship between the Parties hereto.

Section Seven: All notices or other communications to hereunder shall be in writing and shall be deemed given if personally delivered sent by overnight courier or mailed by registered or certified mail, return receipt requested, to the Parties at the following addresses, or at such other addresses for a party as shall be specified by a like notice and shall be deemed received on the date which said notice is hand delivered or the second business day following the date on which so mailed:

TO THE CITY:
City of Elgin
150 Dexter Court
Elgin, IL 60120-5555
Attention: Fire Chief

TO THE VILLAGE:
Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, IL 60169
Attention: Fire Chief

Section Eight: It is agreed and understood by the Parties hereto that the services referred to in this Agreement are general services only and that no special duties or obligations are intended nor shall be deemed or construed to be created by this Agreement. It is further agreed and understood that this Agreement is not intended nor shall be construed to alter, limit, or constitute a waiver of any of the civil immunities afforded the City and/or Village and/or their officials, officers, employees and/or agents pursuant to the Local Governmental and Governmental Employees Tort Immunity Act at 745 ILCS 10/1-101, et seq., as amended, the Emergency Telephone System Act at 50 ILCS 750/0.01 et seq., as amended, the Emergency Medical Services Systems Act at 210 ILCS 50/1 et seq., and/or otherwise provided by law, it being agreed that all the civil immunities as set forth in such Acts, as amended, and/or as otherwise provided by law shall fully apply to any claims asserted or which might be asserted against the City and/or the Village and/or their respective officials, officers, employees and/or agents as a result of this Agreement or any actions of the Parties pursuant to this Agreement. Without limiting the foregoing, it is further agreed and understood that the City and/or the Village and/or their respective officials, officers, employees and/or agents as a result of this Agreement or any of the actions of the Parties pursuant to this Agreement shall not be liable to any other person or entity for failure to provide adequate fire protection, rescue, or emergency service, failure to suppress or contain a fire, failure to provide or maintain sufficient personnel, equipment or other fire protection facilities, and/or for any act and/or omission in connection with the developing, adopting, operating or implementing any plan or system relating to the City’s and/or the Village’s emergency telephone system. Notwithstanding anything to the contrary in this Agreement, it is agreed and understood that no third party beneficiaries are intended or shall be construed to be created by the provisions of this Agreement.
and it is the intention of the parties hereto that no action may be commenced by any person or entity against the City and/or the Village and/or their respective officials, officers, employees, agents and/or other related persons or entities for monetary damages for any alleged breach or failure to provide services described in this Agreement. The provisions of this section shall survive any expiration and/or termination of this Agreement.

Section Nine: This Agreement is subject to and shall be governed by the laws of the State of Illinois. Venue for the resolution of any disputes or the enforcement of any rights pursuant to this Agreement shall be in the Circuit court of Kane County, Illinois.

Section Ten: The failure by a party to enforce any provision of this Agreement against the other party shall not be deemed a waiver of the right to do so thereafter.

Section Eleven: This Agreement may be modified or amended only in writing signed by both Parties hereto, or their permitted successors or assigns, as the case may be.

Section Twelve: This Agreement contains the entire agreement and understanding of the Parties hereto with respect to the subject matter as set forth herein, all prior agreements and understandings having been merged herein and extinguished hereby.

Section Thirteen: This Agreement is and shall be deemed and construed to be a joint and collective work product of the City and the Village and, as such, this Agreement shall not be construed against the other party, as the otherwise purported drafter of same, by any court of competent jurisdiction and in order to resolve any inconsistency, ambiguity, vagueness or conflict, if any, in the terms of provisions contained herein.

Section Fourteen: The City and Village agree that, in the event of a default by the other party, the other shall, prior to taking any such action as may be available to it, provide written notice to the defaulting party stating that they are giving the defaulting party fourteen (14) days within which to cure such default. If the default shall not be cured within the fourteen (14) day period aforesaid, then the party giving such notice shall be permitted to avail itself of remedies to which it may be entitled under law.

IN WITNESS WHEREOF, the Parties, pursuant to proper and necessary authorization, have executed this agreement consisting of seven pages, exclusive of exhibits, on the dates shown below.

SIGNATURE PAGE FOLLOWS
APPROVED AND ADOPTED on this _____ day of __________, 2019.

CITY OF ELGIN

By: ____________________________
    Mayor

Attest:

By: ____________________________
    City Clerk

APPROVED AND ADOPTED on this 1st day of April, 2019.

VILLAGE OF HOFFMAN ESTATES

By: ____________________________
    President

Attest:

By: ____________________________
    Village Clerk
EXHIBIT A

MAP DEPICTING VILLAGE FIRST RESPONSE SERVICE AREA AND CITY FIRST RESPONSE SERVICE AREA
AGENDA ITEM: H
MEETING DATE: June 26, 2019

ITEM:
Amendment to Chronic Nuisance Property Ordinance
(No cost to the City)

OBJECTIVE:
Provide stronger nuisance property enforcement by expanding violation definitions.

RECOMMENDATION:
Adopt the proposed ordinance amendment enhancing the City’s ability to address chronic nuisance properties.

The city council approved an ordinance in 1995 adopting regulations designed to reduce the occurrence of unlawful chronic nuisance properties in the City. The ordinance was amended in 2005 to become more comprehensive in its scope to address these nuisance properties. Accordingly, police staff have continually reviewed the ordinance to improve the effectiveness. Police staff have conducted another review and are recommending the adoption of an amendment to the ordinance that will provide for the strengthening of the current nuisance property ordinance.

BACKGROUND

The City’s Chronic Nuisance Property ordinance provides that when three or more instances of criminal activity or certain City ordinance violations occur on the property during any twelve month period as a result of three separate factual events, the City may declare the property to be a chronic nuisance and then initiate an abatement action. The abatement action authorizes the City to order the offending property closed and secured against all use and occupancy—including the removal of any tenants—for a period of 30 to 180 days. The City may also seek civil fines against the property owner in the amount of $100 to $1,000 per day for each day the property owner is shown to have had knowledge the property was a chronic nuisance and permitted the property to remain as a chronic nuisance. While the current ordinance provides strong enforcement options for City departments to utilize, changes have been identified that will increase the program’s effectiveness.
OPERATIONAL ANALYSIS

Adopting ordinance amendments creates improved enforcement options that will enable swifter remediation with nuisance properties within Elgin neighborhoods.

The proposed amendment to the Chronic Nuisance Property ordinance allows for additional violation categories that will further enhance the ordinance and are as follows:

- Add the offenses listed under the Drug Paraphernalia Control Act and the Drug Paraphernalia Control ordinance. As defined in the Drug Paraphernalia Control Act, drug paraphernalia means: all equipment, products and materials of any kind, which are intended to be used unlawfully in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling or otherwise introducing into the human body cannabis or a controlled substance in violation of the Cannabis Control Act, the Illinois Controlled Substances Act or the Methamphetamine Control and Community Protection Act or a synthetic drug product or misbranded drug in violation of the Illinois Food, Drug and Cosmetic Act.

- The inclusion of weed control and prohibition of litter and waste as a nuisance violation that will compliment code enforcement’s ability to limit nuisance properties.

An additional amendment is as follows:

- This ordinance shall not be interpreted or enforced in such a manner so as to penalize landlords or tenants who are victims for police calls relating to domestic or sexual violence, in accordance with Public Act 99-0441.

The proposed amendments to the Chronic Nuisance Property ordinance are designed to support City personnel as they assist residents with more immediate and lasting resolutions to chronic neighborhood issues.

INTERESTED PERSONS CONTACTED

None.

FINANCIAL ANALYSIS

None.
BUDGET IMPACT

<table>
<thead>
<tr>
<th>FUND(S)</th>
<th>ACCOUNT(S)</th>
<th>PROJECT #(S)</th>
<th>AMOUNT BUDGETED</th>
<th>AMOUNT AVAILABLE</th>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

LEGAL IMPACT

None.

ALTERNATIVES

The city council may elect to not adopt this ordinance amendment.

NEXT STEPS

Implement the amended ordinance.

Originators: Frank Trost, Commander
Ana Lalley, Police Chief

Final Review: Debra Nawrocki, Chief Financial Officer
William A. Cogley, Corporation Counsel/Chief Development Officer
Richard G. Kozal, City Manager

ATTACHMENTS

A. Ordinance Amending Chapter 10.44 of the Elgin Municipal Code
AN ORDINANCE
AMENDING CHAPTER 10.44 OF THE ELGIN MUNICIPAL CODE, 1976,
AS AMENDED, ENTITLED “CHRONIC NUISANCE PROPERTY”

WHEREAS, the City Council of the City of Elgin has determined it is necessary and desirable to provide for the abatement of chronic nuisance properties within the City; and

WHEREAS, 65 ILCS 5/11-60-2 provides that the corporate authorities of each municipality may define, prevent and abate nuisances; and

WHEREAS, the City of Elgin is a home rule municipality as defined in Article VII, Section 6A of the 1970 constitution of the State of Illinois; and

WHEREAS, a home rule unit may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the definition of and abatement of chronic nuisance properties pertains to the government and affairs of the City of Elgin; and

WHEREAS, properties used for the purpose of the commission of illegal acts are directly and indirectly injurious to the public health, safety, peace and welfare;

WHEREAS, properties on which ongoing instances of illegal acts occurs encourage other unlawful activities, diminish property values in that area, and cause or threaten to cause danger to persons and/or properties in that area; and

WHEREAS, the City Council of the City of Elgin has found previously and continues to find that properties on which ongoing instances of illegal acts occur constitute and are declared to be public nuisances that shall be abated.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELGIN, ILLINOIS:

Section 1. That Chapter 10.44 of the Elgin Municipal Code, 1976, as amended, entitled “Chronic Nuisance Property,” Section 10.44.010 thereof, entitled “Abatement of Chronic Nuisance Properties,” be and is hereby amended to add a new Subsection 10.44.010.C, to read as follows:

“C. Any other provision of this chapter notwithstanding, this chapter shall be interpreted and enforced in accordance with section 1-2-1.5 of the Illinois Municipal Code (65 ILCS 5/1-2-1.5), as amended, and shall not be construed in such a manner so as to penalize any tenant or landlord based upon calls for service for the activities or incidents that are set forth in said statute, as amended.”
Section 2. That Chapter 10.44 of the Elgin Municipal Code, 1976, as amended, entitled “Chronic Nuisance Property,” Section 10.44.020 thereof, entitled “Definitions,” be and is hereby amended by amending subparagraph “S” under the definition of “Chronic Nuisance Property,” to read as follows:

“S. Violations of subsection 9.40.470.A or subsection 16.12.020 sec. 302.4 of this code, as amended, relative to property care and maintenance.”

Section 3. That Chapter 10.44 of the Elgin Municipal Code, 1976, as amended, entitled “Chronic Nuisance Property,” Section 10.44.020 thereof, entitled “Definitions,” be and is hereby amended by amending subparagraph “U” under the definition of “Chronic Nuisance Property,” to read as follows:

“U. Violations of subsection 9.36.030, subsection 16.12.020 sec. 305.8, or subsection 16.12.020 sec. 308 et seq., of this code, as amended, relative to rubbish and garbage.”

Section 4. That Chapter 10.44 of the Elgin Municipal Code, 1976, as amended, entitled “Chronic Nuisance Property,” Section 10.44.020 thereof entitled “Definitions,” be and is hereby amended to add subparagraph “BB” under the definition of “Chronic Nuisance Property,” to read as follows:

“BB. Any offense defined and prohibited by the Drug Paraphernalia Control Act, 720 Illinois Compiled Statutes 600/1 et seq., as amended, or by Chapter 10.25, “Drug Paraphernalia Control”, of this title, as amended.”

Section 5. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance be and are hereby repealed.

Section 6. That this ordinance shall be in full force and effect immediately after its passage and publication in the manner provided by law.

David J. Kaptain, Mayor

Presented:  
Passed:  
Omnibus Vote: Yeas: Nays: 0  
Recorded:  
Published:  
Attest:  

Kimberly A. Dewis, Clerk

F:\Legal Dept\Ordinances\Police Dept-Draft Amend Ord 10.44-Chronic Nuisance Property 5-7-19.docx
AGENDA ITEM:  
MEETING DATE: June 26, 2019

ITEM:
Community Development Block Grant (CDBG) Annual Action Plan for Program Year 2019  
(No cost to the City)

OBJECTIVE:
Review recommendations from the CDBG Review Panel for Program Year 2019 CDBG funding.

RECOMMENDATION:
Release for public comment the activities and funding amounts recommended by the CDBG Review Panel for Program Year 2019.

Since 1975, the City has received approximately $37.1 million in Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) to benefit low/moderate income persons. Over the last four years, the City has used CDBG funds to improve neighborhood parks and non-profit facilities, redevelop affordable housing, and provide services to address homelessness.

For Program Year 2019, the City received nine applications from area non-profits for facility development projects and homeless/supportive service activities. Additionally, neighborhood infrastructure, affordable housing, and planning activities were reviewed and considered. The City expects to have $947,160 in CDBG funds available for Program Year 2019.

BACKGROUND

The CDBG program was created in 1974 with the passage of the federal Housing and Community Development Act. The major goals of the program are to develop viable urban communities by:

- Providing decent, safe and sanitary housing;
- Fostering suitable living environments; and
- Expanding economic opportunities for lower-income residents.

HUD determines the amount of each entitlement jurisdiction’s annual grant using a formula that incorporates several objective measures of community need. The formula takes into account each jurisdiction’s population, poverty rate, age of housing stock, rate of overcrowded housing
and population growth lag in relationship to other metropolitan areas. There are over 1,200 entitlement grantees throughout the country. CDBG funds are to be used primarily to benefit low/moderate income individuals and households, which are those making less than 80 percent of the area median income. The city has participated in the CDBG program since 1975, and has been awarded approximately $37.1 million under the program since then.

In order to receive CDBG funds, HUD requires local jurisdictions to prepare a Consolidated Plan every five years in order to identify affordable housing and community development needs. As partners of the Kane-Elgin HOME Consortium, both the city and county satisfy this federal requirement by joining together to prepare a single, unified plan. The Kane-Elgin Consolidated Plan for 2015 to 2019 identified four housing and community development priorities:

- Facility Development,
- Homelessness,
- Affordable Housing, and
- Neighborhood Infrastructure.

These priorities form the basis for the selection of activities and projects to be included in the city’s Annual Action Plan. The plan serves as the City’s application to HUD as well as its plan for how CDBG funds will be utilized during the program year, which runs from June 1 to May 31.

**OPERATIONAL ANALYSIS**

For Program Year 2019, the City’s CDBG allocation from HUD will be $865,607. Additionally, the City will have carry-over funds from previous years totaling $81,553. Altogether, the City expects to have $947,160 in CDBG funding available to support activities aimed at addressing the priorities of the 2015-2019 Consolidated Plan during Program Year 2019.

Historically, CDBG funds allocated for affordable housing activities and neighborhood infrastructure projects have been undertaken either directly by the City or in collaboration with the county, while facility development and homeless/supportive service activities are undertaken by local non-profits.

The City last December invited area non-profit 501(c)(3) organizations to submit proposals focused on making capital improvements to social service facilities, supporting activities aimed at helping the homeless population, or providing supportive services to Elgin residents in need. Regardless of the proposal type, all projects had to benefit Elgin residents. The City convened an application workshop on December 20, 2018, during which CDBG program requirements were discussed and the application process was explained. Following the workshop, conference calls were conducted with individual applicants in order to address eligibility and other technical questions prior to the January 7, 2019 submission deadline. A total of nine proposals were received, three for capital improvement projects and six for public service activities.
A CDBG review panel, consisting of two members of city council (Carol Rauschenberger and Toby Shaw) and two members of the community development department (Marc Mylott and Denise Momodu), met on June 4th to review the proposals and funding recommendations for the City’s 2019 CDBG program. The group reviewed the proposals submitted by area non-profits, as well as neighborhood infrastructure improvements and affordable housing activities that will be overseen by the City of Elgin engineering Department and the Kane-Elgin HOME Commission, respectively. Representatives of the Kane County Office of Community Reinvestment, which provides program management services to the City, furnished reports and analysis to assist the CDBG review panel.

All proposals were reviewed for their eligibility under HUD regulations, and those determined eligible were further evaluated for their responsiveness to the following criteria:

- Effectiveness at addressing a Consolidated Plan need/strategy;
- Amount of other resources leveraged;
- Soundness of budget and project readiness; and
- Overall community impact and/or urgency.

The CDBG review panel recommends funding nine projects, which are grouped in the tables below by Consolidated Plan Category. Five of the proposals submitted by area non-profits were not recommended for various reasons and those applicants will receive guidance and recommendations regarding reapplying for CDBG funds in the future or pursuing alternative funding sources. Evaluation reports for all proposals received from area non-profits are attached. Note that in some cases, the CDBG review panel’s funding recommendations carry conditions the applicants must satisfy prior to receiving a final commitment of CDBG funds from the City and beginning work on their projects.

A summary of all awarded projects is shown in the table immediately below. More detailed information on the awards for the specific plan categories follows the summary table.

<table>
<thead>
<tr>
<th>Plan Category</th>
<th>Applicant/Project</th>
<th>Project Cost</th>
<th>$ Requested</th>
<th>$ Recommended</th>
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<tbody>
<tr>
<td>Facility Development</td>
<td>Senior Service Associates (Roof Replacement)</td>
<td>$18,900</td>
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<td>$11,907</td>
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<tr>
<td>Homelessness and Supportive Services</td>
<td>AID (Community Support Team)</td>
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<td></td>
<td>Ecker Center (Homeless Outreach &amp; Engagement)</td>
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<td></td>
<td>PADS of Elgin (Day Shelter)</td>
<td>$134,390</td>
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<tr>
<td>Neighborhood Infrastructure</td>
<td>City of Elgin Engineering Department (Southeast Neighborhood Resurfacing)</td>
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<tr>
<td>Affordable Housing</td>
<td>Kane-Elgin HOME Commission (Affordable Housing Fund)</td>
<td>$363,892</td>
<td>$363,892</td>
<td>$263,892</td>
</tr>
</tbody>
</table>
**Facility Development**

Facility development activities include those that are traditionally considered “bricks and mortar” projects. They typically involve the rehabilitation or conversion of facilities from which services are provided to area residents. Three projects from area non-profits requesting a total of $203,900 were submitted. One project involving the replacement of a roof at the Senior Services Associates building for a total of $11,907 is recommended for CDBG funds for Program Year 2019.

<table>
<thead>
<tr>
<th>Consolidated Plan Category</th>
<th>Applicant/Project</th>
<th>Total Project Cost</th>
<th>Amount Requested</th>
<th>Amount Recommended</th>
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<tr>
<td>Facility Development</td>
<td>Senior Services Associates</td>
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<td>Totals</td>
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<td>$18,900</td>
<td>$18,900</td>
<td>$11,907</td>
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</table>

**Homeless and Supportive Services**

Homeless and supportive service projects include the cost of operating social service agencies and/or programing for their clients. HUD caps the amount the City can provide for these activities to no more than fifteen percent of the annual CDBG allocation. Under the Homeless and Supportive Services category, six proposals from area non-profits were submitted, requesting a total of $214,011. Three projects are recommended for a total of $72,411 in CDBG funds for Program Year 2019.

<table>
<thead>
<tr>
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<tr>
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<td>AID (Elgin Community Support Team)</td>
<td>$311,802</td>
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<td>PADS of Elgin (Day Shelter)</td>
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<td>$493,474</td>
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</table>

**Affordable Housing**

One activity addressing the City’s affordable housing needs is recommended for Program Year 2019. Funding is recommended for the Kane-Elgin Affordable Housing Fund, which provides gap financing for the rehabilitation or construction of high-quality units of affordable housing. Project proposals are solicited annually through a request for proposal (RFP) process overseen by the Kane-Elgin HOME Commission. A mix of federal funding is made available through the Affordable Housing Fund, including the annual allocation of HOME funds that is awarded to the Kane-Elgin Consortium. Elgin CDBG funds, however, will only be utilized to finance housing projects within the City of Elgin (the City previously utilized this process to foster the redevelopment of vacant
City-owned real estate at the southeast corner of Spring Street and Franklin Boulevard in the Spring-Douglas Historic District).

<table>
<thead>
<tr>
<th>Consolidated Plan Category</th>
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</table>

**Neighborhood Infrastructure**

In recent years, the City has dedicated over $1.65 million in CDBG funds to improve neighborhood parks. These projects have dramatically improved the recreational opportunities for area residents and the overall livability of Elgin neighborhoods. For Program Year 2019, a street resurfacing project in the Gifford Park/Southeast neighborhood is recommended under the Neighborhood Infrastructure Consolidated Plan needs priority.

<table>
<thead>
<tr>
<th>Consolidated Plan Category</th>
<th>Applicant/Project</th>
<th>Total Project Cost</th>
<th>Amount Requested</th>
<th>Amount Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood Infrastructure</td>
<td>City of Elgin Engineering Department (Southeast Neighborhood Resurfacing)</td>
<td>$1,410,000</td>
<td>$450,000</td>
<td>$450,000</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$1,410,000</td>
<td>$450,000</td>
<td>$450,000</td>
</tr>
</tbody>
</table>

**Program Planning and Administration**

An integral part of the CDBG program is to provide funds necessary for the proper administration and management of the program. For 2019, funding is recommended for Kane County, which provides these services to the City, as well as the Continuum of Care Program, which brings additional state and federal funding to Elgin agencies that serve the homeless. Additionally, funds are recommended to cover the cost of a consultant to assist in the development of the 2020 to 2024 Consolidated Plan for Housing and Community Developments needs as required by HUD.

<table>
<thead>
<tr>
<th>Consolidated Plan Category</th>
<th>Applicant/Project</th>
<th>Total Project Cost</th>
<th>Amount Requested</th>
<th>Amount Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Planning and Admin.</td>
<td>Kane County (CDBG Program Management Services)</td>
<td>$124,650</td>
<td>$124,650</td>
<td>$124,650</td>
</tr>
<tr>
<td>Kane County (Continuum of Care Program)</td>
<td></td>
<td>$4,300</td>
<td>$4,300</td>
<td>$4,300</td>
</tr>
<tr>
<td>City of Elgin (2020-2024 Consolidated Plan)</td>
<td></td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$148,950</td>
<td>$148,950</td>
<td>$148,950</td>
</tr>
</tbody>
</table>

**INTERESTED PERSONS CONTACTED**

Per HUD requirements, a hearing was held at the Edward Schock Centre of Elgin on January 8, 2019 to solicit public input regarding community needs prior to development of an Annual Action Plan. No comments were received. Residents will have an additional opportunity to provide input during a public comment period regarding the draft Annual Action Plan. The comment period began on June 7, 2019 and will end on July 8, 2019.
FINANCIAL ANALYSIS

In 2019, the City will be awarded an allocation of $865,607 from HUD. The City's contribution to the projects recommended for Program Year 2019 is limited solely to new and carry-over CDBG allocations awarded by the federal government and to program income generated by previously funded activities. All funding will be accounted for in the City’s CDBG program fund.

BUDGET IMPACT

<table>
<thead>
<tr>
<th>FUND(S)</th>
<th>ACCOUNT(S)</th>
<th>PROJECT #(S)</th>
<th>AMOUNT BUDGETED</th>
<th>AMOUNT AVAILABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

LEGAL IMPACT

None.

ALTERNATIVES

The city council may reject or modify the CDBG review panel’s recommendations.

NEXT STEPS

1. Transmit any public comments received to the city council prior to its meeting scheduled for July 24, 2019.

2. Consideration on July 24, 2019 of a resolution approving an Annual Action Plan, including activities to be undertaken and funded during Program Year 2019, authorizing the execution of documents necessary to participate in the CDBG Program for Program Year 2019, and extending the City’s intergovernmental agreement with Kane County for program management services during Program Year 2019.

Originators: Marc Mylott, Community Development Director
Final Review: Debra Nawrocki, Chief Financial Officer
William A. Cogley, Corporation Counsel
Richard G. Kozal, City Manager

ATTACHMENT

A. Application Summaries and Funding Recommendations
2019 CDBG Program
Application Summaries and Funding Recommendations

273 North Spring Street

Clifford-Owasco Park

277 North Spring Street

St. Francis Park

CDBG REVIEW PANEL
CITY OF ELGIN
150 DEXTER COURT
ELGIN, ILLINOIS 60120
APPLICATION SUMMARY AND FUNDING RECOMMENDATION (2019 Elgin CDBG)

Applicant/Project Summary

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Senior Services Associates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Roof Replacement</td>
</tr>
<tr>
<td>Location</td>
<td>101 South Grove Avenue, Elgin IL 60120</td>
</tr>
<tr>
<td>Project Type</td>
<td>Facility Development and Improvement</td>
</tr>
<tr>
<td>Description</td>
<td>Replace the roof on the Senior Services Associates’ Elgin office building. Services are provided to area seniors from this downtown facility.</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>5,618 area residents; 3,525 (63%) from Elgin</td>
</tr>
</tbody>
</table>

Budget Summary

<table>
<thead>
<tr>
<th>Funds from Other Sources:</th>
<th>$0 (0% of Total Project Cost)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Com. Dev. Funds Requested:</td>
<td>$18,900 (100% of Total Project Cost)</td>
</tr>
<tr>
<td>Total Project Cost:</td>
<td>$18,900</td>
</tr>
</tbody>
</table>

Is the project located in the City of Elgin? Yes. Senior Services is located within the City of Elgin and owns/occupies 100% of its facility. 63% of project beneficiaries are residents of Elgin.

Did the applicant document compliance with Federal eligibility criteria? Yes, but with limitations. Federal requirements dictate that projects serve at least a 51% low/moderate-income population. The agency satisfies this standard. 87% of its clients are low/mod income. However, since only 63% of the clients served from the facility are Elgin residents, no more than 63% of the total project cost is eligible for funding.

Responsiveness to Evaluation Criteria

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA</th>
<th>RATING</th>
<th>STAFF COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Consolidated Plan Need/Strategy</td>
<td></td>
<td>The project addresses the objective of rehabilitating community facilities, particularly those that serve low- and moderate-income populations. Replacing the roof will help maintain the integrity and viability of the facility for continued use by the agency.</td>
</tr>
<tr>
<td>2. Leveraging of Other Resources</td>
<td></td>
<td>The applicant proposes to cover 0% of the total project cost with funds from other sources. This is a poor leverage of CDBG funds. It should be noted, however, the agency will need to secure matching funds in order to undertake this project. (See comments above regarding the geographic distribution of clients both inside and outside Elgin, as well as the notes under criterion #3 regarding engineering expenses that were omitted from the budget.) The exact amount of match needed is not known.</td>
</tr>
<tr>
<td>3. Soundness of Budget/Project Readiness</td>
<td></td>
<td>Specifications have been prepared and there are no site control or zoning issues. The budget, however, is incomplete. The applicant intends to utilize an engineering firm to assist with the bidding and construction oversight process, but the cost of this service is not included in the budget nor is the procurement process included in the schedule. Budget and schedule revisions will be necessary and the applicant will need to secure matching funds in order to begin the project.</td>
</tr>
<tr>
<td>4. Project Sponsor Qualifications/Experience</td>
<td>The applicant has successfully managed previous CDBG awards from the city. It is experienced and qualified to handle the administrative and fiscal functions associated with a federal award. Project bidding and construction oversight will be handled by an engineer or project manager acting in a consulting role to the agency. This is a sound approach.</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>5. Community Impact/Urgency</td>
<td>The proposed project involves basic improvements aimed at extending the life of the facility. It will have a negligible impact on client services.</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>Recommendation</strong></td>
<td><strong>Approve/Disapprove Application</strong></td>
<td>Approve with Conditions</td>
</tr>
<tr>
<td><strong>Amount Recommended</strong></td>
<td>$11,907 (not to exceed 63% of project cost)</td>
<td></td>
</tr>
<tr>
<td><strong>Condition(s)</strong></td>
<td>Applicant must submit of the following items by September 30, 2019: 1. A complete project budget, including the cost of an architect or engineer to provide project bidding/management/oversight services. 2. A construction cost estimate from a licensed professional. 3. A revised project timeline, incorporating the steps necessary to procure architectural/engineering services. 4. Documentation that matching funds have been secured to cover the portion of project costs not covered by CDBG.</td>
<td></td>
</tr>
</tbody>
</table>
**APPLICATION SUMMARY AND FUNDING RECOMMENDATION (2019 Elgin CDBG)**

### Applicant/Project Summary

<table>
<thead>
<tr>
<th><strong>Applicant</strong></th>
<th>Well Child Center</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Name</strong></td>
<td>LED Lighting Conversion</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>620 Wing Street, Elgin IL 60120</td>
</tr>
<tr>
<td><strong>Project Type</strong></td>
<td>Facility Development and Improvement</td>
</tr>
</tbody>
</table>

**Description**

Replace conventional fluorescent lighting with LED lighting in a facility owned and partially occupied by Well Child Center. The agency provides health services to low-income parents and their children.

**Beneficiaries**

The applicant did not fully complete the Beneficiary Report Table. Projected client figures were not provided. In 2018, the agency served an estimated 16,000 area residents; approximately 80% from Elgin (12,800).

**Budget Summary**

| **Funds from Other Sources:** | $0 (0% of Total Project Cost) |
| **Com. Dev. Funds Requested:** | $15,000 (100% of Total Project Cost) |
| **Total Project Cost:** | $15,000 |

**Is the project located in the City of Elgin?**

Yes. The Well Child Center is located within the City of Elgin. The agency owns the facility, but only occupies 9% of it. Historical data suggests that approximately 80% of the agency’s clientele are Elgin residents.

**Did the applicant document compliance with Federal eligibility criteria?**

No. The scope of the project consists of improvements that are considered by HUD to be “maintenance”, which is not eligible under the CDBG program. Furthermore, Federal requirements dictate that projects must serve at least a 51% low-mod population. While the Well Child Center serves a predominantly low-mod clientele, the majority of their facility (91%) is leased to other entities. No client/beneficiary data was provided for those entities, so it is impossible to confirm that the project is eligible.

