



City of Pekin

REGULAR CITY COUNCIL MEETING MONDAY, MARCH 26, 2018 5:30 PM

1.	Pledge of Allegiance
2.	Call to Order
3.	Approve Agenda
3.1.	Approve agenda
4.	Approval of Minutes
4.1.	Approval of Minutes
4.2.	City Council - Regular Meeting - Mar 12, 2018 5:30 PM
5.	Consent Agenda
5.1.	Tazewell County Animal Control Billing - February 2018 ACTION REQUESTED: Receive and File Tazewell County Animal Control Billing – February 2018
5.2.	Police Department Stats - February 2018 ACTION REQUESTED: Receive and File Police Department Stats – February 2018
5.3.	Building Department Report - February 2018 ACTION REQUESTED: Receive and File February 2018 Building Department Report
5.4.	Pekin Plan Commission Minutes Dated October 11, 2017 ACTION REQUESTED: Receive and File Pekin Plan Commission Minutes Dated October 11, 2017
5.5.	Pekin Zoning Board of Appeals Minutes Dated November 8, 2017 ACTION REQUESTED: Receive and File Pekin Zoning Board of Appeals Minutes Dated November 8, 2017
5.6.	Receive and File Notice of Properties to be Demolished Utilizing Funds From the

FY2017/2018 Budget	
ACTION REQUESTED: Receive and file notice for the proposed demolition of the dangerous properties at 1019 Maple Street, 1026 Maple Street, 1223 Ann Eliza Street, 1007 S. Capitol Street and 3213 Mall Road utilizing funds budgeted in the FY2017/2018 Budget.	
5.7.	Bid Tabs RFP Auditing Services
6. Communications, Petitions, Reports	
6.1.	Tazewell County Health Department Tobacco 21
6.2.	Discussion of proposed revisions to the Employee Handbook
7. Public Input	
8. New Business	
8.1.	Resolution No. 85-17/18 Authorization to Engage Professional Services for the purpose of Annual Audit ACTION REQUESTED: Authorize City Manager to engage Sikich LLP in auditing services for fiscal years 2018 through 2020.
8.2.	Ordinance No. 2778-17/18 An Ordinance Approving the Transfer of Volume Cap in Connection with Private Activity Bond Issues, and Related Matters ACTION REQUESTED: Adopt the Ordinance
8.3.	Ordinance No. 2779-17/18 An Ordinance Approving and Authorizing the Execution of a Professional Service Agreement for the First Amendment to the Southern Industrial Park Conservation Area Tax Increment Financing District By and Between Jacob & Klein, LTD and the Economic Development Group, LTD and the City of Pekin ACTION REQUESTED: Adopt the Ordinance
8.4.	Ordinance No. 2780-17/18 An Ordinance Approving and Authorizing the Execution of a Professional Services Agreement for Annual Administration of the Southern Industrial Park Conservation Area Tax Increment Financing District by and between Jacob & Klein, LTD and The Economic Development Group, LTD and the City of Pekin, Illinois ACTION REQUESTED: Adopt the Ordinance
8.5.	Ordinance No. 2781-17/18 An Ordinance Approving and Authorizing the Execution of a Professional Services Agreement for Annual Administration of Central Business District Tax Increment Financing District by and between Jacob & Klein, LTD and The Economic

	Development Group, LTD and the City of Pekin, Illinois ACTION REQUESTED: Adopt the Ordinance
8.6.	Award of Contract for Repair of Roof on City of Pekin Airport Hangar B ACTION REQUESTED: Adopt the Resolution
8.7.	Lease Agreement with Brian Aviation Enterprise ACTION REQUESTED: Approve the Lease Agreement
9.	Any Other Business To Come Before The Council
10.	Executive Session 5 ILCS 120/2 (c)
11.	Adjourn

Column 1 Key:

TC Tony Carson City Manager

Column 2 Key:

1 A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.

2 A Safe Community. To protect community life and property by providing effective, principled police and fire services.

3 A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.

4 A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.

5 An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

 PROCEEDINGS OF THE REGULAR MEETING
 OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
 HELD IN THE COUNCIL CHAMBERS OF CITY HALL
 111 S. CAPITOL ST
 ON MONDAY MARCH 12, 2018 AT 5:30 O'CLOCK P.M.
 JOHN MCCABE * CHAIR * PRESIDING

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor McCabe.

Roll was called and all members were physically present. A quorum was declared.

Mayor McCabe exercised his personal privilege to speak to the public on the matter of Pekin City Hall being evaluated because of an apparent pipe bomb inside a confiscated safe. The Mayor expressed appreciation to the Pekin Police Department, Pekin Fire Department, and Peoria Explosive Ordnance Disposal for the responsible manner that the issue of detonating the explosive. He felt the community was properly notified by well trained officers.

Attendee Name	Title	Status	Arrived
James A Schramm	Council Member	Present	5:22 PM
Michael Garrison	Council Member	Present	5:02 PM
Lloyd Orrick	Mayor Pro-Tem	Present	5:02 PM
John P Abel	Council Member	Present	5:02 PM
Michael Ritchason	Council Member	Present	5:25 PM
Mark Luft	Council Member	Present	5:26 PM
John McCabe	Mayor	Present	5:02 PM

APPROVE AGENDA

3.1. Motion to: **Approve agenda**

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mark Luft, Council Member
SECONDER:	John P Abel, Council Member
AYES:	Schramm, Garrison, Orrick, Abel, Ritchason, Luft, McCabe

APPROVAL OF MINUTES

4.1. Motion to: **Approval of Minutes February 26, 2018**

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mark Luft, Council Member
SECONDER:	Michael Ritchason, Council Member
AYES:	Schramm, Garrison, Orrick, Abel, Ritchason, Luft, McCabe

PUBLIC INPUT

Ann Witzig spoke on 8.1 briefly. She didn't realize we had 2 TIF funds. She also didn't realize there was a south end TIF with any money in it. She said she pulled the budget and history of 2 TIF's. She questioned whether or not the businesses pay into TIF or use money from uptown TIF. She believes someone should know if we are voting on it. Mayor McCabe stated that the TIF will be addressed when it comes up for discussion. Ms. Witzig responded that she felt that Council was hiding it since we are voting on it or that Council must not know.

Minutes Acceptance: Minutes of Mar 12, 2018 5:30 PM (Approval of Minutes)

Jim Mangan also spoke on 8.1. He stated that the City is going to give up to \$175K of TIF and that the taxpayers receive nothing from PAL owners of this gift. Mr. Mangan would like to see Council amend the resolution tonight and change the wording to where it reads that a minimum of 50% of employees of the PAL organization hire their workers from inside city limits and inside of Pekin. He believes they desire serious opportunities to be employed there. He recommends Council remove item 4c of the resolution that the city is agreeing to pay 5 years of PAL Tech property taxes. He believes that the unnecessary inducement puts an added burden on city taxpayers. He states that the City has already made a verbal agreement with owners several months ago. Mr. Mangan questioned how that happened without authorization from Council. He would have thought Council approved someone negotiating a plan. He ended by reiterating that if Council does not remove 4c then he would change his request from 50% of city employees to 70%. He thinks the public should get something for their gift to PAL technologies.

Bill Fleming commented that he applauds efforts for 8.1, the Inducement Resolution. He believes that it is a great use of TIF, bringing back good paying household jobs.

CONSENT AGENDA

Mayor McCabe presented three items on the consent agenda approved by Omnibus vote by the Council.

- 6.1. **Police Department Stats - January 2018**
- 6.2. **Resolution No. 81-17/18 Publication as of December 31, 2017 Zoning Map of the City of Pekin**
- 6.3. **Receive and File Bids for Washington St., Park Ave, 4th and 5th Street Sewer Lining Project**
- 6.4. **Motion to: Motion to Approve Consent Agenda**

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Garrison, Council Member
SECONDER:	Mark Luft, Council Member
AYES:	Schramm, Garrison, Orrick, Abel, Ritchason, Luft, McCabe

PRESENTATION

- 7.1. **Presentation of the City of Pekin National Pollutant Discharge Elimination System Permit for MS4 Program**

Mike Guerra presented the City National Pollution Discharge Elimination small municipalities storm sewer permit that are in NPDES MS4 and as part of that requirement we need to allow for a public meeting and a Council Meeting constitutes as a public meeting to allow public input on to that permit. Mr. Guerra gave a bit of background, we have two NPDES permits - one for wastewater treatment plant and our combination sewer and a separate permit for our actual storm sewers in town for them to be discharged into natural waters. We have 6 total drainage basins we drain to and that includes the combination system, so when you remove the combination system we have 5 drainage basins where we drain to Lost Creek to the South, Brentwood Ditch to the middle of the City and Lick Creek to the North and a couple of systems that discharge directly in the Illinois River. Under the MS4 we estimated that we serve \$23K people. He explained that there are 6 requirements for the permit. The first requirement is public education and outreach - The City is a member of the Central Illinois Communities for NPDES compliance. The second component is public

participation involvement which is a requirement written into this permit which is why we need to have it at a public meeting for public input. The third requirement is illicit discharge detection elimination, we try to inspect all of our outfalls on a 3-4 year rotation. We now do an individual inspection on the Brentwood Ditch at two locations to observe quality of storm water being discharge. The fourth requirement is the construction site runoff control. If you drive around construction sites you will notice that silk fences are required on construction drives and then we try to eliminate any track out and follow up with our construction permits through erosion permits. The fifth requirement is the post construction run off control. We systematically go around and review detention basins or any controls that were put in, mostly erosion controls. The final requirement is the pollution, prevention and good housekeeping. This one falls in with the City where we see the street sweeping to try to eliminate the sediment off the streets so they don't go into the catch basins and get discharged into the waters. Other requirements such as salt being put into salt barn so that rain doesn't create hydrochlorides into the storm water. That concluded Mr. Guerra's brief overview of what the MS4 permit is and the requirements. Any resident can provide input or comments they may have to put on the MS4 permit. Mr. Guerra can take any questions or receive comments. Mayor McCabe asked if this entailed holding a public hearing or some sort of public gathering to receive input from the public or is this done through some other means. Mr. Guerra explained that it is done through this Council Meeting. The item was put on the agenda and minutes are created that we did present it to the public, no public hearing is held. Additional meetings can be held but its a requirement of one per year. Last year we held it around this time in March at a Council Meeting which is typical of what most communities do.

Jim McNish approached the podium to ask which part was a presentation and report. Mr. Guerra responded that it is one in the same and wanted to education the public on what the requirements are.

NEW BUSINESS

8.1. Inducement Resolution No. 82-17/18

Authorizing Actions in Connection with the PAL Health Technologies II TIF Redevelopment Project

City Manager gave a brief outline and expressed that this was a very exciting day to be working with PAL. He explained that the former owners closed last fall and we wouldn't have the business going forward. City was contacted a few weeks ago and in a matter of 5 days we were able to meet with new owners and present them with an incentive package. We are asking Council to approve to reopen the business here in Pekin. He explained that the incentives are based on TIF. The Central Business Tiff - that does have money in it - and the intention is to move TIF funds from one or another, the funds would be coming From Central Business District. The Southern TIF does not have revenue, it's a very young tiff, and only been in existence for a very short period of time. We would have to pay back expenses put forward to establish TIF district. That's why it hasn't seen a cash positive in that fund, which is typical until funding for establishment is taken care of. Mr. Carson continued to explain that the incentive is up to \$300k and it's tied to a match. First \$150K is a dollar for dollar match on TIF related expenses. PAL will be making an investment in their facility. Next part is based on employment numbers. Hopeful they will reach the maximum ones and rebate the City property tax over the next 5 years. The 3rd component is a job retraining

component which we would pay up to \$25K to match from any assistance from state they receive. The last component is that any enterprise zone fees would be waived. Mr. Carson expressed that it was probably one of the most enjoyable meetings he has had with owners being receptive to the City, they were very thankful that we want them to come back to Pekin. This is the City's way of showing these jobs are important in the community and we want a long lasting relationship with them going forward. Mayor McCabe asked with regards of transferring money from one TIF to the other, to enlighten us on the approximate dollar amount in other TIF districts at this time. Mr. Carson explained that he didn't want to give Mayor McCabe an exact number, but over \$1M, closer to \$2M, but doesn't want to give the Mayor a number that's not accurate.

Mayor McCabe then focused his attention to Dr. Rossi and asked that he come to the podium in case there are questions from the Council. Mayor McCabe pointed out that one of the comments was asking who was going to be employed. Mayor McCabe asked to confirm his understanding that Dr. Rossi has been reaching out to former employees. Dr. Rossi responded that it is correct. Mayor McCabe also asked if they are doing some sort of public advertising for jobs. Dr. Rossi responded yes. He explained that they have not quite gotten into the public advertisement phase of the jobs but will be moving in that direction shortly. His first order of business is to tackle deep into that but the initial phase of the project was to get the plant up and running. They have had tremendous requests for employment from previous PAL employees but will be opening that up to public for jobs for others. He said the first date for production is Monday, April 2nd. After they get the ball rolling here they will be able to pick up momentum and have income coming in the door and not just bleeding red like right now. They have around 27 total people hired and have agreements with. Mayor McCabe asked Dr. Rossi to tell Council if the employees are residents of community. Dr. Rossi responded that out of the employees of the production side a large majority are residents of Pekin, IL.

Council Member Abel commented that he thinks it's great that they decided to come back and resurrect the existing facility. The people, Tony, Mark and Katy putting this together and competition says a lot for the city. He appreciates them coming back and spoke to other employees that are excited. Dr. Rossi responded that he really appreciates it. He believed Mr. Carson did a great job and explained that the idea was to bring it to McClean Co. Dr. Rossi also owns Sound Choice here in Pekin but he is from Morton, IL. He explained that he has family that lived in Pekin and he's a big fan. He expressed that Mr. Carson did an excellent job, the whole staff he believes just got a proposal together for them in 5 days. McClean Co. - four months into it hadn't receive anything from them. He is flabbergasted by how they stepped up to the plate and did heck of a job. It was a no brainer after speaking with him. So he really appreciates everything these guys have done.

Mayor McCabe commented that he who hesitates is lost.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Lloyd Orrick, Mayor Pro-Tem
SECONDER:	Michael Garrison, Council Member
AYES:	Schramm, Garrison, Orrick, Abel, Ritchason, Luft, McCabe

8.2. Award the contract for the Washington St., Park Ave, 4th and 5th Street Sewer Lining Project

City Engineer Mike Guerra stated that he had received comment on how places were selected which were based on the type of sewers, size of sewers and the need for rehabilitation. One had previously collapsed that a temporary repair was done on and we are trying to secure that location on Parke Ave. from 5th to 6th Street. The other location on Washington from 5th to 6th there was a known sinkhole that we had semi-secured so that needs to be fully rehabilitated. In addition he adds that the sewer line on 4th is a bricked up sewer with most of the grout gone between the pipes. He explains that is how the locations were selected. Moving forward we will looking at additional brick sewer locations. Council Member Orrick asked where the money will come from and the time frame where we can get into the preventative mode. Mr. Guerra explained that it would come from where it was budgeted, the Wastewater Fund. Mr. Guerra continued to explain that last year and this year we are rehabilitating locations that were more of an emergency where problems have occurred where we did temporary patches. Brick sewers are hard to repair under normal circumstances, we are hopeful that we won't have any more requests in locations with known sinkholes, idea would be in 10 years. Council Member Luft asked when it would begin. Mr. Guerra responded soon once its awarded. They have to clean the sewers, inspect them and get full measurements. There are time frames to get it completed and they anticipate in the next few months. As a resident concern, as part of the specifications they are required to notify every resident so they are aware that it's occurring prior to start by letter or door hangers would be place on doors of the residences.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Ritchason, Council Member
SECONDER:	Lloyd Orrick, Mayor Pro-Tem
AYES:	Schramm, Garrison, Orrick, Abel, Ritchason, Luft, McCabe

8.3. Resolution No. 84-17/18 Supplemental MFT Resolution for Section 75-00107-20-ES

City Manager, Anthony Carson noted that as stated in the resolution that it was a book keeping adjustment. City Engineer, Mike Guerra informed Council that there is new staff at IDOT and this came under review and came to the attention that there was a paperwork issue that needed resolved resulting from 2015 overpaying of dues to PPUATS. The next year we were given a credit on our bill and we passed a resolution of the amount of due. The credit applied should have been for the prior year. He explained that paperwork is to be submitted to reapply the credit to the proper fiscal year, no money was actually spent. This will close out IDOT's paperwork issue.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	James A Schramm, Council Member
SECONDER:	John P Abel, Council Member
AYES:	Schramm, Garrison, Orrick, Abel, Ritchason, Luft, McCabe

ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Linda Harmon spoke at the podium regarding the known issue on Vista Grande Drive. She states that seven property owners have been affected. She explained that last year a considerable amount of money was spent having all the area re-contoured with heaving equipment so water will run to the street and not around the foundation. She pleaded to Council for help to fix the issue.

Jim Mangan spoke to ask for an update on IDOT giving Court Street to the City. He continued to ask Council and the Mayor in their opinion what head of household income is.

John McNish spoke about item 7.1 on the agenda. He commented that he will follow up since he felt he did not receive a presentation or report. He also asked about the fees showing for arbitration with the wastewater issue and North Pekin. Mayor McCabe responded that we are still in arbitration and we do not have an answer yet. Mr. McNish continued to ask if the City Treasurer will be giving a report. He then commented that he feels the staff gives all notices to the Peoria Journal Star with the exception of zoning which went to the Pekin Times.

City Manager Tony Carson thanked Dr. Rossi for reopening PAL Technologies and thanked Council and the Mayor for support. He pointed out that Mr. Rothert and Ms. Shackelford did a great job putting the package together. Mr. Carson stated that we have a team that does it along with the building department and a lot of time and effort was put into things you don't see as successes. He explained that the City competed all around the country for those, one winner and hundreds of losers.

Council Member Ritchason reminded everyone that the Hometown Hero Banner's deadline is April 1. He pointed out that Deputy City Clerk, Nicole Stewart put that information on the website and asked that everyone take a look.

Council Member Orrick addressed Linda Harmon's input on the water problems. He commented that it didn't start until Veteran's Drive was under construction and finished. He felt that it fell under construction site control on this discharge and post construction run off control. He asked Mr. Guerra to see if the permit was met and how it was met. He would like a response on that in the near future.

Council Member Abel reminded everyone that tomorrow is Election Day and to get out and vote.

Council Member Luft agreed with Council Member Orrick regarding the comments made on Vista Grande Drive. He stated that he would like to set some figures when we go into budget workshops and what it would cost to resolve the issue. He then thanked Dr. Rossi for joining the area. He commented that it's a good day for Pekin and a great job by staff.

Mayor John McCabe informed everyone that if anyone has questions regarding the sewer discharge presentation to address those with Mr. Guerra. He followed up that the household job response is a fluid question. The Mayor would like to think that a family of four would have enough money to abstain a lifestyle without any assistance from a government agency.

He explained that putting a dollar amount on that is difficult to do. He stated that the people from PAL will be giving household jobs.

**EXECUTIVE SESSION 5 ILCS 120/2 (C) (1.) PERSONNEL AND (21.)
MINUTES CLOSED UNDER THE ACT**

10.1. Motion to: Motion to Move to Executive Session

The motion was made to move to closed session. City Clerk Sue McMillan read the motion to move to Executive Session 5 ILCS 120/2 (c) for the purpose of discussing (1.) Personnel and (21.) Minutes closed under the Act and (11.) Litigation.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mark Luft, Council Member
SECONDER:	James A Schramm, Council Member
AYES:	Schramm, Garrison, Orrick, Abel, Ritchason, Luft, McCabe

NEW BUSINESS

11.1. Resolution No. 83-17/18 Regarding Minutes of Executive Session Meetings of the City Council of the City of Pekin, Illinois

Following the Closed Session review of unreleased minutes of Council took action to release executive session minutes as previously discussed.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Ritchason, Council Member
SECONDER:	Mark Luft, Council Member
AYES:	Schramm, Garrison, Orrick, Abel, Ritchason, Luft, McCabe

ADJOURN

Motion was made by Council Member Orrick, seconded by Council Member Ritchason to adjourn. The Mayor adjourned the meeting at 6:55 p.m.



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 8, 2018

From: Lee Wrhel, Police & Fire Secretary

John Dossey, Police Chief

AGENDA ITEM: Tazewell County Animal Control Billing - February 2018

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Receive and File Tazewell County Animal Control Billing – February 2018

DESCRIPTION: Tazewell County Animal Control Billing – February 2018

FINANCIAL IMPACT:

NEIGHBORHOOD CONCERNS:

IMPACT IF APPROVED:

IMPACT IF DENIED:

ALTERNATIVES:

RELATED TO EFFICIENCY STUDY:

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
√	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
√	An Effective Government. To deliver effectively the services that Pekin's

	residents want, need, and are willing to support.
REQUIRED SIGNATURES	
Department Directors and City Staff:	
Date:	
Finance Department (Certification of Availability of Funds):	
Date:	
City Manager:	
Date:	

Tazewell County Animal Control

21314 State Route 9
 PO Box 158
 Tremont, IL 61568
 Phone: (309) 925-3370
 FAX: (309) 925-3633

**FEBRUARY 2018 INVOICE**

Balance Due \$3753.83

City Of Pekin
 111 S Capitol St
 Room 242
 Pekin, IL 61554

Our records show the following charges are unpaid.