### Recommendation

Disapprove the application on the basis that the activities proposed do not satisfy Federal eligibility criteria.
# APPLICATION SUMMARY AND FUNDING RECOMMENDATION (2019 Elgin CDBG)

## Applicant/Project Summary

<table>
<thead>
<tr>
<th>Applicant</th>
<th>YWCA Elgin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Safety Fire Suppression System Installation</td>
</tr>
<tr>
<td>Location</td>
<td>220 East Chicago Street, Elgin IL 60120</td>
</tr>
<tr>
<td>Project Type</td>
<td>Facility Development and Improvement</td>
</tr>
<tr>
<td>Description</td>
<td>Design and install a fire suppression system in a multi-purpose community facility in order to expand a licensed child care center.</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>1,272 area residents; 1,272 (100%) from Elgin</td>
</tr>
</tbody>
</table>
| Budget Summary          | Funds from Other Sources: $25,000 (13% of Total Project Cost)  
                          | Com. Dev. Funds Requested: $170,000 (87% of Total Project Cost)  
                          | Total Project Cost: $195,000 |

| Is the project located in the City of Elgin? | Yes. The agency reports that 100% of beneficiaries will be Elgin residents, but this is questionable. (See note below under Federal eligibility criteria.) |
| Did the applicant document compliance with Federal eligibility criteria? | Partially. Federal requirements dictate that projects serve at least a 51% low-mod population. Data must be collected, maintained, and reported to HUD regarding all project beneficiaries in order to document compliance. While the YWCA collects the required data for its government-funded programs (child care and adult education/family literacy), it does not collect the required data for all beneficiaries. |

## Responsiveness to Evaluation Criteria

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA</th>
<th>RATING</th>
<th>STAFF COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Consolidated Plan Need/Strategy</td>
<td>●</td>
<td>The project addresses the objective of rehabilitating community facilities, and will help the agency expand its child care program, which serves low- and moderate-income residents.</td>
</tr>
<tr>
<td>2. Leveraging of Other Resources</td>
<td>○</td>
<td>The applicant proposes to cover 13% of the total project cost with funds from other sources. This is a poor leverage of CDBG funds.</td>
</tr>
<tr>
<td>3. Soundness of Budget/Project Readiness</td>
<td>●</td>
<td>The project budget is generally complete, but appears to include duplicative items. It includes funds for both engineering services as well as project management services, which would normally be performed by the engineer. The applicant has obtained a commitment for matching funds from a local foundation, and there are no concerns regarding site control or zoning.</td>
</tr>
</tbody>
</table>
### 4. Project Sponsor Qualifications/Experience

Consideration will be given to the project sponsor’s qualifications to undertake the activity described in the application. Detail related to the qualifications and experience of the individual(s) identified as project manager(s) will be evaluated, along with the applicant’s experience and track record of administering previous funding awards.

- This is a high-risk applicant with a questionable track-record of undertaking similar projects. It has had significant difficulty administering previous CDBG awards from the city. It has failed to comply with various federal requirements and violated the terms of funding agreements with the city. In recent years, this has lead to the issuance of HUD findings against the city as well as audit findings in the city’s Single Audit report. The city is advised to consider alternatives to providing federal assistance to the agency.

### 5. Community Impact/Urgency

Consideration will be given to projects expected to have the greatest impact or address an urgent need for which no other funding is available. Factors considered include the extent of the project’s physical improvements, and its economic, environmental, and/or community health benefits.

- The project aims to increase the usability of the facility and will improve occupant safety. Notably, the project will aid in the expansion of child care services which are needed by area residents.

### Recommendation

<table>
<thead>
<tr>
<th>Approve/Disapprove Application</th>
<th>Disapprove</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Recommended</td>
<td>$0</td>
</tr>
<tr>
<td>Condition(s)</td>
<td>N/A</td>
</tr>
</tbody>
</table>
## Applicant/Project Summary

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Association for Individual Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Elgin Community Support Team (CST)</td>
</tr>
<tr>
<td>Location</td>
<td>695 South State Street, Elgin IL 60123</td>
</tr>
<tr>
<td>Project Type</td>
<td>Homeless and Supportive Services</td>
</tr>
<tr>
<td>Description</td>
<td>Program provides intensive wrap-around services to individuals with significant mental health challenges. This program is delivered in collaboration with the Elgin Police Department to specifically serve individuals who are homeless or at-risk of homelessness.</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>30 area residents; 30 (100%) from Elgin</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget Summary</th>
<th>Funds from Other Sources: $288,782 (93% of Total Project Cost)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Com. Dev. Funds Requested: $23,020 (7% of Total Project Cost)</td>
</tr>
<tr>
<td></td>
<td>Total Project Cost: $311,802</td>
</tr>
</tbody>
</table>

Is the project located in the City of Elgin? Yes. The program will be delivered within the City of Elgin, and AID expects that 100% of program beneficiaries will be Elgin residents.

Did the applicant document compliance with Federal eligibility criteria? Yes. Federal requirements dictate that programs serve at least a 51% low-mod population. With the proposed project AID expects to serve a 100% low-mod population.

## Responsiveness to Evaluation Criteria

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA</th>
<th>RATING</th>
<th>STAFF COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Consolidated Plan Need/Strategy</td>
<td>⬤</td>
<td>The project addresses the Homeless and Supportive Services objective of the Consolidated Plan. It will provide services to homeless and specials needs populations at-risk of being homeless. Program directly serves those with the greatest need for services, and serves a population of 100% Elgin residents.</td>
</tr>
<tr>
<td>2. Leveraging of Other Resources</td>
<td>⬤</td>
<td>The applicant proposes to cover 93% of the total project cost with funds from other sources. This is an excellent leverage of CDBG funds.</td>
</tr>
<tr>
<td>3. Soundness of Budget/Project Readiness</td>
<td>⬤</td>
<td>The proposed budget appears to be sound and reasonable. Funding is being requested primarily to cover mileage costs and program supplies, some of which will support the program beyond the current year. The program has been developed in conjunction with the Elgin Police Department and is ready to proceed.</td>
</tr>
</tbody>
</table>
### 4. Project Sponsor Qualifications/Experience

*Consideration will be given to the project sponsor’s qualifications to undertake the activity described in the application. Detail related to the qualifications and experience of the individual(s) identified as project manager(s) will be evaluated, along with the applicant’s experience and track record of administering previous funding awards.*

- While the applicant has encountered difficulty managing CDBG-assisted projects of a capital nature in prior years, this project consists entirely of human service activities. Well-qualified and experienced staff are in place to manage the CST program, with an in-house grant specialist who is familiar with CDBG payment, reporting, and record-keeping requirements.

### 5. Community Impact/Urgency

*Consideration will be given to projects expected to have the greatest impact or address an urgent need for which no other funding is available. Factors considered include the extent of the project’s physical improvements, and it’s economic, environmental, and/or community health benefits.*

- The applicant plays an active role in both the Continuum of Care and Elgin’s FUSE initiative. The program is responsive to an urgent need in the community; specifically, the need to connect the homeless and high-risk individuals to services. All beneficiaries of the program will be lower-income Elgin residents.

### Recommendation

<table>
<thead>
<tr>
<th>Approve/Disapprove Application</th>
<th>Approve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Recommended</td>
<td>$23,020 (not to exceed 7% of project cost)</td>
</tr>
<tr>
<td>Condition(s)</td>
<td>None</td>
</tr>
</tbody>
</table>
# APPLICATION SUMMARY AND FUNDING RECOMMENDATION (2019 Elgin CDBG)

## Applicant/Project Summary

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Ecker Center for Mental Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Homeless Outreach and Engagement</td>
</tr>
<tr>
<td>Location</td>
<td>1845 Grandstand Place, Elgin IL 60123</td>
</tr>
<tr>
<td>Project Type</td>
<td>Homeless and Supportive Services</td>
</tr>
<tr>
<td>Description</td>
<td>Program provides case management services to homeless adults identified through Elgin’s FUSE initiative and other means. Services will include the collection of identifying information, assessment of mental status, treatment planning, case management/community support services, crisis services, and referrals for alcohol/substance abuse treatment.</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>40 area residents; 40 (100%) from Elgin</td>
</tr>
</tbody>
</table>

### Budget Summary

| Funds from Other Sources: | $28,891 (61% of Total Project Cost) |
| Com. Dev. Funds Requested: | $18,391 (39% of Total Project Cost) |
| Total Project Cost: | $47,282 |

### Is the project located in the City of Elgin?

Yes. The program will be delivered within the City of Elgin, and Ecker expects that 100% of program beneficiaries will be Elgin residents.

### Did the applicant document compliance with Federal eligibility criteria?

Yes. Federal requirements dictate that programs serve at least a 51% low-mod income population. With the proposed project Ecker expects to serve a 100% low-mod population.

## Responsiveness to Evaluation Criteria

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA</th>
<th>RATING</th>
<th>STAFF COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Consolidated Plan Need/Strategy</strong></td>
<td></td>
<td>The project addresses the Homeless and Supportive Services objective of the Consolidated Plan. It will provide case management services to a difficult-to-reach homeless population in Elgin.</td>
</tr>
<tr>
<td>Priority will be given to projects that address Consolidated Plan objectives, demonstrate project need and impact and benefits low/mod income Elgin residents to greatest extent possible.</td>
<td></td>
<td>The applicant recently secured the majority of necessary funding through the Continuum of Care for Kane County, allowing it to cover 61% of the total project cost with funds from other sources. This is a good leverage of CDBG funds.</td>
</tr>
<tr>
<td><strong>2. Leveraging of Other Resources</strong></td>
<td></td>
<td><strong>2.</strong> Consideration will be given to the amount of private and/or other public funds the project will leverage.</td>
</tr>
<tr>
<td><strong>3. Soundness of Budget/Project Readiness</strong></td>
<td></td>
<td>The proposed budget appears to be sound and reasonable. Funding is being requested to cover a mix of staffing costs, program supplies, and mileage. Outreach activities will begin once a part-time case manager is hired and trained. The project does not face impediments and will be ready to proceed in mid-2019.</td>
</tr>
</tbody>
</table>
4. Project Sponsor Qualifications/Experience

| Consideration will be given to the project sponsor’s qualifications to undertake the activity described in the application. Detail related to the qualifications and experience of the individual(s) identified as project manager(s) will be evaluated, along with the applicant’s experience and track record of administering previous funding awards. | The applicant has extensive experience and is extremely well-qualified to deliver the types of services proposed. |

5. Community Impact/Urgency

| Consideration will be given to projects expected to have the greatest impact or address an urgent need for which no other funding is available. Factors considered include the extent of the project’s physical improvements, and it’s economic, environmental, and/or community health benefits. | The project has been designed in direct response to an identified need in Elgin. It compliments other activities underway in the community, including the FUSE initiative and AID’s Community Support Team, which serves a broader population. All beneficiaries of Ecker’s program will be lower-income Elgin residents. |

## Recommendation

<table>
<thead>
<tr>
<th>Approve/Disapprove Application</th>
<th>Approve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Recommended</td>
<td>$18,391 (not to exceed 39% of project cost)</td>
</tr>
<tr>
<td>Condition(s)</td>
<td>None</td>
</tr>
</tbody>
</table>
**APPLICATION SUMMARY AND FUNDING RECOMMENDATION (2019 Elgin CDBG)**

### Applicant/Project Summary

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Greater Elgin Family Care Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Uninsured Adult Dentistry</td>
</tr>
<tr>
<td>Location</td>
<td>450 Dundee Avenue, Elgin IL 60120</td>
</tr>
<tr>
<td>Project Type</td>
<td>Homeless and Supportive Services</td>
</tr>
<tr>
<td>Description</td>
<td>Program provides dental care to uninsured adult patients.</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>6655 area residents; 3369 (51%) from Elgin</td>
</tr>
</tbody>
</table>

#### Budget Summary *(Note: Figures have been revised to reflect a recent funding award secured through the Continuum of Care.)*

| Funds from Other Sources: | $380,868 (91% of Total Project Cost) |
| Com. Dev. Funds Requested: | **$40,000** (9% of Total Project Cost) |
| Total Project Cost: | $420,868 |

### Is the project located in the City of Elgin?

Yes. The program will be delivered within the City of Elgin. The agency expects 51% of project beneficiaries will be Elgin residents.

### Did the applicant document compliance with Federal eligibility criteria?

Yes. Federal requirements dictate that programs serve at least a 51% low-mod population. The agency satisfies this standard. 97% of its clients are low-mod income.

### Responsiveness to Evaluation Criteria

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA</th>
<th>RATING</th>
<th>STAFF COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Consolidated Plan Need/Strategy</strong></td>
<td></td>
<td>While the project provides a type of needed health care, it does not address a need/strategy of the Consolidated Plan.</td>
</tr>
<tr>
<td>Priority will be given to projects that address Consolidated Plan objectives, demonstrate project need and impact and benefits low/mod income Elgin residents to greatest extent possible.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Leveraging of Other Resources</strong></td>
<td></td>
<td>The applicant proposes to cover 91% of the total project cost with funds from other sources. This is an excellent leverage of CDBG funds.</td>
</tr>
<tr>
<td>Consideration will be given to the amount of private and/or other public funds the project will leverage.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3. Soundness of Budget/Project Readiness</strong></td>
<td></td>
<td>The project is already underway and the bulk of funding needed has been secured. The applicant has provided a balanced budget that relies, in part, on CDBG funds to cover personnel costs (dentist and dental hygienist). However, the applicant has not demonstrated how the use of CDBG funds will result in an expansion of services. There is no indication that new staff will be hired or deployed, nor is there an indication that existing staff will dedicate additional time on the project.</td>
</tr>
<tr>
<td>Priority will be given to projects that have complete and reasonable budgets and are ready to proceed. Factors considered under this criterion include whether or not funding commitments have been obtained, and whether site control, zoning, or other issues might hinder completion of the project.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4. Project Sponsor Qualifications/Experience</strong></td>
<td></td>
<td>The applicant has extensive experience delivering health and dental services to the public. Key administrative and fiscal staff are extremely well-qualified to oversee the program.</td>
</tr>
<tr>
<td>Consideration will be given to the project sponsor’s qualifications to undertake the activity described in the application. Detail related to the qualifications and experience of the individual(s) identified as project manager(s) will be evaluated, along with the applicant’s experience and track record of administering previous funding awards.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5. Community Impact/Urgency

| Consideration will be given to projects expected to have the greatest impact or address an urgent need for which no other funding is available. Factors considered include the extent of the project’s physical improvements, and it’s economic, environmental, and/or community health benefits. | The applicant is seeking funding to support a service that it currently provides to the community. While it indicates additional clients will receive dental services in the year ahead, it does not indicate what additional expenses will be incurred in doing so. Without an increase in staffing costs or other program expenses, it is difficult to justify the use of CDBG funds for this activity. |

### Recommendation

<table>
<thead>
<tr>
<th>Approve/Disapprove Application</th>
<th>Disapprove</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Recommended</td>
<td>$0</td>
</tr>
<tr>
<td>Condition(s)</td>
<td>N/A</td>
</tr>
</tbody>
</table>
**APPLICATION SUMMARY AND FUNDING RECOMMENDATION (2019 Elgin CDBG)**

### Applicant/Project Summary

<table>
<thead>
<tr>
<th><strong>Applicant</strong></th>
<th><strong>Latino Treatment Center</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Name</strong></td>
<td>Aftercare Substance Abuse Prevention Project</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>54 South Grove Street, Elgin IL 60120</td>
</tr>
<tr>
<td><strong>Project Type</strong></td>
<td>Homeless and Supportive Services</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>The program will provide Elgin residents, who require substance abuse prevention treatment, a service that meets their needs in a bilingual and bicultural environment.</td>
</tr>
<tr>
<td><strong>Beneficiaries</strong></td>
<td>260 area residents; 120 (46%) from Elgin</td>
</tr>
</tbody>
</table>

### Budget Summary (Note: Figures have been revised to reflect a recent funding award secured through the Continuum of Care.)

| **Funds from Other Sources:** | $10,000 (25% of Total Project Cost) |
| **Com. Dev. Funds Requested:** | **$30,000** (75% of Total Project Cost) |
| **Total Project Cost:** | $40,000 |

**Is the project located in the City of Elgin?**

| Yes. The program will be delivered within the City of Elgin. The agency expects 46% of project beneficiaries will be Elgin residents. |

**Did the applicant document compliance with Federal eligibility criteria?**

| Yes, but with limitations. Federal requirements dictate that projects serve at least a 51% low/moderate-income population. The agency satisfies this standard, given that 94% of its clients are low-mod income. However, since only 46% of the clients are Elgin residents, no more than 46% of the total project cost is eligible for funding. |

### Recommendation

The conditions associated with the agency’s 2018 CDBG award have not yet been resolved. Pending resolution of those issues, the 2018 award may be used to cover the agency’s expenses in 2019. Therefore, the 2019 application is premature and should be disapproved.
## APPLICATION SUMMARY AND FUNDING RECOMMENDATION (2019 Elgin CDBG)

### Applicant/Project Summary

<table>
<thead>
<tr>
<th>Applicant</th>
<th>PADS of Elgin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Day Shelter Services</td>
</tr>
<tr>
<td>Location</td>
<td>1732 Berkely Street, Elgin IL 60123</td>
</tr>
<tr>
<td>Project Type</td>
<td>Homeless and Supportive Services</td>
</tr>
<tr>
<td>Description</td>
<td>Program provides daytime shelter services for homeless individuals, Monday through Friday, 9 am to 4 pm.</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>350 area residents; 200 (57%) from Elgin</td>
</tr>
</tbody>
</table>
| Budget Summary     | Funds from Other Sources: $103,390 (77% of Total Project Cost)  
Com. Dev. Funds Requested: $534,000 (23% of Total Project Cost)  
Total Project Cost: $134,390 |
| Is the project located in the City of Elgin? | Yes. The program will be delivered within the City of Elgin. The agency expects 57% of program beneficiaries will be Elgin residents. |
| Did the applicant document compliance with Federal eligibility criteria? | Yes. Federal requirements dictate that programs serve at least a 51% low-mod population. The agency satisfies this standard. 100% of its clients are low-mod income. |

### Responsiveness to Evaluation Criteria

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA</th>
<th>RATING</th>
<th>STAFF COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Consolidated Plan Need/Strategy</td>
<td>★★★</td>
<td>The project addresses the Homeless and Supportive Services objective of the Consolidated Plan. It will provide daytime shelter services to homeless individuals, the majority of whom are Elgin residents.</td>
</tr>
<tr>
<td>2. Leveraging of Other Resources</td>
<td>★★★</td>
<td>The applicant proposes to cover 77% of the total project cost with funds from other sources. This is a good leverage of CDBG funds.</td>
</tr>
<tr>
<td>3. Soundness of Budget/Project Readiness</td>
<td>★★★</td>
<td>The proposed budget appears to be reasonable, but less than a quarter of the matching funds needed have been secured. CDBG funds are being requested primarily to cover staff salaries. The purchase of equipment is not an eligible expense under the program guidelines, so the commercial refrigerator/freezer must be covered by another funding source. The project budget could be revised so that CDBG funds are used to defray additional personnel costs.</td>
</tr>
<tr>
<td>4. Project Sponsor Qualifications/Experience</td>
<td>★★★</td>
<td>The applicant has a long track-record of providing emergency overnight shelter services in the community and is familiar with CDBG payment, reporting, and record-keeping requirements. A part-time case manager and two part-time site coordinators will oversee this particular program.</td>
</tr>
</tbody>
</table>
### 5. Community Impact/Urgency

| Consideration will be given to projects expected to have the greatest impact or address an urgent need for which no other funding is available. Factors considered include the extent of the project's physical improvements, and it's economic, environmental, and/or community health benefits. | The program is responsive to the need for daytime programming for Elgin's homeless population. The applicant plays an active role in both the Continuum of Care and Elgin's FUSE initiative. |

### Recommendation

<table>
<thead>
<tr>
<th>Approve/Disapprove Application</th>
<th>Approve with Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Recommended</td>
<td>$31,000 (not to exceed 23% of project cost)</td>
</tr>
<tr>
<td>Condition(s)</td>
<td>By September 30, 2019, the applicant must submit documentation that it has secured the matching funds needed to cover project costs not covered by CDBG.</td>
</tr>
</tbody>
</table>
**APPLICATION SUMMARY AND FUNDING RECOMMENDATION (2019 Elgin CDBG)**

**Applicant/Project Summary**

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Renz Addiction Counseling Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Outreach/Case Management</td>
</tr>
<tr>
<td>Location</td>
<td>2 American Way, Elgin IL 60120</td>
</tr>
<tr>
<td>Project Type</td>
<td>Homeless and Supportive Services</td>
</tr>
<tr>
<td>Description</td>
<td>Program provides outreach and case management services to Elgin’s vulnerable homeless and Narcan-revived residents who suffer from a substance use disorder.</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>620 area residents; 320 (52%) from Elgin</td>
</tr>
</tbody>
</table>

**Budget Summary**

| Funds from Other Sources: | $7,175 (9% of Total Project Cost) |
| Com. Dev. Funds Requested: | **$71,600** (91% of Total Project Cost) |
| Total Project Cost:        | $78,775                           |

**Is the project located in the City of Elgin?**

Yes. The program will be delivered within the City of Elgin. The agency expects 52% of program beneficiaries will be Elgin residents.

**Did the applicant document compliance with Federal eligibility criteria?**

Yes. Federal requirements dictate that programs serve at least a 51% low-mod population. The agency satisfies this standard. 90% of its clients are low-mod income.

**Responsiveness to Evaluation Criteria**

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA</th>
<th>RATING</th>
<th>STAFF COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Consolidated Plan Need/Strategy</td>
<td>●</td>
<td>The project addresses the Homeless and Supportive Services objective of the Consolidated Plan. It will serve homeless residents both in and around Elgin struggling with substance use.</td>
</tr>
<tr>
<td>2. Leveraging of Other Resources</td>
<td>○</td>
<td>The applicant proposes to cover 9% of the total project cost with funds from other sources. This is a poor leverage of CDBG funds.</td>
</tr>
<tr>
<td>3. Soundness of Budget/Project Readiness</td>
<td>○</td>
<td>The proposed budget is generally reasonable. The inclusion of occupancy costs, however, trigger additional record-keeping and documentation requirements. Also, the applicant has not secured the matching funds needed for the project. Otherwise, the project faces few hurdles.</td>
</tr>
<tr>
<td>4. Project Sponsor Qualifications/Experience</td>
<td>●</td>
<td>The applicant is well qualified and has extensive experience providing the type of services proposed. A dedicated case manager will be hired and assigned to the project.</td>
</tr>
</tbody>
</table>
5. Community Impact/Urgency

| Consideration will be given to projects expected to have the greatest impact or address an urgent need for which no other funding is available. Factors considered include the extent of the project’s physical improvements, and it’s economic, environmental, and/or community health benefits. |
| The program is responsive to the issue of substance abuse in the homeless community, and the agency proposes to collaborate with other Elgin-based service providers that are involved in the FUSE initiative. However, other agencies (such as AID and Ecker Center for Mental Health) have proposed similar outreach projects that better-leverage other resources and intend to link/refer clients to Renz when necessary. Also, unlike the other agencies, Renz is not engaged in the local Continuum of Care and does not utilize the Homeless Management Information System. |

Recommendation

<table>
<thead>
<tr>
<th>Approve/Disapprove Application</th>
<th>Disapprove</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Recommended</td>
<td>$0</td>
</tr>
<tr>
<td>Condition(s)</td>
<td>N/A</td>
</tr>
</tbody>
</table>
AGENDA ITEM: J
MEETING DATE: June 26, 2019

ITEM:
Amendment to the Emergency Loan Agreement with The Latino Treatment Center
(No cost to the City)

OBJECTIVE:
Amend the agreement with The Latino Treatment Center to begin repayment to the City of the
$50,000 loan.

RECOMMENDATION:
Approve the amended agreement with the Latino Treatment Center.

The City implemented an emergency loan program in November 2015 to assist local human ser-
vice agencies during the state of Illinois budget impasse. The Latino Treatment Center received
$50,000 in assistance in 2016, and is ready to begin repayment on the zero percent interest loan
over a span of 24 months under an amended agreement. Repayments to the City are proposed to
start in August 2019 and will conclude in 2021.

BACKGROUND

The City approved the creation of an emergency loan program in November 2015 to provide
short-term financial assistance to human service agencies (HSAs) in jeopardy due to the state of
Illinois budget impasse. The state was without a budget for more than two years, from July 2015
through August 2017 (FY16-FY18). By the end of FY17, the state’s bill backlog reached $14.71
billion, leaving many nonprofit agencies struggling to maintain operations due to lack of or sig-
nificantly delayed payments due to prioritization of other obligations and consent decrees.

Human services agencies have historically contracted with the state to provide services to many
of Elgin’s most vulnerable residents. Depending on the type of service that HSAs are contracted
to provide, HSAs may receive anywhere between ten and 90 percent of their budgets from state
departments or as pass through from the federal government. A survey conducted by United
Way of Illinois tracked the impact of the budget impasse on 463 nonprofit agencies and demon-
strated that 69 percent of agencies either received no or partial payment for contracted services
in FY17. More than $213 million was owed to agencies near the end of the state budget impasse
(see image below). Although the state ultimately passed a budget and appropriations were made
to continue funding HSAs, the state’s bill backlog resulted in continued delayed payments for many agencies into FY18.

The City appropriated $625,000 from the City’s reserve funds for the emergency loan program. The following criteria were established to evaluate the eligibility of applicants:

- Elgin-based nonprofit with 501(c)3 IRS tax-exempt status and serves Elgin residents
- Agency must demonstrate lack of payments based on a contract with the state in FY16 and/or FY17
- Agency must demonstrate challenges to sustain operations due to lack of state payments

Three local agencies applied during the budget impasse, resulting in $425,000 awarded in short-term assistance. Two agencies have completed repayment on their respective zero percent interest loans. This item contemplates an established schedule for the third agency to begin repayment in mutually agreed terms.
The Latino Treatment Center requested $50,000 in emergency assistance (Attachment B). A review committee with City staff and community leaders convened with The Latino Treatment Center to review the application and ask follow-up questions, resulting in subsequent recommendation for approval. The emergency loan received final approval by city council on October 12, 2017.

The Latino Treatment Center was established in 1985 to provide evaluations and treatment in English or Spanish to those experiencing problems with the use of alcohol or substance abuse. Based in Elgin with offices in Chicago and West Chicago, The Latino Treatment Center provides bilingual and bicultural substance abuse outpatient treatment, counseling and intervention services to individuals, families, groups and youth. Of The Latino Treatment Center’s approximately 275 clients that are seen in the Elgin office, approximately 75 percent are Elgin residents and 85 percent are Spanish-speaking. Of those Spanish-speaking clients, nearly 90 percent are receiving treatment or therapy at The Latino Treatment Center due to court mandates.

The Latino Treatment Center’s budget in FY17 (the year the City awarded the emergency loan) amounted to $342,318 and was funded almost entirely by state contracts, with a small portion funded with revenue derived from patient fees. The organization’s largest and longest running contract for outpatient substance abuse through the Department of Alcohol and Substance Abuse (DASA) amounted to $262,318. The Latino Treatment Center was awarded a new contract in FY17 for $80,000 through the Department of Children and Family Services (DCFS) to begin treating DCFS clients experiencing substance abuse.

The Latino Treatment Center worked diligently with state officials throughout the impasse to secure expedited funds, often resulting in many trips to Springfield and visits with elected officials. With bills owed upward of $65,000 at times, the agency was forced to reduce staff, move positions from full time to part time, cut salaries for existing employees and take on additional counseling duties. The organization utilized reserves and a line of credit to maintain operations and pay salaries prior to the $50,000 emergency loan being awarded by the City.

Despite a budget in most of FY18 and FY19, the state still delayed many payments to human service agencies. This posed challenges to The Latino Treatment Center as the agency worked to reestablish its financial standing. The Latino Treatment Center is now in a position of financial solvency and has rebuilt its reserves, providing an opportunity to repay the $50,000 loan back to the City without jeopardizing its operations.

INTERESTED PERSONS CONTACTED

City staff has been in communication with The Latino Treatment Center to establish a plan that will allow continued financial stability for the agency.
FINANCIAL ANALYSIS

The City’s emergency loan program provided $425,000 in short-term assistance to local human service agencies. The Latino Treatment Center’s repayment of $50,000 will close out the program, and the City will have received full repayment from all three agencies that received funds.

BUDGET IMPACT

<table>
<thead>
<tr>
<th>FUND(S)</th>
<th>ACCOUNT(S)</th>
<th>PROJECT #(#S)</th>
<th>AMOUNT BUDGETED</th>
<th>AMOUNT AVAILABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

LEGAL IMPACT

None.

ALTERNATIVES

The city council may choose to not approve the amended emergency loan agreement with The Latino Treatment Center.

NEXT STEPS

Enter into loan agreement with The Latino Treatment Center.

Originators: Laura I. Valdez, Assistant City Manager
Final Review: Debra Nawrocki, Chief Financial Officer
William A. Cogley, Corporation Counsel
Richard G. Kozal, City Manager

ATTACHMENTS

A. Amended Agreement with The Latino Treatment Center
B. 2016 The Latino Treatment Center Emergency Loan Application
AMENDED LOAN AGREEMENT

THIS AMENDED LOAN AGREEMENT is made and entered into as of the _____ day of ______________, 2019, by and between the City of Elgin, Illinois, a municipal corporation, organized and existing under the laws of the State of Illinois (hereinafter referred to as the “City”) and the Latino Treatment Center an Illinois not-for-profit corporation (hereinafter referred to as the “Borrower”).