<u>Date</u>	<u>Description</u>	<u>Charge Amount</u>	<u>Unpaid balance</u>
03-01-2018	Pekin Contract Fee	\$3,753.83	\$3,753.83
As of 03-01-2018, there is a balance due of			\$3,753.83

FOR SERVICES PROVIDED 2/1/1/ - 2/28/18

Attachment: Tazewell County Animal Control Billing - February 2018 (1349 : Tazewell County Animal Control Billing - February 2018)

Tazewell County Animal Control

Record count on this entire report: 139

Run Date: 03-01-2018 07:12:23 AM by Ryan A Sanders

FAX: (309) 925- 3633

Case Intake Register 02-01-2018 to 02-28-2018Group By Municipality
Order By Municipality
Page Number: 12 of 19

Municipality: PEKIN							Officer Call
Case ID	Intake Date	Reason and Transport	ACO	Owner at intake	Animal		
02-17-2018 3	02-17-2018	Stray/Aco Pickup Pickup location: 111 S Capital, Pekin, IL 61554	Homerin, Charlena Lohnes, Pam 61554	Kathie And William...	#62164/F/Dog/Maltese Gracie/Small/Adult/White		3097
02-07-2018 1	02-07-2018	Stray/Aco Pickup Pickup location: 3320 Veterans, Pekin, IL 61554	Lohnes, Pam 61554	James Didonato	#108435/M/Dog/Labrador Retriever Drake/Large/Adult/Black		3058
02-19-2018 2	02-19-2018	Euthanasia Request/Aco Pickup Pickup location: 21314 Il Rt 9, Tremont, IL 00000	Homerin, Charlena 61554	Brittany Musgrave	#143456/F/Dog/Mastiff Ruby/Large/Senior/Tan		3099
02-20-2018 1	02-20-2018	Other/Aco Pickup Pickup location: Not specified or see notes	Homerin, Charlena 61554	Danielle Kuhns	#143663/F/Dog/Labrador Retriever Hazel/Medium/Adult/Brown		
02-26-2018 8	02-26-2018	Stray/Aco Pickup Pickup location: 2204 Brookdale Lane, Pekin, IL 61554	Lohnes, Pam 61554	Krystal Jones	#149073/M/Dog/Pit Bull Joker/Medium/Adult/White/Tan		3140
02-20-2018 9	02-20-2018	Other/Aco Pickup Pickup location: 1225 Florence, Pekin, IL 61554	Homerin, Charlena 61554	Ethel Tholen	#138055/F/Dog/Beagle Maggie/Small/Adult/Tricolor		3110
02-27-2018 11	02-27-2018	Stray/Aco Pickup Pickup location: 111 S Capitol, Pekin, IL 61554	Lohnes, Pam 61554	Darian Saal	#151507/F/Dog/Terrier Princess/Medium/Adult/Black/White		3148
02-01-2018 3	02-01-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#159994/F/Cat/Dsh Peanut/Large/Adult/Tortoise Shell/Dilute		
02-01-2018 4	02-01-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#159995/F/Cat/Dsh Penny/Large/Adult/White/Tan		
02-01-2018 5	02-01-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#159996/M/Cat/Dsh Pete/Large/Adult/White/Tan		
02-02-2018 7	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160021/U/Cat/Dsh Medium/Adult/Gray		
02-02-2018 14	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160032/U/Cat/Dsh Medium/Adult/Orange		
02-02-2018 16	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160034/U/Cat/Dsh Medium/Adult/Gray		
02-02-2018 20	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160038/U/Cat/Dsh Medium/Adult/Gray		
02-05-2018 3	02-05-2018	Quarantine/Aco Pickup Pickup location: 1841 Columbus, Pekin, IL 61554	Harms, Jaymee 61554	Erin Fitzanko	#160078/F/Dog/Shih Tzu Tinkerbelle/Small/Adult/Tan		3057
02-06-2018 1	02-06-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#160138/F/Cat/Dsh Medium/Adult/Orange		
02-06-2018 2	02-06-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#160139/M/Cat/Dsh Charlie/Large/Adult/Gray		
02-06-2018 3	02-06-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#160140/M/Cat/Dsh Buddy/Medium/Adult		

Records on this page: 18

Printed using Shelter Pro

Tazewell County Animal Control

Record count on this entire report: 139
 Run Date: 03-01-2018 07:12:23 AM by Ryan A Sanders
 FAX: (309) 925- 3633

Case Intake Register 02-01-2018 to 02-28-2018
 Group By Municipality
 Order By Municipality
 Page Number: 13 of 19

Municipality: PEKIN

Case ID	Intake Date	Reason and Transport	ACO	Owner at Intake	Animal	Officer Call
02-06-2018 7	02-06-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#160144/M/Cat/Dsh Medium/Adult/Buff	
02-08-2018 1	02-08-2018	Other/Aco Pickup Pickup location: 1112 N 15th, Pekin, IL 61554	Lohnes, Pam	Mitchell Nelson	#160183/M/Dog/Labrador Retriever Cam/Small/Puppy/Black	3062
02-12-2018 2	02-12-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes		Laurie Graber	#160306/U/Cat/Dsh Medium/Adult/Seal Point	
02-12-2018 4	02-12-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes		Laurie Graber	#160308/F/Cat/Dsh Polly/Medium/Adult/Tortoise Shell	
02-12-2018 5	02-12-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes		Laurie Graber	#160309/F/Cat/Dsh Medium/Adult/Tortoise Shell	
02-12-2018 6	02-12-2018	Stray/Aco Pickup Pickup location: 221 Margaret, Pekin, IL 61554	Lohnes, Pam		#160312/M/Cat/Dsh Cameron/Medium/Adult/Brown/Tabby	3074
02-13-2018 2	02-12-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes		Laurie Graber	#160325/U/Cat/Dsh Medium/Adult/Gray	
02-13-2018 3	02-12-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes		Laurie Graber	#160326/U/Cat/Dsh Medium/Kitten/Gray	
02-13-2018 4	02-12-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes		Laurie Graber	#160327/F/Cat/Dsh Medium/Adult/Dilute/Tortoise Shell	
02-16-2018 8	02-16-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#160455/M/Cat/Dsh Medium/Adult/Orange	
02-20-2018 4	02-20-2018	Stray/Citizen Turn-in Pickup location: Not specified or see notes			#160492/U/Cat/Dmh Medium/Adult/Ghost/Gray	
02-22-2018 1	02-22-2018	Stray/Citizen Turn-in Pickup location: Not specified or see notes		Lynda Mitton	#160599/F/Dog/Border Collie Mirical/Medium/Adult/Black	
02-22-2018 3	02-22-2018	Stray/Aco Pickup Pickup location: 100 Taps Lane, Pekin, IL 61554	Homerin, Charlena		#160600/M/Dog/Pit Bull Lucky/Medium/Adult/Brown/White	3120
02-23-2018 1	02-16-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#160601/M/Cat/Dsh Medium/Adult/Orange	
02-28-2018 3	02-27-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Amber Barlow	#160795/M/Rabbit/Tan Harry/Small	
02-28-2018 6	02-27-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Amber Barlow	#160799/F/Rabbit/Tan Mona/Small	
02-02-2018 3	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160017/U/Cat/Dsh Medium/Adult/Gray	
02-02-2018 4	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160018/F/Cat/Dsh Medium/Adult/Dilute/Tortoise Shell	

Records on this page: 18

Printed using Shelter Pro

Case Intake Register 02-01-2018 to 02-28-2018

Group By Municipality
Order By Municipality
Page Number: 14 of 19

Tazewell County Animal Control

Record count on this entire report: 139
Run Date: 03-01-2018 07:12:23 AM by Ryan A Sanders
FAX: (309) 925- 3633

Municipality: PEKIN						
<u>Case ID</u>	<u>Intake Date</u>	<u>Reason and Transport</u>	<u>ACO</u>	<u>Owner at intake</u>	<u>Animal</u>	<u>Officer Call</u>
02-02-2018 5	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160019/F/Cat/Dmsh Medium/Adult/Dilute/Tortoise Shell	
02-02-2018 6	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160020/F/Cat/Dlh Medium/Adult/Tortoise Shell/Dilute	
02-02-2018 8	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160022/M/Cat/Dlh Medium/Adult/Gray	
02-02-2018 9	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160023/M/Cat/Dsh Medium/Adult/Gray	
02-02-2018 10	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160024/F/Cat/Dsh Medium/Adult/Tortoise Shell/Dilute	
02-02-2018 13	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160030/U/Cat/Siamese Medium/Adult/Gray	
02-02-2018 15	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160033/U/Cat/Dsh Medium/Adult/Orange	
02-02-2018 18	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160036/U/Cat/Dsh Medium/Adult/Gray	
02-02-2018 19	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160037/U/Cat/Dsh Medium/Adult/Gray	
02-02-2018 21	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160039/U/Cat/Dsh Medium/Adult/Gray	
02-02-2018 22	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160040/U/Cat/Dsh Medium/Adult/Gray	
02-02-2018 23	02-02-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes			#160041/U/Cat/Dsh Medium/Adult/Gray	
02-03-2018 1	02-03-2018	Stray/Aco Pickup Pickup location: 1507 Augusta St, Pekin, IL 61554	Lohnes, Pam		#160046/M/Cat/Dsh Buster/Large/Adult/Gray/White	3053
02-06-2018 4	02-06-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#160141/M/Cat/Dsh Small/Adult/Gray	
02-06-2018 5	02-06-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#160142/M/Cat/Dsh Medium/Adult	
02-07-2018 2	02-07-2018	Stray/Aco Pickup Pickup location: 2317 Arlington Circle, Pekin, IL 61554	Lohnes, Pam		#160170/F/Cat/Dsh Vivian/Small/Adult/Gray	3059
02-12-2018 3	02-12-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes		Laurie Graber	#160307/U/Cat/Dsh Medium/Adult/Gray	
02-13-2018 5	02-12-2018	Owner Surrender/Citizen Turn-in Pickup location: Not specified or see notes		Laurie Graber	#160328/U/Cat/Dsh Medium/Adult/Gray	

Printed using Shelter Pro

Records on this page: 18

Attachment: Tazewell County Animal Control Billing - February 2018 (1349 : Tazewell County Animal Control Billing - February 2018)

Tazewell County Animal Control

Record count on this entire report: 139
 Run Date: 03-01-2018 07:12:23 AM by Ryan A Sanders
 FAX: (309) 925- 3633

Case Intake Register 02-01-2018 to 02-28-2018
 Group By Municipality
 Order By Municipality
 Page Number: 15 of 19

Municipality: PEKIN					
Case ID	Intake Date	Reason and Transport	ACO	Owner at intake	Animal
02-13-2018 6	02-13-2018	Stray/Citizen Turn-in Pickup location: Not specified or see notes			#160329/F/Cat/Dsh Muffins/Small/Adult/Brown
02-15-2018 6	02-15-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Allen Stone	#160425/M/Cat/Dsh Gambit/Large/Adult
02-16-2018 3	02-16-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#160449/M/Cat/Dsh Bobo/Large/Adult/Gray
02-16-2018 7	02-16-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Emily Pomeranke	#160454/F/Cat/Dsh Lil Girl/Medium/Adult/Tortoise Shell
02-25-2018 2	02-25-2018	Quarantine/Aco Pickup Pickup location: 806 State St, Pekin, IL 61554	Lohnes, Pam	Ginny Campbell	#160632/F/Dog/Mastiff Isabelle/Large/Adult/Fawn/Black
02-25-2018 3	02-25-2018	Stray/Aco Pickup Pickup location: 1005 Buff, Pekin, IL 61554	Lohnes, Pam		#160633/F/Dog/Pit Bull Claudia/Medium/Adult/Black/White
02-26-2018 6	02-26-2018	Stray/Aco Pickup Pickup location: 100 Taps Lane, Pekin, IL 61554	Lohnes, Pam		#160667/U/Cat/Dsh Small/Adult/White/Black
02-27-2018 7	02-27-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Amber Barlow	#160753/M/Rabbit/Tan Scooter/Small
02-28-2018 4	02-27-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Amber Barlow	#160797/M/Rabbit/Tan Panda/Small
02-28-2018 5	02-27-2018	Owner Surrender/Owner Turn-in Pickup location: Not specified or see notes		Amber Barlow	#160798/F/Rabbit/Tan Ribbons/Small
End of Group		Group count: 64			



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 16, 2018

From: John Dossey, Police Chief

AGENDA ITEM: PD Stats - February 2018

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Receive and File Police Department Stats – February 2018

DESCRIPTION: Police Department Stats – February 2018

FINANCIAL IMPACT:

NEIGHBORHOOD CONCERNS:

IMPACT IF APPROVED:

IMPACT IF DENIED:

ALTERNATIVES:

RELATED TO EFFICIENCY STUDY:

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
√	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
√	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
√	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES

Department Directors and City Staff:

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:

**PEKIN POLICE DEPARTMENT
END OF MONTH REPORT FOR FEBRUARY 2018**

	FEBRUARY 2017	JANUARY 2018	FEBRUARY 2018
TRAFFIC TICKETS	500	306	235
WARNING TICKETS	288	246	142
OFFENSES	365	359	403
ARRESTS	415	235	249
PARKING TICKETS	8	125	101
STOPS	664	508	290
IMPOUNDS	NA	33	31

MUNICIPAL ORDINANCE TICKETS

NUMBER OF MUNICIPAL ORDINANCE TICKETS WRITTEN 83
 NUMBER OF TICKETS PAID OVER THE COUNTER 32
 FINES COLLECTED OVER THE COUNTER \$8,720.00

PARKING TICKETS

PARKING TICKETS WRITTEN 101
 PARKING TICKETS PAID OVER THE COUNTER 106
 PARKING FINES COLLECTED \$10,205.00
 MCSI PAYMENT

IMPOUNDS

IMPOUNDS 31
 IMPOUNDS PAID 20
 IMPOUND FINES COLLECTED \$10,000.00

ANIMAL CONTROL

NUMBER OF TICKETS WRITTEN 7
 NUMBER OF TICKETS PAID 4
 FINES COLLECTED \$400.00



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 16, 2018

From: John Lebegue, Building & Inspections

AGENDA ITEM: Building Department Report - February 2018

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Receive and File February 2018 Building Department Report

DESCRIPTION: February 2018 Building Report

FINANCIAL IMPACT: <Insert Financial Impact

NEIGHBORHOOD CONCERNS: <Insert Concerns>

IMPACT IF APPROVED: <Insert the impact if approved>>

IMPACT IF DENIED: <Insert the impact if denied>

ALTERNATIVES: <Insert Alternatives>

RELATED TO EFFICIENCY STUDY: <Efficiency Study>

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]

A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.

A Safe Community. To protect community life and property by providing effective, principled police and fire services.

A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.

A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.

An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES

Department Directors and City Staff:

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:

February 2018

Cash Receipts

Receipt Listing by GL

User: berps
Printed: 03/16/2018 - 6:22 AM



City Of Pekin
111 S. Capitol
Pekin, IL 61554

Account Number Receipt No	Void	Cust No	Name	Account Description	Receipt Date	Line Item Description	Amount
100-793-420500							
00497998	False	026889	Discount Heating & Cooling	Hvac License	2/16/2018	HVAC License	100.00
00497999	False	022434	Mcallister Plumbing & Heating		2/16/2018	HVAC License	100.00
00498000	False	026338	Cordts Heating & Air Conditioning In		2/16/2018	HVAC License	100.00
00498001	False	026012	Staats Service Today		2/16/2018	HVAC License	100.00
00498002	False	025896	Montefusco Heating & Sheet Metal		2/16/2018	HVAC License	100.00
00498003	False	026372	Garber Heating & Air Conditioning		2/16/2018	HVAC License	100.00
						Fund: 100	600.00
100-793-420800							
00497981	False	026578	Wilcox Electric & Service Inc	Electrical Contractors License	2/16/2018	Electrical License	100.00
00497983	False	026500	Edwards Electric		2/16/2018	Electrical License	100.00
						Fund: 100	200.00
100-793-423000							
00496577	True	000000	Harold Gibson	Home Occupation License	2/12/2018	Home Occupations License	45.00
00496578	False	026604	Harold E Gibson dba Gibson's Custom		2/12/2018	Home Occupation	45.00
00501189	False	026484	Yancey's Legacy Acres		2/27/2018	Home Occupation	45.00
						Fund: 100	135.00
100-793-425500							
00495958	False	000000	Kalman Engineering	Hvac Permit	2/7/2018	HVAC Permit	40.00
00495960	False	000000	Kalman Engineering		2/7/2018	HVAC Permit	40.00
00495965	False	000000	Morris Heating & Air		2/7/2018	HVAC Permit	40.00
00495969	False	000000	Covenant Heating & Air		2/7/2018	HVAC Permit	40.00
00496056	False	000000	MCallister Plumbing		2/7/2018	HVAC Permit	40.00
00497715	False	000000	Schuck Heating & Cooling		2/15/2018	HVAC Permit	40.00
00497753	False	000000	Comfort Specialists		2/15/2018	HVAC Permit	20.00
00498707	False	000000	Jackson's Heating & Air		2/21/2018	HVAC Permit	20.00
							40.00

CR - Cash Receipts Proof List by GL (03/16/2018 - 6:22 AM)

Account Number Receipt No	Void	Cust No	Name	Account Description	Receipt Date	Line Item Description	Amount
00498709	False	000000	Meister Heating & Air		2/21/2018	HVAC Permit	20.00
00498721	False	000000	Tri-County Heating & Cooling		2/21/2018	HVAC Permit	20.00
00498723	False	000000	Fritch Heating/Cooling		2/21/2018	HVAC Permit	20.00
00499665	False	000000	William Ford		2/23/2018	HVAC Permit	40.00
						Fund: 100	380.00
100-793-426000				Electrical Permits			
00495952	False	000000	360 Water Solutions		2/7/2018	Electrical Permit	43.00
00495953	False	000000	360 Water Solutions		2/7/2018	Electrical Permit	43.00
00495956	False	000000	Stropes Real Estate		2/7/2018	Electrical Permit	43.00
00496058	False	000000	Porter Electric		2/7/2018	Electrical Permit	36.00
00497706	False	000000	J-Horn Electric		2/15/2018	Electrical Permit	86.00
00497712	False	000000	Schuck Heating & Cooling		2/15/2018	Electrical Permit	43.00
00497722	False	000000	Central Illinois Electrical		2/15/2018	Electrical Permit	55.00
00497726	False	000000	J-Horn Electric		2/15/2018	Electrical Permit	43.00
00498716	False	000000	Porter Electric		2/21/2018	Electrical Permit	43.00
00498724	False	000000	Porter Electric		2/21/2018	Electrical Permit	61.00
						Fund: 100	496.00
100-793-426400				Building And Rezoning Permit			
00495955	False	000000	Stropes Real Estate		2/7/2018	Building Rezoning Permits	59.00
00495967	False	000000	City Church		2/7/2018	Building Rezoning Permits	24.00
00495971	False	000000	Jeremy Grider		2/7/2018	Building Rezoning Permits	29.00
00495972	False	000000	American Dream Home		2/7/2018	Building Rezoning Permits	71.00
00495974	False	000000	American Dream Home		2/7/2018	Building Rezoning Permits	77.00
00496057	False	000000	Corey O'Donnell		2/7/2018	Building Rezoning Permits	35.00
00497708	False	000000	William Heaver		2/15/2018	Building Rezoning Permits	178.00
00497718	False	000000	Ekhoff Builders		2/15/2018	Building Rezoning Permits	130.00
00497723	False	000000	Michael's Roofing, Siding		2/15/2018	Building Rezoning Permits	83.00
00497725	False	000000	Jansen Roofing		2/15/2018	Building Rezoning Permits	68.00
00497747	False	000000	ICON		2/15/2018	Building Rezoning Permits	83.00
00497749	False	000000	ICON		2/15/2018	Building Rezoning Permits	34.00
00497750	False	000000	Fastsigns of Peoria		2/15/2018	Building Rezoning Permits	129.00
00498705	False	000000	Laser Electric		2/21/2018	Building Rezoning Permits	54.00
00498714	False	000000	Nick Will Do It Roofing		2/21/2018	Building Rezoning Permits	53.00
00498719	False	000000	Mark Bale & Son		2/21/2018	Building Rezoning Permits	65.00

Account Number Receipt No	Void	Cust No	Name	Account Description	Receipt Date	Line Item Description	Amount
00498728	False	000000	American Dream		2/21/2018	Building Rezoning Permits	65.00
00498733	False	000000	American Dream		2/21/2018	Building Rezoning Permits	71.00
00498737	False	000000	American Dream Home		2/21/2018	Building Rezoning Permits	53.00
00498743	False	000000	American Dream Home		2/21/2018	Building Rezoning Permits	56.00
00498745	False	000000	American Dream home		2/21/2018	Building Rezoning Permits	56.00
00499047	False	000000	Teen Challenge		2/22/2018	Building Rezoning Permits	899.00
00499367	False	000000	Provancal Bros		2/23/2018	Building Rezoning Permits	40.00
00499666	False	000000	Sun Valley Partners		2/23/2018	Building Rezoning Permits	302.00
00499667	False	000000	American Dream Home		2/23/2018	Building Rezoning Permits	68.00
00499668	False	000000	American Dream Home		2/23/2018	Building Rezoning Permits	65.00
00499669	False	000000	American Dream Home		2/23/2018	Building Rezoning Permits	68.00
00499670	False	000000	American Dream Home		2/23/2018	Building Rezoning Permits	65.00
00499671	False	000000	American Dream Home		2/23/2018	Building Rezoning Permits	65.00
00499672	False	000000	American Dream Home		2/23/2018	Building Rezoning Permits	50.00
00499673	False	000000	American Dream Home		2/23/2018	Building Rezoning Permits	65.00
00499674	False	000000	JAB Multi-Solutions		2/23/2018	Building Rezoning Permits	71.00
00499675	False	000000	JAB Multi-Solutions		2/23/2018	Building Rezoning Permits	62.00
00499677	False	000000	JAB Multi-Solutions		2/23/2018	Building Rezoning Permits	62.00
Total:							3,355.00
Fund: 100							
Plumbing Permits							
00495951	False	000000	Ilini Plumbing		2/7/2018	Plumbing Inspections	16.00
00495959	False	000000	Kalman Engineering		2/7/2018	Plumbing Inspections	55.00
00495961	False	000000	The Pipco Companies		2/7/2018	Plumbing Inspections	81.00
00495962	False	000000	Tazewell Plumbing		2/7/2018	Plumbing Inspections	40.00
00495963	False	000000	Tazewell Plumbing		2/7/2018	Plumbing Inspections	40.00
00495964	False	000000	Tazewell Plumbing		2/7/2018	Plumbing Inspections	25.00
00495968	False	000000	Dave Burling & Son		2/7/2018	Plumbing Inspections	55.00
00495975	False	000000	Dave Burling & Son		2/7/2018	Plumbing Inspections	110.00
00497720	False	000000	Tazewell Plumbing		2/15/2018	Plumbing Inspections	40.00
00497721	False	000000	Tazewell Plumbing		2/15/2018	Plumbing Inspections	25.00
00497727	False	000000	Maquet Plumbing		2/15/2018	Plumbing Inspections	25.00
00497728	False	000000	Wiegand Plumbing		2/15/2018	Plumbing Inspections	140.00
00497751	False	000000	Dave Burling & Son		2/15/2018	Plumbing Inspections	55.00
00497754	False	000000	Kern Plumbing		2/15/2018	Plumbing Inspections	52.00
00498276	False	000000	Janice Banks		2/20/2018	Plumbing Inspections	25.00

Account Number Receipt No	Void	Cust No	Name	Account Description	Receipt Date	Line Item Description	Amount
00498713	False	000000	David Burling & Son		2/21/2018	Plumbing Inspections	55.00
00498725	False	000000	David Burling & Son		2/21/2018	Plumbing Inspections	55.00
00501012	False	000000	Tucker Plumbing		2/27/2018	Plumbing Inspections	262.00
						Fund: 100	1,156.00
100-793-463600				Code Violation Fines			
00496199	False	000000	James Thomason		2/8/2018	Code Violation Fines	300.00
						Fund: 100	300.00
100-793-499800				Miscellaneous Receipts			
00496059	False	000000	Joseph Dunn		2/7/2018	Misc Receipts	125.00
00496185	False	000000	Illinois Civil Contractors		2/7/2018	Misc Receipts	100.00
00499678	False	000000	Joseph Payne		2/23/2018	Misc Receipts	85.00
00499679	False	000000	JPG Commercial		2/23/2018	Misc Receipts	85.00
						Fund: 100	395.00
100-793-499802				Cash Over/short			
00496554	True	000000			2/9/2018	Cash Over/Short	20.58
						Fund: 100	20.58
						Total:	7,037.58

February 2018

5.3.a

Code Enforcement Citations by Type

Printed: 3/1/2018

Page 1 of 2

Code Descriptor	Permits required for work	Code Identifier	13
Code Descriptor	Nuisances/ Creating & maintaining	Code Identifier	5
Code Descriptor	Parking regulations front yard setback	Code Identifier	15
Code Descriptor	Unsafe structure	Code Identifier	2
Code Descriptor	Structure fire	Code Identifier	2
Code Descriptor	Structure unfit for human occupancy	Code Identifier	5
Code Descriptor	Property maintenance violation	Code Identifier	12
Code Descriptor	Right-of-way obstructions	Code Identifier	2
Code Descriptor	Games(basketball hoops) in R.O.W.	Code Identifier	1
Code Descriptor	No approved garbage container	Code Identifier	1
Code Descriptor	Tall grass and weeds	Code Identifier	1
Code Descriptor	Junk cars	Code Identifier	25
Code Descriptor	Junk and debris	Code Identifier	36
Code Descriptor	Fowl/ poultry	Code Identifier	1
Code Descriptor	Maintenance of animals	Code Identifier	1
Code Descriptor	Dog droppings in yard	Code Identifier	1
Code Descriptor	Abandoned Structure	Code Identifier	1

Attachment: February 2018 Building Report (1350 : Building Department Report - February 2018)

Code Enforcement Citations by Type

Printed: 3/1/2018

Page 2 of 2

Code Descriptor	Signs on right of way	Code Identifier	1
Code Descriptor	Illegal sign	Code Identifier	3
Code Descriptor	Non-conforming use/structure	Code Identifier	1
Code Descriptor	Off street parking	Code Identifier	35
Code Descriptor	Vehicle displayed for sale	Code Identifier	3



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 16, 2018

From: John Lebegue, Building & Inspections

AGENDA ITEM: Pekin Plan Commission Minutes Dated October 11, 2017

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Receive and File Pekin Plan Commission Minutes Dated October 11, 2017

DESCRIPTION: Pekin Plan Commission Minutes Dated October 11, 2017

FINANCIAL IMPACT: <Insert Financial Impact

NEIGHBORHOOD CONCERNS: <Insert Concerns>

IMPACT IF APPROVED: <Insert the impact if approved>>

IMPACT IF DENIED: <Insert the impact if denied>

ALTERNATIVES: <Insert Alternatives>

RELATED TO EFFICIENCY STUDY: <Efficiency Study>

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]

A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.

A Safe Community. To protect community life and property by providing effective, principled police and fire services.

A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.

A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.

An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES

Department Directors and City Staff:

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:

Pekin Planning Commission Meeting
 Council Chambers
 111 South Capitol Street, 2nd level
 October 11, 2017
 5:30pm

Present:

Bill Craig, Chair
 Steve Thompson
 Chris Deverman
 Don Hild

Ron Knautz
 James Ruth
 Amy Wilson

The regular meeting of the Pekin Planning Commission was called to order and a quorum was declared.

Staff present: John Lebegue, Building Inspections/Development Director, and Attorney Scott Kriegsman.

MOTION by Steve Thompson to approve the October 11, 2017 Agenda, Seconded by Ron Knautz. On roll call vote, all present voted AYE. Motion approved.

MOTION by Ron Knautz to approve the minutes of September 13, 2017, Seconded by Chris Deverman. On roll call vote, all present voted AYE. Motion approved.

Council Action Reports:

At the September 25, 2017 regular meeting of the Pekin City Council, the members of the City Council, by a unanimous vote, concurred with the recommendation of the Pekin Plan Commission to approve a petition submitted by Pekin Insurance for the vacation of the Sharon Avenue right-of-way. The City Council approved both, an ordinance of vacation and a plat of vacation for the Sharon Avenue right-of-way.

Application #1: Review of petition for a Special Use for a home occupation to conduct a dog daycare use at 1102 Chestnut Street.

Hearing #1 (09-1914): Review and consideration of petition by Deanna Shanks, located at 1102 Chestnut Street, for a Special Use for a home occupation to conduct a dog daycare use, with a Legal Description of SEC 35 T25N R5w Bush's Subd. 7 Lot 191 (65' x 110' Exc. S 5') NE ¼, with a P.I.N. # 04-04-35-214-003 in Tazewell County Illinois.

Hearing #1 (09-1914): Open Public Hearing: 5:37 p.m.

Bill Craig, Chair entertained a motion for discussion.

Commissioner Thompson made a motion question on the request for Special Use authorization, seconded by Commissioner Ron Knautz. On a roll call vote

Deanna Shanks and Larry Clark appeared before the Plan Commission to provide testimony for their Special Use request. Ms. Shanks explained the nature of the pet daycare / boarding use that was being

conducted on the property at 1102 Chestnut Street. Ms. Shanks explained that there was a need for the services that she was providing that a commercial kennel could not provide and that the use was of a relatively small nature, with no more than 10 pets in daycare and up to 5 boarded overnight.

Larry Clark stated that the home dog daycare was a much more pleasant environment for a pet than a commercial kennel and that they paid far more attention to the pet.

Ms. Shanks stated that they were all certified in pet CPR and that they used air horns to separate dogs when conflicts between pets occurred.

Close Public Hearing: 5:39 p.m.

Commissioner Ron Knautz opened discussion by stating that he read all the material and see the pros and cons to the proposed dog daycare / boarding use, but questioned how the use would fit from a zoning perspective.

Ms. Shanks apologized for not checking whether the Zoning Code allowed such a use to be conducted in a residential neighborhood.

Commissioner Steve Thompson asked how the dog daycare use could be controlled so that the use would not adversely affect the neighbors. In response to Commissioner Thompson's question, Ms. Shanks stated that they do everything they can to prevent the use from being a nuisance to neighboring property owners, but did acknowledge that there was a complaint lodged in the past when a hound dog in their care would not stop barking no matter what they did to stop it.

Commissioner Chris Deverman asked what steps were taken in regard to clean-up of dog waste to prevent offensive odors. Mr. Clark answered that dog waste is picked up regularly and disposed of in sealed bags to control any offensive odors that may be generated. Ms. Shanks further stated the rear yard is also sprayed for fleas and mosquitos on a regular basis as well.

Commissioner Deverman further asked how many dog she took care of most of the time during the week. Ms. Shanks answered that they have up to 10 dogs in daycare and no more than 5 dogs boarded overnight, which the limits established by their insurance.

Commissioner Amy Wilson then asked what type of fence enclosed the rear yard of the property. Ms. Shanks answered that the fence is a 6 foot solid wood fence.

Commissioner Steve Thompson then asked if there existed any ordinance restrictions as to the number of pets that can be kept on a property and how the definition of commercial kennel applied to the request. Building Inspections / Development Director John Lebegue answered by stating that there currently is no language in the City Code that specifically limits the number of animals. Attorney Scott Kriegsman stated that, as pointed out in the staff memorandum, any lot or premises where more than 3 dog are boarded would constitute a commercial kennel. Mr. Lebegue added that a commercial kennel use is only permitted in the I-1, Light Industrial and I-2, General Industrial Districts and that a commercial kennel use is prohibited in the R-4, One-Family Residential District.

Commissioner Wilson stated that she felt the dog daycare use is a good use, but that doesn't feel that our ordinances allow such a use in a residential zoning district and cannot support the granting of a Special Use.

Chairman Bill Craig stated that he too did not feel that a Special Use could be granted and that even the dog daycare without any boarding could not be approved. Chairman Craig continued by stating that the proposed dog daycare / boarding use violated Section 9-4A-2, (B) of the City Code in that the use generated traffic, parking and water use in excess of what was normal in a residential neighborhood and created noise and odors which could become a nuisance for neighboring properties. Chairman Craig ended his comments by stating that the dog daycare / boarding use is the right business in the wrong place.

Motion made by Chris Deverman, seconded by Ron Knautz to recommend denial of the petition for a home occupation to conduct a dog daycare use at 1102 Chestnut Street. On roll call vote, all present voted Nay. Request denied.

Members of the Plan Commission then asked Building Inspections Development Director Lebegue the status of the improper activities taking place at 702 S. 2nd Street. Mr. Lebegue stated that correspondence had been sent to Matthew Mackey, the business owner, and the owner of the property, officially notifying them that the improper parking of vehicles for sale, storage of unlicensed, inoperable vehicles and the unlawful vehicle salvage activities must be ceased. Mr. Lebegue concluded by stating that if the unlawful activities continued that the matter would be brought back to the Plan Commission to consider revocation of the Special Use that was granted to Matthew Mackey to operate a tire shop / auto repair shop use. Commissioner Ron Knautz then requested that the auto sales business next to Arby's on Court Street be checked out to make sure they are not conducting auto repair activities beyond what the Special Use allows. Mr. Lebegue stated that he would have the property inspected to verify what repair activities are taking place.

No public input

Motion made by Ron Knautz, seconded by James Ruth to adjourn. On roll call vote, all present voted Aye. Motion approved. Meeting adjourned at 6:01 pm.

Respectfully submitted:

John R. Lebegue, Building Inspections / Development Director



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 16, 2018

From: John Lebegue, Building & Inspections

AGENDA ITEM: Pekin Zoning Board of Appeals Minutes Dated November 8, 2017

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Receive and File Pekin Zoning Board of Appeals Minutes Dated November 8, 2017

DESCRIPTION: Receive and File Pekin Zoning Board of Appeals Minutes dated November 8, 2017

FINANCIAL IMPACT: <Insert Financial Impact>

NEIGHBORHOOD CONCERNS: <Insert Concerns>

IMPACT IF APPROVED: <Insert the impact if approved>>

IMPACT IF DENIED: <Insert the impact if denied>

ALTERNATIVES: <Insert Alternatives>

RELATED TO EFFICIENCY STUDY: <Efficiency Study>

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
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	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES**Department Directors and City Staff:**

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:

Pekin Zoning Board of Appeals
City Council Chambers
111 S. Capitol Street, 2nd Level
November 8, 2017
5:00pm

Present:

John Kennedy, Chair
Mary Lanane
Wayne Altpeter

Chris Lang
Kim Joesting

Staff Present: Attorney Scott Kriegsman, John Lebegue, Building Inspections/Development Director

John Kennedy, Chair led the pledge of allegiance.

John Kennedy, Chair called the regular meeting of the Zoning Board of Appeals to order.

Roll call was taken and a quorum declared.

John Kennedy, Chair asked for approval of the Agenda.

MOTION by Kim Joesting, seconded by Chris Lang to approve the Agenda as presented. On roll call vote, All present voted **AYE**. **MOTION APPROVED**.

John Kennedy, Chair asked for approval of the September 13, 2017 Minutes.

MOTION by Mary Lanane, seconded by Kim Joesting to approve the Minutes of September 13, 2017 as presented. On roll call vote, All present voted **AYE**. **MOTION APPROVED**.

Application #1:

Hearing #1: Open: 5:05pm Closed: 5:15pm

Hearing #1:

To allow Theresa Vogel, owner, to install and retain a non-conforming 6 foot, solid wood privacy fence in the front yard facing S. Capitol Street, in lieu of the allowed 4 foot, ornamental fence in the front yard as stated in the current Zoning Code for R-4 (One Family Residential District), with PIN# 04-10-03-417-011 and Legal Description of SEC 3 T25N R5W ALFS ADDN. Lot 10 Block 4 SE 1/4 , in Tazewell County, Illinois, located at 1305 S. Capitol Street.

Discussion: After Chairman John Kennedy asked if anyone had any questions or wished to speak concerning the matter, applicant, Theresa Vogel explained that she had hired a fencing contractor to install the fence and did not understand why the new fence was a problem since it was located in the same place as the previous fence.

Building Inspections / Development Director John Lebegue stated that there appears to have been a miscommunication between the fence contractor and the City as the plans submitted show the 6-foot wood fence being installed in line with the home, but was instead installed in the same location as the previous fence.

Kim Joesting then asked if the chain link fence connected to the new 6-foot solid wood fence was going to remain or be replaced with wood fence. Ms. Vogel answered that the chain link fence was going to remain in place and would not be replaced.

Building Inspections / Development Director John Lebegue then explained that should the variance be granted to allow the installation of the 6-foot solid, wood fence in the front yard facing S. Capitol Street, a condition should be placed that required that the northeast corner of the fence be modified to conform to the vision obstruction requirements of the City Code. To conform to the vision obstruction requirements, the fence would have to be angled at the northeast corner so that those exiting the alley onto S. Capitol St. would have the ability to see vehicles travelling northbound on S. Capitol Street.

Kim Joesting stated that he agreed that it was important to modify the fence to conform to the vision obstruction requirements, as he had concerns that a child on a bicycle traveling on the sidewalk would not be seen by someone exiting the alley on S. Capitol Street if the fence were not modified.

Chairman John Kennedy then called for a vote on the variance request, with the condition that the northeast corner of the fence be modified to conform to the vision obstruction requirements. On roll call vote, **Ayes:** Chairman John Kennedy, Chris Lang, Kim Joesting, Mary Lanane and Wayne Altpeter.
VARIATION REQUEST APPROVED.

PUBLIC INPUT:

No public input at this time.

John Kennedy, Chair asked for a motion to adjourn.

MOTION by Kim Joesting, seconded by Chris Lang to **ADJOURN** the meeting.
Meeting Adjourned at 5:17pm.

Zoning Board of Appeals
John R. Lebegue, Secretary



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 16, 2018

From: John Lebegue, Building & Inspections

AGENDA ITEM: Notice of dangerous properties to be demolished utilizing funds from the FY2017/2018 Budget

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Receive and file notice for the proposed demolition of the dangerous properties at 1019 Maple Street, 1026 Maple Street, 1223 Ann Eliza Street, 1007 S. Capitol Street and 3213 Mall Road utilizing funds budgeted in the FY2017/2018 Budget.

DESCRIPTION: The Inspections Department has inspected the premises with the common addresses of 1019 Maple Street, 1026 Maple Street, 1223 Ann Eliza Street, 1007 S. Capitol Street and 3213 Mall Road and have found that the structures on the subject properties constitute an immediate and safety hazard and pose a danger to the health, safety and welfare of the City and deem it in the best interests of the City of Pekin that the structures on the properties be demolished. Demolition of the identified properties will be accomplished utilizing funds budgeted in the FY2017/2018 Budget. The Inspections Department has sent out invitation to bid on the demolition of the identified properties and once all bids are received from qualified demolition contractors, the matter will be brought back before the City Council at the April 9, 2018 meeting for approval of a resolution to proceed with the demolition of these dangerous structures.

FINANCIAL IMPACT: Funds from line item 100-793-562500, Demolition, of the FY17/18 Budget will be utilized for all demolition expenses incurred in the demolition of the subject properties.

NEIGHBORHOOD CONCERNS: The subject properties are abandoned, vacant or incompletely constructed properties that given the dilapidated and unsanitary condition of the exterior and interior pose a hazard to the health, safety and welfare of the neighborhoods in which they are located and constitute a source of blight and public nuisance.

IMPACT IF APPROVED: A source of blight and public nuisance will be abated and the safety and health of the affected neighborhoods will be markedly improved.

IMPACT IF DENIED: The dangerous, dilapidated properties will continue to pose a danger and constitute a public nuisance and negatively impact the health and safety of the neighborhoods where the properties are located.

ALTERNATIVES: <Insert Alternatives>	
RELATED TO EFFICIENCY STUDY: <Efficiency Study>	
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark ✓ and paste it to the left of the relevant theme.]	
	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
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	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.
REQUIRED SIGNATURES	
Department Directors and City Staff:	
Date:	
Finance Department (Certification of Availability of Funds):	
Date:	
City Manager:	
Date:	

Nov 9, 2017 at 08:22

1019 Maple Street



Oct 16, 2017 at 10:20

1819 Maple Street



1026 Maple Street

Feb 26, 2018 at 11:42



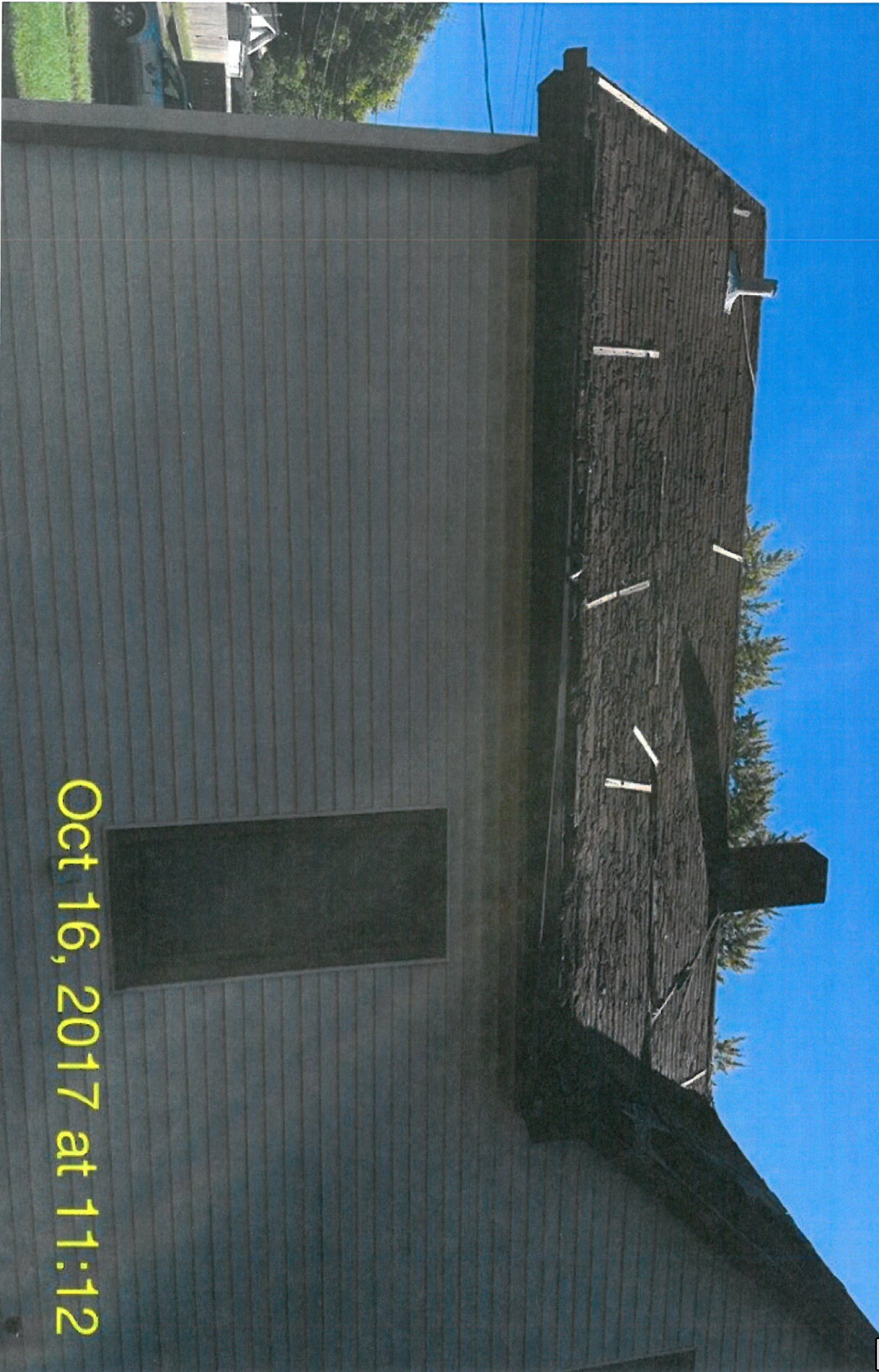
5.6.a

Attachment: Pictures of dangerous properties to be demolished using funds from FY17-18 Budget (1355 : Notice of dangerous properties to be



Oct 16, 2017 at 11:12

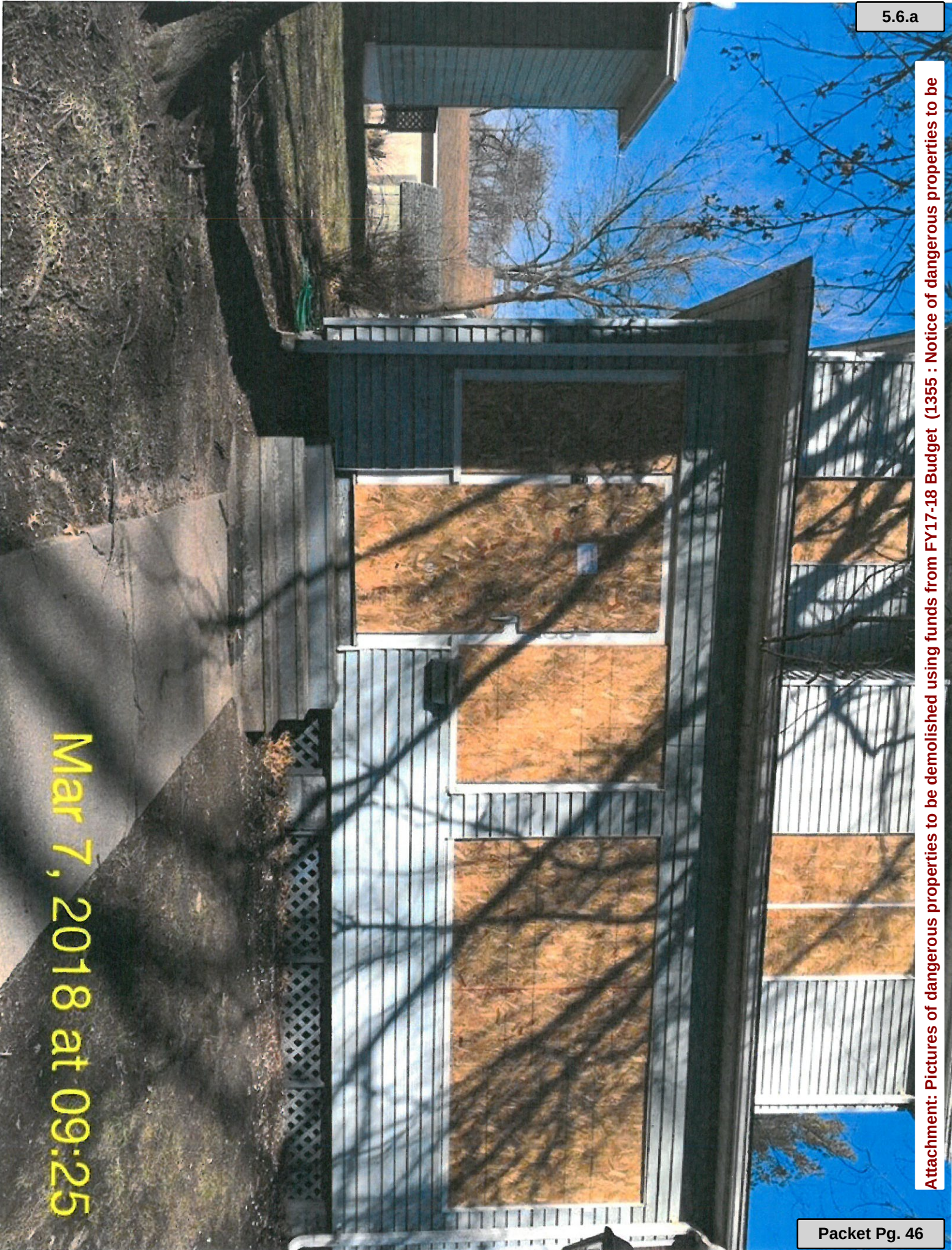
1223 Ann Eliza St.