WITNESSETH:

WHEREAS, the City Council of the City of Elgin has adopted Ordinance No. T19-16, establishing an amended emergency loan program for human service agencies; and

WHEREAS, Borrower has requested and the City has agreed to loan to Borrower the principal amount of Fifty Thousand Dollars ($50,000), and Borrower has agreed to repay the City such amount, plus any interest and charges thereon, as provided for in this agreement; and

WHEREAS, the purpose of the loan is to enable the Borrower to continue fully serving Elgin residents with substance abuse addiction;

WHEREAS, the City loaned to Borrower the principal amount of $50,000 pursuant to a loan agreement between the City and the Borrower dated October 12, 2016; and

WHEREAS, the Borrower has been unable to make payments to the City pursuant to the such original loan agreement and has requested that the City enter into this amended loan agreement to allow for a new payment schedule on the $50,000 loan.

NOW, THEREFORE, for and in consideration of the mutual undertakings contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are incorporated into this agreement.

2. **Borrower’s Promise to Pay.** In return for the loan the Borrower has received from the City Borrower promises to repay to the City in full the amount of Fifty Thousand Dollars ($50,000) (this amount is called the “Principal”), plus any interest and charges thereon, in installments as provided for in this agreement. Borrower will make payments under this agreement in the form of United States dollars by check.

3. **Interest.** Interest will be charged on unpaid Principal until the full amount of Principal has been paid. Borrower will pay interest at a yearly rate of zero percent (0%) until the Maturity Date (hereinafter defined). The interest rate required by this Section 3 is the interest rate Borrower will pay before any default. The interest rate Borrower will pay after default is described in Section 10 of this agreement.
4. **Payments.**

A. **Time and Place of Payments.** Borrower will pay the Principal and any interest to the City by making payments to the City in twenty-four (24) consecutive monthly installments. Borrower will make monthly installments to the City on the first day of each month beginning August 1, 2019. Borrower will make these payments every month until Borrower has paid all of the Principal and interest and any other charges described below that it may owe to the City. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If on September 1, 2021, Borrower still owes amounts under this loan agreement, Borrower will pay those amounts to the City in full on that date, which is called the “Maturity Date”. Borrower will make monthly payments to the City of Elgin at 150 Dexter Court, Elgin, Illinois 60120, or at a different place if required by the City.

B. **Amount of Monthly Payments.** The amount of Borrower’s first twenty-three (23) monthly payments to the City for Principal shall each be in the amount of Two Thousand Eighty-Three Dollars and 33/100 Dollars ($2,083.33). The amount of Borrower’s twenty-fourth (24th) monthly installment payment to the City for Principal shall be in the amount of Two Thousand Eighty-Three and 41/100 Dollars ($2,083.41).

5. **Borrower’s Right to Prepay.** Borrower has the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a “Prepayment”. When Borrower makes a Prepayment, it will tell the City in writing that it is doing so. Borrower may not designate a payment as a Prepayment if it has not made all monthly payments due under this agreement. Borrower may make a full Prepayment or partial Prepayment without paying a Prepayment charge. The City will use Borrower’s Prepayment to reduce the amount of Principal that it owes under this agreement. However, the City may apply Borrower’s Prepayment to the accrued and unpaid interest, if any, on the Prepayment amount, before applying Borrower’s Prepayment to reduce the outstanding Principal amount. If Borrower makes a partial Prepayment, there will be no changes in the due dates of Borrower monthly payment unless the City agrees in writing to those changes.

6. **Loan Charges.** If a law, which applies to this agreement and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan agreement exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceed permitted limits will be refunded to Borrower. The City may choose to make this refund by reducing the Principal Borrower owes under this agreement or by making a direct payment to Borrower. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

7. **Borrower’s Failure to Pay as Required.**

A. **Late Charge for Overdue Payments.** If the City does not receive the full amount of any monthly payment by the end of five calendar days after the date it is due, Borrower will pay a late charge to the City. The amount of the late charge will be 5% of the overdue payment
of Principal and interest. The Borrower will pay this late charge promptly but only once on each late payment.

B. **Default.** If the Borrower does not pay the full amount of each monthly payment on the date it is due, the Borrower will be in default.

C. **Notice of Default.** If the Borrower is in default, the City may send the Borrower a written notice telling the Borrower that if it does not pay the overdue amount by a certain date, the City may require the Borrower to pay immediately the full amount of Principal which has not been paid and all the interest that Borrower owes on that amount. That date must be at least 30 days after the date on which the notices are mailed to Borrower or delivered by other means.

D. **No Waiver By City.** Even if, at a time when the Borrower is in default, the City does not require the Borrower to pay immediately in full as described above, the City will still have the right to do so if the Borrower is in default at a later time.

E. **Payment of the City’s Cost and Expenses.** If the City has required the Borrower to pay immediately in full as described above, the City will have the right to be paid back by the Borrower for all its costs and expenses in enforcing this agreement to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorney’s fees.

8. **Use of Loan Funds.** Borrower shall use the loan funds provided by the City solely and only for services provided by Borrower to Elgin residents for substance abuse services.

9. **Default Interest Rate.** If the City has required the Borrower to pay immediately in full as described in this agreement, then thereafter interest will be charged on the unpaid balance due to the City at the annual rate of 9% until the full amount of the Principal, interest and any other monies due to the City have been repaid to the City in full.

10. **Books and Records.** Borrower will keep and maintain or will cause to be kept and maintained on a fiscal year basis in accordance with generally accepted accounting practices using full accrual accounting proper and accurate books, records and accounts reflecting all of the financial affairs of Borrower and all items of income and expense in connection with the operation of Borrower. The City shall have the right, at no cost to the City, from time-to-time upon reasonable notice to examine such books, records and accounts at the office of Borrower or other person maintaining such books, records and accounts and to make copies and extracts thereof as the City shall desire. At the conclusion of each fiscal year of the Borrower the Borrower shall provide to the City at no cost to the City a copy of an audited financial statement on all of the financial affairs of the Borrower. Borrower shall also provide the City prompt written notice when it begins receiving payments from the State of Illinois.

11. **Giving of Notices.** Unless applicable law requires a different method, any notices that must be given to the City under this agreement shall be given by delivering it or by mailing it by first class mail to the City of Elgin at City of Elgin, 150 Dexter Court, Elgin, Illinois 60120, Attention: Chief Financial Officer, with a copy to the Corporation Counsel, City of Elgin, 150
12. **Waivers.** Borrower and any other entity which has obligations under this agreement waive the right of Presentment and Notice of Dishonor (“Presentment” means the right to require the City to demand payment of amounts due. “Notice of Dishonor” means the right to require the City to give notice to other persons that amounts due have not been paid).

13. **Relationship of the Parties.** This agreement shall not be construed so as to create a partnership, joint venture, employment or other agency relationship between the parties hereto.

14. **Non-Waiver.** The failure of the City to insist upon strict performance of any term of this agreement shall not be deemed to be a waiver of any term of this agreement.

15. **Entire Agreement.** This agreement constitutes the entire agreement of the parties and the subject matter hereof and may not be changed, modified, discharged or extended except by written amendment duly executed by the parties. Each party agrees that no representations or warranties shall be binding on the other party unless expressed in writing herein or in a duly executed amendment hereof.

16. **Applicable Law.** This agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Illinois. Venue for the resolution of any disputes or the enforcement of any rights pursuant to this agreement shall be in the Circuit Court of Kane County.

17. **Waiver of Trial by Jury.** Borrower hereby irrevocably and unconditionally waives any and all rights to trial by jury in any action, suit or counter-claim arising in connection with, out of or otherwise relating to this agreement.

18. **Joint Work Product.** This agreement is and shall be deemed and construed to be a joint and collective work product of the City and Borrower, and, as such, this agreement shall not be construed against the other party, as the otherwise purported drafter of same, by any court of competent jurisdiction in order to resolve any inconsistency, ambiguity, vagueness or conflict, if any, of the terms and provisions contained herein.

19. **Enforceability.** Whenever possible, each provision of this agreement shall be interpreted in such matter as to be effective and valid under applicable law, but if any provision of this agreement shall be unenforceable or prohibited by or invalid under applicable law, such provision shall only be ineffective to the extent of such unenforceability, prohibition or invalidity, without invalidating the remaining provisions of this agreement.

20. **Absolute and Unconditional Obligation.** The Borrower acknowledges that the Borrower’s obligation to pay the Principal, interest and any other monies which become due to the
City pursuant to this agreement is and shall at all times constitute to be absolute and unconditional in all respects, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to this agreement or the obligation of the Borrower thereunder to pay the monies due pursuant to this agreement. The Borrower to the fullest extent permitted by law absolutely, unconditionally and irrevocably waives any and all rights to assert any defense, set-off, counterclaim or cross-claim of any nature whatsoever with respect to the obligation of the Borrower to pay the Principal, interest and other monies which may become due in accordance with the provisions of this agreement.

21. **Indemnity.** Notwithstanding anything to the contrary in this agreement, the Borrower shall indemnify and hold the City harmless and defend the City at Borrower’s sole cost and expense against any loss or liability, cost or expense (including, without limitation, reasonable attorney’s fees and disbursements of the City’s counsel, whether in-house staff, retained firms or otherwise), and all claims, actions, procedures and suits arising out of or in connection with this agreement and any and all lawful actions that may be taken by the City in connection with the enforcement of the provisions of this agreement, or in connection with the Borrower becoming a party to a voluntary or involuntary bankruptcy, insolvency or similar proceeding.

22. **Default.** If the Borrower violates or breaches any term of this agreement, such violation or breach shall be deemed to constitute a default, and the City shall have the right to seek the administrative, contractual, legal or equitable remedies as specified in this agreement and or as otherwise may be available in law or equity. The rights and remedies of the City pursuant to this agreement whether provided by law or by this agreement shall be cumulative and the exercise by the City of any one or more of such remedies shall not preclude the exercise by it, at the time or different times, of any other remedies for the same default. No waiver made with respect to the performance, nor the manner or time thereof, of any obligation of the Borrower of any provision of this agreement shall be considered a waiver of any rights of the City with respect to the particular obligation of the Borrower. In the event of any legal proceedings relating to this agreement the Borrower shall pay and reimburse to the City all of the City’s reasonable attorney’s fees. In event and to the extent that any legal work is performed by the City’s in-house legal counsel the City shall be reimbursed by Borrower for such legal work at the rate of $200.00 per hour, which rate the Borrower hereby agrees and acknowledges to be a reasonable rate for such in-house attorney’s fees.

23. **Binding of Effect.** This agreement shall be binding on the parties hereto and their respective successors and permitted assigns. This agreement and the obligations herein may not be assigned by the Borrower without the express written consent of the City which consent may be withheld at the sole discretion of the City.

24. **Representation on Authority of Parties/Signatories.** Each person signing this agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this agreement. Each party represents and warrants to the other that the execution and delivery of the agreement and the performance of such party’s obligations hereunder have been duly authorized and that the agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.
25. **Termination of Original Loan Agreement.** The original loan agreement between the City and the Borrower dated October 12, 2016, is hereby terminated and superseded and replaced in its entirety by this amended loan agreement.

    IN WITNESS WHEREOF, the undersigned have entered into and executed this agreement on the date and year first written above.

CITY OF ELGIN

By ______________________________

    David J. Kaptain, Mayor

Attest: ___________________________

    Kimberly A. Dewis, City Clerk

LATINO TREATMENT CENTER

By ______________________________

    Its ___________________________

Attest: ___________________________

STATE OF ILLINOIS )

    ) SS

COUNTY OF KANE )

    I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that David J. Kaptain, Mayor of the City of Elgin, an Illinois municipal corporation, and Kimberly A. Dewis, City Clerk of said municipal corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Mayor and City Clerk, they signed and delivered the said instrument as Mayor and City Clerk as their free and voluntary act, and free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

    Given under my hand and official seal this _____ day of ________________, 2019.

IMPRESS NOTARIAL SEAL HERE

______________________________

    Notary Public
STATE OF ILLINOIS    )
     ) SS
COUNTY OF KANE    )

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that ____________________________________
________________________ of Latino Treatment Center, an Illinois not-for-profit corporation, of said not-for-profit corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such _________________ and _________________, they signed and delivered the said instrument as _________________ and _________________ as their free and voluntary act, and free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this _______ day of ___________________, 2019.

IMPRESS NOTARIAL SEAL HERE

Notary Public
Latino Treatment Center
Latino Treatment Center Substance Abuse Program

$ 50,000.00 Requested
Submitted: 8/18/2016 10:19:43 AM (Pacific)

Project Contact
Adriana Trino
Adriana.Trino@latinotreatmentcenter.com
Tel: 8476959166

Additional Contacts
jenny.mejia@latinotreatmentcenter.com

Application Questions

Financial Information

1. Fiscal Year
   (e.g. January-December, July-June)
   July-June

2. State Funding Portion
   Please identify the total percentage of state funding that comprises total budget.
   60%

3. Does your agency have a contract with the state of Illinois in FY16?
   ✔ ✔ ✔ ✔ Yes
   ☐ No

4. With which state department(s) does your agency have a contract(s)? How much is the total contract? (or amount budgeted)
   Please identify department, contract amount, and general category for service type. Use a separate line for multiple contracts. (e.g. Department of Human Services, $100, mental health)
   Department Of Alcohol and Substance Abuse
   212,318
   Substance Abuse Treatment

5. How much does the state of Illinois currently owe your agency for FY16?
   If multiple sources, please provide information on separate lines.
   For FY16 was paid
   We have yet to finalize FY17

6. Have you contacted the state of Illinois’ Comptroller’s Office for expedited payments due to hardship?
   If yes, please provide the date of contact and a short description of the response.
   Expedite has been sent to Kathryn Hanlon Assistant Bureau Chief from the Department of Human Services on July 26. The request at this time is still pending

7. How much does your organization have in reserves?

   4530.85 Total $ in reserves
   0 Number of months

   4,530.85 TOTAL
8. Does your organization maintain a line of credit?

yes  ✔ ✔ ✔ ✔

9. From what other funding sources will your organization draw in the next 12 months to ensure sustained operations?

Please provide a general description of anticipated revenue sources in next 12 months.

For FY17 Latino Treatment Center has been awarded
262,318 for Outpatient Substance Abuse
80,000 for DCFS clients

10. Does your loan application include funds owed by the state of Illinois in FY15?

Due to the current state budget impasse, priority consideration will be given to agencies owed funds on FY16 state contracts. Based on the scope of submitted applications, the review committee will determine if loan awards will consider FY15 payments

Yes  ✔ ✔ ✔ ✔

No  ✔ ✔ ✔ ✔

11. If yes, how much of the total loan request amount is related to FY15 payments?

none

12. “Only respond if answered “Yes” to Question 9” With which state department(s) does your agency have a contract(s)? How much is the total contract? (or amount budgeted)

Please identify department, contract amount, and general category for service type. Use a separate line for multiple contracts. (e.g. Department of Human Services, $100, mental health)

Department of Alcohol and Substance Abuse

Service Information

13. What’s the approximate number of Elgin residents served by your agency in a 12 month period?

60%

14. List the primary essential services that your agency provides.

Overview of Latino Treatment Center (what makes it unique):
For over 30 years, Latino Treatment Center has been providing substance abuse service in the Kane countie. Treatment is provided by our bilingual and bicultural staff through the use of bilingual materials specifically developed to cover the needs of the Hispanic population.

Description of Latino Treatment Center Services:
All services are provided in Spanish:
• Outpatient Treatment Services for adults and adolesent
• Family Counseling
• Group Counseling
• Individual Counseling
• Adolescent Counseling
• Intervention Services

15. What essential services would be cut if additional funding were not available?

If services are not available
We will have to reduce staff salaries
We will have to start a waiting list for clients
Our adolescent program will have to be shut down
Our Family sessions will have to be charged to families
If funding is not available by October we will need to look at shutting down out other agencies

16. What has your agency done to respond to the uncertain financial climate caused by the state of Illinois’ budget impasse?

Please provide relevant examples to help the review team better understand the steps taken to ensure continued service delivery.

We have applied to a DCFS grant to help DCFS clients with substance abuse issues.
In April we went to the capital to talk to the governors office regarding the issues
May we had a press release with Senator Noland and Senator Martinez at the office
In June we applied for Kane County Substance Abuse Assessment and Referral Services proposal

17. What is your agency’s operational plan for the next 12 months?

Please provide specific information to help the review team better understand the long-term plans for sustained operations. If necessary, attach documents at the end of this application.

Latino Treatment Center plan for groups is to use behavioral therapy and the 12 step model. During the groups, we do take into consideration the clients’ primary language and any cultural issues they may be having. Additionally, clients will be seen individually every two weeks or as needed by their primary counselor. Counselors will use motivational interviewing during these sessions to help motivate positive lifestyle changes. If during these sessions, the counselor identifies that the client will benefit from medication-assisted treatment then the counselor will make an appropriate referral. To further assist the client, family sessions are scheduled once a month. Family sessions are held in an individual setting with the client present. It helps
the family member address any concerns they have with treatment.

The Outpatient program would include treatment groups twice a week for 2 hours per session. Individual will be determined by assessment and treatment plans. Individual groups would vary depending on the client and their needs. On an average would be twice a month 2 hours per session. Aftercare may also differ depending on clients need.

Latino Treatment Center does work with a sliding scale fee. Treatment session are $50.00 per session, Individual and family sessions are included in the fee. Aftercare session are $30.00 a session.

18. Is there anything else that the review team should be aware?

What I want to stress is that we have shown consistent production of results with the limited funding from both Federal and State. We have exhausted all options of taking out loans and lines of credits just so that we can stay afloat and give the State time to release these funds.

Again, Latino Treatment Center runs extremely lean so we can assure you not a single penny is ever taken for granted. Any support that we can receive to get us through FY17 will make a difference to our current projected situation of closing

19. What will the impact be to families or the community of Elgin if these services are no longer provided by your organization?

The Latino community would greatly be impacted by Latino Treatment Center no longer being able to provide services. Latino Treatment Center has been providing substance abuse services for over 30 years in Elgin to our hardworking men, women and young adults. We are one of the VERY few agencies in Kane county and the only fully bilingual agency in Elgin.

**Budget**

<table>
<thead>
<tr>
<th>Funding Sources/Revenue</th>
<th>Total Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Elgin</td>
<td></td>
</tr>
<tr>
<td>Township</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>$ 59,326.00</td>
</tr>
<tr>
<td>Federal</td>
<td>$ 152,992.00</td>
</tr>
<tr>
<td>Foundation/Grants</td>
<td></td>
</tr>
<tr>
<td>Special Events</td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 212,318.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding Uses/Expenses</th>
<th>Total Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel- Direct Service</td>
<td>$ 55,600.00</td>
</tr>
<tr>
<td>Personnel- Administrative/Support</td>
<td>$ 101,264.00</td>
</tr>
<tr>
<td>Rent</td>
<td>$ 2,000.00</td>
</tr>
<tr>
<td>Utilities</td>
<td>$ 8,727.00</td>
</tr>
<tr>
<td>Other Non-Personnel (please specify)</td>
<td>$ 4,735.00</td>
</tr>
<tr>
<td>Total</td>
<td>$ 172,326.00</td>
</tr>
</tbody>
</table>

**Budget Narrative**

Both the Executive Director and Program Director has had to take on additional clients to help take the load of the full time counselors. Due to the Illinois financial cuts Latino Treatment Center had to cut staff salaries 2 full time counselors were impacted and had to be moved to part-time 1 counselor was terminated due to the cuts Programs were closed and other were not able to open

We have not be able to obtain basic needs for the office and have even had to stop janitorial services.

**Documents**

<table>
<thead>
<tr>
<th>Documents Requested *</th>
<th>Required?</th>
<th>Attached Documents *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most Recent Audited Financial Statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State of Illinois Vendor Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly financial statements for three most recent months.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational Plan (Not required, but will help the review team better understand the agency’s plan to maintain operations throughout the terms of the loan).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional support documents that would help the review committee better understand the scope of need. (not required)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* ZoomGrants™ is not responsible for the content of uploaded documents.
<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>FY</th>
<th>Contract Number</th>
<th>Agency</th>
<th>Contract Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2017</td>
<td>444 / 743CVC00189</td>
<td>HUMAN SERVICES</td>
<td>$202,992.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2017</td>
<td>444 / 743CVC03067</td>
<td>HUMAN SERVICES</td>
<td>$80,000.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
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<td>444 / 643CUC00189</td>
<td>HUMAN SERVICES</td>
<td>$212,318.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2016</td>
<td>444 / 643CUC03067</td>
<td>HUMAN SERVICES</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2015</td>
<td>444 / 543CTC00189</td>
<td>HUMAN SERVICES</td>
<td>$273,008.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2014</td>
<td>444 / 443CSC00189</td>
<td>HUMAN SERVICES</td>
<td>$264,354.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2013</td>
<td>444 / 343CRC00138</td>
<td>HUMAN SERVICES</td>
<td>$267,654.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2012</td>
<td>444 / 243CQ0A1411</td>
<td>HUMAN SERVICES</td>
<td>$273,576.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2011</td>
<td>444 / 140CM001411</td>
<td>HUMAN SERVICES</td>
<td>$281,209.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2010</td>
<td>444 / 040CL001411</td>
<td>HUMAN SERVICES</td>
<td>$296,243.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2009</td>
<td>444 / 940CK001411</td>
<td>HUMAN SERVICES</td>
<td>$341,910.00</td>
</tr>
<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2008</td>
<td>444 / 840C8001411</td>
<td>HUMAN SERVICES</td>
<td>$352,173.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2007</td>
<td>444 / 740C7001411</td>
<td>HUMAN SERVICES</td>
<td>$352,485.00</td>
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<td>LATINO TREATMENT CENTER</td>
<td>2006</td>
<td>444 / 640C6001411</td>
<td>HUMAN SERVICES</td>
<td>$352,441.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2005</td>
<td>444 / 540C5001411</td>
<td>HUMAN SERVICES</td>
<td>$342,218.00</td>
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<tr>
<td>LATINO TREATMENT CENTER</td>
<td>2005</td>
<td>444 / 540C4001411</td>
<td>HUMAN SERVICES</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
LATINO TREATMENT CENTER

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2015 AND 2014
## CONTENTS

<table>
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<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
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<td>Independent Auditors' Report</td>
<td>1</td>
</tr>
<tr>
<td>Financial Statements:</td>
<td></td>
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<tr>
<td>Statements of financial position</td>
<td>2</td>
</tr>
<tr>
<td>Statements of activities</td>
<td>3</td>
</tr>
<tr>
<td>Statement of functional expenses - 2015</td>
<td>4</td>
</tr>
<tr>
<td>Statement of functional expenses - 2014</td>
<td>5</td>
</tr>
<tr>
<td>Statements of cash flows</td>
<td>6</td>
</tr>
<tr>
<td>Notes to financial statements</td>
<td>7–10</td>
</tr>
</tbody>
</table>
The Board of Directors
Latino Treatment Center
Elgin, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the Latino Treatment Center (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Latino Treatment Center as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

ERIC J. FERNANDEZ & CO.

West Dundee, Illinois
December 18, 2015
LATINO TREATMENT CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$47,570</td>
<td>$5,893</td>
</tr>
<tr>
<td>Grant income receivable</td>
<td>4,906</td>
<td>51,946</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>6,543</td>
<td>3,247</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>59,019</strong></td>
<td><strong>61,086</strong></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>PROPERTY AND EQUIPMENT:</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>86,446</td>
<td>86,446</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(85,254)</td>
<td>(84,477)</td>
</tr>
<tr>
<td><strong>Net property and equipment</strong></td>
<td><strong>1,192</strong></td>
<td><strong>1,969</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER ASSETS:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental deposits</td>
<td>4,100</td>
<td>4,100</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$64,311</strong></td>
<td><strong>$67,155</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Line of credit</td>
<td>$-</td>
<td>$4,977</td>
</tr>
<tr>
<td>Due to related parties</td>
<td>5,258</td>
<td>19,918</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>18,275</td>
<td>24,444</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>2,863</td>
<td>5,341</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>26,396</strong></td>
<td><strong>54,680</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS:</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
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<td>12,475</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td><strong>37,915</strong></td>
<td><strong>12,475</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$64,311</strong></td>
<td><strong>$67,155</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
LATINO TREATMENT CENTER
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2015 AND 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNRESTRICTED NET ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Support and Revenue:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Grant revenue</td>
<td>$273,008</td>
<td>$264,354</td>
</tr>
<tr>
<td>Patient fees</td>
<td>82,633</td>
<td>64,414</td>
</tr>
<tr>
<td>Interest income</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Other income - debt forgiveness</td>
<td>4,454</td>
<td>5,474</td>
</tr>
<tr>
<td>Gain on disposal of asset</td>
<td>-</td>
<td>3,158</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>265</td>
<td>218</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td>360,367</td>
<td>337,621</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program - alcoholism and substance abuse treatment</td>
<td>315,975</td>
<td>301,063</td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>18,952</td>
<td>24,997</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>334,927</td>
<td>326,060</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>25,440</td>
<td>11,561</td>
</tr>
<tr>
<td>Net assets (deficit), beginning of the year</td>
<td>12,475</td>
<td>914</td>
</tr>
<tr>
<td><strong>Net assets, end of the year</strong></td>
<td>$37,915</td>
<td>$12,475</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
LATINO TREATMENT CENTER

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2015

<table>
<thead>
<tr>
<th>Program</th>
<th>Alcoholism and Substance Abuse Treatment</th>
<th>Management and General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$ 171,878</td>
<td>$ 4,836</td>
<td>$ 176,714</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>10,655</td>
<td>300</td>
<td>10,955</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>16,249</td>
<td>457</td>
<td>16,706</td>
</tr>
<tr>
<td><strong>Total salaries and related expenses</strong></td>
<td>198,782</td>
<td>5,593</td>
<td>204,375</td>
</tr>
<tr>
<td>Bank charges</td>
<td>-</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Insurance</td>
<td>5,094</td>
<td>-</td>
<td>5,094</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>2,207</td>
<td>2,207</td>
</tr>
<tr>
<td>Janitorial</td>
<td>7,090</td>
<td>-</td>
<td>7,090</td>
</tr>
<tr>
<td>Lab fees</td>
<td>2,090</td>
<td>-</td>
<td>2,090</td>
</tr>
<tr>
<td>Licenses</td>
<td>615</td>
<td>-</td>
<td>615</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,128</td>
<td>-</td>
<td>4,128</td>
</tr>
<tr>
<td>Penalties</td>
<td>-</td>
<td>114</td>
<td>114</td>
</tr>
<tr>
<td>Professional fees</td>
<td>6,631</td>
<td>10,200</td>
<td>16,831</td>
</tr>
<tr>
<td>Rent</td>
<td>55,647</td>
<td>-</td>
<td>55,647</td>
</tr>
<tr>
<td>Office supplies and expenses</td>
<td>13,871</td>
<td>-</td>
<td>13,871</td>
</tr>
<tr>
<td>Telephone</td>
<td>7,272</td>
<td>-</td>
<td>7,272</td>
</tr>
<tr>
<td>Travel and entertainment</td>
<td>6,028</td>
<td>-</td>
<td>6,028</td>
</tr>
<tr>
<td>Utilities</td>
<td>8,727</td>
<td>-</td>
<td>8,727</td>
</tr>
<tr>
<td><strong>Total functional expenses before depreciation</strong></td>
<td>315,975</td>
<td>18,176</td>
<td>334,151</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>776</td>
<td>776</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$ 315,975</td>
<td>$ 18,952</td>
<td>$ 334,927</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
LATINO TREATMENT CENTER  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014

<table>
<thead>
<tr>
<th>Program</th>
<th>Alcoholism and Substance Abuse Treatment</th>
<th>Management and General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$163,353</td>
<td>$5,842</td>
<td>$169,195</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>11,490</td>
<td>411</td>
<td>11,901</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>15,235</td>
<td>546</td>
<td>15,781</td>
</tr>
<tr>
<td>Total salaries and related expenses</td>
<td>190,078</td>
<td>6,799</td>
<td>196,877</td>
</tr>
<tr>
<td>Bank charges</td>
<td>-</td>
<td>119</td>
<td>119</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,795</td>
<td>-</td>
<td>2,795</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>2,515</td>
<td>2,515</td>
</tr>
<tr>
<td>Janitorial</td>
<td>8,030</td>
<td>-</td>
<td>8,030</td>
</tr>
<tr>
<td>Lab fees</td>
<td>1,512</td>
<td>-</td>
<td>1,512</td>
</tr>
<tr>
<td>Licenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,444</td>
<td>-</td>
<td>2,444</td>
</tr>
<tr>
<td>Penalties</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Professional fees</td>
<td>7,579</td>
<td>14,894</td>
<td>22,473</td>
</tr>
<tr>
<td>Rent</td>
<td>55,500</td>
<td>-</td>
<td>55,500</td>
</tr>
<tr>
<td>Office supplies and expenses</td>
<td>8,279</td>
<td>-</td>
<td>8,279</td>
</tr>
<tr>
<td>Telephone</td>
<td>5,804</td>
<td>-</td>
<td>5,804</td>
</tr>
<tr>
<td>Travel and entertainment</td>
<td>9,097</td>
<td>-</td>
<td>9,097</td>
</tr>
<tr>
<td>Utilities</td>
<td>9,945</td>
<td>-</td>
<td>9,945</td>
</tr>
<tr>
<td>Total functional expenses before depreciation</td>
<td>301,063</td>
<td>24,327</td>
<td>325,390</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>670</td>
<td>670</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$301,063</td>
<td>$24,997</td>
<td>$326,060</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
LATINO TREATMENT CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 25,440</td>
<td>$ 11,561</td>
</tr>
<tr>
<td>Adjustments to reconcile net change in net assets to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>776</td>
<td>670</td>
</tr>
<tr>
<td>(Gain) loss on disposal of equipment</td>
<td>-</td>
<td>(3,158)</td>
</tr>
<tr>
<td>Decrease (increase) in operating assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>47,041</td>
<td>(32,055)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(3,296)</td>
<td>(2,415)</td>
</tr>
<tr>
<td>Deposits</td>
<td>-</td>
<td>(500)</td>
</tr>
<tr>
<td>Increase (decrease) in operating liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(6,169)</td>
<td>(626)</td>
</tr>
<tr>
<td>Due to related parties</td>
<td>(14,659)</td>
<td>(4,000)</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>(2,479)</td>
<td>5,340</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>21,214</td>
<td>(36,744)</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>46,654</td>
<td>(25,183)</td>
</tr>
</tbody>
</table>

| CASH FLOWS FROM INVESTING ACTIVITIES: |          |          |
| Purchases of equipment          | -        | (621)    |
| Proceeds from dispositions of property and equipment | -        | 3,158    |
| Net cash provided by (used in) investing activities | -        | 2,537    |

| CASH FLOWS FROM FINANCING ACTIVITIES: |          |          |
| Line of credit - net             | (4,977)  | -        |
| Net cash provided by (used in) financing activities | (4,977)  | -        |

| NET INCREASE (DECREASE) IN CASH |          |          |
| Cash at beginning of year       | 5,893    | 28,539   |
| CASH AT END OF YEAR             | $ 47,570 | $ 5,893  |

Supplemental disclosure of cash flow information
Cash paid for interest

$ 3,448 $ 1,275

The accompanying notes are an integral part of the financial statements.
LATINO TREATMENT CENTER
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Latino Treatment Center is presented to assist in understanding the Center's financial statements. The financial statements and notes are representations of the Center's management, which is responsible for their integrity and objectivity.