Mar 7, 2018 at 09:25

1007 S. Capitol St.





03/15/2018

Attachment: Pictures of dangerous properties to be demolished using funds from FY17-18 Budget (1355 : Notice of dangerous properties to be demolished)



03/15/2018

5.6.a

5213 M-11 24.
Attachment: Pictures of dangerous properties to be demolished using funds from FY17-18 Budget (1355 : Notice of dangerous properties to be

**REQUEST FOR COUNCIL ACTION****To: Council Members****Date: March 21, 2018****From: Sarah Newcomb, Human Resources Dir****Jim Wolf, City Treasurer****AGENDA ITEM:** Bid Tab RFP Auditing Services**AGENDA DATE REQUESTED:** March 26, 2018**REQUIRED SIGNATURES****Department Directors and City Staff:**

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:

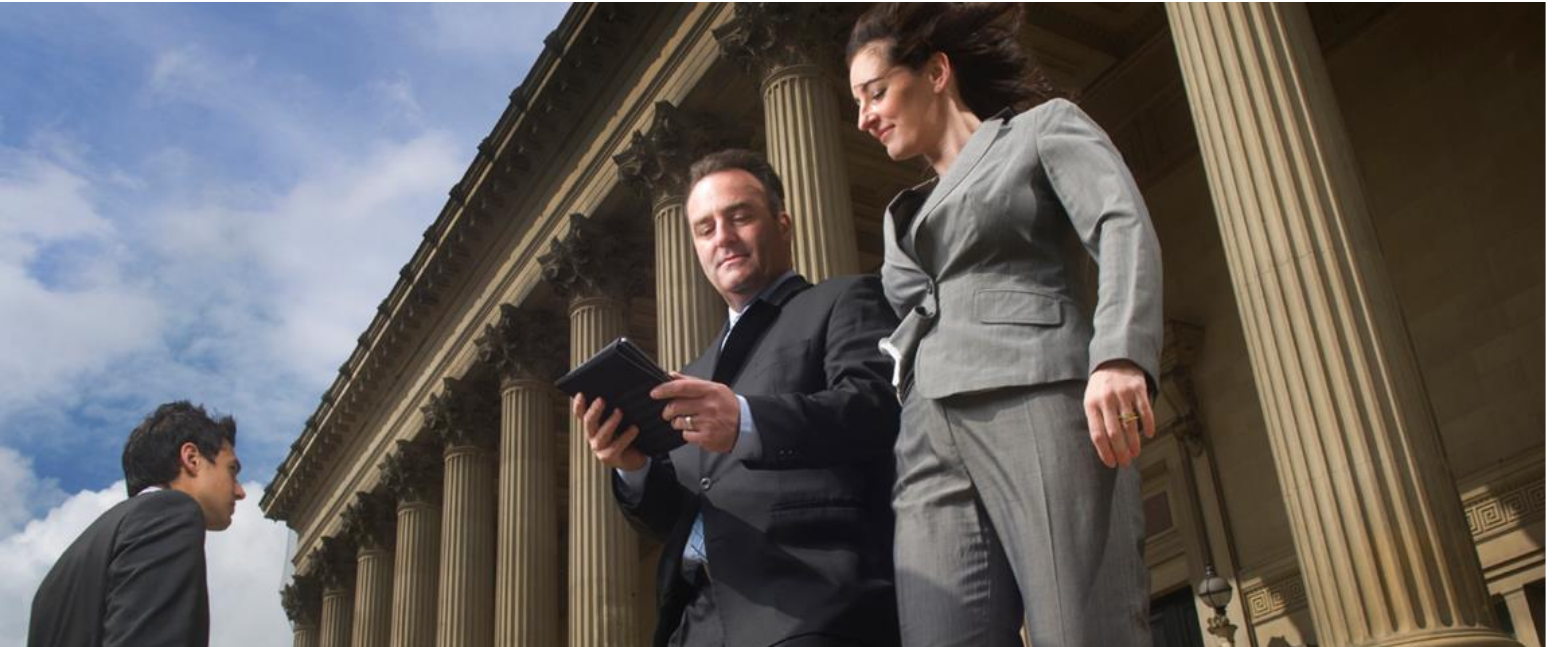
RFP AUDITING SERVICES

OPENING: MARCH 14, 2018 @ 10:00 A.M.

NAME	ADDRESS	2018	2019	2020	Total
WIPFLI LLP	403 East Third Street Sterling, IL 61081-3701	55,250	56,250	58,750	170,250
CliftonLarsonAllenLLP	301 SW Adams Street, Suite 1000 Peoria, IL 61602	55,900	57,600	59,300	172,800
E.C. Ortiz & Co., LLP	333 S. Desplaines Street Suite 2-N Chicago, IL 60661	64,300	65,600	66,700	196,600
SIKICH LLP	3201 West White Oaks Drive, Suite 102 Springfield, IL 62704	51,200	52,350	53,500	157,050

Warning estimate \$55,000 total

Attachment: TABULATION FINAL (1362 : Bid Tab RFP Auditing Services)



March 14, 2018

**Technical proposal to provide financial
audit services to:**

City of Pekin, Illinois

Prepared by:

CliftonLarsonAllen LLP

301 SW Adams Street, Suite 1000
Peoria, IL 61602

Adam Pulley, CPA, Principal

adam.pulley@CLAconnect.com
309-495-8767



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

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7.2.1 – EXECUTIVE SUMMARY



CliftonLarsonAllen LLP
301 SW Adams Street, Suite 1000
Peoria, IL 61602
309-671-4500 | fax 309-671-4508
www.CLAconnect.com

March 14, 2018

City of Pekin
Sue McMillan, City Clerk
111 S. Capitol Street
Pekin, IL 61554

Dear Ms. McMillan:

Thank you for inviting us to propose our services to you. We gladly welcome the opportunity to share our approach to helping the City of Pekin, Illinois (the City) meet its need for financial and compliance audit services. The enclosed proposal responds to your request for financial and compliance audit services for a period of three years beginning with the fiscal year ending April 30, 2018, 2019, and 2020 with a one-time, two-year extension for the years ending April 30, 2021 and 2022.

We are confident that our extensive experience serving similar governmental entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA a top qualified candidate to fulfill the scope of your engagement. The following differentiators are offered for the City's consideration:

- ***We are local.*** The engagement team assigned to the City will be working from our Peoria, Illinois office. We are available year round to serve the City on site. We have an extensive local and national public sector practice from which to draw resources. We are passionate about serving our local governments. Our Peoria office employees are constituents of the City and neighboring communities. Our office has an intimate knowledge of the Pekin area.
- ***CLA provides audit services to many entities that receive the GFOA Certificate of Excellence in Financial Reporting.*** Our managers, directors, and principals who review the CAFR have a strong understanding of the GFOA requirements for the certificate. Our depth of knowledge and experience allows us to assist the City with the preparation of the CAFR and improvement of the City's financial statements.
- ***Specialized Government Insight and Resources.*** As one of the nation's leading professional services firms, and one of the largest firms who specialize in the public sector, CLA has the experience and resources to assist the City with their audit needs. In addition to your experienced local engagement team, the City will have access to one of the country's largest and most knowledgeable pools of public sector resources.
- ***Strong Methodology and Responsive Timeline.*** In forming our overall audit approach, we have carefully reviewed the RFP. In addition to our local government clients, we currently serve more than 2,000 governmental organizations nationally. Our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. We have developed a work plan that takes into consideration your unique needs as a governmental entity in Illinois. The work plan also minimizes the disruption of your staff and operations, and provides a blueprint for timely delivery of your required reports.
- ***Communication and Proactive Leadership.*** The City will benefit from a high level of hands-on service from our team's senior professionals. We can provide this level of service because, unlike other national firms, our principal-to-staff ratio is similar to smaller firms – allowing our senior level professionals to be

involved and immediately available throughout the entire engagement process. Our approach helps members of the engagement team stay abreast of key issues at the City, and take an active role in addressing them.

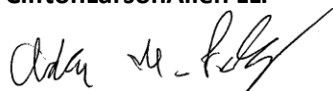
- ***A Focus on Providing Consistent, Dependable Service.*** We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, thus allowing us to avoid the workload compression typically experienced by firms that must meet public companies' SEC filing deadlines. CLA is organized into industry teams, affording our clients with specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, the City will enjoy the service of members of our state and local government services team who understand the issues and environment critical to governmental entities.
- ***Fresh Perspective.*** By engaging CLA, the City will benefit from a "fresh look" at its business operations, information systems, and financial and risk management policies and procedures. You will be served by an engagement team with enthusiasm and a desire to meet and exceed expectations. We are confident that our industry experience will bring to the City new ideas, creative approaches, and fresh opportunities to meet the financial management and accountability challenges before the City.

We are confident that our technical approach, insight, and resources will result in unparalleled client service for the City.

We are eager to work with you and welcome the chance to present our proposal to the City council or the City finance committee. If you have any questions about our offerings, please do not hesitate to contact me via the information listed below.

Sincerely,

CliftonLarsonAllen LLP



Adam Pulley, CPA

Principal

309-495-8767

adam.pulley@CLAconnect.com

Attachment: Auditing Proposal 2018 Clifton Larson (1362 : Bid Tab RFP Auditing Services)

7.2.2 FIRM QUALIFICATIONS

Firm organization and size

CLA is a national professional services firm delivering integrated wealth advisory, outsourcing, and public accounting capabilities to help enhance our clients' enterprise value and assist them in growing and managing their related personal assets — all the way from startup to succession and beyond.



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Our professionals are immersed in the industries they serve and have specialized knowledge of their operating and regulatory environments. With more than 5,000 people, more than 100 U.S. locations, and a global affiliation, we bring a wide array of approaches to help clients in all markets, foreign and domestic.



Our mission:
Impactful
interactions
for success

Location of offices

The City would be served by professionals from our Peoria office. The following is a breakdown of our professional staff in this office.

Staff Level	Peoria
Principal	14
Director	13
Manager	11
Senior	26
Associate	15



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

7.2.3 ENGAGEMENT TEAM

The engagement team will be based out of the Peoria, Illinois office.

CliftonLarsonAllen LLP

301 SW Adams Street, Suite 1000
Peoria, IL 61602

The most important resource any business has is people – the right people.

An experienced engagement team has been aligned to provide the most value to your organization. The team members have performed numerous engagements of this nature and will commit the resources necessary to provide top quality service throughout the engagement. Following are our proposed management team members:

Engagement Team	Title	Role	Years' Experience
Adam Pulley, CPA	Principal	Engagement principal	11
Hope Wheeler, CPA	Principal	Advisory principal	25
Lindsey Samp, CPA	Manager	Engagement manager	7
Steve Perrone	Senior	Engagement in-charge	4
Brian Mateas, CPA	Associate	Direct staff	3

Detailed biographies are available in the Appendix of this proposal.

7.2.4 GOVERNMENT CLIENT LIST

CLA has performed independent financial and compliance auditing services to governments across the country. The following is a representative listing of the firm's governmental audit clients located in Central Illinois since 2013. The names that are bolded are current clients.

Allerton Public Library District	Lee County
Banner Township	Livingston County
Bloomington-Normal Public Transit District	Logan County
Bloomington and Normal Water Reclamation District	Mahomet-Seymour School District
Champaign County	Mahomet Public Library
Champaign Park District	Morton Community Unit School District
Champaign-Urbana Mass Transit District	McLean County Unit School District
Champaign Urbana Public Health District	Morton Public Library District
City of Altamont	Municipal Insurance Cooperative Agency
City of Danville	Newell Township
City of Decatur	North Tazewell Public Water District
City of East Peoria	Peoria Board of Education District 150
City of Farmington	Peoria Civic Center Authority
City of Flora	Peoria Park District
City of Galesburg	Peoria Housing Authority
City of Havana	Pleasant Valley Public Water District
City of Kewanee	Princeton Park District
City of Lewistown	Public Building Commission of Peoria
City of Ottawa Transit Grant	Rantoul City Schools
City of Peoria	Richwoods Township



City of Polo	Sangamon County
City of Sandwich	Sanitary District of Decatur
City of Watseka	Special Education Association of Peoria County
Danville Mass Transit	Springdale Cemetery
Danville Public Building Commission	Tazewell County
Danville Sanitary District	Town of Cunningham
Danville School District	Town of Normal
Danville Township	Urbana and Champaign Sanitary District
Decatur Mass Transit	Vermillion County
East Peoria Drainage and Levee District	Village of Elliott
Farmington Township	Village of Germantown Hills
Fondulac Public Library District	Village of Gridley
Fulton County	Village of Milledgeville
Heyworth Library District	Village of Minier
Illinois Office of the Comptroller	Village of Morton
Iroquois County	Village of Roanoke
Jo Daviess County	Woodford County

Our public sector team is highly specialized; therefore, our team members work primarily on governmental audits. Many of our municipal audits include utilities. In addition, we have assisted with public finance in various capacities, including assisting with rate setting.

We are happy to provide additional client information upon request.

References

CLA offers its clients the best of two worlds—a firm with national local government experience, complemented by a local team dedicated to accessibility and responsiveness. We are pleased to provide you with the following references, who can describe their experience in greater detail.

City of Peoria, Illinois	City of East Peoria, Illinois	City of Lewistown
Mr. Jim Scroggins Director of Finance 309-494-8514 jscroggins@peoriagov.org	Mr. Jeff Becker Director of Finance 309-427-7609 jeffbecker@cityofeastpeoria.com	Ms. Amanda Woodruff City Administrator 309-547-4300 lewistownclerk@comcast.net

City of Havana, Illinois	City of Kewanee, Illinois	Tazewell County
Mr. Steve Blessman Treasurer 309-543-2489 hatreas@grics.net	Mr. Gary Bradley City Manager 309-853-4200 gbradley@cityofkewanee.net	Ms. Wendy Ferrill County Administrator 309-478-5704 wferrill@tazewell.com



Local government experience

CLA offers the credibility, reputation, and resources of a leading professional services firm — without sacrificing the small-firm touch. We bring unsurpassed levels of technical excellence, commitment, and dedication to our clients, which have made us one of the most successful CPA firms serving governmental entities. Our strong reputation for serving state and local government units provides the City the confidence in their decision to select CLA as their professional service provider.

CLA has one of the largest governmental audit and consulting practices in the country, serving more than 2,000 governmental clients nationwide. Public sector clients represent approximately one-quarter of all firm-wide revenue, and each of the government services team members are thoroughly versed in the issues critical to complex governmental entities.

As a CPA firm experienced in serving state and local units of government, we are very aware of the financial and legal compliance requirements that government officials face on a daily basis. This creates complexities and service issues within a unique operational and regulatory environment. Because of our experience, we have become adept at providing our clients with insights in this environment not typical of other CPA firms.

Audit engagements of similar size and scope to the City

The public sector has been a primary focus for us for more than 40 years. We understand the legislative changes, funding challenges, compliance responsibilities, and risk management duties that impact our state and local government clients.

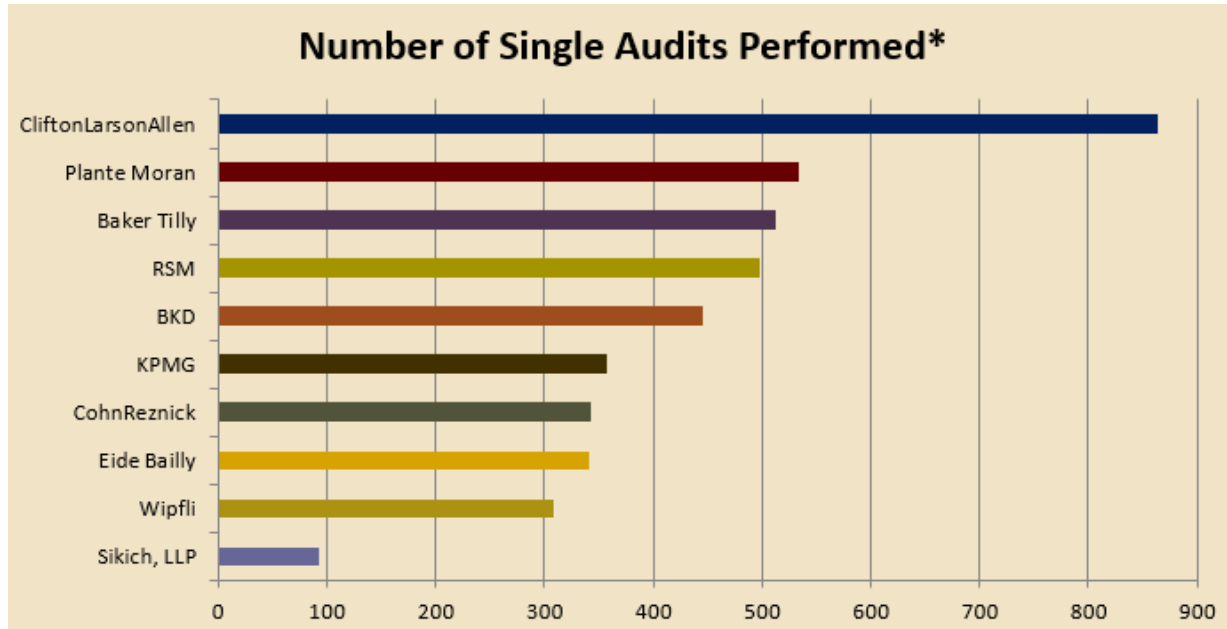
Our government audit clients include state departments, counties, cities, villages, towns, boards of education, public libraries, colleges, school districts, and specialized taxing districts and authorities throughout the nation. With one of the largest public sector audit practices in the country, the members of our government services team have an unmatched depth of experience auditing entities similar to the City.

Large public sector entities typically share certain similar qualities, such as complex IT and accounting systems, multi-layered reporting lines and chains of command, frequent and varied debt issuances, utilities, significant intergovernmental agreements, and autonomous component units that have unique relationships with the primary government. Similarly, the audit approach for large public sector entities is complex and requires strong leadership within the engagement team. This is critical in coordinating the efforts of numerous team members, focusing on the most relevant information, processes and relationships, and ultimately being able to deliver timely guidance and adhere to agreed upon deadlines and milestones. CLA and your proposed engagement team have the capacity and experience necessary to successfully monitor and deliver the City audit.



Single audit experience

CLA has become the national leader in providing audit, consulting, and many other financial services to government entities similar to the City. Our client portfolio of government and nonprofit organizations represents nearly half of the firm's total revenues. You will benefit from CLA's experience in this area. As outlined in the following table, **CLA performs more single audits annually than any other firm in the nation.** We audited more than **\$28.8 billion dollars in federal funds.** The table below illustrates CLA's experience in serving organizations that receive federal funds and demonstrates our firm's dedication to serving nonprofits and governmental organizations:



**The information for the firms above was pulled from the Federal Audit Clearinghouse for audits with fiscal year ends between January 1, 2016 – December 31, 2016, the most recent year with complete data available.*

In the current environment of increased oversight, it is more important than ever to find qualified auditors who have significant experience with federal grants specific to the City and can enhance the quality of the City's single audit. Therefore, the single audit will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB's UG and who will offer both knowledge and quality for the City. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

The AICPA clarified auditing standard, AU-C 801 "Compliance Audits" requires risk-based concepts to be used in all compliance audits including those performed in accordance with OMB UG. Our risk-based approach incorporates this guidance.

The City needs an audit firm experienced in performing single audits and a familiarity with the specific programs in which you are involved. You will benefit from CLA's experience in this area!