NATURE OF ACTIVITIES

The Latino Treatment Center (the Center) is a not-for-profit organization organized in June of 1990 under the laws of the state of Illinois. The Center’s mission is to reduce alcoholism and substance abuse through treatment and support services for the Hispanic community within the metropolitan Chicago area.

BASIS OF ACCOUNTING

The Center reports information regarding its financial position and activities on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

FINANCIAL STATEMENT PRESENTATION

The Center has adopted FASB ASC 958, “Financial Statements of Not-For-Profit Organizations.” Under FASB ASC 958, the Center is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost or at their estimated fair value, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

<table>
<thead>
<tr>
<th>Equipment</th>
<th>5 - 7 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Additions and betterments of $500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Depreciation expense was $776 and $670 for the years ended June 30, 2015 and 2014, respectively.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RECEIVABLES

The Center carries its receivables at the outstanding principal balance adjusted for the allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on the Center’s historical bad debt experience, the aging of the receivables and on management’s judgment. Receivables deemed uncollectible are charged to the allowance for doubtful accounts. There is no allowance for doubtful accounts as the receivables are deemed to be fully collectible.

SUPPORT

Support received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Center reports support as restricted if it is received with donor stipulations that limit its use or if it is restricted for future periods. When a restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Support whose restrictions are met in the same reporting periods are reported as unrestricted support.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

DONATED SERVICES

The Center receives services by court order for persons in lieu of prison time or monetary penalties. These donated services are not reflected in the financial statements since they do not require specialized skills as defined by generally accepted accounting principles.

2. TAX STATUS

The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for any taxes on unrelated business income. The Center had no unrelated business income during the years ended June 30, 2015 and 2014.

The Organization has adopted FASB ASC 740-10-25, Accounting for Uncertainty of Income Taxes. The Organization will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.
2. TAX STATUS (continued)

The Organization’s evaluation as of June 30, 2015 and 2014 revealed no uncertain tax positions that would have a material impact on the financial statements. The 2012 through 2014 tax years remain subject to examination by the IRS. The Organization does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

3. GRANT

During 2015 and 2014, the Center received grants of $273,008 and $264,354, respectively, from the Illinois Department of Human Services, for use in the Center's operations for salary, office and other expenses. The grant income was spent by the Center during each calendar year. The grant receivables were $4,906 and $51,946 as of June 30, 2015 and 2014, respectively.

4. CONCENTRATIONS

The Center is supported primarily through grants, receiving 76% and 78% of its revenue from the Illinois Department of Human Services for the years ended June 30, 2015 and 2014, respectively.

5. COMMITMENTS AND CONTINGENCIES

A significant portion of the Organization’s revenues are provided by government agencies. Changes in funding levels or funding guidelines could significantly affect the Organization’s revenues. As a provider of treatment for addiction, the Organization is also subject to various regulations. The Company’s ability to comply with these regulations is a critical part of maintaining revenue activity and collecting its receivables.

6. LINE OF CREDIT

The Center had a $17,900 unsecured line of credit with a bank, due August of 2013, with an interest rate of 8.14%. The line of credit was frozen upon the death of Dr. Ernest Pujals, executive director, in September, 2012, and the outstanding balance was settled during the year ended June 30, 2015. The outstanding balance was $0 and $4,977 at June 30, 2015 and June 30, 2014, respectively.

7. OPERATING LEASES

The Center rents space from a related party expiring on December 1, 2019. The monthly payment is $2,000 per month for the related party lease, with an officer of the Center providing a guarantee on debt associated with the leased property. The Center also leases two additional facilities for $1,400 per month and $1,262 per month which expire April 30, 2016 and July 9, 2015, respectively. The Center is responsible for utility payments as part of these lease agreements. Rent expense for these leases was $55,647 and $55,500 for the years ended June 30, 2015 and 2014, respectively.
7. OPERATING LEASES (continued)

The aggregate future minimum lease commitments are as follows:

<table>
<thead>
<tr>
<th>Year ending</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30,</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>38,366</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>24,000</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>24,000</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$96,366</td>
</tr>
</tbody>
</table>

8. RESTRICTED NET ASSETS

As of June 30, 2015 and 2014, the Center had no temporarily or permanently restricted net assets.

9. DUE TO RELATED PARTIES

Amounts due to related parties at June 30, 2015 and 2014 were $5,258 and $19,918, respectively. The amounts are unsecured and payable upon demand.

10. RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

11. SUBSEQUENT EVENTS

On July 10, 2015, the Center extended the lease agreement that had expired on July 9, 2015 with essentially the same lease terms.

The financial statements were available to be issued on December 18, 2015, with subsequent events being evaluated through that date.
## Latino Treatment Center (3760)

### Profit & Loss

**July 2015 through March 2016**

#### Ordinary Income/Expense

<table>
<thead>
<tr>
<th>Income</th>
<th>Jul '15 - Mar 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>00 Fee</td>
<td>27,391.00</td>
</tr>
<tr>
<td>20 Fee</td>
<td>9,136.50</td>
</tr>
<tr>
<td>40 Fee</td>
<td>9,260.00</td>
</tr>
<tr>
<td>00 Fee - Other</td>
<td>6,670.00</td>
</tr>
<tr>
<td><strong>Total 00 Fee</strong></td>
<td><strong>52,457.50</strong></td>
</tr>
<tr>
<td>00 Grant 2015-16</td>
<td>131,869.00</td>
</tr>
<tr>
<td>20 Elgin Kane County</td>
<td></td>
</tr>
<tr>
<td><strong>Total 00 Grant 2015-16</strong></td>
<td><strong>131,869.00</strong></td>
</tr>
<tr>
<td>Interest Income</td>
<td>10.55</td>
</tr>
<tr>
<td>Test</td>
<td>233.19</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>184,570.24</strong></td>
</tr>
</tbody>
</table>

#### Expense

<table>
<thead>
<tr>
<th>Expense</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>03 Benefits</td>
<td></td>
</tr>
<tr>
<td>20 Confe Dues</td>
<td>898.00</td>
</tr>
<tr>
<td>20 Insurance Bc/BS</td>
<td></td>
</tr>
<tr>
<td>Health Ins. J. Mejia</td>
<td>100.21</td>
</tr>
<tr>
<td>Health Ins. M Tellez</td>
<td>2,692.69</td>
</tr>
<tr>
<td>Insurance BC/BS</td>
<td>425.00</td>
</tr>
<tr>
<td><strong>Total 20 Insurance Bc/BS</strong></td>
<td><strong>3,217.90</strong></td>
</tr>
<tr>
<td>20 Insurance-Workman's Comp</td>
<td>765.32</td>
</tr>
<tr>
<td>20 Liability</td>
<td>945.72</td>
</tr>
<tr>
<td>30 Conf Dues</td>
<td>772.50</td>
</tr>
<tr>
<td>30 Insurance Bc/bs</td>
<td>3,129.68</td>
</tr>
<tr>
<td>40 Conference</td>
<td>484.62</td>
</tr>
<tr>
<td>40 Insurance BC/BS</td>
<td>1,101.02</td>
</tr>
<tr>
<td><strong>Total 03 Benefits</strong></td>
<td><strong>11,314.76</strong></td>
</tr>
<tr>
<td>06 Consult</td>
<td></td>
</tr>
<tr>
<td>20 Cons</td>
<td>580.00</td>
</tr>
<tr>
<td>06 Consult - Other</td>
<td>1,627.79</td>
</tr>
<tr>
<td><strong>Total 06 Consult</strong></td>
<td><strong>2,207.79</strong></td>
</tr>
<tr>
<td>07 Prof</td>
<td></td>
</tr>
<tr>
<td>20 Services</td>
<td>6,191.37</td>
</tr>
<tr>
<td>30 SERV</td>
<td>5,637.50</td>
</tr>
<tr>
<td><strong>Total 07 Prof</strong></td>
<td><strong>11,828.87</strong></td>
</tr>
<tr>
<td>22 Supply</td>
<td></td>
</tr>
<tr>
<td>20 Supp</td>
<td></td>
</tr>
<tr>
<td>20 Computer Expense</td>
<td>501.25</td>
</tr>
<tr>
<td>20 Office Expense</td>
<td>1,263.39</td>
</tr>
</tbody>
</table>
### Latino Treatment Center(3760)
#### Profit & Loss
#### July 2015 through March 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Jul '15 - Mar 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Supplies</td>
<td>1,281.14</td>
</tr>
<tr>
<td>20 Supp - Other</td>
<td>314.94</td>
</tr>
<tr>
<td><strong>Total 20 Supp</strong></td>
<td>3,360.72</td>
</tr>
<tr>
<td>30 Supp</td>
<td></td>
</tr>
<tr>
<td>30 Computer Expense</td>
<td>778.03</td>
</tr>
<tr>
<td>30 Office Expense</td>
<td>466.28</td>
</tr>
<tr>
<td>30 Supplies</td>
<td>80.09</td>
</tr>
<tr>
<td><strong>Total 30 Supp</strong></td>
<td>1,324.40</td>
</tr>
<tr>
<td>40 Supply</td>
<td></td>
</tr>
<tr>
<td>40 Office Expense</td>
<td>46.39</td>
</tr>
<tr>
<td>40 Supplies</td>
<td>142.54</td>
</tr>
<tr>
<td><strong>Total 40 Supply</strong></td>
<td>188.93</td>
</tr>
<tr>
<td>22 Supply - Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total 22 Supply</strong></td>
<td>5,192.15</td>
</tr>
<tr>
<td>30 Occup</td>
<td></td>
</tr>
<tr>
<td>20 Building Fire Ins.</td>
<td>2,523.41</td>
</tr>
<tr>
<td>20 Businessowners Liability Ins</td>
<td>414.85</td>
</tr>
<tr>
<td>20 Occup</td>
<td>18,000.00</td>
</tr>
<tr>
<td>20 Telephone</td>
<td>2,632.15</td>
</tr>
<tr>
<td>20 Utility/insurance</td>
<td>2,060.49</td>
</tr>
<tr>
<td>30 Occup</td>
<td>12,600.00</td>
</tr>
<tr>
<td>30 Telephone</td>
<td>614.90</td>
</tr>
<tr>
<td>30 utilities</td>
<td>1,804.96</td>
</tr>
<tr>
<td>40 Occup</td>
<td>11,355.75</td>
</tr>
<tr>
<td>40 Telephone</td>
<td>276.14</td>
</tr>
<tr>
<td>40 Utilities/ Insurance</td>
<td>1,700.62</td>
</tr>
<tr>
<td><strong>Total 30 Occup</strong></td>
<td>53,983.27</td>
</tr>
<tr>
<td>80 Misc</td>
<td></td>
</tr>
<tr>
<td>20 Misc</td>
<td></td>
</tr>
<tr>
<td>80 Misc 20 Misc-JanitorElgin</td>
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</tr>
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<td>Telephone Audit</td>
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Latino Treatment Center (3760)

Balance Sheet

As of March 31, 2016

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| LIABILITIES & EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | | |
| Accounts Payable | 27,766.65 |
| **Total Accounts Payable** | **27,766.65** |
| Other Current Liabilities | | |
| Due to LIC Chicago | 737.91 |
| Loan Citi Credit Card 8390 | 4,454.11 |
| Payroll-FICA | 759.84 |
| Payroll-FWH | 567.09 |
| Payroll-MCARE | 177.70 |
| Payroll-SUI | 249.79 |
| Payroll-SWHIL | 293.14 |
| **Total Other Current Liabilities** | **7,239.58** |
| **Total Current Liabilities** | **35,006.23** |
Latino Treatment Center (3760)

Balance Sheet

As of March 31, 2016

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Latino Treatment Center (3760)
Profit & Loss
July 2015 through April 2016

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<td>Licenses</td>
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<td>Telephone Audit</td>
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Latino Treatment Center (3760)

**Balance Sheet**

*As of April 30, 2016*

### ASSETS

**Current Assets**

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<th>Description</th>
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</tr>
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</tr>
<tr>
<td>Chase Emergency 3778</td>
<td>54.00</td>
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**Fixed Assets**

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<tbody>
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<td>Equipment</td>
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<tr>
<td><strong>Total Fixed Assets</strong></td>
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**Other Assets**

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**TOTAL ASSETS**

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### LIABILITIES & EQUITY

**Liabilities**

**Current Liabilities**

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**Other Current Liabilities**

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Latino Treatment Center (3760)
Balance Sheet
As of April 30, 2016

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TOTAL LIABILITIES & EQUITY          18,625.14
### Latino Treatment Center (3760)

**Profit & Loss**

*Accrual Basis*

**July 2015 through May 2016**

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Latino Treatment Center (3760)
Balance Sheet
As of May 31, 2016

**ASSETS**

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| Fixed Assets |          |
| Accum Depr | -84,477.38 |
| Equipment | 86,445.69 |
| **Total Fixed Assets** | 1,968.31 |
| Other Assets |          |
| Rental Deposit | 4,100.00 |
| **Total Other Assets** | 4,100.00 |
| **TOTAL ASSETS** | 55,215.36 |

**LIABILITIES & EQUITY**

| Liabilities |          |
| Current Liabilities |          |
| Accounts Payable |          |
| Accounts Payable | 29,569.87 |
| **Total Accounts Payable** | 29,569.87 |
| Other Current Liabilities |          |
| Accrued Elgin Rent | 1,000.00 |
| Due to LIC Chicago | 737.91   |
| Loan Citi Credit Card 8390 | 4,454.11 |
| Payroll-FICA | 770.32   |
| Payroll-FWH | 882.12   |
| Payroll-MCARE | 180.16   |
| Payroll-SUI | 60.58    |

Page 2
### Latino Treatment Center (3760)

#### Balance Sheet

As of May 31, 2016

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Latino Treatment Center (3760)

Balance Sheet

As of June 30, 2016

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AGENDA ITEM:  K  
MEETING DATE: June 26, 2019

ITEM:  
Waste Management, Inc. Five-Year Contract Renewal for Refuse, Recyclables and Yard Waste Collection Services  
(No Cost to City—Direct Costs Passed to Customers) (Item must removed from the Table)

OBJECTIVE:  
Provide comprehensive, customer service-centered refuse, recyclable and yard waste collection services to Elgin residents.

RECOMMENDATION:  
Exercise the five-year renewal option in the City’s existing agreement with Waste Management Services, Inc. with the addition of curbside electronic waste removal for all residential customers and organics collection for households desiring to pay for that additional service.

The City has been contracting with Waste Management, Inc. since 2002. The current Waste Management agreement was unanimously approved by the city council in 2014 and contemplates a combined, ten-year term. The agreement includes an automatic renewal provision that extends the initial five-year term of the agreement an additional five years until December 2024. The city must provide six-month written notice to Waste Management should it choose not to automatically renew the agreement’s second, five-year term.

Staff has been monitoring the refuse, recyclable and yard waste collection services agreements of neighboring and comparable municipalities to during the past year and has determined the City’s current agreement with Waste Management continues to afford city residents with an exceptional combination of low pricing and high service level.

The U.S. recycling industry is rapidly degrading. China, until January 2018, had been the big buyer of recyclables collected in the United States. But that stopped when Chinese officials determined too much trash is being mixed with recyclables. The global scrap market upheaval began detrimentally affecting American cities last year, and the problems continue piling up. With fewer buyers, recycling companies are now recouping their lost profits by charging cities more, in some cases four times what was charged last year. Confronted with these soaring costs, municipalities are now being forced to consider whether to raise taxes, cut other municipal services or even abandon the now commonplace recycling practices that first took hold during the 1970s environmental movement.
Despite the break down in the recycling industry, the City remains well-positioned in its current agreement with Waste Management. Renewing the agreement will enable Elgin to continue its leadership role as a sustainable community, not only by ensuring the continuation of the exemplary recycling practices demonstrated by its residents, but also in providing additional recycling services and options for its residents.

Renewing the Waste Management contract will allow the City to establish a new, electronic waste removal program that allows all residential customers to schedule appointments for curbside pickups of televisions, computers and other electronic and hazardous waste. It also launches a new, organics collection program for individual residential customers subscribing to that service.

BACKGROUND

Waste Management, Inc. has been providing Elgin’s refuse, recyclables and yard waste collection services for seventeen years. Five years ago, the city council affirmed its satisfaction with that relationship, unanimously approving an agreement with Waste Management having a combined, ten-year term. The first, five-year term of the 2014 agreement expires at the year’s end and automatically extends an additional five years until December 2024 unless the City provides written notice not later than June 30, 2019 of its intent not to renew the agreement. The original agreement first signed in 2002 was for an eight-year term with two-year extensions being approved in 2010 and 2012. The City completed a comprehensive request for proposal analysis in 2014 (Attachment A) and recommended continuing its working partnership with Waste Management for a ten-year term that enables the City to cancel the agreement at the five-year mark.

Waste Management provides service to single-family dwellings, multiple-family dwellings up-to-and-including five units, and to owner-occupied condominium and townhome properties. Waste Management collaboratively works with Elgin’s 311 call center using the Salesforce platform to provide enhanced customer service. Waste Management’s fees for services are passed directly to the customers without any subsidy from the City in accordance with Section 9.25.125 of the Elgin Municipal Code.

The services and fees under the City’s contract with Waste Management are summarized below.

Curbside Container Service Fees
Two (2), 64-gallon containers holding approximately six refuse bags are provided to residents at the base service level. The gray container is used for depositing refuse, the blue container for recyclables.
Refuse and recycling materials must be placed out for collection by 6:00 a.m. the day of the scheduled collection, but not before 5:00 p.m. the day before collection. All containers and any materials that were not collected must be removed from the curb by midnight after the scheduled collection.

The fees for the base level service level of two, 64-gallon containers in 2019 are:

- Single-Family Dwelling: $16.76
- Condominium/Townhouse: $12.17

Customers may option a 96-gallon container that holds approximately ten refuse bags for an additional $10.85 monthly fee directly payable to Waste Management directly.

Additional 64-gallon containers may be purchased for $21.68 monthly, directly payable to Waste Management. The monthly cost for an additional 96-gallon container is $32.53, also directly payable to Waste Management.

Downgrading to a 35-gallon container that holds approximately three refuse bags is a no cost option. The 35-gallon container option allows customers to place one extra item per week for pickup without the need to purchase a refuse sticker.

**Services Days; Holidays**

Elgin benefits from Waste Management being present in the City during the entire workweek. Many communities have a refuse and recycling service provider present on single workday. Waste Management divides Elgin into five collections to provide comprehensive weekday service. Collections run daily from 7:00 a.m. through 7:00 p.m.

There is no disruption of service on the Martin Luther King, Jr., President's Day, Columbus Day and Veterans Day holidays; regular collection applies. Garbage, recycling and yard waste are not collected on only six designated holidays: Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas and New Year’s. When a customer’s regular collection day falls on one of these holidays, service is delayed one day. When any of those holidays fall on a weekend, regular residential collection schedules apply.

**Multiple-Family Dwellings**

Waste Management provides a 64-gallon base level service, per household, at multiple-family dwellings up-to-and-including five units. A formula is used to establish the base level refuse service for multiple-family stops and each multiply-family location is serviced on specific intervals to meet best meet the needs of the particular property.
**Annual Drop Off Events**
At no additional cost to the City, Waste Management hosts three, annual drop off events annually. The events occur at Waste Management’s transfer station at 1245 Gifford Road from 8:00 a.m. through noon for the cost of $20 per vehicle. This event is limited to Elgin residents and proof of residency must be provided. The event includes secure document destruction, electronic recycling, and recycling of two televisions. Additions televisions at $10 each. Residents are allowed to bring up to one, 15-foot U-Haul or Penske truck filled with household waste. Household hazardous waste is not accepted.

**Household Hazardous Waste Program Sponsorship**
Household hazardous waste (HHW) includes pesticides, poisons, cleaning solvents, auto batteries, auto fluids, motor oil, non-latex paint, thermometers, and light bulbs. Customers receive one free pick up monthly within one week of calling the HHW hotline. Waste Management mails the resident a clear plastic bag and schedules a pick up date.

**Bulk Item Collection**
Residents can dispose of larger household items on their curbsides by placing one refuse sticker to each item. Each item must weigh less than 45 pounds or broken down into pieces weighing less than 45 pounds each. Each piece requires the purchase of a sticker for $3.05. One refuse sticker must be purchased for each mattress or box spring being disposed. Carpet rolls (rolled, taped or tied) can be up to five-feet in length, two-feet in diameter and must weigh less than 45 pounds with one refuse sticker being affixed to each roll. One refuse sticker must be affixed to each tire.

**Appliance Disposal**
Appliance stickers must be purchased for $33.76 to dispose of major appliances. Major appliances include hot water heaters; dishwashers; refrigerators; freezers; stoves; washers; dryers; dehumidifiers; air conditioners; and, microwave ovens.

**Yard Waste**
Yard waste is collected between April 1st and November 30th. Yard waste must be placed in a brown Kraft paper bag or a self-purchased 32-gallon (or smaller) container with handles. A self-purchased container must be clearly labeled "yard waste" and must weigh less than 45 pounds. Yard waste bags and container require stickers from May 1st through September 30th for $3.05 a sticker.

**Brush and Tree Trimmings**
Yard waste, including brush and tree trimmings, is collected from April 1st through November 30th. Brush must be tied into bundles no longer than five feet. Branches in the bundles must be less than two inches in diameter. Bundles must weigh less than 45 pounds each and cannot be larger than five feet long nor two feet in diameter. Stickers are not required on bundles.
**Christmas Tree Collection**
Curbside disposal of Christmas tree is provided from December 26th through the end of the second collection week in January. Refuse stickers are not required for Christmas trees unless they are disposed later then the second week in January.

**Recycling**
Additional recycling materials may be collected in a self-purchased container not exceeding 32 gallons and clearly marked “recycling.” Plastic bags in any form and cardboard boxes are not acceptable collection containers.

Televisions and electronics are not currently acceptable refuse or curbside recycling. Televisions and electronics can be taken to an electronics recycling center or taken to an annual drop off event. The recommended renewal agreement with Waste Management will provide curbside recycling for televisions and electronics by appointment.

**OPERATIONAL ANALYSIS**

The City expected the 2014 agreement with Waste Management to complete the duration of its ten-year term. The five-year automatic renewal at the contract’s midpoint serves as a potential escape clause in the event Waste Management is failing to acceptably perform or if market conditions indicate the terms and services the City is receiving from Waste Management are no longer competitive.

New contract proposals for refuse, recyclable and yard waste collection services in neighboring and comparable communities have been finalized during the past year. The terms of those agreements, combined with the upheaval in the recyclables market following China’s January 2018 edict mandating ultra low contamination in recyclables it would purchase, provided an objective means for gauging the value of renewing the City’s existing agreement with Waste Management.

The “Tri-Cities” of Geneva, St. Charles and Batavia before last summer combined their residential markets when negotiating in an effort to enhance their bargaining power with vendors for their respective refuse, recyclable and yard waste collection services. The three communities could not agree on desired service levels during the latest round of negotiations and abandoned the joint negotiations, each municipality separately reaching an agreement with various service providers. St. Charles and Geneva contracted with Lakeshore Recycling for monthly rates using 64-gallon containers like Elgin for $18.25 and $17.75, respectively. Elgin’s monthly rate for the same service is $16.76. Batavia continued its existing fifteen-year relationship with Advanced Disposal and is paying $23.25 monthly for that same service.
Naperville entered into a ten-year agreement with Groot Industries last fall for what it marketed as a monthly $12.95 fee for its refuse, recyclable and yard waste collection services compared to Elgin’s $16.76. Naperville, however, only provides a 32-gallon refuse container in comparison to Elgin’s two, 64-gallon containers. Naperville customers have the option to purchase a 64-gallon refuse container for $57 and Naperville also requires its residents to purchase a recycling cart from the city for $57, $47 or $39 depending on the size. Elgin provides approximately twelve weeks of free yard waste collection while Naperville only offers six weeks. Waste Management provides Household Hazardous Waste (HHW) services to Elgin residents at the door while Groot only has a drop off site. Electronic or “E-Waste” is prescheduled and prepaid in Naperville while Elgin currently has three drop off events annually. But as part of Elgin’s renewal with Waste Management, staff is recommending that scheduled, curbside E-Waste services be added to Elgin’s service mix for an additional $1.35 monthly fee. This $16 annual cost is less than the current $20 drop off event fee or the $25-$35 fee charged per television or monitor taken to a local electronics recycling location.

The recycling industry has been overturned following China’s January 2018 low contamination requirements. As prices for scrap paper and plastic have collapsed, local officials across the country have no choice but to charge residents more to collect recyclables and send some to landfills. Newspapers, cardboard boxes and plastic bottles are piling up at plants that can no longer make a profit processing them for export or domestic markets.

U.S. recycling programs took off in the 1990s following public demand to bury less trash in landfills. This action coincided with China’s demand for materials such as corrugated cardboard to feed its economic boom. Shipping companies eagerly filled containers that had brought manufactured goods to the U.S. with paper, scrap metal and plastic bottles for the return trip to China. With cities aggressively expanding their recycling programs to keep more discarded household items out of landfills, the purity of U.S. scrap began deteriorating as more trash infiltrated the recyclables. Discarded food, liquid-soaked paper and other contaminants recently accounted for as much as 20 percent of the material shipped to China, according to Waste Management estimates, double from five years ago.

The onerous work of separating the detritus at processing plants in China prompted officials there to slash the contaminants limit to five percent in January 2018. The changes effectively cut off exports from the U.S., the world’s largest generator of scrap paper and plastic. The refuse collectors and processors, and the municipal governments that hire them, are now reconsidering what they will accept to recycle and how much homeowners will pay for that service. Many trash haulers and city agencies that paid for curbside collection by selling scrap said they are now losing money on almost every ton they handle.

Industry experts believe the new economics are likely to permanently change the U.S. recycling business. Domestic demand will have to replace what China was buying and no one is expecting
that will be a quick turnaround. “Single-stream” collections took hold in the waste-hauling industry about 20 years ago and are still widely used today. Some recyclers are already stating that residents and municipalities will have to abandon the prevailing single-stream approach of combining used paper and cardboard together with glass, cans and plastic in one collection truck. Collecting paper separately makes curbside recycling service more expensive but substantially reduces contamination.

Despite the break down in the recycling industry, the City remains well-positioned in its current agreement with Waste Management. The City and Waste Management in 2016 partnered in the "Recycle Often. Recycle Right." (RORR) program that educated and created greater public awareness to decrease recycling contamination, mainly from plastic bags. Elgin was just one of two communities nationwide to pilot this program with its residents. Elgin households reduced contamination to a greater degree than other Waste Management communities in Colorado and California, two states known for their residents’ strong commitments to sustainable practices like recycling. Elgin has become one of Waste Management’s best practices model for reducing contamination, and the partnership was recognized in the United States Conference of Mayors Business Council 2017 Best Practices Report. Renewing the City’s agreement with Waste Management for another five years will guarantee the City has a recyclables collector who remains committed to the single-stream process that Elgin customers have embraced. The pricing for disposing recyclables established in the 2014 agreement with Waste Management—long before the market was overturned in 2018—additionally ensures Elgin’s ability to continue its commitment to recycling despite the increasingly prohibitive costs other municipalities are experiencing in their efforts to stay the course.

Renewing the agreement will enable Elgin to continue its leadership role as a sustainable community, not only by ensuring the continuation of the exemplary recycling practices demonstrated by its residents, but also in providing additional recycling services and options for its residents. Staff is recommending that beginning in 2020, customer-scheduled electronic waste, or “E-Waste” curbside pickup services be added to the service mix for an additional $1.35 monthly fee or about $16 annually. As stated above, the $16 annual cost is less than the current $20 drop off event fee or the $25-$35 fee charged per television or monitor taken to a local electronics recycling location. This E-Waste service adds to the existing household hazardous waste (HHW) removal program that properly disposes of pesticides, poisons, cleaning solvents, auto batteries, auto fluids, motor oil, non-latex paint, thermometers, and light bulbs.

An organics collection program will also be introduced in 2020 that will enable individual households to subscribe at an additional monthly fee between $15-19 that provides an additional 96-gallon container to hold organic waste, including yard waste. The ability to commingle the organic waste with yard waste will eliminate the need for many participating households to purchase yard waste bags. The organics collection program will initially operate only eight months of the year because area compost facilities cease operations during the winter months.
Organic collection programs require a high degree of commitment to become successful community wide. The Sustainability Commission will be working with Waste Management and City staff to develop public outreach campaigns that educate Elgin residents about the benefits of organics collection and acceptable items.

A 32-gallon refuse container option for a reduced monthly fee was considered, but is not ultimately being recommended by staff. Experience shows that while households currently using 64-gallon containers often generate an amount of trash that would fit in the 32-gallon container, there is no real reduction in cost for using the smaller containers. The trash generated in both is essentially the same weight, so there is no reduction in landfill tipping costs. The costs associated with the vehicles and drivers necessary to collect the 32-gallon containers are similarly no different from that of a 64-gallon container. Reducing the monthly fees for households seeking to use a 32-gallon refuse container only pushes up the costs of the other households in the community. Elgin’s highly competitive monthly rates are derived from the economies of scale that come from providing the same level of service to as many households as possible. Once a multitude of service level and pricing options becomes part of the mix, costs are accordingly driven up as the economies of scale decrease.

INTERESTED PERSONS CONTACTED

The City’s Sustainability Commission has participated in the discussions regarding the recommended five-year renewal provision of the City’s existing agreement with Waste Management Services, Inc. The Sustainability Commission will be working with staff to promote Waste Management’s organics collection program and expanding its engagement with the community to increase knowledge on sustainable waste practices and solicit resident input for additional refuse removal and recycling options going forward.

FINANCIAL ANALYSIS

Waste Management’s fees for providing its refuse, recyclables and yard waste collection service are directly passed to the residential customers in accordance with Section 9.24.125 of the Elgin Municipal Code. Billing for the refuse, recyclables and yard waste collection service is included as separate line items on the residential dwelling’s water bill and are payable when the water bill is due. Households that subscribe to the new organics collection program will pay a monthly fee directly to Waste Management, just as households that opt for a larger 96-gallon refuse container do currently.
**BUDGET IMPACT**

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**LEGAL IMPACT**

The city’s contract with Waste Manage has an initial term of five (5) years from January 1, 2015 through December 31, 2019. The contract also provides for a potential five (5) year renewal term. Section 5 of the contract also provides in part that the city must notify Waste Management of its intention not to extend the contract 180 days prior to contract expiration and if no such notification is provided the contract shall automatically renew for like terms and conditions for an additional 5 years. In the event the city does not wish to extend the contract for the 5 year renewal under the same terms and conditions the city must send a notice to Waste Management prior to July 3, 2019.

**ALTERNATIVES**

The existing agreement with Waste Management, Inc. for refuse, recyclables and yard waste collection services automatically renews for a five-year term unless the City provides Waste Management with written notice of its decision not to renew the agreement before July 3, 2019. If the city council chooses not to renew the agreement, the staff will initiate the process for requesting proposals from competing vendors.

**NEXT STEPS**

Allow the self-executing renewal of the existing agreement with Waste Management, Inc. for refuse, recyclables and yard waste collection services to proceed for the second, five-year term with the inclusion of a new, electronic waste removal program allowing all residential customers to schedule appointments for curbside pickups of televisions, computers and other electronic and hazardous waste along with the new organics collection program for individual residential customers subscribing to that service.
ATTACHMENTS

A. Refuse, Recyclables and Yard Waste Collection Services (RFP 14-036) Committee of the Whole Memorandum, October 22, 2014

B. Agreement for Provision of Refuse, Recyclables and Yard Waste Collection Services, December 17, 2014; Resolution No. 14-183
AGENDA ITEM: A
MEETING DATE: October 22, 2014

ITEM:
Refuse, Recyclables and Yard Waste Collection Services (RFP 14-036)
(Cost to City: $334,700, Pass-thru Cost: $5,288,823)

OBJECTIVE:
Provide comprehensive refuse, recyclable and yard waste collection services to Elgin residents at a competitive price.

RECOMMENDATION:
Select Waste Management as the preferred vendor for the provision of refuse, recycling and yard waste collection services.

BACKGROUND

On September 12, 2002, the city council forged a groundbreaking public-private partnership with Waste Management, Inc. This initiative, led by Councilwoman Powell, positioned the city as a leader in solid waste collection for the approximately 30,000 households served in Elgin. Elgin became one of the first cities to adopt a ‘pay-as-you-throw’ or modified volume program. This brought forward the standard 64-gallon carts, which help to encourage recycling and led to a significant reduction in waste overall. Prior to 2002, the community’s waste collection process encouraged consumption by allowing an unlimited collection program. Many communities followed the city’s lead and subsequently modeled their programs after Elgin. Under the old model, the average household disposed of 53.5 pounds of trash per week. In 2013, in spite of the number of households increasing, the average household disposed of 35.88 pounds of trash per week representing a 33 percent reduction. The partnership between Waste Management and the city has been successful for several reasons, including service dependability, commitment to customer service and the stewardship of Elgin residents.

Dependability

Each weekday Waste Management services 6,000 households, city facilities and assists public works. With such an expansive operation, the potential margin for error is significant. Therefore, Waste Management’s quality assurance program is crucial to the success of the solid waste program.
Customer Service

An example of Waste Management’s commitment to customer service is that over 80 percent of cart replacements or repairs are driver initiated. Waste Management verifies each day that routes are completed. Either each stop receives service or the driver calls it in to Waste Management dispatch. Stops called in are included on a master report with an explanation. If a call in is due to improper preparation, the driver is required to a leave note indicating why the collection did not occur. If a driver makes a mistake, route managers are available at any time to resolve the issue.

Stewardship

Waste Management partners with the city on sustainability initiatives. Specifically, from 2008 through 2011, they were part of the sustainability master planning process by committing multiple staff liaisons to serve on both the sustainability advisory committee and a working group. Another example of Waste Management’s stewardship is the Bluff City Transfer Station. The station became the first and only transfer station in the country to earn Gold Level LEED Certification. Leadership in Energy and Environmental Design (LEED) is a set of rating systems for the design, construction, operation and maintenance of buildings developed and managed by the U.S. Green Building Council. Pursuit of the LEED Certification was not a city requirement, it was Waste Management’s decision to make it an environmental flagship facility. Partnering on the transfer station also gave the city additional flexibility and royalties from the station. The city currently receives just over $400,000 a year in royalties. The city also negotiated expanded yard waste collection services and gained a pair of two-year options. Both options were exercised. The first option was exercised in 2010 and the second in 2012, which leaves the contract expiring at the end of 2014.

The LEED Gold Certified Bluff City Transfer Station Located at 1225 Gifford Road in Elgin
OPERATIONAL ANALYSIS

Request for Proposals

The current agreement with Waste Management expires on December 31, 2014. With the pending expiration of the agreement, a request for proposals (RFP) was issued in July to insure that the city is getting the best possible value for the lowest possible cost (Attachment A). The RFP required solid waste companies to demonstrate their experience in safely and reliably providing refuse, recycling and green waste collection. The RFP specifically sought proposals from companies that had experience providing these services in circumstances similar to the Elgin. The RFP objectives were as follows:

- Competition and Integrity in the Selection Process
- Utilize Industry Best Practices and Contract Terms
- Efficient and Effective Programs and Services
- Advanced Citizen Engagement Practices

The RFP’s objectives are the result of the city council’s service level expectations as articulated through the strategic plan. Staff is constantly monitoring suggestions, complaints and analyzing data related to all city services – solid waste is no exception. This information is the result of phone calls, one-on-one meetings, meetings with HOA’s and neighborhood groups and service requests. The 311 Citizen Contact Center makes this process much more efficient as it provides data to identify areas of strength and opportunity. Staff also has the responsibility of insuring the solid waste contract meets the operational needs of city departments.

The strategic plan advisory commission (SPAC) analyzed the feedback staff received and helped refine the strategic priorities as they relate to solid waste. SPAC hosted two public meetings and developed an online survey to support their efforts. The public meetings had approximately 40 attendees and over 200 residents took the online survey. Combining both the online survey and surveys at the public meetings, 87 percent of respondents indicated that they were satisfied with the current solid waste program.

Staff also surveyed three of the largest solid waste companies. The vendors surveyed were Groot Services, Republic Services and Waste Management. The purpose of this was to get feedback and suggestions on what characteristics are found in an effective RFP. They were also asked about many of the items that had come up in policy documents, budget discussions, citizen surveys and from anecdotal feedback. This process helped staff identify what is feasible, what are industry best practices and what makes a solid waste RFP competitive. For most questions, the three vendors provided nearly identical responses.

The following table illustrates the timeframe in which some of the key milestones in the RFP process were completed.
<table>
<thead>
<tr>
<th>RFP Step</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anecdotal Resident Feedback</td>
<td>Always ongoing</td>
</tr>
<tr>
<td>311 Request Analysis</td>
<td>Always ongoing</td>
</tr>
<tr>
<td>SPAC</td>
<td>October 2013-April 2014</td>
</tr>
<tr>
<td>Solid Waste Company Survey</td>
<td>December 2013</td>
</tr>
<tr>
<td>Solid Waste Public Meetings</td>
<td>February and March 2014</td>
</tr>
<tr>
<td>Solid Waste Online Survey</td>
<td>February and March 2014</td>
</tr>
<tr>
<td>RFP Creation</td>
<td>March 2014-July 2014</td>
</tr>
</tbody>
</table>

With information flowing from these diverse sources it provided staff the clarity to form an RFP that meets the city’s priorities.

**The Base Program**

The residential component will remain a modified volume program utilizing the existing 64-gallon containers. Additional refuse items will continue to require a sticker, which must be purchased separately. Additional recycling shall remain at no cost to the resident. Yard waste bags shall require a sticker except during the months of April, October, November and the first week of December. The key responsibilities of Waste Management included in the residential base program are listed below:

- Maintenance and replacement of the carts
- Replacement carts are required to be Radio Frequency Identification (RFID) tagged
- If requested existing containers will be retrofitted with RFID tags
- Provide a customer service and toll free phone number during operational hours
- Develop a web portal or smart device app for service requests and complaints
- Integration with the 311 Citizen Contact Center
- Data collection on 13 performance metrics
- Provide the city with a daily report of stops not serviced and why
- Develop and implement a public awareness campaign
- Provide the city with annual brochure or materials for a city brochure
- Guarantee recycling and composting

Some of the services provided directly to support city operations are detailed below:

- Servicing public refuse containers (outside of downtown)
- Servicing all city parks and other city facilities
- Providing roll off dumpsters for street sweeping
- Provide disposal for code enforcement problem properties
- Provide roll off trucks for leaf hauling
- Provide a recycling drop off center and hosting refuse drop off events
- Sponsorship of the Household Hazardous Waste Program ($1.00/household)
- Provide portable restrooms and sinks
- Provide roll off containers for city special events
One noteworthy change to the base program is the requirement to RFID tag new containers and potentially retrofit existing containers. This new requirement is in place for three primary reasons.

- It provides increased accountability and tracking of containers and services provided by the contractor.

- It provides the city and the contractor with increased flexibility. For example, this could allow for more flexible billing and provide data on disposal habits.

- It’s an industry best practice. Even without a contractual requirement, Waste Management has started RFID tagging some replacement containers. To date, 6,200 have been completed.

Another important change is related to the requirement to have a web presence and to integrate with the 311 Citizen Contact Center. This requirement will insure that the contractor keeps their customer service options current.

**Optional Services**

Optional services provide the city the right to require the contractor to provide additional services. They are separate from the base program because they are more fluid and subject to change. Designating them as optional services reduces the impact on the base program. Listed below are the three optional services included in the RFP:

*Household Hazardous Waste Collection.* The purpose of this program is to provide year round access to household hazardous waste (HHW) disposal at residential stops. There are two components to this option. Curbside HHW collection and a mail in syringe program. The only significant change to the program is a slightly expanded list of items accepted and the program now allows residents to participate each month instead of once a year.

*Organics Collection Program.* This option was specified as a pilot program that would have the potential to become a citywide program. Organics (food scraps, compostables and yard waste) programs are becoming more common. The movement resembles the recycling evolution from several decades ago. However, organics collection in this part of the country is still experimental. As a result, it was listed as an option and will start that way. A pilot program will allow us to better gauge the community’s interest and acceptance of such an initiative.

*Dead Animals and Right of Way (ROW) Debris Collection.* This is an experimental option staff wanted to explore with the solid waste industry. This gives the city the option to outsource the collection of dead animals and debris from the ROW.
Alternate Proposal Requests (Not being recommended at this time)

The RFP included a section requesting that several alternate service delivery models be proposed. All of the alternates change the franchise service categories, meaning that if an alternate is selected a corresponding change to the municipal code would need to be made. Each of these alternates has been requested by groups of citizens and individual citizens numerous times over the last five years. Listed below are the three alternate proposal requests.

**Alternative A - Active Adult Area Stops.** This alternate applies to both single family and townhome properties in age-restricted subdivisions. This would currently impact the age-restricted portion of Bowes Creek and the Edgewater Del Webb subdivision. The base level of service for these areas would be the same as other properties except that yard waste collection would not be provided and there would be a uniform rate for both single-family homes and townhomes.

**Alternative B - Curbside Townhome and Condominium Stops and Dumpster Stops.** This allows for the contractor to bill curbside stops with carts separate from townhomes and condominiums that use commercial dumpsters.

**Alternative C - Excluding Condominium Dumpster Stops From the Franchise Agreement.** This alternate secures pricing for removing condominium and townhome properties that do not and cannot use carts. The type of service provided to these properties is significantly different as compared to the curbside properties. Because of this, it can present some unique challenges. The Kennington Square homeowners association in particular has asked to be removed from the franchise agreement. If the city council wishes to incorporate this alternate, a transition plan for these properties would have to be put in place.

These alternatives are not being recommended at this time due to the high levels of citizen satisfaction with current program and the increased costs related to implementing the alternatives.

**Vendor Selection**

The refuse, recyclables and yard waste collection services RFP was released on July 31, 2014. Six companies attended the mandatory pre-proposal meeting. Four proposals were received by the August 25 deadline and three were responsive to the entire RFP, those being Waste Management, Republic Services and Advanced Disposal. The evaluation team for the RFP was responsible for both reviewing the written responses and attending oral presentations from each company. The team was intentionally structured to have individuals with different perspectives to insure the rating process was as comprehensive as possible. The members of the review team are as follows.
<table>
<thead>
<tr>
<th>Review Team Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Kaptain</td>
</tr>
<tr>
<td>Tish Powell</td>
</tr>
<tr>
<td>Greg Rokos</td>
</tr>
<tr>
<td>Daina DeNye</td>
</tr>
<tr>
<td>Marc Mylott</td>
</tr>
<tr>
<td>Mike Gehrman</td>
</tr>
<tr>
<td>Tom Migatz</td>
</tr>
<tr>
<td>Dan Ault</td>
</tr>
<tr>
<td>Bill Briska</td>
</tr>
</tbody>
</table>

Based on the responses received and each firm’s oral presentations. It was clear that RFP priorities were achieved and the city had a transparent process that was fair and encouraged competition. This is evident by the programs proposed and the prices the city received. Attachment B shows a comprehensive listing of the review teams score sheets.

The review team unanimously selected Waste Management as the company to recommend to the city council. Waste Management scored the highest in every category, they separated themselves the most in the programs and pricing categories. This was reflected in both their written response and oral presentation, their programs were more comprehensive and responsive versus the other vendors and came in with a competitive price. Another factor was the responsiveness to the RFP. While all three received passing grades, both Advance and Republic did not respond to all requirements. The fact that their responses were not entirely complete certainly hurt their scores. The reason they were not disqualified from the process was the fact that they were both responsive enough to the base program that it warranted further consideration.

The last factor that made impact was Waste Management’s track record. They have been the city’s solid waste provider since 1991 when the city began contracting out for the service. Since that time, they have been a tremendous partner and have demonstrated time and time again that they want to continue to be that partner. They have done this through the service that they provide, the investment they make in the community and their desire to have Elgin be a flagship municipal customer. Whether it’s through their sponsorship of community events, partnering on cleanups, assisting with the sustainability plan or building the only Gold LEED Certified transfer station in United States here, Waste Management has demonstrated that their relationship with the city of Elgin is a model public private partnership.

Even with a great partnership like the one described above, with the expiration of the agreement the time has come to insure that the city is getting the best possible services for the lowest possible cost. There is no better way to determine this than a competitive process. This process demonstrated that Waste Management is providing the city competitive pricing and the most comprehensive programs possible. At the same time, it also demonstrated to Waste Management that Elgin is a competitive market and that if they want to continue to keep Elgin’s business, continuing to be a model partner is the best bet.
INTERESTED PERSONS CONTACTED

As detailed in this memorandum, a community outreach program was utilized as a key component of this process.

FINANCIAL ANALYSIS

Staff is recommending that it pursue a five-year agreement with a mutual option for a five-year extension. Included are annual rate increases of three percent.

<table>
<thead>
<tr>
<th>Type of Stop</th>
<th>2014 Rate</th>
<th>2015 Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>$13.85</td>
<td>$14.89</td>
</tr>
<tr>
<td>Condominiums and Townhomes</td>
<td>$10.07</td>
<td>$10.83</td>
</tr>
</tbody>
</table>

Listed in the table below are the refuse rates for some comparable communities. The rates for each municipality correspond to each community’s base level service for single-family residential homes. This demonstrates that Elgin’s new prices still offer the best value in the region.

<table>
<thead>
<tr>
<th>Municipality</th>
<th>2015 Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elgin</td>
<td>$14.89</td>
</tr>
<tr>
<td>Aurora</td>
<td>$15.70</td>
</tr>
<tr>
<td>(doesn’t include cart rental fee)</td>
<td></td>
</tr>
<tr>
<td>Waukegan</td>
<td>$15.00</td>
</tr>
<tr>
<td>Rockford</td>
<td>$15.50</td>
</tr>
<tr>
<td>Streamwood</td>
<td>$16.89</td>
</tr>
<tr>
<td>Hoffman Estates</td>
<td>$17.00</td>
</tr>
<tr>
<td>Carol Stream</td>
<td>$18.65</td>
</tr>
<tr>
<td>Elgin township</td>
<td>$18.00</td>
</tr>
<tr>
<td>Hanover Park</td>
<td>$22.46</td>
</tr>
<tr>
<td>Bartlett</td>
<td>$20.87</td>
</tr>
<tr>
<td>Carpentersville</td>
<td>$22.00</td>
</tr>
<tr>
<td>South Elgin</td>
<td>$23.00</td>
</tr>
</tbody>
</table>
Other financial items to consider are related to the alternatives which are not being recommended as they raise the overall cost for the majority of households in the community. The tables below show the impact the alternates would have on pricing if they are selected.

**Alternative A - Active Adult Communities**

<table>
<thead>
<tr>
<th>Type of Stop</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>$14.94</td>
</tr>
<tr>
<td>Condominiums and Townhomes</td>
<td>$10.83</td>
</tr>
<tr>
<td>Active Adult</td>
<td>$13.35</td>
</tr>
</tbody>
</table>

**Alternative B - Curbside and Dumpster Townhomes and Condominiums Split**

<table>
<thead>
<tr>
<th>Type of Stop</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>$14.91</td>
</tr>
<tr>
<td>Condominium and Townhome Curbside</td>
<td>$10.83</td>
</tr>
<tr>
<td>Condominium and Townhome Dumpster</td>
<td>$10.30</td>
</tr>
</tbody>
</table>

**Alternative C - Excluding Condominium and Townhome Dumpsters**

<table>
<thead>
<tr>
<th>Type of Stop</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>$14.91</td>
</tr>
<tr>
<td>Condominium and Townhome Curbside</td>
<td>$10.83</td>
</tr>
</tbody>
</table>

**BUDGET IMPACT**

The estimated annual cost of the solid waste program is listed below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential and City Facility Solid Waste</td>
<td>$5,288,823</td>
</tr>
<tr>
<td>Portable Restrooms and Event Disposal</td>
<td>$34,600</td>
</tr>
<tr>
<td>Street Sweeping Disposal</td>
<td>$110,500</td>
</tr>
<tr>
<td>Leaf Roll Offs</td>
<td>$88,200</td>
</tr>
<tr>
<td>HHW Program</td>
<td>$76,400</td>
</tr>
<tr>
<td>Miscellaneous Cleanups</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,623,523</strong></td>
</tr>
</tbody>
</table>
If alternates are selected, the residential and city facility solid waste line item will be impacted. If the dumpster stops are eliminated it will drop the price about $100,000 because it will eliminate approximately 765 households from the program. Two line items differ from the bid sheet. The HHW program was revised to reflect what participation was from the last two to three years. The miscellaneous cleanups account for any special cleanup that might be necessary (for example from a flood). This type of service is not bid out independently because it comes from a combination of the items that are bid depending on what is actually needed.

<table>
<thead>
<tr>
<th>FUND(S)</th>
<th>ACCOUNT(S)</th>
<th>PROJECT #(S)</th>
<th>AMOUNT BUDGETED</th>
<th>AMOUNT AVAILABLE</th>
</tr>
</thead>
</table>

To be included in the 2015 Budget and 2015-2017 Financial Plan

LEGAL IMPACT

An agreement will need to be prepared by and between the city and Waste Management.

ALTERNATIVES

The city council may choose to direct staff to negotiate with another vendor.

NEXT STEPS

1. Negotiate an agreement with Waste Management for solid waste services.
2. Include any alternates that council wishes to select.
3. Return the city council in December 2014 with a proposed agreement and any proposed ordinance changes.

Originators: Dan Ault, Senior Management Analyst

Final Review: William A. Cogley, Corporation Counsel/Chief Development Officer
              Richard G. Kozal, Assistant City Manager/Chief Operating Officer
              Sean R. Stegall, City Manager

ATTACHMENTS

A. Request for Proposals
B. Vendor Selection Sheet
RESOLUTION
AUTHORIZING EXECUTION OF AN AGREEMENT FOR
PROVISION OF REFUSE, RECYCLABLES AND YARD WASTE COLLECTION
SERVICES WITH WASTE MANAGEMENT OF ILLINOIS, INC.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ELGIN, ILLINOIS,
that Sean R. Stegall, City Manager, and Kimberly A. Dewis, City Clerk, be and are hereby
authorized and directed to execute an Agreement for Provision of Refuse, Recyclables and Yard
Waste Collection Services on behalf of the City of Elgin with Waste Management of Illinois,
Inc., a copy of which is attached hereto and made a part hereof by reference.

/s/ David J. Kaptain
David J. Kaptain, Mayor

Presented: December 17, 2014
Adopted: December 17, 2014
Omnibus Vote: Yeas: 9 Nays: 0

Attest:

/s/ Kimberly Dewis
Kimberly Dewis, City Clerk
AGREEMENT FOR PROVISION OF REFUSE, RECYCLABLES AND YARD WASTE COLLECTION SERVICES

THIS AGREEMENT, made the 17th day of December 2014, is made by and between the CITY OF ELGIN, an Illinois municipal corporation (hereinafter the "City") and WASTE MANAGEMENT OF ILLINOIS, INC. a Delaware corporation (hereinafter the "Contractor").

ARTICLE 1

RECITALS

WHEREAS, the City is a municipal corporation organized and existing under the authority of the Illinois Municipal Code of 1961, 65 ILCS 5/1-1-1, et seq., and predecessor statutes and having those home rule powers granted pursuant to Article VII, Section 6 1970 Illinois Constitution; and

WHEREAS, the City issued its Request for Proposals #14-036 for the provision of professional services for refuse, recycling, and yard waste collection services for single family residential collection, multi-family residential collection, other multi-family complexes and city owned facilities in Elgin, Illinois; and

WHEREAS, contractor submitted the lowest responsive proposal and possesses the necessary expertise, equipment and manpower to furnish the requisite labor, materials, tools, equipment, transportation services and landfill space to perform the above-referred services in a legal manner in strict accordance with all federal, state and local laws, rules, regulations and ordinances.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 2

GENERAL CONDITIONS

1. INCORPORATION OF RECITALS

The foregoing recitals are substantive and are hereby incorporated in this section as though fully set forth herein.
2. **DEFINITIONS**

For the purpose of this specification, definitions of certain terms shall be as listed below. Other terms shall be as defined within applicable subsections.

(a) "Refuse" shall mean all discarded and unwanted putrescible and non-putrescible household and kitchen wastes, including but not limited to, food, food residues, and materials necessarily used for packaging, storing, preparing, and consuming same, usually defined as "garbage"; and all combustible and non-combustible waste materials resulting from the usual routing of domestic housekeeping, including but not limited to, aluminum and steel cans; glass containers; plastic containers; crockery and other containers; metal; paper of all types, including newspapers, books, magazines, and catalogs; boxes and cartons; cold ashes; tires; furniture, furnishings, and fixtures, household appliances of all kinds; tires, textiles and leather; toys and recreational equipment; and similar items. For the purposes of this specification, the terms "garbage", "refuse", "rubbish", and "waste" shall be synonymous unless otherwise more specifically defined (for example, "yard waste").

(b) "Recyclables" or Recyclable Material(s) shall mean, at a minimum, brown paper bags; corrugated boxes; frozen food packages; magazines and catalogs; mixed paper; newspaper; paperboard; telephone books; wet strength carrier stock; aerosol cans; aluminum cans; aluminum foil; aseptic packaging and gable top containers; formed steel containers; glass bottles and jars; plastic containers, bottles, jars and jugs #1 through #7; plastic six and twelve pack rings; steel cans; steel paint cans and lids; and household batteries.

Single Stream Materials placed out for collection by residents may not contain a percentage of Excluded Materials greater than the Maximum Non-Recyclables Level of 10%. If a resident's recycling cart is contaminated, the driver will "Tag" the cart with a sticker explaining the reason why the resident was not serviced. Once the resident rectifies the situation, their property will be serviced on their next scheduled service date. In the event Single Stream Materials do not meet Specifications, the materials may be rejected and/or the City may be charged additional processing or disposal costs.

(c) "Yard waste" (also known as "landscape waste") shall mean grass clippings, leaves, branches and brush, other yard and garden trimmings, vines, garden plants, and flowers, weeds, tree droppings (for example, pine cones and crab apples), and other similar organic waste materials accumulated as the result of the cultivation and maintenance of lawns, shrubbery, vines, trees, and gardens. "Live" Christmas trees shall also be considered landscape waste. They shall be collected separately for mulching purposes and shall not be landfilled. Sod and greenery from wreaths and garlands shall not be considered landscape waste and shall be disposed of as refuse, unless the composting facility will accept it.
(d) "Organics" shall mean all yard waste as defined in 4.2.C (see above), food waste (fruits, vegetables, dairy products, grains, eggshells, and meats), some paper waste (low grade paper, coffee filters, napkins, food soiled paper products such as pizza boxes).

(e) "Household Construction and Demolition Debris" or "Debris" shall mean waste materials from interior and exterior household construction, remodeling and repair projects, including, but not limited to drywall, plywood, and paneling pieces, lumber, and other building materials; windows and doors, cabinets, carpeting, disassembled bathroom and kitchen fixtures; and small amounts of sod and similar materials. Such debris shall conform to the following: loose small items shall be placed in suitable disposable containers not exceeding forty-five (45) pounds in weight, or in bundles not exceeding two (2) feet in diameter, five (5) feet in length, and forty-five (45) pounds in weight.

(f) "Curbside" shall mean adjacent to the street pavement, alley pavement, and gutter and within five feet thereof.

(g) "White Good" shall mean all discarded refrigerators, ranges, water heaters, freezers, air conditioners, humidifiers and other similar domestic large appliances, including those containing CFCs (chlorofluorocarbons), switches containing mercury, and PCBs (polychlorinated biphenyls).

(h) "Large Household Item" (also known as "bulk item"), shall mean any discarded and unwanted large household appliances and freezers, stoves, trash compactors, washers, dryers, dishwashers, humidifiers, dehumidifiers, microwaves, water softeners, pianos, organs, tables, chairs, mattresses, box springs, bookcases, sofas, and similar furniture.

(i) "Disposal Unit" shall have different meanings as follows:

1) For the purposes of refuse and recycling collection, a "disposal unit" shall mean one (1) wheeled 64 gallon container.

2) For the purposes of yard waste collection, a "disposal unit" shall mean one (1) biodegradable, two-ply, fifty (50) point wet-strength, Kraft paper bag designed for yard waste collection, not to exceed thirty-three (33) gallons in capacity and forty-five (45) pounds in weight, containing "yard waste" as herein defined, or one (1) securely tied bundle of brush or branches using biodegradable cord, string, rope or twine that does not exceed forty-five (45) pounds in weight, two (2) feet in diameter, and five (5) feet in length, and is manageable by one (1) person.

3) For the purposes of organics collection, a "disposal unit" shall mean one (1) wheeled 64 or 96 gallon container.
(j) "Single-Family Stop" shall mean any single-family detached, multi-family dwelling of five (5) units or less & certain duplex units receiving curbside service. The term "stop" shall be synonymous with the term "household".

(k) "Multi-Family Stop" shall have different meanings as follows:

1) Townhomes or condominiums with individual driveways that receive curbside service. May also be referred to as "Multi-family Curbside Stop".

2) Townhomes or condominiums serviced by common waste containers (i.e. dumpsters or carts) located within a "refuse area" (i.e. partially enclosed area where dumpsters are placed - most complexes have several designated "refuse areas"). May also be referred to as a "Multi-family Dumpster Stop".

(l) "Active Adult Stop" shall mean any stop located in a distinct age restricted community (typically 55 or older).

(m) "Disposal Site" shall mean the location collection vehicles empty their materials. It shall include transfer stations, landfills, incinerators, and composting sites.

3. SCOPE OF WORK

The Contractor shall be responsible for everything required to be performed and shall provide and furnish all of the labor, materials, necessary tools, expendable equipment, and all transportation services and landfill space required to perform and complete the collection and disposal of refuse, yard waste, and recyclables, all in strict accordance with the terms and provisions of this Agreement and any and all attachments thereto; including but not limited to the service locations schedule attached hereto and made a part hereof as Attachment B.