7.2.5 DISCIPLINARY ACTION

There have been no complaints against the individuals on this engagement team from any state board of accountancy or other regulatory authority. No corrective action has been taken by the firm with respect to the team members.



7.2.6 PEER REVIEW

The most recent peer review report we received expressed a rating of *pass*, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided in the Appendix.

7.2.7 INDEPENDENCE

CliftonLarsonAllen is independent of the City under the American Institute of Certified Public Accountant's *Code of Professional Conduct* and its interpretations and the U.S. Government Accountability Office's *Government Auditing Standards*. Our firm-wide quality control policies and procedures foster strict compliance with these professional standards. In addition, the individuals assigned to your engagement are independent of the City.

7.2.8 CONTINUITY OF STAFF

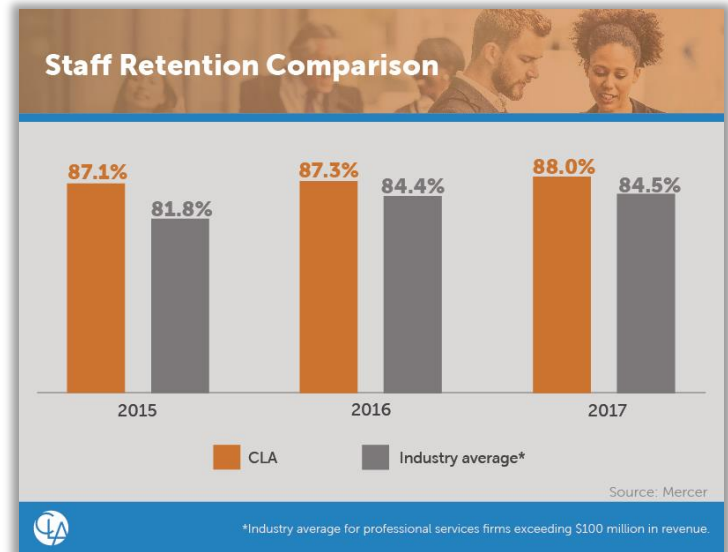
We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, ensuring maximum efficiency and keeping the learning curve low. We are also flexible in exploring alternative solutions to non-mandatory rotation policies, if requested.

In any business, however, turnover is inevitable. When it happens, we will provide summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have an adequate number of qualified staff members to provide the City with top service over the term of the engagement.

CLA is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. Continuity results in increased efficiency and quality because staff assigned to the engagement will not have to go through a "learning curve" with annual engagements or each new project. Client staff spends less time orienting the engagement team, and more time working toward goals. With a solid, steady engagement team, each year brings the additional benefits of trust and familiarity. High retention rates also indicate that our staff members have the resources they need to perform their tasks and maintain a positive work/life balance.

Local turnover

No turnover has been experienced by members of the governmental team from the Peoria office in the past 24 months.



Staff education and development

Each member of our professional team, including principals, attends at least 40 hours of technical training annually. When team members work extensively in one of our industry segments, they also attend specific training for that field. Because of our large state and local government industry client base, all levels of our staff are knowledgeable about industry best practices.

Updated information on recent changes in technical standards and regulations, as well as the firm's professional policies and procedures, is distributed to our team members on a regular basis. Individuals are required to familiarize themselves with all current changes in standards and procedures.

Keeping you informed

In addition to the training of our staff, CLA brings training opportunities to our clients. We go beyond the numbers and offer value-added solutions. You will hear from us throughout the year. We send periodic email publications and host webcasts to keep clients and friends of the firm informed of relevant industry updates. Below are just a few of the resources we offer.

- **State and Local Government Perspectives** – a periodic digital newsletter which provides updates on regulatory and industry issues.
- **National Industry Webcasts** – web-based seminars designed to provide information on upcoming industry trends, accounting, compliance, risk and other issues in either the accounting or the local government industry. These webcasts are free to clients and many provide CPE credit to attendees.
- **Speaking engagements and Workshops** – We share our industry knowledge and experience by presenting at national, regional, and local events as well as hosting our own industry events in various markets. We provide quality insight and education in the areas of improving efficiency, reducing risk, and planning for succession.
- **Recent industry articles** – In addition to our direct participation with national organizations, CLA has had numerous articles published by our local government industry professionals. For the most current listing of the published articles, please go to the link below.



You can register for our webcasts and find our extensive resource library on our website: www.CLAconnect.com.



7.2.9 AUDIT PLANS

Many organizations view an audit as a requirement that doesn't contribute to their overall operations or value. At CLA, we believe an audit should be an annual checkup that allows us to have insight into your organization and to share in-depth advice on how to improve your operations.

Our industry experience makes it easier: CLA auditors are experienced in your industry which allows us to make the process faster and smoother. We approach our client engagements with a commitment to operational efficiency and to leverage our industry focused experience to bring positive impact and meaningful insights to our clients. What does this mean for your organization? It means we bring a team of professionals and an approach focusing on you, our client, listening to and working with you for a successful outcome.

Your time has value: Our approach recognizes that your time is valuable and best spent with key decision makers asking clarifying questions, discussing organizational strategies, and dealing with sensitive reporting issues. We believe this approach is effective and cost-efficient, produces a quality audit, provides you with substantive discussions with our team leaders, and recognizes there is value to time spent discussing significant issues with management.

No surprises: Our experience enables us to focus on the areas of your organization that possess the greatest risk. Our emphasis on planning and communication allows for an efficient and effective audit process in which everyone involved knows his or her roles and expectations. Issues, as they arise, are dealt with immediately, not accumulated until the end of the audit. We provide a **"no surprises"** approach to our services, based on frequent and timely communication. As potential issues arise during the course of the audit, we will engage the right people in timely and frank discussions as a means of gaining resolution immediately.

Significant involvement of principals and managers: An important distinction between CLA and other firms is the amount of principal and manager involvement in the engagement. Because our principals and managers are directly involved in the engagement during fieldwork, we can proactively identify significant issues immediately and resolve them with management so that the engagement is essentially complete when fieldwork ends.

A simple transition: We recognize changing accounting firms presents an opportunity as well as a challenge. Our approach deliberately and effectively minimizes the impact of transition.



We tailor the audit just for you: We begin the audit with a thorough planning and preparation phase and culminate with the timely delivery of our reports. We will work with you immediately to coordinate and schedule the engagement to minimize any potential disruptions to your operations. We envision that we immediately begin our planning process upon receipt of a signed engagement letter. We will then work with you to finalize dates that accommodate your schedules. While our audit programs provide typical approaches for given audit areas, CLA tailors and designs a client specific, risk-based audit approach. We don't follow a "cookie cutter" approach. We use custom, industry-tailored programs, procedures and other tools that are designed specifically to focus on the issues that are applicable to local government.

We explain exactly what we're doing and what we've found in plain everyday language. We translate our findings into ideas on how you can address them. We believe our services are a contributing factor to better practices. We gain a better understanding of your organization by working closely with your staff. This involvement enables us to offer you recommendations or suggestions for improvement in your systems and procedures that are more comprehensive, better understood, and more frequently implemented.

The CLA audit methodology utilizes a four phase approach.



When performing an audit, we are sensitive and understanding of the fact that we report to those charged with governance. We maintain objectivity and independence in order to be able to issue our audit opinions. We will act within our philosophy of total client service, maintain the professional relationship refined with management, and fulfill our responsibilities with the utmost professionalism.

Continuous communication

Communication is an important part of making an audit efficient. Not only do we believe in an open line of communication during the audit period, but year round as well. We want your staff to feel comfortable in calling any one of our audit team members with questions or thoughts they may have concerning accounting, audit, or other issues. We feel it is much more efficient if your staff has us available as a resource throughout the year, allowing you to have the proper guidance when an issue arises rather than when the audit begins.

Communications with management will occur at different times during the audit and throughout the year, as follows:

- ✓ **Entrance Conference**
Prior to commencement of audit activities, the engagement team will meet with management, and accounting personnel, to discuss timing of the audit, expectations and audit, accounting, or other issues. We will also meet with representatives of the governing body to identify expectations and conduct fraud inquiries.
- ✓ **Fraud-Risk Discussions**
The engagement principal and manager will hold discussions with members of management to obtain an understanding of potential risks of fraud within the organization. These discussions are required by audit standards issued by the American Institute of Certified Public Accountants, and will be held during the planning phase of our audit.
- ✓ **Audit Exit Conferences**
We will conduct a formal audit exit conference with management, along with other personnel as needed, at the close of preliminary and final audit fieldwork to review any comments relating to internal control and procedures and audit findings and recommendations. We will also present our observations about your organization's operations. Upon review of all deliverables, we will conduct a meeting with management personnel to review draft documents prior to finalization.
- ✓ **Communication of Internal Control Related Matters**
The audit standard, *Communicating Internal Control Related Matters Identified in an Audit*, applies in all audits and requires the auditor to communicate significant deficiencies or material weaknesses in internal control in writing.

We will discuss, immediately upon discovery, any instances of material accounting or internal control weakness or suspected fraud, defalcations, collusion or manipulation, and request instruction as to how to proceed with the audits.
- ✓ **Management Letter**
At the conclusion of our audit, we will also communicate other recommendations and suggestions for strengthening your policies, accounting procedures, and/or processes which represent other opportunities for improvement but do not meet the definition of internal control matters defined above, by way of a management letter.
- ✓ **Irregularities and Illegal Acts**
It is our firm's policy to immediately report alleged irregularities or illegal acts to the level of management having immediate oversight of the department or employee(s) suspected of committing the act. Professional



standards also require us to report such matters directly to the governing body, depending upon the materiality of an identified illegal act.

✓ **Report to Those Charged with Governance**

We will make certain the City Council and management are informed of each of the following:

- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments and passed adjustments, if any
- Disagreements with management, if any
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit, if any

✓ **Presentation of the Audit**

We will present the auditors' reports, financial statements, executive audit summary including management letter points, and required communication letter to the governing body.

✓ **Updates on New Standards**

During the planning meeting prior to the engagements, part of our formal discussion will be to communicate changes to audit and accounting standards which will affect the current engagement. We will also make management aware of upcoming changes as we are made aware of them throughout the year via e-mail, webcasts, meetings or phone communications.

✓ **Meetings during Nonaudit Periods**

We also offer to meet with management during the nonaudit period to provide optimal client service and audit product quality. We find that these meetings with representatives of management allow the client representatives opportunities to ask questions of current and possible future transactions and activities that might affect the audited financial statements.

✓ **Training**

We regularly provide continuing education, at no additional fee, for the City staff. This training will be presented in the form of webinars and roundtable discussions.

Planning and risk assessment

Our firm follows a risk-based framework to build our audit plan. CLA, management, and governance together identify and assess risks concerning the organization, material accounts, and transactions impacting the year-end financial statements, federal and state regulations.

During the planning stages and throughout the audit, we identify the external and internal pressures and risks influencing the organization's financial statements, operations, and future goals. Inputs to our risk identification process include, but are not limited to the following:

- Analysis of preliminary financial statements prior to commencing audit fieldwork
- Planning meetings with management
- Planning meeting with the body governing the audit process
- Reading of governance meeting minutes
- Analysis of control activities
- Review of budgets
- Review of grant documents
- Review policy and procedure documents



We utilize a paperless audit process, encouraging the use of electronic resources to communicate and increase the efficiency of our engagement. In our experience working with other similar organizations, we believe that virtually all the workpapers we require can be provided electronically and are generally readily available. **Most of the analyses, schedules, and other supporting documentation we request are generally prepared by our clients as part of their process to close the books for the year.** We also have many templates available to you to assist you in the process of gathering the necessary audit support, if needed.

We will work with you to identify the information already available as a result of closing the books for each year and to develop a comprehensive list of other information we will need to conduct the audit during the initial planning stage of the audits.

Preliminary fieldwork

Our risk-based audit approach provides significant benefits, including:

- More emphasis on using knowledge of the organizations – which includes understanding your control environment – to assess risk and make testing decisions.
- Assessment of the control environment, identifying operating and control recommendations.
- A focus on assessment of the effectiveness of a combination of controls, instead of compliance testing individual control procedures, as the basis for judgment about control risk.
- A stronger linkage between risk assessments and testing decisions through an increased focus on control categories.

Information Technology is an integral part of any financial statement audit, and our team of IT professionals possesses a multitude of industry certifications and extensive experience, working hand in hand with audit staff on engagements. We will be diligent and meticulous in obtaining and understanding the organization's internal controls as we plan the IT controls portion of the audit and determine the nature, timing, and extent of IT tests to be performed. Our review will also consider the complexity of the processing of accounting information and the extent to which information systems are used in significant accounting applications.

We will utilize a risk-based, top-down approach to evaluate the materiality and significance in determining effective and efficient IT audit procedures. It will consist of the following:

- An evaluation of organization-wide IT general controls and their effect on audit risk, and on the extent of audit testing. Effective organization-wide IT general controls can reduce audit risk, while ineffective agency-wide controls can result in increased audit risk and generally contribute to weaknesses at the system and individual application level.
- An evaluation of general controls and their pervasive impact on application controls. Effective general controls support the effectiveness of application controls, while ineffective general controls generally render application controls ineffective.
- An evaluation of security management at all levels of control (agency-wide, system, and application levels).
- A control hierarchy (control categories, critical elements, and control activities) to assist in evaluating the significance of identified IT control weaknesses. If a critical element is not achieved, the respective control category is not likely to be achieved.
- Groupings of control categories consistent with the nature of the risk.

We will test major transaction cycles during our preliminary work. We will also perform analytical procedures to gain an understanding and develop expectations around the organization's operations. This review will include comparison of interim results to budget and prior year operations. We will also use this time to read minutes of the governing body, plan confirmation procedures and other general audit documentation.



Final fieldwork

An important distinction between CLA and other firms is the amount of principal and manager involvement in the engagement. Because our principals and managers are directly involved in the engagement during fieldwork, we can proactively identify significant issues immediately and resolve them with management so that the engagement is essentially complete when fieldwork ends.

✓ **Development of materiality**

The concept of materiality focuses our attention on areas that are significant to the financial statements. In this manner we utilize a “top-down” risk assessment that provides us with the basis for determining the most effective audit-testing plan. In our assessment, we consider quantitative materiality factors such as:

- Materiality of individual operations
- Degree of risk of loss or error – e.g., complex transactions

We also consider qualitative materiality factors such as:

- Inherent complexities of operations
- Inherent risks related to control risks associated with account balances and transactions
- Status of changes in financial systems
- Nature and degree of centralization of key functions
- Industry, economic, political and regulatory environment
- Public scrutiny and effect on operations – sometimes called “media” or “headline” risk
- Needs and concerns of management
- Needs and concerns of citizen groups

Summary of benefits

The City will realize the following benefits from CLA’s services —

- An objective look at your operations to help you make sound decisions.
- Credibility only an outside professional can provide your lenders and stakeholders.
- Confidence that accounting principles have been evaluated for application accuracy.
- An opportunity to improve internal controls and accounting procedures, which increases reliability of accounting records and financial statements.
- Improved efficiency and effectiveness of the financial and compliance audit service, thus adding value to the process while reducing disruption to your operations.

Services integration

An engagement such as outlined in this proposal requires the interaction of numerous individuals working within relatively narrow time frames. Adam Pulley, as your overall engagement principal will make sure the audit teams are in close, regular contact, keeping each other informed of our progress and any issues that arise. We emphasize communication—making sure that issues that cross disciplines are fully evaluated by the entire team. This provides your team members consistent feedback and guidance from our engagement team members.



Engagement timetable and segmentation

Our project management methodology results in a client service plan that provides for regular formal communication with the entire management team and allows us to be responsive to your needs. The schedule allows for input from your personnel to make certain that the services are completed based on your requirements. The plan may also be amended during the year based on input from the City.

Significant Milestones	Target dates
Entrance conference/planning meeting	May
Field audit work begins	June
Adjusting entries to City	September
Draft of deliverables	September
Presentation to City Council	October

Estimate of hours

The table below outlines a rough estimate of the hours to be performed by each level of staff during each phase of the engagement.

Level	Planning and preliminary fieldwork	Final fieldwork	Reporting & Review
Principal	10	15	50
Manager	20	30	100
Seniors and associates	40	190	40
Total	70	235	190

Sample size and statistical sampling

In performing testing controls for the internal control system, our firm has developed guidelines for use of statistical sampling. For statistical sampling, the sample size will vary based on the number of units in the population, our planned reliance on the results of the testing procedures, and the overall precision we determine appropriate for the testing.

In performing substantive tests of balances we may use non-statistical sampling. For non-statistical sampling, the sample size will vary based on the dollar value of the population, our materiality factors, and the coverage desired for the testing.

Analytical review

Analytical review is a key component of our audit process. Analytical comparisons to prior year, budget and other statistical information will be incorporated. We also incorporate robust analytical procedures such as predictive tests using statistical data to evaluate account balances in greater detail.

Procedures used to understand internal processes and controls

We also strive to develop our understanding in the least intrusive manner possible, while still maintaining our professional responsibilities. We would utilize a combination of internal control forms and interviews with key accounting personnel to gain and document our understanding of the City. We will also use as a baseline any existing internal control processes, policies, organizational charts, etc. the City may have already documented. Tests of design and operating effectiveness would then be performed to confirm our understanding.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has established a framework for internal control systems. Under the COSO framework, internal control is a process to provide reasonable



assurance that those internal objectives, including effectiveness and efficiency of business operations, reliability of financial reporting, and compliance with applicable laws and regulations, will be met.

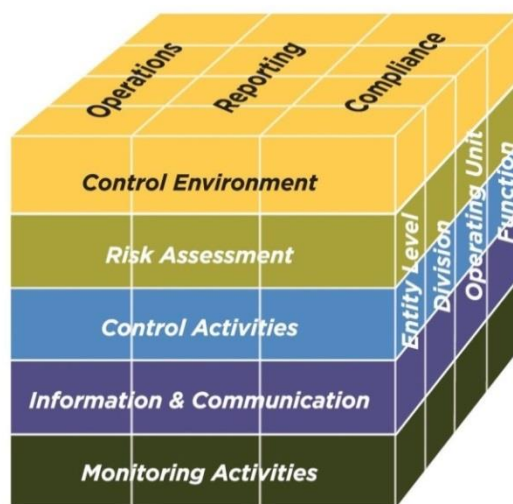


Figure 2: COSO Internal Control: Integrated Framework

Our audit approach is designed to evaluate and test the departmental internal controls in accordance with COSO concepts. Our procedures include a review of the overall control environment, determination of the internal controls which are determined to be direct and material to the federal program under review, determination of the adequacy of those procedures, and testing of the procedures to determine if they are functioning as designed.

During the planning and internal control phases of our audit, we will develop our understanding of the City business operations and internal control structure for financial accounting and relevant operations through observation, discussion, and inquiries with management and appropriate personnel. During this phase of the audit, we will review budgets and related materials, organization charts, accounting and purchase manuals, and other systems documentation that may be available.

Once we understand your operations, we will then identify control objectives for each type of control that is material to the financial statements. The next step will be to identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. We will then determine the nature, timing and extent of our control testing, and perform tests of controls.

This phase of the audit will include extensive testing of controls over transactions, financial reporting, and compliance with laws and regulations. Whenever possible, we will use dual-purpose tests to reduce the need to select multiple samples for internal control and compliance testing. We will be as efficient as possible, thereby reducing the disruption to your operations while achieving our audit objectives.

Our assessment of internal controls will determine whether the City has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

Our workpapers during this phase will clearly document our work through the preparation of the following for each significant transaction cycle or accounting application:

- Audit program
- Cycle memo and supporting documentation
- Account risk analysis (ARA)
- Specific control evaluation (SCE)

Determining laws and regulations

Due to our experience with governmental entities and governmental audits in general, we are familiar with state and federal laws and regulations. We will update our knowledge of any changes in these laws prior to commencing audit work. We develop specific audit steps to test applicable laws and regulations.

Drawing audit samples

We will use sampling throughout the audit process as appropriate, including drawing sample sizes for purposes of testing transactions, account balances and compliance. Generally, sample sizes will range from 25 to 60 items, depending on the nature of the controls and the population being tested. We closely follow guidance issued by the American Institute of Certified Public Accountants when planning our sample sizes.



7.2.10 OUR UNDERSTANDING OF THE WORK TO BE PERFORMED

- CLA will express an opinion on the fair presentation of the City's general purpose financial statements in conformity with generally accepted accounting principles.
- CLA will express an opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles. CLA is not required to audit the statistical section of the report.
- CLA is responsible for the preparation of a Comprehensive Annual Financial Report (CAFR).
- The audit will be performed in accordance with Generally Accepted Auditing Standards (GAAS) as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act of 1996, as amended, and the provisions of U.S. Office of Management and Budget (OMB), Audits of States, Local Governments, and Non-Profit Organizations. Additionally, the single audit work will be conducted in accordance with generally accepted governmental auditing standards to meet all Federal grant audit requirements.
- CLA will submit a list of requested client-prepared schedules to the City's Finance Department prior to the start of fieldwork. Because the finance department must carry on its normal operations during the audit, time constraints will be taken into account.
- The financial statements of the Tazewell Pekin Consolidated Communications Center (TPCCC) are included as a component unit of the City. TPCCC is included within the scope of the City's annual audit.
- **Comprehensive Annual Financial Report (CAFR)** –The City will send its CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) for review in its Certificate for Excellence in Financial Reporting Program. CLA will provide special assistance to meet the requirements of that program.
 - CLA agrees to provide print-ready financial statements and audit opinion to the City before October 31.
 - CLA assumes full responsibility for printing and binding the CAFR. CLA agrees to provide the City with a print-ready version in .pdf format.
 - The introductory and statistical sections of the CAFR will be prepared by the auditors, with assistance from City staff.
 - CLA will compile and prepare all financial statements and schedules in the financial section of the CAFR.
 - The notes to the financial statements will be a joint effort of the City and CLA and will be prepared by CLA.
 - CLA will prepare the financial section of the CAFR.
 - The schedule of Federal financial assistance and related auditor's report, if required, as well as reports on internal control structure and compliance are to be issued as part of the CAFR.
- Working Paper Retention and Access to Working Papers. All working papers and reports will be retained, at CLA's expense for a minimum of three (3) years, unless the firm is notified in writing by the City of the need to extend the retention period. CLA will make workpapers available, upon request, to the Treasurer, and/or the City Manager of the City.