The Contractor shall be solely responsible for all collection and transportation costs incurred to deliver solid waste to a disposal site or transfer station and shall be responsible for the payment of all tipping fees incurred.

4. PAYMENT FOR SERVICES

The City shall pay to the Contractor for the services provided here, the amounts provided per the schedule attached hereto and made a part hereof as Attachment A.

Within thirty (30) days of receipt of the Contractor's monthly invoice, the City shall pay the Contractor for all services provided pursuant to this Agreement.

The Contractor shall receive payment for services, where noted, on a per household basis. The number of households serviced under this Agreement will be adjusted twice per year, in January
and July, based on the number of new residential occupancy permits issued by the City. Except where noted, all pricing contained herein shall be for the first year of the contract. Annual rate increases for subsequent years shall be limited to three (3) percent beginning in January 2016.

5. CONTRACT TERM

The term of this Agreement will be five (5) years, and shall become effective on the 1st day of January 2015, and shall remain in full force and effect through the 31st day of December 2020. At the end of the initial 5-year term, the City and Contractor may mutually agree to extend the contract. If such contract extension is mutually agreed upon, the Agreement will be extended for like terms and conditions, for an additional 5-year term. The City must notify the Contractor of its intention not to extend this Agreement 180 days prior to contract expiration. If no such notification is provided, this Agreement shall automatically renew for like terms and conditions for an additional 5 years.

6. DAMAGE TO PROPERTY

The Contractor shall take all necessary precautions to protect public and private property during the performance of this Agreement.

Except for reasonable wear and tear, the Contractor shall repair or replace any private or public property, including but not limited to waste receptacles, sod, mailboxes, or recycling receptacles, which are damaged by the Contractor.

Such property shall be repaired or replaced, at no charge to the property owner, as soon as practicable with the property of the same or equivalent value at the time of the damage.

If the Contractor fails to repair or replace the damaged property within a reasonable period of time, the City may, but shall not be obligated to, repair or replace such damaged property, and the Contractor shall fully reimburse the City for any of its reasonably incurred expenses.

The Contractor shall reimburse the City for any such expenses within thirty (30) days of receipt of the City’s invoice.

7. COMPLIANCE WITH APPLICABLE LAWS, ORDINANCES AND REGULATIONS

The Contractor shall comply with all applicable federal, state, and local laws, ordinances rules and regulations, currently in effect or amended from time to time, governing the collection disposal and processing of solid waste in the performance of this Agreement and during the term hereof.
8. TAXES, LICENSES, PERMITS, AND CERTIFICATES

The Contractor shall pay all sales, use, property, income, utility, and other taxes that may be lawfully assessed against the City of the Contractor in connection with the Contractor’s facilities and the performance of this Agreement.

The City is exempt from paying Federal Excise Tax, State and Local Retailers’ Occupation Tax, State and Local Service Occupation Tax, Use Tax, and Service Use Tax.

At its sole expense, the Contractor shall secure all necessary permits, licenses and certificates of authority required to perform the services, which are subject of this Agreement, and shall comply with all requirements of such permits, licenses and certificates of authority.

The Contractor shall keep and maintain all such licenses, permits and certificates of authority in full force and effect throughout the term of this Agreement.

9. CERCLA INDEMNIFICATION

The Contractor shall, to the maximum extent permitted by law, indemnify, defend and hold harmless the City, its officials, officers, employees, agents and attorneys from and against any liability, including without limitation, costs of response, removal, remediation, investigation, property damage, personal injury, damage to natural resources, health assessments, health settlements, attorneys’ fees, and other related transaction costs arising under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, 42 U.S.C.A. Section 9601, et seq., as amended from time to time, and all other applicable statutes, regulations, ordinances and under common law, for any release or threatened release of waste material collected by the Contractor, both before and after its disposal.

10. ASSIGNMENT

Prior to the beginning of work, the Contractor shall notify the City in writing of the names of the sub-contractors proposed for the principal parts of the work, and shall not employ any sub-contractor that the City objects to as incompetent or unfit. The Contractor shall not assign or subcontract this contract or the work hereunder, without prior written consent of the City, but the Contractor may perform its obligations hereunder through its subsidiaries or divisions.

The Contractor agrees not to assign or encumber monies due or to become due to it under this contract without subordinating any claim of an assignee or secured party to any prior claims of the City arising out of this contract.
11. INDEPENDENT CONTRACTOR/COMPLIANCE

The Contractor is an independent Contractor, solely responsible for the control and payment of its employees. The Contractor agrees to comply with all ordinances and laws, especially those concerning equal opportunity in employment. The Contractor shall comply with all state and federal laws and regulations regarding Worker's Compensation and Unemployment Insurance contributions.

12. BUSINESS OFFICE AND WEB PORTAL

The Contractor shall establish and maintain an office with local or toll free numbers through which they can be contacted, complaints can be made, service requests can be made, and instructions received from the Solid Waste Coordinator. The office shall be equipped with sufficient telephones and shall have a responsible person in charge during collection hours. This service shall be operated between the hours of 8:00 A.M. to 5:00 P.M., Monday through Friday, except during listed holidays, or as otherwise directed by the Solid Waste Coordinator. The Contractor shall identify the location of the office and garage area that will be used to service the City.

The contractor shall establish an electronic option to register complaints and submit service requests. Service requests shall include but not be limited to container upgrades, requests for and repair of containers, missed pickups, and special collections. The electronic option for residents shall be procured and maintained by the Contractor. The City shall have access to the data related to submissions associated with this agreement. The Contractor shall require that participants provide a service request location.

Waste Management will provide a web page exclusive to Elgin residents in which they can access information regarding service.

Additionally, the City shall be provided with a telephone number of a Contractor's representative with the authority to commit resources in an emergency or unusual circumstance, 24 hours a day, seven days a week.

13. CONTAINERS, RADIO FREQUENCY IDENTIFICATION (RFID) BAR CODES

Containers

The contractor shall continue to use the City's existing containers. The standard container is a 64 gallon gray refuse container and 64 gallon blue recycling container. Currently, residents are afforded the option to upgrade or downgrade to a 96 gallon or 35 gallon refuse or recycling container. The Contractor is responsible for all container repairs and replacements at the Contractor's sole cost. Please see Article III-C for the container technical specifications.
Radio Frequency Identification (RFID) and Bar Codes

The Contractor shall be required to retrofit all existing containers with radio frequency identification tags and bar codes by June 1, 2015. The contractor may request an extension from the Solid Waste Coordinator. If an extension is granted parties will agree to a new milestone to complete this requirement. All new and replacement carts shall be equipped with RFID tags. Please see Article III-C for the RFID technical specifications.

14. DATA COLLECTION

The Contractor shall collect and maintain accurate data, records and receipts, and shall report to the City pertinent data, including but not limited to:

- Service Requests Completed (broken out by completion day and location)
- Stop Performance Reports (after implementation of RFID tags and barcodes)
- Total tons of refuse collected per day from all curbside stops.
- Total tons of refuse collected from multi-family dumpster stops & City buildings (separately listed) per month
- Total cubic yardage or tons of landscape waste collected per day. (Monthly for City buildings)
- Total tons of recyclables collected per day from all curbside stops.
- Total tons of recyclables collected from multi-family dumpster stops & City buildings (separately listed) per month
- Total number of tires collected per day
- Total number of disposal stickers sold per month at each retail outlet. (Where applicable)
- Total cubic yards or tons of solid waste collected per community clean-up
- Total tons of street sweepings disposed of per month
- Additional statistical information as may be reasonably requested by the City

The data shall be provided to the City within one week of a request for it and shall be provided in a format acceptable to the City.

15. PUBLIC EDUCATION

The Contractor shall develop and implement a public awareness program. The Contractor shall be responsible for the cost of the all associated education material and for its distribution. This public awareness program shall include, but not be limited to electronic notification the publication and mailing of a bilingual (English & Spanish) brochure with information about the City’s Solid Waste & Recycling Program, on a biannual basis throughout the term of this Agreement, commencing during 2015. This publication shall illustrate how materials are to be prepared for collection and emphasize the importance of recycling and waste reduction.
All consumer education material must be approved by the City prior to distribution. The City reserves the right to edit all consumer education material for content. All costs associated with producing and distributing the consumer education materials will be the sole responsibility of the Contractor. The Contractor will be allowed to utilize the City’s U.S. postal permit for mass mailings; provided, however, that the Contractor will be responsible for paying all associated postage fees.

The Contractor shall provide the City with additional such educational materials as the City deems necessary.

16. COMPENSATION FROM THE PROPERTY OWNER OR TENANT

The Contractor shall negotiate directly with the property owner or tenant of the premises for any refuse collection and disposal service in excess of the basic minimum as provided by the City.

17. TITLE TO WASTES

All refuse, yard waste, curbside recyclables and organics collected shall belong to the Contractor as soon as the same is placed in the Contractor’s vehicle.

18. DISPOSAL

All refuse and yard waste collected shall be removed from the City as soon as it has been collected; but, in any event, not later than noon of the date following collection, and it shall not be disposed of in violation of any state, federal or county laws or regulations.

The Contractor shall bring all refuse and recycling to the Elgin Bluff City Transfer Station. The City reserves the right to designate specific transfer stations, processing facilities and/or landfills to be used under this contract. The Contractor will be solely responsible for paying all fees associated with the transfer, disposal and/or processing of materials collected pursuant to this Agreement.

19. GUARANTEE OF RECYCLING & COMPOSTING

The Contractor shall provide verification acceptable to the City that recyclables collected as part of this agreement have been recycled, as well as the gross tonnage of said materials.

Upon request, the Contractor shall also provide verification acceptable to the City that all landscape waste collected as part of this agreement has been composted or processed in accordance with all applicable laws and ordinances.
20. **RECYCLING DROP OFF CENTER**

The Contractor shall provide, at no additional cost, a drop-off recycling center at a location acceptable to the City located within one mile of the corporate boundaries of the City. This drop-off location shall accept all of the recyclable items collected in the curbside program. The drop-off recycling center shall be open no less than three week days and one Saturday per week.

Staffing of the drop-off recycling center shall be at the discretion of the Contractor.

21. **REFUSE DROP OFF EVENTS**

The Contractor shall host, at no additional cost to the city, two refuse drop off events within one mile of the city limits each year. This event shall accept all refuse included in the curbside program, residents shall also be able to bring bulk items too large for the curbside program, electronics for recycling, and documents for secure destruction.

The Contractor at their discretion can charge each participating vehicle up to $15 to participate.

22. **SCHEDULES AND TIME OF COLLECTIONS**

The City of Elgin is divided into five collection areas for each day of the week. Collections shall not commence prior to 7:00 A.M. or continue past 7:00 P.M. A map of the City of Elgin, so designating the collection areas, is included in Exhibit #3.

The schedule shall not be changed without first obtaining permission from the Solid Waste Coordinator and not without giving a minimum of sixty (60) days written notice to all parties affected. In the event that a schedule change is granted, the Contractor shall be required to conduct, at minimum, the following consumer education activities at no cost to the City

(a) Produce and mail a notice to all affected households a minimum of thirty (30) days prior to the schedule change.

(b) Publish advertisements in each local newspaper fifteen days prior to the schedule change.

Failure of the Contractor to maintain said collection schedule will be considered a breach and default of the contract and grounds for immediate termination of the contract.

Upon request, the Contractor shall provide the City with three (3) copies of the daily routing schedule showing the approximate time the properties on each street are to receive collection services.
23. SCHEDULE ADHERENCE

If, at any time during the course of this contract, the Contractor shall collect any section of the City on a day other than the scheduled day, the Contractor shall notify the City that is in violation of the contract. If a similar violation should occur once more within the three week period following the week of the original violation, the City will notify the Contractor by certified mail and withhold any further payment due under the contract until the Contractor has furnished evidence satisfactory to the Solid Waste Coordinator that the Contractor has taken necessary precautions to prevent further violations. Delays that are occasioned by holidays, or by daily precipitation of one inch or more of rain, or six inches or more of snow, may not be considered as violations. The Solid Waste Coordinator shall be the sole judge of whether delays constitute a violation, or not.

24. LOCAL IMPROVEMENTS

The City of Elgin reserves the right to construct any improvement or to permit any construction in any street, which may have the effect of preventing the Contractor from traveling his accustomed collection route(s) for a period of time. The Contractor, however, by an acceptable method, continues to collect the refuse, yard waste, and recyclables to the same extent as though no interference existed upon the streets formerly traversed. This shall be done without extra cost to the City of Elgin. The City will make every effort to provide the Contractor with advance notice of planned improvement projects that may affect solid waste collection services. The City will make every effort to provide the contractor with the contact information for the City’s resident engineer managing the project.

25. EMERGENCIES

The Contractor agrees that should any emergency arise by reason of storm, flood, tornadoes, or the like, which require additional hauling equipment by the City, the Contractor’s equipment shall be placed at the City’s disposal upon request for such temporary use, provided that upon such use the City shall pay the operating cost of such equipment and labor as it is used. The City reserves the right to direct which disposal sites are to be used during an emergency.

26. ACCIDENT PREVENTION

Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of all applicable laws and building and construction codes shall be observed. Machinery, equipment and all hazards shall be guarded or eliminated in accordance with the safety provisions of the Manual of Accident Prevention in Construction, published by the Associated General Contractors of America, to the extent that such provisions are not in contravention of applicable law.
27. PLACE OF PICK-UP

The Contractor is responsible for public curbside pick-up of all residential locations, or properly waived residential private street locations, as well as designated City buildings, community service and public litter container locations. Curbside households are responsible for placing receptacles close to, but not encroaching upon the public street abutting the property from which they are provided, and shall be no more than two (2) feet from the public street curb and easily accessible to the collector.

28. CURBSIDE REFUSE AND RECYCLING CONTAINERS

Automated wheeled refuse and recycling containers shall be the standard. The Contractor shall service all refuse and recycling collection containers in a professional manner.

29. PLACEMENT OF CONTAINERS

The Contractor shall return all containers at each service location to the spot of service. Containers will be placed, not thrown, and shall not be left lying on their sides, with all lids replaced and/or closed. Any contents spilled on the parkways, premises, or streets are to be cleaned up in a workmanlike manner. In order to clean up, a broom and shovel will be required on each vehicle.

30. REPLACEMENT DAMAGE

The Contractor is responsible for damages to any receptacle owned by the City. Containers which suffer damage caused by the Contractor shall be replaced by the Contractor at no extra charge. Automated refuse and recycling containers shall belong to the City and any other receptacle shall belong to the resident.

31. HOLIDAYS

Collections normally falling on the following holidays may be rescheduled for the first working day following the legal holiday, or on Saturday, as necessary, for the week only:

- New Year’s Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day
32. **COLLECTION OF CITY OWNED FACILITIES AND PARKS**

At the request of the City, the Contractor may also be required to provide collection services on Sunday’s and/or holidays from certain City owned facilities, parks and public litter containers.

At no additional cost, the Contractor shall collect, transport, and dispose of all refuse, and yard waste and recyclables from City owned facilities and parks as set forth in Exhibit 4.

The Contractor shall furnish, at no additional cost to the City, at each municipal facility or park served dumpsters and/or wheeled refuse and recycling carts as specified in Exhibit 4. All containers furnished by the Contractor shall be equipped with non-removable hinged covers or lids.

Certain City facilities require special collections. Including but not limited to the Elgin Sports Complex, Trout Park, Lords Park, Wing Park and the Center City area. Each spring and fall when requested at no additional cost each facility shall be furnished with green waste roll offs in lieu of collection of the standard green waste container. Weekend service shall be provided when requested at no additional cost. At no additional cost the sports complex shall be serviced by 20 yard refuse and recycling roll offs from May 1 through September 30.

Any schedule changes must be approved in advance by the Solid Waste Coordinator.

The City reserves the right to change services levels and add new services as necessary to existing facilities as well as new facilities that may be built or acquired during the life of the contract at no additional cost.

33. **COLLECTION OF PUBLIC WASTE RECEPTACLES**

At no additional cost, the Contractor shall collect, transport, and dispose of all refuse from City-owned public waste receptacles located along the public right-of-way. A list of the receptacles to be serviced under this contract is provided in Exhibit 5.

These receptacles shall be furnished and maintained by the City. The City reserves the right to add new locations as necessary, not to exceed 10 per year, throughout the term of the contract.

Any schedule changes must be approved in advance by the Solid Waste Coordinator.

34. **HOUSEHOLD HAZARDOUS WASTE (HHW) PROGRAM SPONSORSHIP**

The Contractor will contribute $1.00 per household stop covered under this contract annually to help offset cost of the City’s Household Hazardous Waste Collection Program. Payment shall be made to the City annually during the month of November throughout the term of this contract and shall be based on the total number of household stops invoiced for that month. In lieu of
making a payment, the Contractor may choose to issue a credit for the total amount due on the City's November invoice for solid waste services. The City reserves the right to modify the type of Household Hazardous Waste Program provided to residents.

35. COMMUNITY CLEAN-UPS

The Contractor shall provide, at no additional cost, collection and disposal of refuse collected as part of the City's Adopt-A-Highway Program, stream/river clean-ups Community Restitution Program and neighborhood clean-up's.

36. COLLECTION VEHICLES

All vehicles used for collection purposes, except those exempted by other provisions of these specifications, shall have fully enclosed bodies with self-continued mechanisms to compress the material collected. Vehicles shall be labeled with a vehicle identification number, the firm's name, address, and telephone number visible on both sides. All vehicles shall be kept water tight. Drain plugs, if available, shall be kept closed, except during collections in rainy weather.

All vehicles shall be maintained in good working order and appearance, free of rust, and shall be clean at the start of each collection day. No vehicle shall be operated on the City's streets which leak any fluids from the engine or compacting mechanism. In the event that any vehicle is not properly operable, a substitute vehicle shall immediately be provided that complies with the terms herein.

The Contractor shall furnish a complete list of the vehicles to be used in servicing this contract. The City reserves the right to request descriptive literature or specification sheets for each type of vehicle listed as it deems necessary to determine additional details to evaluate the Contractor's proposal, or to properly administer specifications of this contract. Upon request of the City, the Contractor shall demonstrate that the collection equipment is suitable for the materials to be collected. The Contractor shall notify the City if there is any change in the number or type of vehicles being used. All changes must be approved by the City.

37. EMPLOYEES

The Contractor shall undertake to perform all services rendered hereunder in a neat, orderly, and efficient manner; to use care and diligence in the performance of this contract; and to provide neat, orderly, and courteous personnel on its crews.

The Contractor shall agree to prohibit any drinking of alcoholic beverages by its drivers and crewmembers while on duty or in the course of performing their duties under this contract.
The Contractor’s employees will be attired, at all times, in a professional-type manner. These specifics will be agreed upon between representatives from the Contractor and the City.

38. UNACCEPTABLE MATERIALS

Material placed out for collection that does not meet the criteria set forth in this contract shall not be collected. The Contractor will be responsible for notifying residents of any and all reasons why the materials were not collected. This will be done through the use of an adhesive “leave-behind tag” that will be placed on the resident’s materials. Tags shall have a good pressure sensitive adhesive which will adhere to the “disposal unit” in all weather conditions. The “leave-behind tag” shall be bilingual (English & Spanish) and include the Contractor’s name and telephone number. The “tag” shall clearly explain the reason(s) services were not provided and what actions, if any, can be taken by the resident in the future to ensure proper collection of materials. Such notices are to be written, designed, and printed by the Contractor at no additional cost to the City. The “leave-behind tag” to be used by the Contractor must be approved by the City prior to the commencement of this contract.

The Contractor shall also keep an accurate daily record of property addresses where unacceptable items are left behind, along with a description of the items or problem. This information shall be emailed to the Solid Waste Coordinator at the day after each pick-up day.

39. CITIZEN COMPLAINT RESOLUTION

The Contractor shall promptly investigate and courteously resolve all complaints of missed pick-ups, and shall arrange for the collection of missed pick-ups found to be valid within twenty-four (24) hours after a complaint or notification is received. In the event this occurs on a Friday, the complaint shall be serviced 10:00 a.m. the next service day of the regularly scheduled service collection schedule. If the event occurs on a day preceding a holiday the complaint shall be serviced on the next working day. The Contractor and the City agree to jointly establish reasonable administrative regulations for the investigation and resolution of alleged missed pick-ups.

In the event of valid complaints for other incidents, including, but not limited to materials dropped during collection, and the like that are not cleaned up by the Contractor, the Contractor shall promptly arrange for clean-up within twenty-four (24) hours after a complaint or notification is received.

The Contractor shall maintain a daily log of complaints received using an agreed upon form. A copy of these complaints and their resolution shall be provided to the City upon request.

The Contractor shall have at minimum two employees available to assist the City’s 311 center to facilitate communication about daily activities.
40. OPTION TO INCLUDE OTHER MUNICIPALITIES

With the Contractor’s consent the City shall be afforded the option to extend the services contained in this Agreement to other municipalities. The City shall be afforded the option to add a surcharge on top of the base level rates. The City shall be required to provide six (6) months’ notice of the City’s intention to add a municipality to this Agreement. The City shall provide the Contractor with an inventory of the number of stops and stop types. The terms and conditions of this agreement shall govern over any municipalities added. The Contractor shall be given a period of two weeks to determine if it will accept the new municipality. If the Contractor rejects the City’s offer, the City has the right to extend the terms of this Agreement to other contractors. The Contractor has the right to establish a specific collection schedule that is unique to the new municipality.

41. LIQUIDATED DAMAGES

The City shall have the discretion to assess liquidated damages for service deficiencies, including, but not limited to the following:

- Failure to collect missed pick-ups within 24 hours of notification
- Non-completion of routes as scheduled
- Inappropriate behavior as a service representative of the City
- Failure to clean-up blown, broken, or spilled material as specified on the collection route
- Excessive level of missed collections or other customer complaints
- Lack of courtesy and responsiveness to citizens
- Failure to adhere to any other aspects of the contract agreement

The City may deduct from payments due or to become due to the Contractor an assessment in the amount of not less than $100 per occurrence, depending on the severity of the deficiency. Contractor agrees and acknowledges that such liquidated damages amount constitutes a reasonable good faith estimate of the actual damages that would be incurred by the City.

42. BREACH OF CONTRACT

A. If the Contractor violates or breaches any term of this Agreement, such violation or breach shall be deemed to constitute a default, and the City has the right to seek such administrative, contractual or legal remedies as may be suitable to the violation or breach including, but not limited to, the right to terminate this Agreement.
B. The Contractor shall be in substantial default of the terms of this Agreement if it fails to collect and dispose of solid waste in accordance with the schedule of service established by this Agreement for more than two (2) consecutive working days. When such a default occurs, the City shall evaluate any extenuating circumstances offered by the Contractor, and shall determine whether any such extenuating circumstances excuse the Contractor’s failure to perform as required.

If in the City’s sole discretion, sufficient extenuating circumstances have not been demonstrated, then the City shall serve notice to the Contractor stating that the Contractor will be in substantial default if the Contractor does not reestablish the schedule within twenty-four (24) hours of said notice.

If at the end of such twenty-four (24) hour period, the Contractor has not reestablished service in accordance with the City approved schedule, the City shall take whatever action is necessary to furnish solid waste collection services as required by this Agreement.

The Contractor shall fully reimburse the City for any expenses incurred to provide substituted solid waste collection services from the date of the notice of default.

If the Contractor fails to provide any service required under this Agreement, the City shall pay the Contractor only for the services actually provided.

In the event of default under this Article 2, Section 42B, the City shall have the right, but not obligation, to terminate this Agreement.

C. Notwithstanding the foregoing, the City may only terminate this Agreement due to Contractor’s default or substantial default if the City has first provided Contractor with prior written notice describing the default or substantial default and Contractor has failed to correct the default or substantial default within thirty (30) days of its receipt of the written notice.

43. AMENDMENT

This Agreement may be modified or amended only by a written agreement executed by the parties or their authorized representatives.

44. RIGHT TO REQUIRE SERVICE

The City’s failure at any time to require performance by the Contractor of any of the specifications in this Agreement shall in no way affect the right of the City to thereafter to enforce same. No waiver by the City of any breach of specifications in this Agreement shall be taken or held to be a waiver of any succeeding breach of such specifications in this Agreement,
nor shall such a waiver of a single breach be taken or held to be a waiver of any specification itself.

44. SEVERABILITY

The invalidity of one or more of the phrases, sentences, clauses, or sections contained in this RFP shall not affect the validity of the remaining portion of the RFP or the final contract, so long as the material purposes of this contract can be determined and effectuated.

45. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon the parties, their successors, and assigns.

46. ENTIRETY

The final contract, and any exhibits attached hereto, contains the entire contract between the parties as to the matters contained herein. Any oral representations or modifications concerning this contract shall be of no force and effect.

47. INSURANCE

At the Contractor’s sole expense, the Contractor shall secure and maintain in effect throughout the duration of this Agreement, insurance of the following kinds and limits to cover all locations of the Contractor’s operations. The Contractor shall furnish Certificates of Insurance to the City before starting performance or within ten (10) days after the execution of this Agreement, whichever date is reached first. All insurance policies shall be written with insurance companies licensed to do business in the State of Illinois and having a rating of not less than A-IX, according to the latest edition of the A.M. Best Company; and shall include a provision preventing cancellation of the insurance policy unless thirty (30) days prior written notice is given to the City.

If requested, the Contractor will give the City a copy of the aforementioned insurance policies. The policies shall be delivered to the City within two weeks of such request.

The limits of liability insurance required shall provide coverage for not less than the following amount, or greater where required by law:

(1) Worker’s Compensation Insurance – Statutory Amount

(2) General Liability Insurance:

   (a) Personal injury with limits of not less than $1,000,000 per occurrence/$2,000,000 aggregate.
(b) Property damage with limits of not less than $1,000,000 per occurrence/aggregate

(c) Bodily injury limits not less than $1,000,000 per occurrence/$2,000,000 aggregate.

(3) Auto Liability

(a) Bodily injury with limits not less than $500,000 per occurrence/$1,000,000 aggregate.

(b) Property damage with limits not less than $500,000 per occurrence

(4) Umbrella excess of $5,000,000 each occurrence, $5,000,000 aggregate

The Contractor shall include the City as an additional insured on the General Liability, Auto Liability and Umbrella Excess Insurance Policies, which shall be written in occurrence form. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to the City. There shall be no endorsement or modification of such insurance to make it excess over other available insurance; alternatively, if the insurance states that it is excess or prorated it shall be endorsed to be primary with respect to the City. All insurance premiums shall be paid without cost to the City.

The certificates of insurance to be provided to the City shall include the contractual obligations assumed by the Contractor under Article 2, Section 48, entitled “Indemnification and Hold Harmless”.

48. IDEMNIFICATION AND HOLD HARMLESS

To the fullest extent permitted by law, Contractor agrees to and shall indemnify, defend and hold harmless the City, its officials, officers, employees, boards and commissions from and against any and all claims, suits, judgments, costs, expenses, attorney’s fees, damages or other relief arising out of or resulting from or through or alleged to arise of or resulting from any willful misconduct or any reckless or negligent acts or omissions of Contractor’s officers, employees, agents or subcontractors in the performance of the services to be performed pursuant to this Agreement, including, but not limited to, matters involving any injury to, or death of the Contractor’s employees, or to any other person, or damage to, or injury to real estate, or personal property. In the event of any action against the City, its officials, officers, employees, agents, boards or commissions covered by the foregoing duty to indemnify, defend and hold harmless, legal counsel of the City’s choosing shall defend such action.
49. CHOICE OF LAW

This Agreement shall be subject to and governed by the laws of the State of Illinois. Venue for the resolution of any disputes or the enforcement of any rights pursuant to this Agreement shall be in the Circuit Court of Kane County, Illinois.

50. NOTICES

All notices, reports and documents required by this Agreement shall be in writing and mailed by First Class Mail, postage prepaid, addressed as follows:

As to City:

Greg Rokos
Director of Public Services
City of Elgin
150 Dexter Court
Elgin, Illinois 60120-5555

ARTICLE 3

TECHNICAL SPECIFICATIONS

1. GENERAL DESCRIPTION

The method of collection detailed in this section shall be modified volume-based. For the purpose of this section the term "modified volume-based" shall be understood to mean payment for service rendered using a base amount of refuse collection coupled with a sticker system, where a pre-paid disposal sticker must be affixed to each proper "disposal unit" above the base disposal volume of refuse established by the City.

The Contractor shall receive payment for the base level of service established by the City through monthly invoices to the City. The Contractor shall receive payment for all services above the base level described in this section through the sale of waste disposal stickers, as defined in Section III-D.

It is the City’s intention to increase recycling and decrease the cost of refuse service. This option is designed to maintain a base level of refuse service while encouraging recycling and discouraging program abuse.

2. REFUSE

All eligible household units will receive a weekly, base level of refuse collection service by the Contractor. The City has 64 gallon base-level of service.
Curbside Households:

The Contractor shall provide every household unit with a 64-gallon wheeled refuse cart to correspond with the base-level service sought by the City. The wheeled cart shall meet the specifications contained in Section IV-B. Residents shall have the option of substituting a 35 gallon cart for no additional cost to the City or the resident. The Contractor shall also make larger and/or additional carts available to residents upon request. The Contractor shall invoice the resident directly for the cost for these additional and/or larger carts. The fees for the additional and/or larger carts shall follow the same volume-based pricing specified herein.

All garbage and refuse as herein defined that is designated for collection and disposal must be placed in the provided cart. Residents will be required to place a pre-paid disposal sticker for each disposal unit of refuse in excess of the established base-level service in order to be collected. Residents who substitute a smaller cart shall be allowed to place one additional disposal unit of refuse out for collection each week without a sticker. Residents will be able to place out and additional container of their own provided that it is maximum of 30 gallons, not exceed 100 lbs. and have a refuse sticker looped through the handle of the container.