APPENDIX

Engagement team biographies



Adam Pulley, CPA**CliftonLarsonAllen LLP**

Principal
Peoria, Illinois

309-495-8767
adam.pulley@CLAconnect.com

**Profile**

With eleven years of experience, Adam specializes in audits of state and local governmental entities. He has also served the engagements of various governmental entities conducted under the Single Audit and OMB Uniform Grant Guidance standards.

Experience serving clients

- City of Peoria, Illinois
- City of Havana, Illinois
- City of East Peoria, Illinois
- City of Sandwich, Illinois
- City of Decatur, Illinois
- City of Kewanee, Illinois
- Village of Morton, Illinois
- Village of Germantown Hills, Illinois
- Village of Gridley, Illinois
- Peoria Civic Center Authority
- Peoria Park District
- Logan County, Illinois
- Tazewell County, Illinois
- Woodford County, Illinois
- Town of Normal, Illinois
- Board of Education of the City of Peoria District 150
- McLean County Unit 5 School District
- Morton Community Unit School District No. 709

Technical experience

- Supervise financial audit engagements and single audits
- Provide technical assistance to personnel during engagements
- Assist governmental entities in preparing financial statements to obtain the GFOA Certificate of Excellence in Financial Reporting
- Speaker at professional development programs on GASB and government related topics

Education/professional involvement

- Master of accounting from University of Illinois-Urbana-Champaign
- Bachelor of accountancy from University of Illinois-Urbana-Champaign
- Illinois CPA Society
- American Institute of Certified Public Accountants
- Young Professionals Organization of Greater Peoria
- Illinois Government Finance Officers Association
- Board Member of Crittenton Centers of Peoria



Hope E. Wheeler, CPA**CliftonLarsonAllen LLP**

Principal
Champaign, IL

217-373-3139

hope.wheeler@CLAconnect.com

**Profile**

Hope has more than 25 years of experience providing auditing services to governmental organizations. She has experience assisting governmental entities in preparing financial statements to obtain the GFOA Certificate of Achievement for Excellence in Financial Reporting and has supervised numerous financial and single audit engagements. In addition, Hope has served as a reviewer on the external peer review and CLA internal inspection teams. She is a member of the AICPA, the Illinois CPA Society, the GFOA, and IGFOA. In addition to her professional affiliations, Hope has served on the Board of Directors for Champaign West Rotary and the Executive Club of Champaign County and is currently president of the Board of Directors of Don Moyer Boys and Girls Club.

**Experience serving clients**

- City of Decatur, Illinois
- City of Watseka, Illinois
- City of Flora, Illinois
- City of Altamont, Illinois
- City of Danville, Illinois
- Decatur Mass Transit
- Danville Mass Transit
- Jo Daviess County, Illinois (including transit grant)
- CRIS Rural Mass Transit

Technical experience

- Supervise financial audit engagements and Uniform Grant Guidance audits
- Performs transportation engagements
- Conduct final reviews of management letters and reports with personnel during engagements
- Provide technical assistance to personnel during engagements
- Leader of CLA's state and local government leadership team for Illinois
- Speaker at meetings/conferences regarding GASB updates and other government related topics

Education/professional involvement

- Bachelor of science, accounting, *high honors*, University of Illinois
- Illinois CPA Society, Member
- American Institute of Certified Public Accountants, Member
- Illinois Government Finance Officers Association, Member
- Government Finance Officers Association, Member





Lindsey Samp, CPA

CliftonLarsonAllen LLP

Manager
Peoria, Illinois

309-495-8847
lindsey.samp@CLAconnect.com



Profile

With seven years of experience, Lindsey focuses on audits of governmental entities. Many of the engagements of governmental entities were conducted under the Single Audit and OMB standards. Lindsey has assisted governmental entities in preparing financial statements to obtain the GFOA Certificate of Excellence in Financial Reporting.

Experience Serving Clients

- City of Peoria, Illinois
- City of Galesburg, Illinois
- City of Havana, Illinois
- City of East Peoria, Illinois
- City of Kewanee, Illinois
- Village of Morton, Illinois
- Village of Germantown Hills, Illinois
- Tazewell County, Illinois
- Logan County, Illinois
- Woodford County, Illinois
- Banner Township, Illinois
- Farmington Township, Illinois
- Peoria Civic Center Authority
- Peoria Park District
- Public Building Commission of Peoria
- Peoria Board of Education of the City of Peoria District No. 150
- Morton Community Unit School District No. 709
- McLean County Unit 5 School District

Education/Professional Involvement

- Master of science in accounting from Illinois State University
- Bachelor of science in accountancy from Illinois State University
- Illinois CPA Society
- American Institute of Certified Public Accountants
- Peoria Promise Foundation Board of Directors, Treasurer
- Illinois Government Finance Officers Association



Steve Perrone**CliftonLarsonAllen LLP**

Senior
Peoria, Illinois

309-495-8772

steven.perrone@CLAconnect.com

**Profile**

Steve has more than four years of experience in providing auditing and assurance services for governments. Many of the engagements of governmental entities were conducted under the Single Audit and OMB Standards. Steve has assisted governmental entities in preparing financial statements to obtain the GFOA Certificate of Excellence in Financial Reporting.

Experience Serving Clients

- City of Peoria, Illinois
- City of East Peoria, Illinois
- City of Havana, Illinois
- Peoria Housing Authority
- Eastern Illinois University
- Logan County, Illinois
- Peoria Civic Center Authority
- Springdale Cemetery Management Authority
- Heartland Community College
- Pekin Community High School District 303
- Special Education Association of Peoria County
- Peoria Park District
- North Tazewell Public Water District
- Fondulac District Library
- Morton Public Library

Education/Professional Involvement

- Bachelor of science in accounting from University of Illinois-Chicago



Brian J. Mateas, CPA**CliftonLarsonAllen LLP**

Associate
Peoria, Illinois



309-495-8807

brian.mateas@CLAconnect.com

Profile

Brian is an associate with three years of experience working with state and local governments and nonprofit organizations. He focuses on compliance and assurance services.

Experience Serving Clients

- City of Peoria, Illinois
- City of Galesburg
- City of Havana
- City of East Peoria
- City of Kewanee, Illinois
- Tazewell County
- Logan County
- Woodford County, Illinois
- Peoria Civic Center Authority
- Peoria Housing Authority
- Morton Community Unit School District No. 709
- Special Education Association of Peoria County

Education/professional involvement

- Master of science, accounting, Illinois State University
- Bachelor of science, accounting, minor in finance, Eastern Illinois University
- Certified Public Accountant (CPA) in the state of Illinois
- American Institute of Certified Public Accountants (AICPA)



Additional information



Experience with GFOA Certificate of Achievement

The Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting is awarded to state and local governments that go beyond the minimum requirements of generally accepted accounting principles. It is awarded to state and local governments who produce a comprehensive annual financial report that evidences the spirit of transparency and full disclosure. Members of the GFOA staff and the GFOA Special Review Committee (SRC) review reports submitted to the CAFR program.

CLA provides audit services to many entities that received the GFOA Certificate of Excellence in Financial Reporting. All of the procedures noted in our audit approach and our technical review of the CAFR are done to help the City prepare and publish the top product possible. Our managers, directors, and principals who review the CAFR have a strong understanding of the GFOA requirements for the certificate. We understand that this is a prestigious award for the City and a great accomplishment for the Finance and Accounting departments.

We will review the GFOA comment letter for each CAFR and provide the City advice regarding the response to the GFOA reviewer's comments. Our procedures with respect to the CAFR will be the review of the comments from GFOA on the prior year submission to determine they were adequately addressed, completion of the CAFR checklist, and review of the transmittal letter and statistical data to determine that information presented is reasonable and agrees with the information in the financial statements and management's discussion and analysis (MD&A), where applicable.

We understand the interrelationships of the many and varied components of a governmental entity's financial statements, allowing us to quickly determine errors or problems with the financial statements. Our depth of knowledge and experience also allows us to assist the City with the preparation of the CAFR and improvement of the City's financial statements.

Our involvement with clients in the GFOA Certificate program helps to determine that we are on the leading edge of reporting trends and techniques. We have been engaged by various entities to review their statements for compliance with program requirements. We have aided clients in the early implementation of professional pronouncements and regularly provide our clients with updates on new pronouncements which will affect them and will do the same for the City.

The table below identifies the CLA professionals who are currently members of the GFOA Special Review Committee:

Name	Title	Location	Years of Experience
Carrie Bartow, CPA, CGMA	Principal	Colorado Springs, CO	15+
Julie S. Fowler, CPA	Signing Director	Sebring, FL	18+
Rich Gonzalez, CPA	Principal	Roseville, CA	18+
Michelle Hoffman, CPA	Manager	Minneapolis, MN	8+
Christopher G. Knopik, CPA, CFE	Principal	Minneapolis, MN	13+
Jacob S. Lenell, CPA	Principal	Milwaukee, WI	10+
David P. Phillips, CPA	Principal	Tucson, AZ	33+
Jeffrey Peek, CPA	Senior Manager	Roseville, CA	12+
Christian J. Rogers, CPA	Principal	Lexington, MA	20+
Sean M. Walker, CPA, CGFM, CGMA	Principal	Baltimore, MD	16+
Miranda Wendlandt, CPA, CFE	Manager	Alexandria, VA	8+
Walker D. Wilkerson, CPA	Principal	Lakeland, FL	25+



Industry participation

CLA actively supports industry education as a thought leader and industry speaker. Our firm focuses on supporting the educational needs of the industry through nationally sponsored trade events. Our team of local government professionals is sought after, both as educators and as experienced speakers who are invited to speak and teach at major professional events by leading trade associations. As an example, we have been speakers for the organizations listed at right.

AICPA – governmental and nonprofit national conferences

State CPA societies

Government Finance Officers Association

Local chapters of the Government Finance Officers Association, including the IGFOA

Association of Local Government Auditors

Association of Government Accountants

WHY CHOOSE CLA?

CLA has been providing quality driven service to state and local governments for decades. Our professionals are well versed in the fields of accounting and auditing and are fully equipped with the knowledge and experience that the City deserves. At CLA, we know the importance of working with a team you trust.

CLA has earned a justifiable reputation for helping governmental organizations meet their goals and fulfill their missions. More specifically, our team will provide:

- **Extensive experience auditing similar government organizations.** You will be served by local professionals with an established understanding of the challenges and issues that the City faces. We have deep governmental knowledge and experience and as a result, your audit team will be familiar with all applicable auditing and reporting standards, including the specialized area of single audits.
- **Specialized audit approach.** Our audit approach is multifaceted, utilizing analytical procedures and IT computer assisted auditing techniques whenever possible. Our approach will be tailored to the specific needs of the City.
- **Ability to meet critical deadlines.** Our professionals have experience meeting and beating deadlines. We are in constant contact with management to see that your expectations are being met and all issues are being addressed in a timely manner.
- **Ongoing communications between the City and CLA.** Our key to success has been our ability to execute our audit plan in an efficient manner. We have found that the more communication we have with our clients, the more efficient we can be and the more value we can bring to your organization.

With our hands-on approach to serving clients, the extensive governmental experience of our staff, our wealth of national resources and our responsiveness to clients' needs, we can help you accomplish your goals. Your engagement team will be dedicated to not only meeting, but exceeding your expectations.

The City faces challenges today that will undoubtedly affect its future. CLA understands that these challenges require more than ordinary answers; they require forward-thinking and creative strategies now that will help carry you forward. We will take this proactive approach as we help meet your immediate needs and achieve your long-range goals.

We truly appreciate the opportunity to present this proposal, and look forward to building our relationship with the City.



Quality control procedures and peer review report



In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CliftonLarsonAllen's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CliftonLarsonAllen strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth by OMB.





System Review Report

To the Principals of CliftonLarsonAllen LLP
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. CliftonLarsonAllen LLP has received a peer review rating of pass.

Cherry Bekaert LLP

Cherry Bekaert LLP
November 21, 2016

Attachment: Auditing Proposal 2018 Clifton Larson (1362 : Bid Tab RFP Auditing Services)





March 14, 2018

**Cost Proposal to provide professional
auditing services for:**

City of Pekin, Illinois

Prepared by:

CliftonLarsonAllen LLP

301 SW Adams Street, Suite 1000
Peoria, IL 61602

Adam Pulley, CPA, Principal

adam.pulley@CLAconnect.com
309-495-8767



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

PROFESSIONAL FEES

Adam Pulley, the principal on this engagement is entitled to represent the firm and is empowered to submit the fee estimate and authorized to sign a contract with the City.

Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines.

Professional Services	2018	2019	2020
Annual audit including preparation of the City CAFR (including notes) for the year ending April 30	\$ 55,900	\$ 57,600	\$ 59,300
Annual single audit the year ending April 30 (if needed)	\$ 8,000	\$ 8,300	\$ 8,600
Audit of the TPCCC annual financial report for the year ending April 30	Included		
Preparation of the fund audit for the Sewerage Fund for the year ending April 30	Included		
Preparation of the fund audit for the Solid Waste Fund for the year ending April 30	Included		
Preparation of the fund audit for the Tax Increment Financing – Central District Fund for the year ending April 30	Included		
Preparation of the fund audit for the Tax Increment Financing – South Industrial Park Conservation Area Fund for the year ending April 30	Included		
Preparation of the fund audit for the Pekin Public Library Fund for the year ending April 30	Included		
Preparation of the Annual Financial Report for Comptroller's Office for the year ending April 30	Included		
Out-of-pocket expenses	Included		

Time budget by employee classification:

Staff Level	Number of hours
Principal	75
Manager	150
Senior/Associate	270
Total	495

We anticipate you will assist us by providing many of the workpapers and supporting documents needed for the audit. Because we believe that a long-term relationship is important to the District, we commit to no more than a three percent cost-of-living increase in fees for years 2021 and 2022, assuming no material changes in your operations or auditing standards.

We have found over the years that our clients don't like fee surprises. Neither do we. We commit to you, as we do all of our clients, that:

- We will be available for brief routine questions at no additional charge, a welcome investment in an on-going relationship.
- Any additional charges not discussed in this proposal will be mutually agreed upon up front.
- We will always be candid and fair in our fee discussions, and we will avoid surprises.



Billing for phone calls and questions

It is not our policy or practice to bill our clients every time we receive a phone call. In the course of providing our services to you, we will regularly consult with you regarding accounting, financial reporting, and significant business issues. If a specific project is complex or requires significant time or resources, we will discuss the scope of the project and its fee with you first to make sure there are no surprises. While it is difficult to establish an exact policy for billing in these situations, we commit to discussing the request with you in advance of performing our services if we believe the time requirement to provide you the desired assistance is other than routine. We will discuss the scope of the project and our estimate to complete it prior to commencing work.

Our standard hourly rates are as follows:

Professional Level	Hourly Rates
Principal	\$300 - \$375
Director/Manager	\$175 - \$250
Senior	\$115 - \$170
Associate	\$110 - \$150

Our rates are typically discounted from above for governmental clients. Our fees in this proposal have been discounted from the above rates.

Fee considerations

The fee proposal is based on the following:

- City personnel will provide assistance during the assurance fieldwork with regard to account analysis and provision of year-end account reconciliation work papers and schedules.
- The assurance reports will be delivered in accordance with the City's deadlines.
- Professional standards and regulations currently in effect. We reserve the right to modify your proposed fee if professional standards or regulations change for any engagement period.
- No significant changes in the operations of the City subsequent to the date of this proposal.
- One major program for the single audit.

Our last word on fees — we are committed to serving you. Therefore, if fees are the deciding factor in your selection of an accounting firm, we would appreciate the opportunity to discuss with you the scope of our audit plan.

At CLA, it's more than just getting the job done.





**CITY OF PEKIN
PROPOSAL TO PROVIDE
PROFESSIONAL AUDIT SERVICES**

**Submitted by:
Marites U. Sy, CPA, CIA, CISA, CGMA
E.C. Ortiz & Co., LLP
333 South Desplaines Street, Suite 2-N
Chicago, Illinois 60661
Phone: (312) 876-1900
March 14, 2018**





**CITY OF PEKIN
PROPOSAL TO PROVIDE PROFESSIONAL AUDITING SERVICES
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Attachment: Auditing Proposal 2018 EC Ortiz (1362 : Bid Tab RFP Auditing Services)

March 14, 2018

Ms. Sue McMillan
City Clerk
City of Pekin
111 S. Capitol Street
Pekin, Illinois 61554

Dear Ms. McMillan:

We are pleased to submit our proposal to audit the City of Pekin's (City) financial statements beginning fiscal year ending April 30, 2018, 2019, and 2020 with the option of auditing the financial statements for fiscal years 2021 and 2022, at the request of the City.

Understanding of the work to be done for the City

We understand the City's need for independent certified public accountants to provide professional auditing services that shall include the following:

1. Audit of the City's financial statements in accordance with generally accepted auditing standards, the standards set forth for financial audits by the U.S. Government Accountability Office's *Government Auditing Standards*; the provisions of the Federal Single Audit Act of 1996 as amended (if applicable); the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) (if applicable); and the Audits of States, Local Governments and Non-Profit Organizations to express an opinion on the fair presentation of the City's basic financial statements, which is comprised of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, and the related notes to the financial statements;
2. Audit of the City Public Library's (Library) financial statements and provide an opinion on it;
3. Audit of the financial statements of Tazewell Pekin Consolidated Communications Center (TPCCC), the City's component unit;
4. Preparation of the Comprehensive Annual Financial Report (CAFR) and assist the City in submitting its CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) for review in its Certificate for Excellence in Financial Reporting Program;
5. Report on the City's Tax Increment Financing (TIF) District's compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (State of Illinois Public Act 85-1142).

Commitment to perform the work within the time period

We also understand the City needs the audit and all deliverables be provided in a timely manner. With the City's help, we are committed to meeting these deadlines.



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

Why choose E. C. Ortiz?

We are confident that we will show that we have the ideal mix of experience, resources, and knowledge needed to deliver the proactive, industry-specific service that you deserve. We wish to point out some of the reasons why we believe we are the right firm to provide the City with the requested services:

- We specialize in governmental sector. We have over 40 years of accounting, auditing and management consulting experience and over 20 years of experience in federal, state and local government auditing. We believe our technical competence, experience, and our large team of talented professionals can provide and deliver the required services to the City.
- We will involve partners and managers in all aspect of your engagement to ensure the highest quality of service. One of the Partners proposed in this engagement is an active member of the following:

Special Report Review Committee of the GFOA - reviews CAFR of state and local government that participates in the GFOA Certificate of Achievement for Excellence in Financial Reporting Program.

Governmental Report Review Committee of the Illinois CPA Society - reviews financial statements and opinions of units of local government to ensure public accounting firms issue opinions and financial statements in accordance with the standards.

- We will communicate with you throughout the engagement to avoid “surprises” along the way.
- We are committed to staff continuity that means more personal attention and less staff retraining from year to year.

We believe our commitment to quality and timely service, our expertise, and our depth of industry experience will serve you well. We do whatever is required to get the job done, on time, without compromising quality.

We thank you for your consideration of our qualifications and if you have questions about this proposal, please contact Marites Sy at (312) 876-1900 or at musy@ecortiz.com. We would be honored to have your organization as a client, and are excited about the opportunity to be a partner in your success.

Sincerely,

Marites U. Sy, CPA, CIA, CISA, CGMA
Partner

Attachment: Auditing Proposal 2018 EC Ortiz (1362 : Bid Tab RFP Auditing Services)

TECHNICAL PROPOSAL



E.C. Ortiz & Co., LLP (ECO) has structured our proposal according to the questions in the City's Request for Proposal (RFP). We have numbered the answers corresponding to the Audit Qualifications and Questions in the RFP.

1. The firm should provide a brief statement as to why it is qualified to provide auditing services to the City.

License to Practice in Illinois

ECO is licensed to practice accountancy in Illinois. The partner and managers who will be assigned to this engagement are also licensed Certified Public Accountants. We have over 40 years of accounting, auditing and management consulting experience and over 20 years of experience in federal, state and local government auditing. Our technical competence, experience, and our large team of talented professionals can provide and deliver the required services to the City.

2. The proposal should provide details of the firm's overall qualifications and abilities to meet the specific requirements of the proposal including the size of the firm, the number of offices, and the number of partners and staff in the local office.

Firm Background, Size, and Location

ECO was established in Chicago as a sole proprietorship in 1974. ECO was restructured to become a limited liability partnership in 2003. It maintains its principal place of business at 333 South Des Plaines Street, Suite 2-N, Chicago, Illinois 60661, where its 46 full-time professional staff - 6 partners, 9 managers, 10 senior auditors and 21 staff are based. ECO is a proud voluntary member of the AICPA's Governmental Audit Quality Center and the AICPA Private Companies Practice Section. All Partners are members of the AICPA and the Illinois CPA Society.

Our professional staff includes 13 Certified Public Accountants (CPA), 5 Certified Internal Auditors (CIA), 3 Certified Information Systems Auditors (CISA), and 6 Chartered Global Management Accountants (CGMA).

3. The firm shall list the qualifications of the personnel who will be directly involved in the audit and include resumes as an appendix.

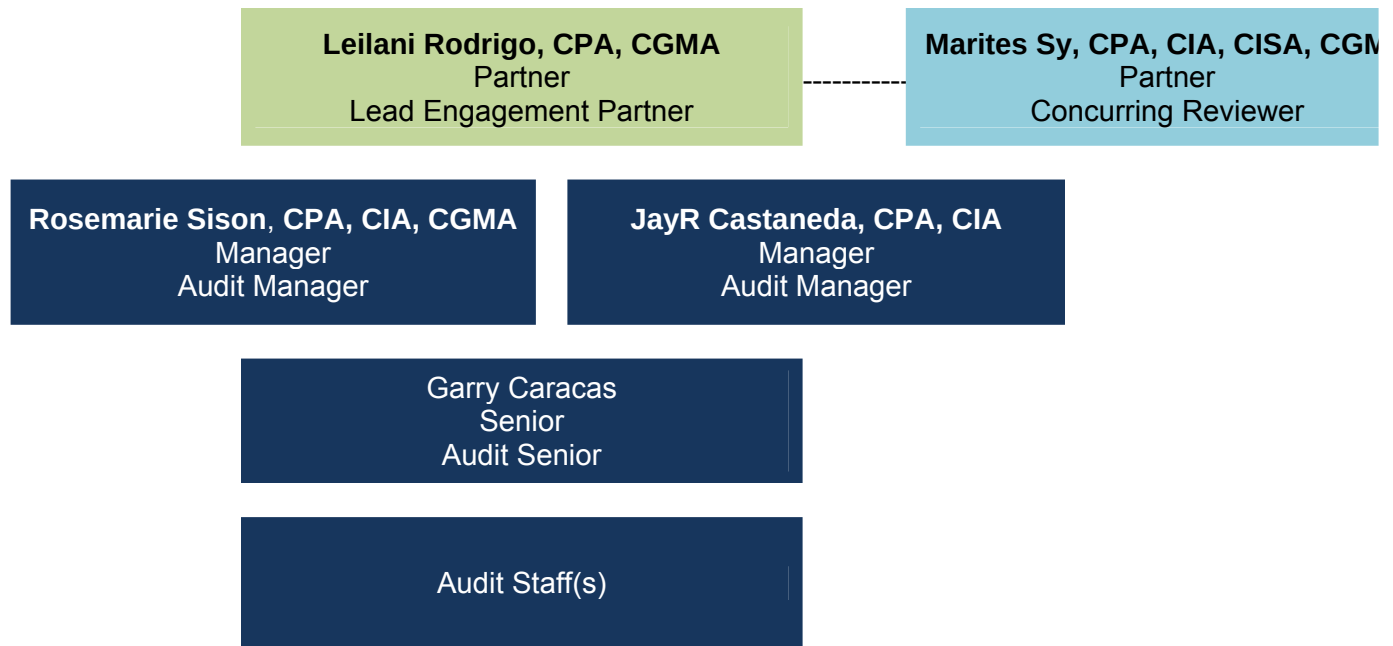
TECHNICAL PROPOSAL



Partner, Manager and Staff Qualifications and Experience

Our proposed key engagement team members are composed of professionals who have extensive government auditing experience.

Engagement Team Organizational Chart



Engagement Team Experience

Leilani Rodrigo, CPA, CGMA – Partner. Leilani has more than 18 years of financial audit, single audit, and compliance attestation examination experience. This includes state agencies, public universities, City of East St. Louis, and other not for profit organizations.

She has led audits of federal funds received from federal agencies. She has also experience compiling financial statements of school districts and regional offices of education.

Leilani is a member of the AICPA and the Illinois CPA Society (ICPAS). She serves on ICPAS Governmental Executive Committee. She also serves as a member of the State of Illinois Local Government Advisory Board that consults with the Illinois Comptroller on issues related to the local government finances.

Leilani is a graduate of Philippine School of Business Administration with academic distinction. She holds a Certified Public Accountant and Chartered Global Management Accountant designations.

As of January 2018, Leilani has received approximately 220 hours of CPE over the last three years.

TECHNICAL PROPOSAL



Marites Sy, CPA, CIA, CISA, CGMA – Partner. Marites has over 20 years of financial audit, single audit, and compliance attestation examination experience. This includes state agencies, public universities, Village of Posen, and other not for profit organizations.

She has led agreed upon procedures of Illinois casinos, assisted in preparation of GAAP packages of state agencies, and internal audit assistance of publicly listed companies for compliance with Sarbanes Oxley.

Marites is a member of the AICPA and the ICPAS. She serves on the ICPAS Governmental Report Review Committee and the Government Finance Officers Association (GFOA) Special Review Committee.

Marites is a graduate of University of Negros Occidental – Recoletos, in the Philippines. She holds a Certified Public Accountant, Certified Internal Auditor, Certified Information System Auditor, and Chartered Global Management Accountant designations.

As of January 2018, Marites has received approximately 270 hours of CPE over the last three years.

Rosemarie Sison, CPA, CIA, CGMA – Manager. Rosemarie has over 15 years of audit experience. This includes financial audit and compliance examination of State agencies and not for profit organizations.

She managed agreed upon procedures of Illinois casinos and the financial audit of the Village of Posen in addition to other state agencies.

Rosemarie is a member of ICPAS and serves on the ICPAS Not for Profit Organizations Committee.

Rosemarie is a graduate of De LaSalle University, in the Philippines. She holds a Certified Public Accountant, Certified Internal Auditor, and Chartered Global Management Accountant designations.

As of January 2018, Rosemarie has received approximately 185 hours of CPE over the last three years.

JayR Castaneda, CPA, CIA – Manager. JayR has more than 10 years of financial audit and compliance attestation experience.

He has managed ECO's engagements on SOX compliance. In addition, he also managed financial audit of the Illinois Finance Authority and agreed upon procedures of Illinois casinos. He was also involved in the audit of the Village of Posen.

JayR is a graduate of Polytechnic University of the Philippines. He holds a Certified Public Accountant and Certified Internal Auditor designations.

As of January 2018, JayR has received approximately 160 hours of CPE over the last three years.

TECHNICAL PROPOSAL



Garry Caracas – Senior. Garry has more than 10 years of financial audit and compliance attestation experience. His experience includes financial audit, single audit, and compliance examination of various state agencies.

He is involved in the financial audit of the Illinois Department of Employment and serves as a senior directly reporting to a Partner in the audit of the City of East St. Louis.

Garry is a graduate of St. Louis University, in the Philippines.

As of January 2018, Garry has received approximately 143 hours of CPE over the last three years.

4. The firm shall provide a list of local government clients served in the past five (5) years and provide a contact name, telephone, and email address for each.

Experience and Representative List of Audited Governmental Entities

ECO specializes in the governmental sector. We have spent over 40 years building our expertise in this area and we have been substantially involved in the audit of various governmental agencies. ECO serves as a Special Assistant Auditor of the Auditor General of Illinois and this capacity perform financial audit, single audit, and compliance attestation examination of various State agencies and public universities. ECO also performs audit of local government sectors. ECO is proud to work with governmental entities in Illinois, including:

Village of Posen
City of East St. Louis
City of Chicago as subcontractor of RSM
Governors State University
Illinois Department of Commerce and
Economic Opportunity
Environmental Protection Agency
Illinois Supreme Court
Illinois State Board of Education

Northeastern Illinois University
Chicago State University
Illinois Department of Public Health
Illinois Finance Authority
Illinois Department of Financial and
Professional Regulation
Western Illinois University
Illinois Department of Employment Security
Office of the Governor

Village of Posen – ECO performed financial audit for the Village of Posen from 2013 through 2016. As part of this engagement, ECO prepared and submitted the pension fund statements of the Police and Firefighters Pension Funds of the Village to the Department of Insurance. ECO also prepared the Village Annual Financial Report on the Comptroller's website based on the information provided by the Village and audited financial statements. In addition, ECO issued a report on the Village compliance with Public Act 85-1142 for the Village's two TIF districts. Lastly, ECO assisted in the preparation in the Village financial statements.

City of East St. Louis – ECO performed financial and single audit (in accordance with OMB Circular A-133 now Uniform Guidance) for the City of East St. Louis for the years 2011 through 2015. As part of this engagement, ECO also performed an audit of one of its component units, the East St. Louis Public Library (Library). In addition, ECO issued a report on the City's compliance with Public Act 85-1142 for the City's TIF districts. While ECO assisted in the preparation of the Library's financial statements, the City prepared their own financial reports.

TECHNICAL PROPOSAL



ECO is also engaged to assist the Prairie State College in the preparation of their CAFR since 2011.

References

The following clients have consented to be our references and to discuss our services with you.

<i>City of East St. Louis</i> (Municipality)	<i>Illinois State Board of Education</i> (State Agency)	<i>Governors State University</i> (University)
Mr. Dawayne Stewart Operations Manager 618.482.6719 dstewart@cesl.us	Mr. Steven Bunch Division Administrator – Fiscal Support Services 217.785.8777 sbunch@isbe.net	Ms. Villalyn Baluga Associate Vice President for Finance 708.534.4039 vbaluga@govst.edu
<i>Heshima Kenya</i> (Not for profit organization)	<i>Prairie State College</i> (State College)	
Mr. Marion Ostrega U.S. Director of Finance & Operations 312.985.5667 marion@heshimakenya.org	Ms. Marina Kibardina Controller/Director of Business Services 708.709.7921 mkibardina@prariestate.edu	

5. Describe any disciplinary action imposed on the firm by the AICPA, state board, state society or SEC during the past five (5) years.

There were no disciplinary actions pending or taken against ECO or any of its Partners during the past five years. In addition, ECO is not involved in any litigation in the past five years.

6. Describe the results of the firm's most recent peer review and its status under the AICPA peer review program.

Peer Review

The importance of an independent, unbiased and objected audit cannot be overemphasized. We demand compliance with the profession's ethics and independence standards, and our over 40-year history of operating with integrity and objectivity confirms our commitment to excellence.

Every three years, ECO is subject to the peer review requirements of the American Institute of Certified Public Accountants. Our last peer review was completed in April 2017 and resulted a pass rating (the highest rating possible) on our system of quality control for accounting and auditing. A copy of this peer review report is included in this proposal on pages 28-29.

TECHNICAL PROPOSAL



- 7. The firm should disclose any relationships that may exist between the City and the management of the firm which might impair the firm's independence.**

Independence

E.C. Ortiz & Co., LLP is independent with respect to the City. We are not aware of any relationship that would impair our independence as defined by the Code of Professional Conduct of the AICPA and the Governmental Accountability Office's *Government Auditing Standards*.

- 8. Describe the firm's policy in rotating partners and managers and discuss audit staff turnover due to resignations or terminations in the past 24 months. Disclose the firm's policies regarding staff education and development.**

Engagement Team Rotation

E.C. Ortiz & Co., LLP has depth of governmental experience and resources that we can provide you with partner, manager, staff rotation, if so requested. The proposed engagement team includes two partners, a senior manager and a manager. That way, you can receive a fresh perspective while still maintaining your working relationship with a firm that is familiar with your operations and understands the challenges that you face. We believe audit quality is maintained in long-term working relationships, and you can be confident independence will not be compromised.

We are also committed to maintaining the same staff on engagements year-after-year. We have a very low turnover rate, allowing our professionals to develop valuable, time-saving relationships with our clients' staff and organization.

Continuing Professional Education (CPE)

Our audit professionals are required to receive at least 120 hours of CPE every three years. For auditors involved with audits performed under *Government Auditing Standards*, this education includes the hours required to comply with *Government Auditing Standards* Yellow Book guidance. All individuals, including specialist involved in performing fieldwork on *Government Auditing Standards* audits, are required to obtain at least 24 hours of CPE every two years in subjects related to governmental auditing or the government environment. In addition, engagement team members responsible for planning, directing or reporting on *Government Auditing Standards* audits who spend more than 20 percent of their time performing *Government Auditing Standards* audits also are required to complete a minimum of 80 hours of CPE every two years that directly enhances their professional proficiency to perform audits.

ECO provides industry update seminars for all staff levels to keep our professional staff abreast with the changes and issues in the governmental industry. These seminars include auditing and accounting issues that are specific to government clients, including *Government Auditing Standards*, Single Audits and accounting standards for government financial reporting. ECO professionals also receive additional training from external sources.

TECHNICAL PROPOSAL



9. The proposal should include an outline of the audit plans for the audit work to be performed. Describe the firm's philosophy with respect to the audit of the City.

See our Audit Approach included in this proposal on pages 10-14.

10. Indicate the firm's agreement with respect to the Scope of Audit Services and the Supplementary Information sections.

By submitting this proposal, we are in agreement with respect to the Scope of Audit Services and the Supplementary Information sections as outlined the RFP and in our transmittal letter.

Attachment: Auditing Proposal 2018 EC Ortiz (1362 : Bid Tab RFP Auditing Services)

AUDIT APPROACH



1. Proposed segmentation of the engagement

ECO employs a risk-based audit approach designed to be used throughout the audit to efficiently and effectively focus the nature, timing, and extent of audit procedures to areas that have the most potential for causing material misstatements in the financial statements. A brief explanation of our audit approach or phases of audit is described below.

Planning

Planning activities include establishing an overall audit strategy; communicating with those charged with governance an overview of the planned scope and timing of the audit; and developing a detailed, tailored written audit plan.

During audit planning we will request an entrance conference with you to discuss our responsibilities as your auditor and your responsibilities as auditee. Other topics that will be discussed in the entrance conference will include:

- Audit scope
- Reports to be issued
- Audit timetable
- Status of prior year findings
- New accounting, financial reporting, and auditing standards

After the entrance conference, we will perform procedures to understand the entity, its environment, and its internal control by interviewing your personnel, using questionnaires specific to the governmental industry and reviewing other documents to expedite gathering your control information. This understanding will assist us in identifying and assessing the risks of material misstatement, and designing and implementing responses to those risks. This is a continuous, dynamic process of gathering, updating, and analyzing information throughout the audit.

After gaining an understanding of the City of Pekin, its environment and its internal control, we will prepare a detailed, tailored written audit plan that includes a description of:

- The nature and extent of planned risk assessment procedures;
- Planned audit procedures required under generally accepted auditing standards; and
- The nature, timing, and extent of planned further audit procedures.



AUDIT APPROACH



Risk Assessment

ECO follows standards established by the Auditing Standards Board of the AICPA. A risk assessment is used to design further audit procedures such as tests of controls, substantive tests, or both. We will use information gathered during the planning phase in identifying areas that are more susceptible to material misstatement. We will also evaluate if the City's internal controls are effectively designed to mitigate those risks and if so, test the operating effectiveness of those controls.

Fieldwork and Testing

Once we have identified the areas of highest risk, we will perform tests of internal controls, substantive procedures, or both. The nature, timing, and extent of our procedures will depend on the amount of risk assessed for each area and the effectiveness of internal controls to address those risks.

During the fieldwork and testing phase we will promptly report to management any preliminary audit findings. This will enable you to review and respond to the findings promptly. At management's request, we may also provide weekly or biweekly status updates of our audit.

Completion and Reporting

At the end of our audit we will provide our draft reports and findings to management for comment. If our audit report contains an opinion other than unmodified, we will communicate this to you in advance and provide the reason for the modification. We will also request a formal exit conference to discuss the audit findings and the audit report.

In accordance with professional standards, we will communicate the significant findings from the audit to the City of Pekin's management, which includes:

- Qualitative aspects of significant accounting policies
- Management judgements and estimates
- Significant difficulties, if any, encountered during the audit
- Uncorrected misstatements
- Disagreements with management, if any
- Other significant and relevant findings or issues
- Management consultation with other accountants
- Auditor and management responsibilities

AUDIT APPROACH



2. Level of staff and number of hours to be assigned to each proposed segment of the engagement.

Phase	Staff Level	Hours
Phase 1: Planning		
	Partner	8
	Senior Manager	10
	Manager	10
	Audit Senior/Audit Staff	20
Phase 2: Risk Assessment		
	Partner	8
	Senior Manager	10
	Manager	10
	Audit Senior/Audit Staff	20
Phase 3: Fieldwork and Testing		
	Partner	28
	Senior Manager	45
	Manager	50
	Audit Senior/Audit Staff	160
Phase 4: Completion and Reporting		
	Partner	30
	Senior Manager	30
	Manager	24
	Audit Senior/Audit Staff	41

3. Sample sizes and the extent to which statistical sampling is to be used in the engagement.

Although it is not possible to set absolute rules for identifying sample sizes, we apply our professional judgment in identifying the appropriate sample sizes. Sample sizes to be used in testing are influenced by various factors including:

- For tests of controls:
 - The tolerable rate of deviation of the population to be tested
 - The expected rate of deviation of the population to be tested
 - The desired level of assurance that the tolerable rate of deviation is not exceeded by the actual rate of deviation in the population
 - The number of sampling units in the population if the population is very small
- For substantive tests of details:
 - Our assessment of the risk of material misstatement
 - Assurance obtained from other substantive procedures directed at the same assertion
 - Tolerable misstatement
 - Expected misstatement for the population
 - Stratification of the population when performed

AUDIT APPROACH



- o For some sampling methods, the number of sampling units in each stratum.

The Firm uses Checkpoint® Tools for PPC to determine sample sizes. Individual samples are usually drawn using haphazard selection.

4. Type and extent of analytical procedures to be used in the engagement.

Analytical procedures involve auditing a material assertion or account balance by investigating its relationship to an expectation such as other accounts, historical trends or other related measures. ECO recognized that stronger analytical procedures can help reduce or eliminate other substantive procedures that are usually more time consuming. We would typically perform analytical procedures at the following stages of the audit:

- During the planning phase of the audit, we will conduct preliminary analytical procedures to determine if certain accounts have material variances from expectations and to plan further audit procedures.
- Substantive analytical procedures will be used during the account testing phase if we determine the account has a low risk of material misstatement. The use of substantive analytical procedures does not preclude us from performing additional testing if deemed necessary.
- We will perform final analytical procedures near the end of the audit to assist us in forming an overall conclusion about whether the financial statements are consistent with our understanding of the City.

5. Approach to be taken to gain and document an understanding of the City's internal control structure.

As part of our audit approach, we will spend considerable time documenting and testing the internal control structure used by the City and its related entities. We will perform the following procedures:

- Perform inquiries and will work with City staff to complete various questionnaires to summarize the City's control structure. We will identify key controls you have developed for each material control objective. During this process, we will identify gaps in your control structure and summarize recommendations for management's and those charged with governance's consideration.
- We will identify all key controls and will perform walkthroughs of these key controls as required by the audit standards.
- We will assess and test effectiveness of these controls. We will communicate to you any identified gaps in the City's internal control structure and offer recommendations for the City's consideration.

AUDIT APPROACH



6. Approach to be taken in determining laws and regulations that will be subject to audit test work.

Our audit includes obtaining a general understanding of the City's legal and regulatory framework and how the City complies with that framework. This includes:

- Obtaining an understanding of the City's regulatory and other external factors;
- Obtaining an understanding of those laws and regulations that directly determine the reported amounts and disclosures in the financial statements;
- Inquiries with management concerning other laws or regulations that may be expected to have a fundamental effect on the operations of the City;
- Considering our knowledge of any City history of noncompliance with laws and regulations; and
- Reviews of various documents, indentures, agreements, etc. will be designed to further assess that all known laws and regulations are encompassed within the scope of the audit.

7. Approach to be taken in drawing audit samples for purposes of tests of compliance.

The Firm uses Checkpoint® Tools for PPC to determine sample sizes. Individual samples are usually drawn using haphazard selection. Our objective is to test the population to obtain reasonable confidence that the test objectives have been met. We will consider the following:

- For tests of controls:
 - The tolerable rate of deviation of the population to be tested
 - The expected rate of deviation of the population to be tested
 - The desired level of assurance that the tolerable rate of deviation is not exceeded by the actual rate of deviation in the population
 - The number of sampling units in the population if the population is very small
- For tests of compliance:
 - The tolerable exception rate of the population to be tested
 - The expected exception rate of the population to be tested
 - The desired level of assurance that the tolerable exception rate is not exceeded by the actual exception rate in the population
 - The number of sampling units in the population if the population is very small

FEES AND BILLINGS



Total all-inclusive maximum price

Firm Submitting Proposal: E.C. Ortiz & Co., LLP

Fee Structure	2018	2019	2020
City (including TPCCC and Library)	\$48,000	\$49,000	\$50,000
Sewerage Fund	\$5,200	\$5,300	\$5,400
Solid Waste Fund	\$2,000	\$2,100	\$2,100
TIF Districts (Central Business District and South Industrial Park Conservation Area Fund)	\$3,300	\$3,400	\$3,400
Police Pension Fund	\$800	\$800	\$800
Fire Pension Fund	\$5,000	\$5,000	\$5,000
Total	\$64,300	\$65,600	\$66,700


Signature of Authorized Representative

Marites Sy
Name of Authorized Representative

Partner
Title

March 14, 2018
Date

Attachment: Auditing Proposal 2018 EC Ortiz (1362 : Bid Tab RFP Auditing Services)



FEES AND BILLINGS

Include a time budget by employee classification for the audit

Level	Hours
Partner	74
Senior Manager, Manager	189
Senior Auditor	124
Staff Auditor	117

Method to be employed to calculate future audit costs (i.e. for the two-year extension option)

We estimate that our fees for years ending subsequent to 2020 would increase approximately 2% per year. The increase will be dependent on inflation and no significant changes to your organizational operations. This quote is based on our understanding of what will be required to provide our services. Should we significantly underestimate the budget, we will discuss this with you and evaluate our future fees.

Rates for additional professional services

Our fee structure is inclusive of all expenses (travel costs, administrative fee such as copies, postage, delivery charges, supplies, confirmation fee, technology-related costs such as computer processing, software licensing, research and library databases and similar expense items). Our fees may increase if our duties and responsibilities change because of new rules, regulations, and accounting or auditing standards. It is our policy to discuss the performance of any additional work prior to commencing with that work or should a fee increase is necessary.

The following is our hourly billing rates should the City expand the scope of the audit or requires additional services:

Level	
Partner	\$175
Manager	\$150
Senior	\$110
Staff	\$80

Any such additional work agreed to shall be performed only if set forth in an addendum to the contract between the City and ECO.

Method of payment

Our pricing for this engagement and our fee structure is based upon the expectation our invoices will be paid promptly. We will issue monthly progress billings during the course of our engagement and payment of our invoices is due upon receipt.

APPENDIX: RESUMES

Leilani N. Rodrigo, CPA, CGMA (Partner)

CPA License #065031704

Leilani N. Rodrigo is a partner of E.C. Ortiz & Co., LLP. She has been in public accounting since 1994 and has more than 20 years' experience providing governmental and not-for-profit financial audit services. Her audit experience ranges from financial statements audits, compliance examination, agreed-upon procedures and single audits (in accordance with the Uniform Guidance) in a variety of industries including state and local government, not-for-profit organizations and institutions of higher education. She was formerly employed by Sycip Gores Velayo & Co. (Ernst & Young Global Limited-Manila, Philippines) until she joined E. C. Ortiz & Co., LLP in June 1999.