Multi-Family Dumpster Stops:

The Contractor shall provide multi-family stops serviced by dumpsters with a 64 gallon base-level service, per household. The formula used to establish the base level of refuse service for multi-family dumpster stops will be based on 202 gallons = 1 cubic yard. The Contractor shall receive payment from the City for the base level of service provided to each multi-family complex based on the number of household units served.

The Contractor shall provide a sufficient number of dumpsters serviced at specific collection intervals in order to meet the established base service level.

Each condominium/townhome association will be responsible for disposal costs in excess of the base level service provided by the City. These additional fees will follow the same volume-based rate system. The Contractor shall be responsible for billing each condominium/townhome association directly for any excess disposal costs. Residents will be responsible for placing a pre-paid disposal sticker on all white goods, tires, bulk items, and household construction debris that cannot fit inside of the dumpster for collection.

3. RECYCLING

All eligible households shall receive unlimited collection of all recyclable material as defined in Article II-B(2) by the Contractor. Pre-paid stickers will not be required for properly prepared
recyclables. The cost of recycling collection shall be incorporated into the base-level service rate for refuse collection.

Curbside Households:

Curbside households shall receive weekly curbside collection of all recyclable material as defined in Article II-B (2). The Contractor shall collect household recyclables in the City’s existing 64 gallon curbside recycling totes as described in Article II-B (24). Each stop shall be able to place out an unlimited amount of acceptable recycling each week. Recycling in excess of the standard recycling cart can be placed in approved recycling bins, or in clear recycling bags.

Multi-Family Dumpster Stops:

The Contractor shall provide a 64 gallon base-level service, per household. The formula used to establish the base level refuse service for multi-family dumpster stops will be based on 202 gallons = 1 cubic yard. Each multi-family location shall be serviced at specific collection intervals in order to meet the needs of each condominium/townhome complex. All service schedules are subject to the approval of the City.

Each stop shall be able to place out an unlimited amount of acceptable recycling each week. Recycling in excess of the standard recycling cart can be placed in approved recycling bins, or in clear recycling bags.

4. BULK ITEMS

Residents will be required to place a pre-paid disposal sticker on each large household item disposal unit, household construction debris disposal unit, tire, and white good, as defined in Article II-B (2) for collection by the Contractor.

5. YARD WASTE

Yard waste service will be provided on a weekly basis to single-family curbside households from April 1st through the first full week of December. The Contractor shall provide weekly, unlimited collection of bundled brush to all eligible households as part of the established base-level service. All other yard waste disposal units, will require a pre-paid disposal sticker for collection. Except during the following periods April 1 through April 30 and October 1 through November 30. During these periods stickers are not required.

6. FALL LEAF COLLECTION

The Contractor shall provide the City with up to eight 30 yd. roll-off dumpster trucks with drivers daily to assist with on-street leaf collection during the fall season. The City will notify the Contractor of the exact number of trucks needed for the next day by noon of the preceding
day during the Fall Leaf Collection season. The Contractor shall receive payment for roll-off truck and driver services described in this section through monthly invoice statements to the City based on the hourly rate provided herein. The Contractor will also be responsible for providing up to two (2) 30 yd. roll-off dumpsters daily, as needed, at no additional charge, to dispose of leaves at Bluff City Cemetery, Trout Park, Lords Park, Center City (downtown), and Wing Park.

In addition to the on-street leaf collection program provided by City Crews in specified areas, the Contractor shall provide all single-family curbside households with unstickered leaf collection during a mutually agreed upon time established between the City and the Contractor. This time period will commence no later than the 1st Monday in October or October 1st and will end on the first scheduled Friday in December. Residents will be required to place leaves at the curb in paper yard waste bags for collection. The cost for this service shall be included in the base-level rate for refuse collection.

The City of Elgin will provide a disposal site and pay tipping fees for all leaves collected during the designated time period.

7. CHRISTMAS TREE COLLECTION

The Contractor will provide collection of Christmas trees from all single-family and all multi-family household stops from December 26th — through end of the second collection week in January. Christmas trees shall be treated as yard waste. They shall be collected separately and shall not be landfilled. Pre-paid stickers will not be required for Christmas tree collection. After the collection period, Christmas trees will be collected, but will be treated as refuse, not green waste, will require one (1) refuse sticker, and will be serviced with a refuse vehicle.

8. CART TECHNICAL SPECIFICATIONS

(a) GENERAL DESCRIPTION

The contractor shall continue to use the City’s existing containers. The current standard is a 64 gallon gray refuse container and 64 gallon blue recycling container. Currently, residents are afforded the option to upgrade or downgrade to a 96 gallon or 35 gallon refuse or recycling container.

The wheeled carts specified for use in this RFP shall continue to be designed to contain solid waste including garbage, refuse, rubbish, yard clippings, and recyclable materials. The wheeled carts will be supplied at the Contractor’s expense. The cart must be serviceable by fully-automated collection systems. Each cart shall be barcoded and contain radio frequency for identification (RFID) tagged for tracking and identification purposes. Existing carts shall be retrofitted with bar codes and RFID tags. All new and replacement carts shall be equipped with barcodes and RFID tags as well. See detailed specifications below.
(b) DISTRIBUTION
The Contractor will be responsible for providing and distributing all carts included as part of this contract. Carts shall be delivered, fully assembled, to the households and/or properties covered under this agreement. The Contractor shall be responsible for recording the RFID numbers of each cart as they are delivered to each household, as well as to each City park and/or facility.

(c) CONSUMER EDUCATION
The Contractor shall be responsible for providing instructions (in both English and Spanish) on the proper use of the cart, at no additional cost to the City. These instructions for use shall be included with the cart at the time it is delivered to each household. Both the Contractor and the City will make available written materials explaining the ownership and stipulating that the containers remain at the property in the event the residents relocate.

(d) TECHNICAL SPECIFICATIONS
The polyethylene resin used in the construction of the cart and lid shall contain a minimum 50% recycled plastic (25% post-consumer). The body of the container shall be composed of recyclable high density polyethylene resin.

The containers when empty must not overturn when the lid is thrown fully open. The containers must be designed to prevent being turned over by winds up to 40 mph (30 mph for the 35 gal cart). The container body shall be free of pockets, recesses, or significant intrusions which could trap debris or interfere with the discharge of refuse.

At minimum, there shall be sufficient space allocated on the right and left sides of the body of the container for the hot stamping / imprinting of the City of Elgin municipal or program logo, or for the “in-molding” of full color or black and white images into the plastic surface of the cart. The images shall not fade, discolor, or disfigure and shall not peel or wear off under normal use conditions.

The lid must be of one piece construction, injection molded of high density polyethylene resin, domed to facilitate water run-off. The lid must be permanently attached to the body. No lid latches will be accepted. Lid will be held closed by its weight only. An insert attachment hook must be molded into the undersurface of the container lid to accommodate the distribution of information inserts.

At minimum, there shall be sufficient space allocated on the inside panel and outside panel of the container lid for the “in-molding” of full color / black and white images into the plastic surface of said lid conveying safe and proper use, descriptive collection program information or graphic depictions. The images shall not fade, discolor, or disfigure and shall not peel or wear off under
normal use. The cost for such custom imprints shall be negotiated between the City and the Contractor.

All plastic parts must be specifically prepared to be colorfast so that the plastic material does not alter appreciably during normal use. Containers will have not less than one half of one percent (.5%) pigments by weight.

Each container shall meet the following minimum size specifications:

<table>
<thead>
<tr>
<th>Load Weight Capacity</th>
<th>35 Gallon</th>
<th>64 Gallon</th>
<th>96 Gallon</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>125 lbs.</td>
<td>200 lbs.</td>
<td>250 lbs.</td>
</tr>
</tbody>
</table>

*(Excluding the weight of the container)*

(c) MAINTENANCE

The Contractor will be responsible for the maintenance and replacement of carts that are malfunctioning, damaged or missing at no additional cost, unless the solid waste coordinator deems the damage or loss is the fault of the resident. The Contractor shall fix or replace carts within one week of the reported problem.

(f) RFID AND BAR CODE SPECIFICATIONS

All 96, 64 and 35 gallon containers must be equipped with a bar code and RFID tag. The RFID tag must be installed within the container body, with no exposure to the outside elements. The serial number/bar code shall contain 9 total alphanumeric digits, including a 3 digit prefix that indicates the container size and type, followed by a unique 6 digit serial number. The serial number bar code must be the same number as what is used to identify the container for warranty purposes. Adhesive or sticker RFID tags and/or bar codes will not be acceptable on new production containers. To avoid interference with the container contents/materials, RFID tags placed inside of the container are unacceptable. RFID Tags affixed to the container lid are also unacceptable.

All containers must have a bar code and RFID tag that have been pre-associated. It is the responsibility of the Contractor to provide and maintain a data base for the City. The data base must include each container’s RFID tag, serial number, location of the container, container size and container type. It is expected that the contractor will maintain this database for the life of the contract and maintain the database as containers are removed and replaced. The City shall be given access to the container database.
**Inlay specifications**

The RFID inlay must be passive Gen 2 UHF Tag and have an optimal operating frequency of 860 - 960 MHz and have an operating temperature of -40°F to +149°F. The dry inlay must meet ISO/IEC 18000-6C and EPCglobal C1G2 protocol. The antenna dimensions must not exceed 3.741 in x .302 in. with a thickness over chip not to exceed 11 mills. The inlay substrate must be heat treated PET. The inlay must be sandwiched between a minimum of two-0.005” polyester SmartCard material using a heavy duty P7 permanent adhesive.

It is the City’s preference that RFID tags must not be used as a method of associating containers to households. The RFID tag shall be utilized for providing data during the collection process. The barcode scanner shall be utilized for associating containers to households in the field. The Contractor will record the container serial number, RFID tag and GPS Coordinate (Latitude and Longitude) for each and every address where a container is delivered. The Contractor cannot use the RFID tag as a means of associating a container to a specific address during the delivery process. Manual written down serial numbers are also NOT acceptable. The Contractor will then be required to upload all data collected at the completion of each work day in a contractor-provided web(cloud) based tracking system so that daily progress reports may be automatically generated. The resolution codes would include, but are not limited to vacant property, burned out structure, uninhabitable home, vacant lot, specific park, and city facilities etc. The cumulative delivery report must be kept in an electronic file of the address assignments for each container by serial and RFID tag number. The report must then be presented to the city in an acceptable electronic format upon completion of the delivery.

9. **PRE-PAID DISPOSAL STICKER SPECIFICATIONS**

   (a) **GENERAL DESCRIPTION**

The Contractor shall receive payment for certain collection services specified in this RFP through the sale of pre-paid disposal stickers. The Contractor shall provide a proposal for the sticker program as follows:

The Contractor shall provide a non-price proposal to describe the general structure of the program and a price proposal that establishes a firm price for stickers. Proposals shall be structured so that only one sticker is required per refuse and yard waste item, a separate disposal sticker is used for electronic items (such as TVs, computers etc.) and a separate disposal sticker for bulk items. The City will work with the Contractor to establish the final structure and pricing of the sticker program in order to ensure ease of use.
(b) DESIGN & ACCOUNTABILITY

The Contractor shall be responsible for the printing, distribution, and sale of an ample and always available supply of pre-paid stickers. The City reserves the right to approve the form, design, wording, and quality of the stickers and refuse bags before their fabrication.

Pre-paid stickers shall be produced on paper and have an elongated rectangular form with minimum dimensions of 19 centimeters in length and 4 centimeters in width. The front of the sticker shall be of bright, neon colored background identifying the type of sticker that it is and bear the Contractor’s name and phone number. In addition the front of the sticker shall have the word "address" with a space for residents to write their address if they so desire.

The back of the sticker shall list instructions for proper use of the stickers as well as other information pertinent to the solid waste program. The back of the sticker should also display in bold “If you have questions call 311”. Stickers shall have a good pressure sensitive adhesive, which will adhere to the “disposal unit” in all weather conditions.

The Contractor is responsible for all accounting of stickers. Serial numbers shall be printed on each sticker to aid in accounting and deter counterfeiting. The City shall not be held liable for any counterfeiting of stickers that may occur.

(c) DISTRIBUTION

The Contractor shall arrange for a minimum of six (6) local retail outlets to aid in the sale of the stickers. The City has the option to act as a sticker retailer for the Contractor. The City shall not incur any liability for retailer’s payment or other obligations to the Contractor for the stickers. The Contractor shall be solely responsible for collection of sticker sale proceeds. Residents shall have the right to purchase refuse stickers in as small a quantity as one (1) sticker at a time.

The Contractor shall be permitted to sell stickers to retailers on a billable basis only. The Contractor shall not charge retailers or the City for storage, handling, delivery, or any other services associated with the distribution of stickers and refuse bags. The Contractor shall have the right to cease supplying stickers to any retailer that repeatedly allows its inventory to run out. Retailers will be required to pay the Contractor for any previous order before additional sticker orders are filled, except in cases where the retailer works on a thirty (30) day billing cycle. The Contractor shall have the right to cease supplying stickers to any retailer who becomes more than thirty (30) day in arrears in making payments on its account. The Contractor shall notify the City of the names of retailers to which the supply of stickers and refuse bags has been suspended as soon as the suspension occurs.

The Contractor will supply a list of participating retail outlets on April 1st of each year of the contract.
(d) HONORING ALL STICKERS

The Contractor shall agree to honor all pre-paid stickers purchased by residents throughout the term of this contract regardless of the price at which the disposal stickers were purchased. The Contractor shall provide the same level of service for previously purchased disposal stickers as is provided for disposal stickers sold at an adjusted sale price. For this reason stickers shall be produced without a price printed on them. As part of this proposal the Contractor agrees to honor all stickers that were sold as part of the previous agreement.

Should the City select a different hauler at the expiration of this Agreement, the Contractor agrees to refund all customers the full purchase price of any pre-paid disposal stickers returned to the Contractor within forty-five (45) days after such Agreement expires. The Contractor will reimburse retailers as appropriate for returned or unsold disposal stickers within sixty (60) days from the expiration of the Agreement.

(e) ADMINISTRATIVE FEES

The City reserves the right to add a fixed administrative surcharge to all Contractors quoted pre-paid sticker prices. The surcharge shall be used to defray the expenses incurred by the City for administering this contract and program. Should the City choose to add an administrative surcharge to the pre-paid sticker sale price, the Contractor shall submit a monthly accounting of total sticker sales and remit a check to the City equal to the amount of the administrative surcharge multiplied by the monthly accounting of total sticker sales. Such a report and remittance shall be due no later than fifteen (15) days after the close of the month. The City reserves the right to change the amount of the surcharge and shall notify the Contractor by February 1st, prior to any scheduled sticker price adjustment of a new administrative surcharge.

10. SPECIAL EVENT PORTABLE TOILET AND ROLL OFF SERVICES

(a) DESCRIPTION OF SERVICES

The Contractor shall provide regular and handicap accessible portable toilets, hand washing units, roll-off dumpsters and refuse & recycling containers for various festivals, parks and other special events sponsored by the City. These festivals are normally arranged and staffed by non-profit and community groups, who are responsible for the collection of refuse and recycling at these events. Recycling services shall include, but not be limited to cardboard recycling and commingled container recycling.

Proposers shall provide rates for each of these services on the enclosed proposal sheets where indicated. Specific details regarding the number, location and servicing of toilets, dumpsters, etc. will be provided through arrangement with the festival organizers and by the City’s solid waste coordinator.
(b) PAYMENT FOR SERVICES

The Contractor shall receive payment for all services described in this section through single event invoice statements to the City. These statements will detail the sizes of dumpsters delivered, amount of service required, and number of refuse and recycling containers utilized. An annual cost of these services is included in the “Grand Total”.

(c) IN-KIND SERVICES

The Contractor shall provide up to $15,000 annually of in-kind services including, but not limited to, portable toilets, hand washing units, roll-off dumpsters, and 32-gallon trash & recycling containers, for City of Elgin sponsored special events during the term of this contract. Examples of these events include: the 4th of July Parade, International Fest (I-Fest) (September), Nightmare on Chicago Street (October), and Fox Trot (May). In return, the Contractor will be listed as a sponsor for designated events. The value of the in-kind service will be based on the contract price included herein.

11. STREET SWEEPING DISPOSAL

(a) DESCRIPTION OF SERVICES

The Contractor shall provide a sufficient number of roll-off dumpsters on an as needed basis, at locations to be designated by the City, for the disposal of all street sweepings generated as part of the City’s daily operations. The Contractor will be responsible for picking up and delivering containers within twenty-four (24) hours after having received a request from the City for service. The Contractor will be responsible for disposing of all street sweeping material in accordance with all applicable local, state, and federal laws.

(b) PAYMENT FOR SERVICES

The Contractor shall receive payment for these services through a separate monthly invoice to the City. Payment will be based on the number of tons disposed of.

12. DISASTER CLEAN-UP SERVICES

(a) DESCRIPTION OF SERVICES

In the event a disaster, as declared by the Public Works Director, strikes the City resulting in excessive amounts of refuse, the Contractor will arrange for additional vehicles and employees to maintain a normal collection schedule or a closely related schedule agreeable to the City. The Contractor will be responsible for servicing the community in a timely manner, within one week of the disaster.
The City is dedicated to proper disposal of materials requiring such service. However, the Contractor is expected to assist the City in encouraging recycling and drop-off alternatives for other materials that may be discarded by the public following a disaster (items such as appliances and brush). In order to insure the proper handling, recycling or disposal of all materials generated by a disaster, the Contractor will service the community primarily through curbside collection and the City will designate if and where any dumpsters will be placed.

(b) PAYMENT FOR SERVICES

The City and the Contractor will negotiate a flat fee to be paid for the services based on the additional level of service required, the volume of material disposed of, number of vehicles servicing the area, and extended hours of operation. This fee will be in addition to the cost associated with the normal service already provided for through the general contract. The Contractor will be responsible for providing all necessary data and a separate invoice for the disaster service.

13. PROPERTY MAINTENANCE CLEAN-UPS

(a) DESCRIPTION OF SERVICES

In the event that property owner fails to comply with the City's solid waste program regulations, the City must take corrective action to remove miscellaneous refuse and debris that has been left on the treebank area of the property in order to ensure the health and safety of the public.

Within twenty-four hours of the receipt of a request from the City, the Contractor shall collect & dispose of refuse from specific properties located within the City limits. The Contractor will not be expected to enter onto private property to conduct these clean-ups. It is the City's expectation that the property shall be left completely free of refuse and debris upon completion of the clean-up.

(b) PAYMENT FOR SERVICES

The Contractor shall receive payment for these services through a separate monthly invoice to the City. Payment will be based on the number of cubic yards removed from each site. Any labor and equipment costs should be factored into the per cubic yard rate.

The Contractor shall provide a sufficient number of dumpsters serviced at specific collection intervals in order to meet the established base service level. The Contractor will be responsible for submitting the appropriate load tickets with monthly invoices indicating the address, date and time of the clean up and the number of cubic yards collected from each location.
14. OPTIONAL UTILIZATION OF ADDITIONAL SERVICES

(a) DESCRIPTION

The City has the right and option to utilize additional services of the Contractor during the term of this Agreement. Upon written notice from the City to the Contractor, the Contractor shall provide the following services for the agreed upon rates and payment methods.

(b) HOUSEHOLD HAZARDOUS WASTE PROGRAM

DESCRIPTION OF SERVICES

The purpose of this program is to provide year-round access to household hazardous waste (HHW) disposal services at residential stops. The HHW program shall include two primary components, HHW collection directly from residential properties and a mail-in syringe program.

There shall be two primary methods for residents to obtain HHW service. The contractor shall provide a toll-free hotline and electronic method of requesting service. Acceptable electronic methods include but are not necessarily limited to an email address (the email address name to be approved by the city), web portal or smart device application. Using either method the resident shall be able to request service for either an HHW pickup or to participate in the syringe program. Each residential property and homeowners associations (for cooperative efforts) shall be eligible to participate in both programs. Each household shall be restricted to one HHW pickup per month. A household’s level of participation shall not be restricted for the syringe program. Suspected program abuses shall be brought to the Solid Waste Coordinator’s attention to determine if a particular stop is abusing the program.

BASE LEVEL OF SERVICE

The HHW collection program shall in advance of disposal provide residents with or allow them to pickup a disposal unit (bag or container). The disposal unit shall have mechanism to secure it to prevent leaks and keep moisture out.

The HHW program shall be able include the following items.

Acceptable Items

Garden Chemicals

- Insect Sprays
- Weed Killers
- Fertilizer
- Other poisons
Automotive Waste

- Motor Oil
- Antifreeze
- Waxes
- Polishes
- Cleaners
- Brake fluid
- Gasoline
- Used oil filters
- Oily rags
- Transmission fluid
- Windshield washer fluid
- Hydraulic Fluid
- Automotive batteries
- Paint Products
- Oil based paint
- Spray paint
- Stripper
- Caulking
- Wood preservative
- Glue
- Thinner

Household Cleaners

- Cleaning compounds
- Floor stripper
- Drain cleaner
- Tile remover
- Tile cleaners
- Rust remover

Miscellaneous Items

- Household batteries
- Hobby glue
- Pool chemicals
- Driveway sealer
Liquid mercury
Medicines
Fluorescent tubes

Unacceptable Waste

- Latex Paint
- Radioactive Materials
- Smoke detectors
- Ammunition
- Explosives
- Unknown chemicals
- Fire extinguishers
- Pressurized cylinders
- Tires
- Appliances (larger than a microwave)
- Commercial chemicals
- Asbestos
- Trash
- Construction materials

The contractor will make every effort to supply residents with options to dispose of unacceptable items. The contractor will share their knowledgebase/customer service training materials with the city’s 311 center. The city’s 311 center and the contractor’s customer service center will work together to insure residents are given accurate and consistent information.

The sharps syringe collection program shall include a kit that mailed to residents for their use and contains a shipping form that allows them to send the kit for disposal free of charge. The kit should provide a secure disposal unit that is at least one gallon.

The contractor shall bill the city directly for the base level of service provided to each resident.

(c) ORGANICS COLLECTION PROGRAM

DESCRIPTION OF SERVICES

The purpose of the organics collection program is to increase landfill diversion and promote sustainability. Recognizing the challenges of adding a new waste stream to curbside collection. The City is requiring that the Contractor provide an organics recycling pilot before a citywide program will be considered. The program will include defined sections of the city that will be eligible to participate. The pilot area will be mutually agreed upon. The contractors must
provide a detailed program design. The program design must include but not be limited to, cost per home per month for stops participating in the program, the period in which the program will be available i.e. year round or for a specific period during the year.

The contractor shall provide a sample of the educational material or materials, which will be provided to residents within the pilot area. The contractor shall work with the City to promote the pilot program through public forums and other outreach methods.

BASE LEVEL OF SERVICE

The organics program will be available to residents each year of the contract provided the City agrees to extend the pilot program each year. The method of collection will be in wheeled carts that meet the same specifications as the refuse and recycling carts. A 64-gallon and 96-gallon option shall be provided.

The contractor will be responsible for individually billing each party participating in the pilot program.

PROGRAM EXPANSION

After two consecutive organics pilot collection seasons the city reserves the right to expand the program citywide.

(d) DEAD ANIMAL COLLECTION

DESCRIPTION OF SERVICE

If this option is exercised City staff will provide notification to the contractor that the work needs to be performed. Locations requiring cleanup may be limited to one item such as dead animal or household items such as a mattress or appliance.

Please note that this service is separate from Section III H. Property Maintenance Cleanups. This service deals with items that are not related to code enforcement activity.

BASE LEVEL OF SERVICE

The contractor will remove dead animals and other debris items from City property and City maintained ROW within four hours of notification during service days and hours. If the event occurs on a day preceding a holiday the event shall be serviced on the next working day.

The contractor will supply the city an e-mail address to receive electronic notification that an item is required to be removed from a specific location(s). The contractor will also supply a 24 hour contact phone number that the City can call to provide notification. During normal business
hours e-mail shall be the primary method of notification. Outside of normal business hours a phone call will be the primary notification method used.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first set forth above.

CITY OF ELMGIN
By

City Manager

Attest:
City Clerk

WASTE MANAGEMENT OF ILLINOIS, INC.
By

Attest:
ATTACHMENT A: PRICE SCHEDULE

Base Program

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Rate</th>
</tr>
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<tbody>
<tr>
<td>Single Family</td>
<td>$14.89</td>
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<tr>
<td>Multi-Family</td>
<td>$10.83</td>
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</tbody>
</table>

Pre-Paid Stickers

<table>
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<tr>
<th>Type</th>
<th>Price</th>
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</thead>
<tbody>
<tr>
<td>Refuse</td>
<td>$2.71</td>
</tr>
<tr>
<td>Appliance</td>
<td>$30.00</td>
</tr>
</tbody>
</table>

Portable Toilets and Hand Washing Units

<table>
<thead>
<tr>
<th>Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>$85.00</td>
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<tr>
<td>Handicapped</td>
<td>$105.00</td>
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<tr>
<td>Hand Washing Unit</td>
<td>$105.00</td>
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</tbody>
</table>

Roll Off Dumpster Service

<table>
<thead>
<tr>
<th>Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Yard</td>
<td>$335.00</td>
</tr>
<tr>
<td>30 Yard</td>
<td>$375.00</td>
</tr>
<tr>
<td>40 Yard</td>
<td>$450.00</td>
</tr>
</tbody>
</table>

Street Sweeping

| Rate per ton | $85.00 |

Fall Leaf Collection Services (Roll off with truck driver)

| Rate per hour | $98.00 |

Property Maintenance Cleanup Services

| Rate per cubic yard | $25.00 |
Household Hazardous Waste

| Rate per collection stop | $165.00 |

Medical Syringe Mail Back Program

| Rate per mail in kit | $52.00 |

Organics Collection Pilot

<table>
<thead>
<tr>
<th>Container</th>
<th>Monthly Rate</th>
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</thead>
<tbody>
<tr>
<td>64-Gallon</td>
<td>$12.00</td>
</tr>
<tr>
<td>96 Gallon</td>
<td>$14.00</td>
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</tbody>
</table>

Dead Animal and Debris Collection

| Rate per collection | $25.00 |
### ATTACHMENT B: SERVICE LOCATIONS

#### CURBSIDE MULTI-FAMILY SERVICE LOCATIONS

<table>
<thead>
<tr>
<th>NAME</th>
<th>QTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>101-97680 COBBLERS CROSSING</td>
<td>Curb Service</td>
</tr>
<tr>
<td>101-97681 CENTURY OAKS MANOR HOMES</td>
<td>Curb Service</td>
</tr>
<tr>
<td>101-97684 STONEGATE OF CENTURY OAK</td>
<td>Curb Service</td>
</tr>
<tr>
<td>101-97685 WOODBRIDGE CONDOS</td>
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Total equals number of curbside stops.

**TOTAL**

4,572
## MULTI-FAMILY DUMPSTER SERVICE LOCATIONS

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**Total Number of Billed Households** 765

*The quantity numbers (households listed) equal the volume equivalent of the number of residential carts being serviced by commercial containers.*
## BUILDINGS, FACILITIES & PARKS, NUMBER OF CONTAINERS, AND COLLECTION FREQUENCY

### Key
- **096 FEL** = 96-gallon toter for refuse
- **C96** = 96-gallon toter for recycling
- **C64** = 64-gallon toter for recycling
- **2FL** = 2-yard container for refuse
- **2RY** = 2-yard container for recycling
- **4FL** = 4 yard container for refuse
- **4FY** = 4 yard container for recycling
- **4RG** = 4 yard container for yard waste
- **6FL** = 6 yard container for refuse
- **6FY** = 6 yard container for recycling
- **6RG** = 6 yard container for yard waste
- **8FL** = 8 yard container for refuse
- **8FY** = 8 yard container for recycling
- **8RG** = 8 yard container for yard waste

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<td>09 6</td>
<td>96 GAL TOTER FEL</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Elgin City of Pk. Dist. College Gr</td>
<td>09 6</td>
<td>96 GAL TOTER FEL</td>
<td>3</td>
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<tr>
<td>Elgin City of Douglas Ave</td>
<td>09 6</td>
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<td>Elgin City of Burnidge Woods</td>
<td>09 6</td>
<td>96 GAL TOTER FEL</td>
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<tr>
<td>Elgin City of Recreation center</td>
<td>4F L</td>
<td>4 YD FEL</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Elgin City of Recreation center</td>
<td>8F L</td>
<td>8 YD FEL</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Elgin City of Spring Street Park</td>
<td>09 6</td>
<td>96 GAL TOTER FEL</td>
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<td>1</td>
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<tr>
<td>Elgin City of Shadow Hill Park</td>
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<td>96 GAL TOTER FEL</td>
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<tr>
<td>Elgin City of Sidewalk sweep</td>
<td>2 FEL</td>
<td>2 YD FEL</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Elgin City of Cornerstone Park</td>
<td>4 FEL</td>
<td>4 TD FEL</td>
<td>1</td>
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</tr>
<tr>
<td>Elgin City of Prairie Park</td>
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<td>Elgin City of Bowes Creek CC</td>
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<td>8 YD FEL</td>
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</tr>
<tr>
<td>Location</td>
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<tr>
<td>Elgin City of Baseball American</td>
<td>4F L</td>
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<td>Elgin City of Baseball American</td>
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<tr>
<td>Elgin City of Baseball American</td>
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<td>4 YD FEL RCY</td>
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<tr>
<td>Elgin City of Baseball National</td>
<td>4F L</td>
<td>4 YD FEL</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Elgin City of Baseball National</td>
<td>4F Y</td>
<td>4 YD FEL RCY</td>
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<tr>
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<td>Elgin City of Baseball Classic</td>
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<tr>
<td>Elgin City of Baseball Continental</td>
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<td>4 YD FEL</td>
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<td>Location</td>
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<td>6 YD FEL</td>
<td></td>
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<tr>
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<tr>
<td>Continental</td>
<td>6</td>
<td></td>
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<tr>
<td>Elgin City of Highland golf</td>
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<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elgin City of Highland golf</td>
<td>6R G</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elgin City of Centre</td>
<td>2 FE L</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elgin City of Columbine and College</td>
<td>09 6</td>
<td>96</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Elgin City of Randall ridge</td>
<td>09 6</td>
<td>96</td>
<td>1</td>
<td></td>
</tr>
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<td>Elgin City of Willow Bay Park</td>
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<td>96</td>
<td>1</td>
<td></td>
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<tr>
<td>Elgin City of Parks and Rec</td>
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<td>1</td>
<td></td>
</tr>
<tr>
<td>Elgin City of Trinity Terrace</td>
<td>09 6</td>
<td>96</td>
<td>5</td>
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<tr>
<td>Elgin City of Adopt a highway</td>
<td>09 6</td>
<td>96</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Elgin City of Slade AVE Boat</td>
<td>09 6</td>
<td>96</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Elgin City of Settlers Park</td>
<td>09 6</td>
<td>96</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Elgin City of Metra Station (for city crews)</td>
<td>8 FE L</td>
<td>8</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Elgin City of Metra Station (for city crews)</td>
<td>6 FG</td>
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PUBLIC REFUSE RECEPTACLE SERVICE LOCATIONS

<table>
<thead>
<tr>
<th>Westside</th>
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<tbody>
<tr>
<td>NW corner of S. State and Locust</td>
</tr>
<tr>
<td>NE Corner of Locust and S. Crystal</td>
</tr>
<tr>
<td>SE corner of W. Chicago and S. Crystal</td>
</tr>
<tr>
<td>SW corner of N. Crystal and W. Highland</td>
</tr>
<tr>
<td>NW corner of Lyle and Grandstand</td>
</tr>
<tr>
<td>SE corner of State and Walnut (113 Walnut)</td>
</tr>
<tr>
<td>NE corner of Larkin and McLean</td>
</tr>
<tr>
<td>NE corner of W. Chicago and S. Jackson</td>
</tr>
<tr>
<td>SE corner of Locust and Mosley</td>
</tr>
<tr>
<td>Island at S. Edison and Sunset Dr. (just south of South St.)</td>
</tr>
<tr>
<td>NE corner of McLean and Van</td>
</tr>
<tr>
<td>Lilac and Mulberry Ln. (eastside of street by vacant lot)</td>
</tr>
<tr>
<td>SE corner of W. Highland and Jackson</td>
</tr>
<tr>
<td>SW corner of W. Highland and Lynch</td>
</tr>
<tr>
<td>SW corner of S. Jackson and South St</td>
</tr>
<tr>
<td>NE corner of S. Jackson and Locust</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Eastside</th>
</tr>
</thead>
<tbody>
<tr>
<td>SW corner of Ann and Center</td>
</tr>
<tr>
<td>NE corner of Geneva and E. Chicago</td>
</tr>
<tr>
<td>SW corner of Gifford and Hickory</td>
</tr>
<tr>
<td>58 S. Geneva (parking lot across the street)</td>
</tr>
<tr>
<td>SW corner of Gifford and Dupage Ct.</td>
</tr>
<tr>
<td>NW corner of Ann and Gifford</td>
</tr>
<tr>
<td>431 Summit St</td>
</tr>
<tr>
<td>SE corner of Franklin and Hill</td>
</tr>
<tr>
<td>NW corner of Chapel and Dupage</td>
</tr>
<tr>
<td>SE corner Franklin and College</td>
</tr>
<tr>
<td>NE corner of Channing and Laurel</td>
</tr>
</tbody>
</table>
RESOLUTION
AUTHORIZING EXECUTION OF A FIRST AMENDMENT AGREEMENT WITH WASTE
MANAGEMENT OF ILLINOIS, INC. FOR PROVISION OF REFUSE, RECYCLABLES
AND YARD WASTE COLLECTION SERVICES

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ELGIN, ILLINOIS,
that Richard G. Kozal, City Manager, and Kimberly A. Dewis, City Clerk, be and are hereby
authorized and directed to execute a First Amendment Agreement on behalf of the City of Elgin
with Waste Management of Illinois, Inc. for provision of refuse, recyclables and yard waste
collection services, a copy of which is attached hereto and made a part hereof by reference.

s/ David J. Kaptain
David J. Kaptain, Mayor

Presented: October 10, 2018
Adopted: October 10, 2018
Vote: Yeas: 8 Nays: 0

Attest:

s/ Kimberly Dewis
Kimberly Dewis, City Clerk
FIRST AMENDMENT AGREEMENT

This First Amendment Agreement (this “Agreement”) is hereby made and entered into this ___ day of _____, 2018, by and between the City of Elgin, Illinois, a municipal corporation (hereinafter referred to as the “City”) and Waste Management of Illinois, Inc., a Delaware corporation (hereinafter referred to as “WMI”).

WHEREAS, the parties hereto have previously entered into an agreement dated December 17, 2014, regarding services for refuse, recycling, and yard waste collection services for single family residential collection, multi-family residential collection, other multi-family complexes and city-owned facilities in Elgin, Illinois (hereinafter referred to as “Original Agreement”); and

WHEREAS, the Original Agreement contains a Scrivener’s error; and

WHEREAS, the parties hereto mutually desire to correct and clarify the aforementioned Scrivener’s error.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants provided for herein, the receipt and sufficiency of which are mutually acknowledged, the parties hereby agree as follows:

1. The aforementioned recitals are incorporated into and made a part hereof as if fully recited herein.

2. Paragraph 5 of the Original Agreement is hereby amended by amending the referenced date of "the 31st day of December 2020" to read "the 31st day of December 2019". The remainder of Paragraph 5 of the Original Agreement shall remain in full force and effect.

3. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same agreement. For the purposes of executing this agreement, any signed copy of this agreement transmitted by fax machine or e-mail shall be treated in all manners and respects as an original document. The signature of any party on a copy of this agreement transmitted by fax machine or e-mail shall be considered for these purposes as an original signature and shall have the same legal effect as an original signature. Any such faxed or e-mailed copy of this agreement shall be considered to have the same binding legal effect as an original document. At the request of either party any fax or e-mail copy of this agreement shall be re-executed by the parties in an original form. No party to this agreement shall raise the use of fax machine or e-mail as a defense to this agreement and shall forever waive such defense.

4. The remainder of the Original Agreement shall remain in full force and effect.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CITY OF ELGIN:                    WASTE MANAGEMENT OF ILLINOIS, INC.

By:  

Richard G. Kozal  Carl J. Niemann
City Manager  Print Name

Attest:

City Clerk  Signature

F:\Legal Dept\Agreement\First Amend Agr Waste Management of Illinois inc-10-1-18.docx
ITEM:
Honorary Street Name Designation for the 200 Block of South Melrose Avenue to “Cpl. Alex Martinez Avenue”
(Councilpersons Dixon and Powell)
(No Cost)

OBJECTIVE:
Honor a combat Marine through an honorary street name designation.

RECOMMENDATION:
Authorize the 200 block of South Melrose Avenue with an honorary street name plaque.

The City received an honorary street name application to designate the 200 block of South Melrose Avenue with an honorary name plaque for Corporal Alex Martinez. The City’s municipal code establishes procedures for honorary street name designations by the city council. Several aspects of the current ordinance are in need of change to better align practice with policy. Staff has been researching policy considerations for city council review, and this is expected to be presented as a proposed ordinance amendment during a committee of the whole meeting in July 2019. Councilman Dixon requested that the honorary street name recognizing Cpl. Alex Martinez be considered by city council prior to consideration of a revised ordinance.

BACKGROUND

The “Honorary Street Names“ ordinance (Chapter 13.27) was adopted in 1999 and establishes the procedure for designating honorary street names to recognize individual citizens, organizations, entities and special events. An honorary street name application was submitted to the City in April with a letter of support from Councilman Corey Dixon requesting that the 200 block of South Melrose Avenue be renamed in honor of for Corporal Alex Martinez (Attachments A, B).

Staff recognizes that the procedure for reviewing and recommending honorary street name designations is no longer in compliance with the established ordinance and have been researching policy considerations that will be brought forward to city council for review in July. It was requested that this item be brought forward in advance of an amended program.
The ordinance’s current application and review process requires submitting a completed application to the Image Commission which, in turn, provides comment from the perspective of the community. The application is then routed to a multi-department committee to ensure operational coordination. All comments and recommendations are sent to city council for final review.

Applications must include the following:

- The signature of a member of the city council endorsing the application and the proposed honorary street name.
- A petition signed by not less than two-thirds (2/3) of the owners abutting the street proposed for the honorary street name stating the property owners' support for the proposed honorary street name.
- A statement explaining the attempts to use alternative methods for honoring a person or event and why these alternative methods in lieu of the honorary street name are inappropriate.
- An application fee of forty dollars ($40.00) to cover administrative costs. An additional one hundred ten dollars ($110.00) fee will be charged to cover the cost of production and installation of street signs should the request for the honorary street name be granted.

**Application Guidelines**

- The location for honorary street names shall be restricted to nonarterial streets.
- The proposed honorary street name may reflect a local event, local organization or nonliving person. Living persons can be considered if significant long-term contributions to the community are demonstrated.
- The proposed honorary street name shall not duplicate any existing name or be similar either phonetically or in spelling to any other honorary or actual street name.
- An honorary street name shall be easy to spell and pronounce.
- An honorary street name shall be applied throughout the entire length of the subject street, except where impractical and in such instance shall be applied to the section of a street designated in the city council resolution approving the honorary street name.
- A designation of an honorary street name shall be limited not to exceed five (5) years.
- Honorary street name signs will be distinctive in size and color from the official street name sign and will be installed below the official street name sign.

Several aspects of the ordinance and its procedures are either no longer in existence or have not been practiced consistently, giving the city council an opportunity to refresh the program. For example, the Image Commission was dissolved leaving a gap in community input in the process. Honorary street signs are only to be in effect for five years under the ordinance, but practice has not reflected that. Discussions with interested persons in the community, such as military veteran organizations, have also revealed considerations relating to proposals involving honorary street
names for veterans that may be incorporated into policy guidance. Program aspects such as these will be brought forward for city council consideration in July.

The current listing of honorary street names is presented below for reference:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>HONORARY STREET NAME</th>
<th>NAMESAKE</th>
<th>LOCATION</th>
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</thead>
<tbody>
<tr>
<td>2017</td>
<td>Frederick J. Steffen Way</td>
<td>Former Assistant Attorney General</td>
<td>Douglas and Highland Avenues</td>
</tr>
<tr>
<td>2017</td>
<td>Hon. Manuel Barbosa Way</td>
<td>Retired Federal Judge Manuel Barbosa</td>
<td>Douglas and Highland Avenues</td>
</tr>
<tr>
<td>2015</td>
<td>Father Seisser Way</td>
<td>Father Edward Seisser St. Edward High School</td>
<td>Dominican Way</td>
</tr>
<tr>
<td>2015</td>
<td>Pastor James L. Marks Place</td>
<td>Pastor James L. Marks Bethesda Church of God in Christ</td>
<td>Hickory Place between Dundee Avenue and Liberty Street</td>
</tr>
<tr>
<td>2013</td>
<td>Sister June Does Way</td>
<td>Sister June Does St. Joseph Hospital</td>
<td>Provena Drive (Renamed back to Belmont St.) North side of Larkin to St. Joseph Hospital</td>
</tr>
<tr>
<td>2013</td>
<td>Middleby Way</td>
<td>Middleby Corporation</td>
<td>Toastmaster Drive</td>
</tr>
<tr>
<td>2009</td>
<td>George Van De Voorde Place</td>
<td>Elgin Mayor and FD Chief</td>
<td>South Geneva Street between East Chicago and DuPage Streets</td>
</tr>
<tr>
<td>2005</td>
<td>Fiedler Drive</td>
<td>Dr. Richard Fiedler Elgin Internal Medical Associates</td>
<td>Fletcher Drive between Royal Boulevard and Randall Road</td>
</tr>
<tr>
<td>2005</td>
<td>DiMeo Drive</td>
<td>Steve DiMeo Bank Founder</td>
<td>Private Drive of the Bank of Elgin, 890 N. State Street</td>
</tr>
<tr>
<td>2004</td>
<td>Marie Yearman Court</td>
<td>Elgin City Council Member</td>
<td>Dexter Court</td>
</tr>
</tbody>
</table>

**OPERATIONAL ANALYSIS**

Alex Martinez was raised on Melrose Avenue. He attended Gifford Elementary School, Abbott Middle School and Larkin High School. After graduating from Larkin High School, Alex joined the United States Marine Corps. and was assigned to the 1st Combat Engineer Battalion. He was deployed twice to Helman Providence, Afghanistan. During his first deployment, his platoon was attached to the 3rd Battalion 5th Marines in Sangin, Afghanistan. During this deployment he was awarded the Navy and Marines Corps Achievement Medal with a “V” for valor for his heroic actions. During his second deployment, his platoon was in support of the 2nd Battalion 5th Marines. During this deployment while his squad was on patrol in the Now Zad District, Cpl. Martinez was mortally wounded while he was clearing a passage so fellow Marines could reach safety. For these actions, he was awarded a purple heart. The honorary street name application is attached to provide additional information about the honoree.
In April of 2012, the fallen Marine Corporal Alex Martinez arrived in Elgin with a procession of police and fire vehicles, Patriot Guard riders and a large crowd gathered in downtown Elgin. In March of 2019, U.S. Representative Raja Krishnamoorthi filed a bill to rename the Elgin downtown post office for Corporal Alex Martinez. Recently, the post offices in the cities of Warrenville, Normal and Bloomingdale have been renamed to honor veterans.

Signs will be installed at the southwest corner of Melrose Avenue and Erie Street and the northwest corner of Melrose Avenue and Meyer Street. The 200 block of Melrose was chosen because of its proximity to Corporal Martinez family home.

INTERESTED PERSONS CONTACTED
The property owners along Melrose Avenue were contacted by the applicant regarding the proposed honorary street name. The honorary street naming process requires that at least 66 percent of the properties abutting the street under consideration agree to the change. The petition of those properties agreeing to the honorary street name is attached to the application.

FINANCIAL ANALYSIS
The honorary designation requires adding street name signs. The City will not incur any additional costs because the materials and labor required to construct and install these signs is available within the existing budget of the public works traffic division.

BUDGET IMPACT

<table>
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<tr>
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<th>Account(s)</th>
<th>Project #(s)</th>
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<th>Amount Available</th>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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</tbody>
</table>

LEGAL IMPACT
None, the honorary street name signs do not change the official street name.

ALTERNATIVES
The city council may choose to not provide an honorary designation.

NEXT STEPS
Adopt a resolution providing for an honorary designation for Cpl. Alex Martinez.
Originator: Laura I. Valdez, Assistant City Manager
Richard G. Kozal, City Manager

Final Review: Debra Nawrocki, Chief Financial Officer
William A. Cogley, Corporation Counsel

ATTACHMENTS

A. Honorary Street Name Application and Biography
B. Letter of Support from Councilmember Dixon
C. Signed Petitions
HONORARY STREET NAME APPLICATION

Upon receipt of application, information will be forwarded to the City of Elgin Image Commission and Neighborhood Services Committee for review and recommendation for City Council consideration.

<table>
<thead>
<tr>
<th>APPLICANT NAME</th>
<th>ADDRESS</th>
<th>EMAIL ADDRESS</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Bethke</td>
<td>206 S. Melrose Ave.</td>
<td><a href="mailto:Jbe4614785@aol.com">Jbe4614785@aol.com</a></td>
<td>04/18/2019</td>
</tr>
</tbody>
</table>

WORK TELEPHONE NUMBER

<table>
<thead>
<tr>
<th>HOME TELEPHONE NUMBER</th>
<th>PROPOSED HONORARY STREET NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>(847) 741-2391</td>
<td>CPL. Alex Martinez Ave.</td>
</tr>
</tbody>
</table>

CURRENT STREET NAME & LOCATION OF REQUESTED HONORARY SIGNAGE

200 Block of S. Melrose Ave

PLEASE PROVIDE AN EXPLANATION OF WHY THE HONORARY STREET SIGN IS WARRANTED, INCLUDING WHAT CONTRIBUTIONS, SERVICE OR BENEFIT THE PROPOSED HONOREE HAS MADE TO THE COMMUNITY.

Alex was raised in his family home on Melrose Ave. After graduating from Larkin High School, he joined the U.S. Marine Corps. He was assigned to 1st Combat Engineer Battalion on Camp Pendleton, CA. He deployed twice to Helmand Province, Afghanistan. First his deployment his platoon was attached to 3rd Battalion 5th Marines in support of O.E.F 10.2 in Sangin, Afghanistan. This deployment was when he was awarded the Navy and Marine Corps Achievement Medal with a “V” for valor, for his heroic actions (See Attached #1). Cpl. Martinez deployed back to Afghanistan in early 2012 in direct support of 2nd Battalion 5th Marines in O.E.F. He was only a few months into this deployed when his squad was patrolling in the Now Zad District, this is when CPL Martinez was mortally wounded. Cpl Martinez was clearing a passage so his fellow Marines could seize a compound to safety. He exposed himself multiple times to enemy explosives, while he was clearing this path (See Attached #2). Cpl. Martinez is someone the City of Elgin should be extremely proud of to call an Elgin native.

SPONSORING CITY COUNCIL MEMBER SIGNATURE

Please submit all of the following materials with the application to:

City of Elgin • City Manager’s Office • Executive Secretary • 150 Dexter Court • Elgin IL 60123

☐ Completed Petition  ☐ Application Fee $40.00  ☐ Sign & Installation Fee$110

☐ Letter of Support from Sponsoring City Council Member
Summary of Action

SNM was in receipt of imminent danger pay during this period. The combat distinguishing device is recommended.

Lance Corporal Martinez is enthusiastically recommended for the Navy and Marine Corps Achievement Medal with Combat Distinguishing Device for heroic achievement in the superior performance of duties while serving as Combat Engineer, 2nd Platoon, Combat Engineer Company, 1st Combat Engineer Battalion, 1st Marine Division (Forward) from 4 October 2010 to 10 March 2011 in support of Operation Enduring Freedom 10-2 in Sangin, Afghanistan.

On 22 October 2010, Lance Corporal Martinez was the lead sweater for 3rd Squad, 1st Platoon (3-1) of Company L, 3rd Battalion, 5th Marines (L/3/5). As the patrol was returning to Patrol Base (PB) Almas, they began to receive small arms fire approximately 300 meters from friendly lines. As the patrol returned fire, Lance Corporal Martinez continued to sweep for improvised explosive devices (IEDs) and clear a safe route back to the patrol base. Once inside the base, he immediately began returning suppressive fire allowing the remainder of the patrol to enter friendly lines.

On 2 November 2010, Lance Corporal Martinez was the lead sweater for 2nd Squad, 1st Platoon (2-1), L/3/5. As he started to enter a field, the enemy began throwing grenades in his direction. Lance Corporal Martinez immediately began firing at the enemy, denying them the ability to throw more grenades and effectively suppressing the attack. He then gained entry into an adjacent compound using an improvised demolition charge. Entering the compound, he began sweeping for possible IEDs and cleared the area enabling the patrol to establish over-watch on the field.

On 15 November 2010, Lance Corporal Martinez was the lead sweater again for 3-1 when they were assigned a local security patrol. During the course of the patrol, an IED detonated approximately 15 meters in front of him and was immediately followed by heavy enemy fire. Despite being in the midst of a complex ambush, Lance Corporal Martinez calmly continued to sweep for IEDs and was able to lead the patrol back through 400 meters of enemy fire to PB Almas.

On 17 November 2010, Lance Corporal Martinez was the lead sweater for 2-1 on a patrol when they came under enemy small arms fire. While sweeping to a compound to set up an over-watch position, he discovered two command wire activated IEDs. After confirming and marking the IEDs, he continued sweeping to the compound all while taking fire. Once inside the compound he swept and emplaced the over-watch positions and aided in establishing security.

On 19 December 2010, Lance Corporal Martinez was operating as the lead sweater for 1st Platoon, L/3/5 and its quick reaction force (QRF). A patrol that was outside the wire had come under heavy small arms fire and the QRF was tasked to go out to reinforce and provide over-watch security for the patrol under attack. While receiving enemy fire, Lance Corporal Martinez swept a route for the QRF to a compound on key terrain. Entering the compound, he swept the area for the QRF members to move into positions enabling them to provide cover fire and security for the other patrol. After suppressing the enemy and gaining fire superiority, the adjacent squad egressed and continued on with their mission.

Lance Corporal Martinez directly influenced the mission accomplishment of L/3/5 by ensuring the mobility of their patrols. During this period, he assumed the point position on more than 100 combat patrols and, in so doing, found 18 IEDs, often while under enemy fire. His initiative, perseverance and total dedication to duty reflected credit upon him and were in keeping with the highest traditions of the Marine Corps and the United States Naval Service.

Attached #1
From Commander, U S Marine Corps Forces, Central Command
To The Family of Corporal Alex Martinez XXX XX 2255/1371 USMC

Subj PURPLE HEART MEDAL

Encl (1) Award Certificate
(2) Decoration Set

1 Forwarded with pride in recognition of Corporal Martinez’s selfless dedication to duty Corporal Martinez is awarded the Purple Heart Medal for wounds he received on 5 April 2012 in Afghanistan

2 The memory of Alex’s heroic actions and the impact he left on his fellow Marines will not be forgotten He truly embodied the Marine Corps values of “Honor, Courage and Commitment” He will be greatly missed

[Signature]

T D WALDHAUSER

Attached #2

1 of 3
HEROIC ACHIEVEMENT IN THE SUPERIOR PERFORMANCE OF DUTIES WHILE SERVING AS TEAM LEADER, 3D PLATOON, CHARLIE COMPANY, 1ST COMBAT ENGINEER BATTALION IN DIRECT SUPPORT OF 2D BATTALION, 5TH MARINES, 1ST MARINE DIVISION (FORWARD), AFGHANISTAN FROM JANUARY 2012 TO APRIL 2012 IN SUPPORT OF OPERATION ENDURING FREEDOM. CORPORAL MARTINEZ PROVIDED UNSURPASSED MOBILITY SUPPORT TO ECHO COMPANY MARINES, CONSISTENTLY EXPOSING HIMSELF TO ENEMY EXPLOSIVE THREATS WHILE SWEEPING, CLEARING, AND MARKING SAFE LANES FOR THE MANEUVER UNITS. HE PARTICIPATED IN MORE THAN 16 COMBAT PATROLS, AND EFFICIENTLY CLEARED OVER 80 KILOMETERS OF PASSAGE LANES. ON 5 APRIL, IN THE NOW ZAD DISTRICT, HE CLEARED A LANE FOR MARINES TO MOVE OVER 2000 METERS THROUGH A DENSE URBAN AREA THAT WAS AN ENEMY STRONGHOLD. DESPITE ADJACENT UNITS RECEIVING ENEMY FIRE, HE CONTINUED TO CALMLY AND SYSTEMATICALLY CLEAR LANES FOR MARINES TO MANEUVER AGAINST THE ENEMY. HE WAS MORTALLY WOUNDED WHILE CLEARING A LANE TO ALLOW HIS FELLOW MARINES TO SEIZE A COMPOUND. CORPORAL MARTINEZ EXCEPTIONAL PROFESSIONALISM, UNRELENTING PERSEVERANCE, AND LOYAL DEVOTION TO DUTY REFLECTED CREDIT UPON HIM AND WERE IN KEEPING WITH THE HIGHEST TRADITIONS OF THE MARINE CORPS AND THE UNITED STATES NAVAL SERVICE.
THIS 30TH DAY OF APRIL, 2012
GIVEN UNDER MY HAND IN THE CITY OF WASHINGTON
ON 5 APRIL 2012 IN AFGHANISTAN RESULTING IN HIS DEATH
IN ACTIVE
FOR WOUNDS RECEIVED
CORPORAL ALEX MARLINES, UNITED STATES MARINE CORPS
TO
ALT BERTH, NEW YORK, NEW YORK, APRIL 7, 1972
ESTABLISHED BY ORDER OF GEORGE WASHINGTON
PURPLE HEART
HAS BEEN THE
PRESENCE OF THE UNITED STATES OF AMERICA
THIS IS TO CERTIFY THAT
TO ALL WHO SHALL SEE THESE PRESENTS, CERTIFY:
THE UNITED STATES OF AMERICA
April 24, 2019

Re: Honorary Street Renaming

To: City of Elgin

This letter is in support of an honorary street renaming in the remembrance of Cpl. Alex Martinez, on the 200 Block of Melrose Ave. Elgin, IL. Alex was an Elgin resident who valiantly served his country and was killed while doing so. Alex attended and graduated from Gifford Elementary School, Abbott Middle School and Larkin High School. Soon after graduating from Larkin, he joined the US Marine Corps. Cpl. Martinez was assigned to 1st Combat Engineer Battalion. He was deployed twice to Helmand Providence, Afghanistan. On his first deployment he was awarded the Navy and Marine Corps Achievement Medal with a “V” for valor because of his heroic actions. Cpl. Martinez then was deployed back to Afghanistan in early 2012, in direct support of Operation Enduring Freedom. He was only in Afghanistan a few months before he was mortally wounded. After his death, Cpl. Martinez would receive a Purple Heart Citation for his service. CPL. Martinez is someone the City of Elgin should be extremely proud of to call an Elginite. It is a pleasure and an honor to support the street renaming in remembrance and gratitude to Cpl. Alex Martinez.

If you have any questions please feel free to contact me. Thank you.

Corey Dixon, MPA
City of Elgin
City Councilman
Email: dixon_c@cityofelgin.org
Phone: (847) 450-3302
City of Elgin Ordinance 13.27.020 A petition must be signed by not less than two-thirds (2/3) of the owners abutting the street proposed for honorary street name stating the property owner's support for the proposed honorary street name.

I, the undersigned, support the designation of an honorary street name for **Cpl. Alex Martinez** (Honoree) at 200 S. Melrose Ave.

(Confirmed Street Name/Cross-street or block number location)

**NAME**

Jim Betke
Socorro Bethke
Frederick Simmons
Sanat K-Lim
Cesar Garcia
Gladya Vicky
Jennifer Guikku
Maria Calderon
Taylor Nonn
Ines Bann
Mike Babuskod
Delia A. Delgado
Gerry Reyes
Paul Rose
Edward A. Sanda
Cas: Ro Garcia
Amy Cunningham
Steve Cunningham
Mario Moreno

**ADDRESS**

206 S. Melrose Ave.
2065 Melrose Ave.
230 S. Melrose Ave.
228 S. Melrose Ave.
1218 Meyer St.
235 S. Melrose Ave.
512 Miller dr.
156 S. Melrose Ave.
133 S. Melrose Ave.
121 S. Melrose Ave.
134 S. Melrose Ave.
134 S. Melrose Ave.
1221 Clark St.
115 S. Clifton Ave.
1153 8th St.
175 S. Almadine Ave.
274 S. Melrose Ave.
270 S. Melrose Ave.
270 S. Melrose Ave.
263 S. Melrose Ave.
City of Elgin Ordinance 13.27.020 A petition must be signed by not less than two-thirds (2/3) of the owners abutting the street proposed for honorary street name stating the property owner's support for the proposed honorary street name.

I, the undersigned, support the designation of an honorary street name for [Name] (Honoree)

at
200 Block S Melrose Ave
(Current Street Name/Cross-street or block number location)

NAME

E105
Kevin & Pam Wolfe
Mario Ortiz
Jose & Alemao
Evelo Ortiz
Cathleen Lauer
Kelly Portillo

NAME

NAME

ADDRESS

2675 Melrose
210 S Melrose Ave
401 Orange St
401 Orange St
519 Wilber St
612 Meagher Ave
360 North St, Apt B
360 North St.

ADDRESS

442 Ryerson Ave, Elgin
170 S State St, 703 Elgin
58 Saunder Ave, Elgin
2416 Hayslett Lane
103 St. Andrews Ct, Elgin
442 Ryerson Ave, Elgin
503 S State St, Elgin
445 Oak St, Elgin
339 Perry St, Elgin
519 Ryerson Ave, Elgin
414 Griswold St, Elgin
214 S Melrose Ave, Elgin
City of Elgin Ordinance 13.27.020 A petition must be signed by not less than two-thirds (2/3) of the owners abutting the street proposed for honorary street name stating the property owner's support for the proposed honorary street name.

I, the undersigned, support the designation of an honorary street name for Cpl Alex Martinez (Honoree)

at 200 Block S Melrose Ave.

(Current Street Name/Cross-street or block number location)

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<tr>
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<tr>
<td>Sumer Campbell</td>
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<td>heldeling</td>
<td>221 S Melrose Ave</td>
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<td>Courtney Jam</td>
<td>513 Wilber St.</td>
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<td>Josue Ocampo</td>
<td>672 Luda St.</td>
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<td>Amy Smith</td>
<td>252 Waverly Dr.</td>
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<td>Angel White</td>
<td>366 North St.</td>
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<td>Raline Allen</td>
<td>121 W. Highland Ave #502</td>
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<tr>
<td>Raline White</td>
<td>721 W. Highland Ave #502</td>
</tr>
<tr>
<td>Alfredo Zamudio Jr</td>
<td>536 Graze St #2</td>
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<tr>
<td>Andres Hernandez</td>
<td>205 S Melrose</td>
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<td>Tomy Ramirez</td>
<td>1221 Erie St.</td>
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<td>Cundy Tugoro</td>
<td>1221 Erie St.</td>
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<td>Edmar Ramirez</td>
<td>1221 Erie St.</td>
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<tr>
<td>Raquel Romanz</td>
<td>1221 Erie St.</td>
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City of Elgin Ordinance 13.27.020 A petition must be signed by not less than two-thirds (2/3) of the owners abutting the street proposed for honorary street name stating the property owner's support for the proposed honorary street name.

I, the undersigned, support the designation of an honorary street name for **CPL Alex Martin** (Honoree) at **200 Block Maple Ave** (Current Street Name/Cross-street or block number location)

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