Educational Background:

- Bachelor of Science in Accountancy.....March 1994
Philippine School of Business Administration (*graduated with Academic Distinction*)



Credentials:

- Chartered Global Management Accountant.....June 2015
- Certified Public Accountant – Illinois.....May 2002
- Certified Public Accountant – Philippines.....May 1995



Professional Membership:

- American Institute of Certified Public AccountantsMember since 2006
- Illinois CPA Society (ICPAs).....Member since 2006
- ICPAs Governmental Executive CommitteeMember since 2010
- Illinois Local Government Advisory BoardMember since 2016



Continuing Professional Education (CPE) Courses:

- 2017 various AICPA Governmental Audit Quality Center (GAQC) Webinars including the Required Annual Update Webinar
- 2017 Illinois CPA Society Government Conference
- 2017 AICPA Not-For-Profit Conference
- 2016 AICPA National Government Accounting and Auditing Update
- 2016 AICPA Not-For-Profit Conference
- 2016 various AICPA Governmental Audit Quality Center (GAQC) Webinars including the Required Annual Update Webinar



Work Experience:

- State Agency Engagements with the Office of the Auditor General as special assistant involving Financial/single audit and/or compliance examination:
 - o Chicago State University
 - o Western Illinois University
 - o University of Illinois
 - o Illinois Department of Employment Security
 - o Illinois State Toll Highway Authority
 - o Illinois Capital Development Board
 - o Illinois Medical District Commission



APPENDIX: RESUMES

Work Experience: (Continued)

- o Illinois Emergency Management Agency
- o Various Regional Office of Education
- o Illinois Student Assistance Commission
- o Illinois Department of Revenue
- o Illinois Department of Human Services

- Engagements with other Entities/Government Agencies:
 - o City of East St. Louis - Financial and single audit and Tax Increment Financing compliance
 - o East St. Louis Public Library - Financial audit
 - o Illinois State Lottery - Observation and Monitoring of Drawings
 - o Illinois Power Agency - Agreed Upon Procedures
 - o Illinois Department of Healthcare and Family Services - Office of Inspector General - Long Term Care Asset Discovery Investigation
 - o Illinois Department of Healthcare and Family Services - Bureau of Medicaid Integrity - Long Term Care Facilities Post Payment Audits
 - o Illinois Department of Natural Resources - GAAP Package preparation and review
 - o Metropolitan Enforcement Groups - Financial audit

APPENDIX: RESUMES

Marites U. Sy, CPA, CIA, CISA, CGMA (Partner)

CPA License # 065031774

Marites Sy has more than 20 years of compliance and financial audit experience. Marites was formerly with Arthur Andersen (Manila, Philippines), from 1994 through 2000. While in Arthur Andersen, her clients include manufacturing, real estate, banking and service companies. She was sent to St. Charles, Illinois to undergo training and worked in Arthur Andersen Atlanta Office.

In September 2000, Marites joined Price Waterhouse Coopers (Singapore) where she gained her experience in construction, manufacturing, retail and service companies.

Marites joined E.C. Ortiz & Co. in November 2001 where she obtained her experience in audits of Governmental entities.



Educational Background:

- Bachelor of Science in Accountancy
University of Negros Occidental – Recoletos March 1994



Credentials:

- Chartered Global Management Accountant July 2012
- Certified Information Systems Auditor March 2008
- Certified Internal Auditor July 2005
- Certified Public Accountant (Illinois, California) May 2003
- Certified Public Accountant (Philippines) October 1994



Professional Memberships:

- American Institute of Certified Public Accountants Member since 2005
- Illinois CPA Society Member since 2006
- Illinois CPA Society – Governmental Report Review Committee Member since 2016
- The Institute of Internal Auditors Member since 2006
- Information Systems Audit and Control Association Member since 2008
- Government Finance Officers Association Member since 2013
- Government Finance Officers Association – Special Report Review Committee Member since 2016



Continuing Professional Education (CPE) Courses:

- 2017 ICPAS Member Town Hall Forum in Chicago
- 2017 ICPAS The Data Collection Form and Federal Audit Clearinghouse Update
- 2017 Various AICPA Governmental Audit Quality Center (GAQC) Webinars
- 2017 Institute of Internal Auditors Gaming and Hospitality Conference
- 2016 Various Information Systems and Audit and Control Association (ISACA) Webinars
- 2017 GAQC Required Annual Update Webinar
- 2017 Not-For-Profit Conference – On-line
- 2017 California Regulatory Review for CPAs - RRS-016-1014



APPENDIX: RESUMES

Continuing Professional Education (CPE) Courses (continued):

- 2017 Corporate Fraud Statistics
- 2017 The Detection and Prevention of Fraud in Financial Statements
- 2017 AICPA Code: Ethics in Practice
- 2017 AICPA Big Data, Deep Dive
- 2017 IIA Gaming and Hospitality Conference

Work Experience:

- State Agency Engagements with the Office of the Auditor General as special assistant auditor involving Financial/single audit and/or compliance examination:
 - o Department of Financial and Professional Regulation
 - o Department of Commerce and Economic Opportunity
 - o Illinois Finance Authority
 - o Office of the Governor
 - o Eastern Illinois University
 - o Southern Illinois University
 - o Illinois Workers' Compensation Commission
 - o Illinois Supreme Court Historic Preservation Commission
 - o Attorney Registration and Disciplinary Commission
 - o Illinois Supreme Court
 - o Various Illinois Correctional Centers
 - o Illinois Correctional Industries
 - o Various Veterans Homes
- State Agency Engagements involving GAAP Package Preparation:
 - o Department of Healthcare and Family Services
- Engagements with other Entities/Government Agencies:
 - o Illinois Gaming Board – Agreed Upon Procedures
 - o Heshima Kenya, Inc. – Financial Audit
 - o Illinois Department of Healthcare and Family Services - Office of Inspector General - Long Term Care Asset Discovery Investigation
 - o Illinois Department of Healthcare and Family Services – Bureau of Medicaid Integrity – Long Term Care Facilities Post Payment Audits
 - o United Airlines – Internal Audit and Financial Audit
 - o Hospira Inc. – Internal Audit SOX
 - o Indiana Hosier Lottery – Financial Audit
 - o Illinois Lottery – Financial Statements Review
 - o Chicago Workforce Investment Council – Financial Audit
 - o Village of Posen – Financial Audit
- Information Systems Review
 - o Illinois Department of Public Health
 - o Illinois State Board of Education
 - o Illinois Workers' Compensation Commission
 - o Illinois Emergency Management Agency



APPENDIX: RESUMES

Work Experience (continued):

- o Western Illinois University
- o Capital Development Board
- o Department of Insurance
- o Department of Financial and Professional Regulation
- o Governors State University
- o Illinois Supreme Court

APPENDIX: RESUMES

Rosemarie N. Sison, CPA, CIA, CGMA (Manager)

CPA License # 065034428

Rosemarie N. Sison has 22 years of accounting and auditing experience. She was formerly employed as an In-Charge Auditor by SGV & Co., CPAs (formerly Arthur Andersen Manila, now a member practice of Ernst & Young) and as Branch Operations Head by China Banking Corporation prior to joining E. C. Ortiz & Co., LLP in September 2003. In February 2005, she joined Pricewaterhouse Coopers (PwC) as an Experienced Associate. She re-joined E. C. Ortiz & Co. in August 2006 as a Manager.



Educational Background:

- Bachelor of Science in AccountancyDecember 1994
De La Salle University, Manila, Philippines
- Completed all units in Masters in Business Administration.....April 2002
De La Salle University, Graduate School of Business, Manila, Philippines



Credentials:

- Chartered Global Management Accountant.....February 2014
- Certified Internal Auditor.....October 2011
- Certified Public Accountant – Illinois.....February 2007
- Certified Public Accountant – Philippines.....May 1995



Professional Memberships:

- American Institute of Certified Public Accountants
- Illinois CPA Society
- The Institute of Internal Auditors
- Philippine CPAs of Greater Chicago
- National Council of Philippine American-Canadian CPAs



Continuing Professional Education (CPE) Courses:

- Procurement Under the Uniform Guidance: The Time is Now!
- Not-for-Profit Year-End Accounting Update: A Road Map to Upcoming Changes
- New NFP Financial Reporting Standard: Top 5 Things Your Board Should Know!
- 2017 AICPA Not-for-Profit Industry Conference
- 2017 State and Local Government Audit Planning Considerations
- 2017 GAQC Annual Update Webcast
- 2017 Gaming and Hospitality Conference, April 2017
- Uniform Guidance Considerations: The Schedule of Expenditures of Federal Awards and Major Program Determination, January 2017



Work Experience:

- State agency engagements with the Office of the Auditor General as special assistant involving:
 - o Financial, single audit, and/or compliance examination
 - Illinois Department of Financial and Professional Regulation
 - Office of the Governor
 - Illinois State Board of Education



APPENDIX: RESUMES



Work Experience (continued):

- Illinois Environmental Protection Agency
- Illinois Supreme Court
- Illinois Council on Developmental Disabilities
- Regional Office of Education
- Illinois Department of Natural Resources
- Engagements with other entities and government agencies
 - o City of Chicago Internal Audit-Voucher Documentation Audit (A-122)
 - o Illinois Department of Healthcare and Family Services – Office of Inspector General, Bureau of Medicaid Integrity - Long Term Care Facilities Post Payment Audits
 - o Illinois Department of Healthcare and Family Services – Office of Inspector General - Long Term Care Asset Discovery Investigation
 - o Illinois Gaming Board
 - o United Airlines – Internal Audit – Sox Compliance Work
 - o Northwestern Institute of Health and Technology
 - o Cook County Health and Hospitals System
 - o Southern Illinois University Broadcasting Services
 - o Chicago Public Schools Student Science Fair, Inc.
 - o White Oak Foundation
 - o Indiana Dunes Environmental Learning Center
 - o Chicago Public Schools
 - o City Colleges of Chicago
 - o Chicago Board of Elections
 - o UChicago Impact
 - o University of Chicago Charter Schools
 - o Village of Posen, Illinois
 - o Heshima Kenya, Inc.
 - o Hospira, Inc.



APPENDIX: RESUMES

Jay-R dela Peña Castañeda, CPA, CIA (Manager)

CPA License #065039428

Jay-R Castañeda has more than twelve years of financial and compliance audit experience. He was formerly employed at the SyCip Gorres Velayo & Co. (a member practice of Ernst & Young Global) as an Audit Senior. He joined E. C. Ortiz & Co., LLP in November 2009.

Education

- Bachelor of Science in Accountancy.....April 2005
(Polytechnic University of the Philippines)

Credentials

- Certified Internal Auditor.....September 2012
- ☐ Certified Public Accountant - Illinois, US.....January 2012
- ☐ Certified Public Accountant - California, US.....November 2011
- ☐ Certified Public Accountant - Philippines.....October 2005

Continuing Professional Education (CPE) Courses:

- 2017 NPO Industry Conference
- 2017 Gaming and Hospitality Conference
- Avoiding Common Errors in Not-for Profit Financial Reporting
- GASB's Fair Value Standard; Accounting and Auditing Considerations
- 2016 OMB Compliance Supplement and Single Audit Update
- The New Data Collection Form and Federal Audit Clearinghouse Update
- 2016 State and Local Government Audit Planning Considerations
- Preparing for a Single Audit: An Auditee Perspective
- Avoiding Common Deficiencies in Yellow Book and Single Audits
- The Continued Complexities of Auditing Governmental Pension Plans and Participating Employers
- 2016 GAQC Annual Update
- Internal Control: COSO, the Green Book and More
- Government Conference (Rosemont)
- Optional Bonus Ethics Session: The Science of Ethics
- Session 1A - Pension Standard Implementation Issues and Lessons Learned (GASB 67 & 68)
- Session 2A - OMB Uniform Guidance Implementation Issues and Lessons Learned
- Session 3A - Fair Value and Tax Abatement Disclosures - A Closer Look
- Session 4B - HR Staffing and Succession Planning Options, How to Get and Retain Staff (Government and Auditor Perspective)
- Various Case Studies and Team Building Activities

Work Experience

- State agency engagements with the Office of the Auditor General as special assistant involving financial and compliance examination:
 - o Illinois Finance Authority
 - o Illinois Housing Development Authority



APPENDIX: RESUMES

Work Experience

- o Illinois Student Assistance Commission
- o Illinois Medical District Commission
- Engagements with other entities and government agencies
 - o Illinois Gaming Board - agreed-upon procedures
 - o Illinois State Lottery - agreed-upon procedures
 - o Chicago Housing Authority - internal audit
 - o Alliance for Retire d Americans - financial Audit
 - o Metropolitan Water Reclamation District of Greater Chicago - financial audit
 - o Hospira - SOX testing and financial audit
 - o United Airlines - SOX testing
 - o United We Care Employee Relief Fund - financial Audit
 - o United Airlines Scholarship Fund - financial audit
 - o Cook County - financial audit
 - o City Colleges of Chicago - internal audit
 - o The State Lottery Commission of Indiana - financial audit and agreed-upon procedures
 - o Illinois Department of Healthcare and Family Services - long term care facilities post payment audits
 - o Illinois Department of Healthcare and Family Services - long term care asset discovery investigation

APPENDIX: RESUMES

Garry M. Caracas (Senior)

Garry Caracas has more than 13 years of compliance and financial audit experience. He was formerly employed as an Accounting Manager at Universal Robina Corporation (Philippines) and as a Senior Associate Auditor in SGV & Co., CPAs (Manila, Philippines) (member firm, Ernst & Young) until he joined E. C. Ortiz & Co., LLP in September 2008.



Educational Background:

- B.S. in Accountancy May 2002
St. Louis University – Baguio City, Philippines



Credentials:

- Certified Public Accountant (Philippines) May 2004



Continuing Professional Education (CPE) Courses:

- GASB 75 - OPEB Implementation: Accounting and Auditing Considerations
- Uniform Guidance Considerations: Challenging Compliance Areas
- Developing and Reporting Audit Findings
- Implementing the New Not-for-Profit Standard - Practical Considerations
- 2017 GAQC Annual Update
- Government Conference (Rosemont)
- Session 1A - The New GASB Leases Standard
- Session 2A - GASB's Current Technical Agenda and Reexamination of the Financial Reporting Model
- Session 3A - Uniform Guidance: The Good, The Bad and The Ugly
- Session 4A - Data-driven Decision Making for Auditors
- Crossing the Generational Divide: Unlocking the Power of Generations to Grow Your Business
- Shining a Light on Not-For-Profits: Holt International - Stories of Purpose, Passion & Power
- GAAP UPDATE
- Uniform Guidance Experiences in Implementation: An Auditee's Perspective
- Implementation of the Uniform Guidance: Cost Principles, Subrecipient Monitoring and Administrative Requirements
- Single Audit Update
- Staying Ahead of Financial Fraud for NonProfits
- Finding your Inner Extrovert: Communication Skills for Accounting Leaders
- Critical Areas for Internal Control Testing
- Reporting and Evaluating Single Audit and Yellow Book Findings
- Conducting Efficient Single Audit
- What did I miss?
- Implementing the Financial Statement Presentation Standard: Mastering the Most Difficult Challenges
- Auditor Independence in a SLG Environment: How the Recent Ethics Exposure Draft will Affect Current Practice
- New NFP Financial Reporting Standard: TOP 5 Things your Board Should Know!



APPENDIX: RESUMES



Continuing Professional Education (CPE) Courses:

- Procurement Under the Uniform Guidance: The Time is Now!
- Department of Education's Guide for Audits of Proprietary Schools
- Understanding the Actuary's Role and Relevant Assumptions in Governmental Audit Engagements



Work Experience:

- State agency engagements with the Office of the Auditor General as special assistant involving:
 - o Financial, single audit, and/or compliance examination
 - Northeastern Illinois University
 - Illinois Department of Employment Security
 - Southern Illinois University
 - University of Illinois
 - Illinois State Highway Authority
 - Regional Office of Education No. 9
- Engagements with other entities and government agencies
 - o City of East St. Louis Library – Financial Audit
 - o Chicago Minority Supplier Development Council
 - o Illinois Department of Healthcare and Family Services - Medical Providers Post Payment Audit, including cash disbursements/payments audit
 - o Illinois Department of Public Aid, Bureau of Medicaid Integrity - Long Term Care Asset Discovery Investigations
 - o Illinois State Lottery – Lottery Observation
 - o City of Chicago - TIF Audit
 - o Ann M. Kiley Development Center
 - o United Airlines – Financial audit
 - o North Carolina Central University – Agreed-upon procedure (payroll)
 - o St. Vincent de Paul Center – Financial and single audit





AICPA Peer Review Program
Administered in Illinois by the
Illinois CPA Society



Illinois Peer Review Program
Administered in Illinois by the
Illinois CPA Society



Iowa Peer Review Program
Administered in Illinois by the
Illinois CPA Society



South Carolina Peer Review Program
Administered in Illinois by the
Illinois CPA Society

July 13, 2017

Edilberto Ortiz
E. C. Ortiz & Co., LLP
333 S Desplaines St, Ste 2N
CHICAGO, IL 60661

Dear Edilberto Ortiz:

It is my pleasure to notify you that on June 29, 2017, the Illinois Peer Review Committee accepted the report on the most recent System peer review of your firm. The due date for your next review is February 29, 2020. This is the date by which all review documents should be completed and submitted to the administering entity. If your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation and support of the profession's practice-monitoring programs.

Sincerely,

Paul Pierson, CPA
Director, Professional Standards and Peer Review
peerreview@icpas.org 800-993-0407, then dial 6
Illinois CPA Society

CC: Richard Phillips, Gilda Priebe

Phillips & Associates, CPAs, P.C.

1600 Hunt Drive, Suite B
Normal, IL 61761
Phone: 309-452-2417
Fax: 309-888-9261

219 W. Washington Street
Pontiac, IL 61764
Phone: 815-842-2138
Fax: 815-844-3197

Report on the Firm's System of Quality Control

April 21, 2017

To the Partners of E.C. Ortiz & Co., LLP and
The Peer Review Committee of the Illinois CPA Society

We have reviewed the system of quality control for the accounting and auditing practice of E.C. Ortiz & Co., LLP (the firm) in effect for the year ended August 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of E.C. Ortiz & Co., LLP, in effect for the year ended August 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. E.C. Ortiz & Co., LLP has received a peer review rating of *pass*.

Phillips & Associates, CPAs, P.C.

Phillips & Associates, CPAs, P.C.
Normal, Illinois

Attachment: Auditing Proposal 2018 EC Ortiz (1362 : Bid Tab RFP Auditing Services)

March 9, 2018

5.7.d



SERVICE PROPOSAL

Professional Audit Services Proposal

PREPARED FOR:

CITY OF PEKIN, ILLINOIS

SUBMITTED BY:

Sikich LLP
Chad A. Lucas, CPA
Partner

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ACCOUNTING TECHNOLOGY ADVISORY

SIKICH.COM

Packet Pg. 119

Attachment: Auditing Proposal Sikich 2018 - 2020 (1362 : Bid Tab RFP Auditing Services)

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TRANSMITTAL LETTER

March 9, 2018

Ms. Sue McMillan
City Clerk
City of Pekin
111 S. Capitol Street
Pekin, IL 61554

Dear Ms. McMillan,

Sikich is pleased to be considered for the appointment as independent auditors for the City of Pekin, Illinois (City). We believe that our qualifications, experience and expertise are clearly distinguishable as indicated in the following proposal. Our clients will attest that the expertise we possess in the state and local government industry is demonstrated by their successes, our staff's involvement in the industry, including serving as annual presenters at the Government Finance Officers Association (GFOA) conferences and our leadership roles in various government associations. **During 2017, we successfully assisted the Village of Glen Carbon, Illinois and the Village of Chatham, Illinois with receiving their first GFOA's Certificate of Achievement in Excellence for Financial Reporting award.** Our clients receive the quality and timeliness only available from a firm of our caliber.

We have received the Request for Proposal and are prepared to commit the resources necessary to provide services to the City. We will not only perform the audit, but we will also provide governmental accounting and financial reporting expertise and technical assistance throughout the year. We understand the scope of the work to be performed and the timing requirements as specified in the Request for Proposal, and are committed to performing the specified services within that timeframe.

We appreciate the opportunity to present this proposal, which is a firm and irrevocable offer for 60 days, and look forward to the possibility of serving the City.

Sincerely,



Chad A. Lucas
Partner



Megan D. Cochran
Senior Manager

EXECUTIVE SUMMARY

We know what's challenging to the City. Here are the strategies and solutions we recommend for you in order to face those challenges head-on and achieve success.

Thank you for considering Sikich. We appreciate the opportunity to propose for the City of Pekin, Illinois.

DEFINING YOUR CURRENT CHALLENGES

We recognize this is a time of constant change and ever increasing accountability. The task of the City finance office is no longer to report financial results by long-standing standards that are widely known and commonly understood. The task in today's environment is to keep up with the ever-changing standards from GASB and the Office of Management and Budget with the new Uniform Guidance. The task is also to keep up with new reporting and accountability requirements from the state, new automated processing systems, and fringe benefit tax laws.

DEFINING YOUR BEST POSSIBLE SOLUTIONS

These ever-changing standards and accountabilities require adjusting computer systems and internal processes to adapt to the changing standards and then to report in accordance with the new standards. This shift in the environment has caused a shift in the City thinking about an audit firm. We understand that the City requires a year-round partner, who will assist the City in keeping up to date with the standards and provide assistance, when needed, on specialty topics, as well as someone who can audit to the standards. Sikich is on the leading edge of the standards as they are being developed. We also have a strong commitment to current and effective technology as our firm has a solid core of technological abilities supported by a full technology division.

DEFINING YOUR FUTURE SUCCESS

Additional details around our audit-specific capabilities are included in the next section of this document. These capabilities, in combination with our timely completion and issuance of your reports, will not only fulfill your current needs, but will undoubtedly drive stability for the City.

Throughout the following paragraphs, you will find summaries of each section within this proposal. We encourage you to review each section in its entirety to gain a detailed understanding of how we can help you build your bottom line and achieve success.

WHY THE CITY SHOULD SELECT SIKICH

Clients turn to us because our professionals are uniquely qualified to provide the service and industry expertise necessary to drive their organizational success. Specifically, Sikich offers the access to resources, decades of experience and passion for action necessary to face your challenges head-on with you.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

A crucial component to the City's success is working with a team completely dedicated to the government industry, ensuring that those individuals understand your challenges and what it takes to realize success. Your engagement team is made up of senior professionals who will provide the expertise, insights and responsiveness your organization requires.

SPECIFIC AUDIT APPROACH

Our approach is always holistic, forward-thinking and customized for the City's specific needs. We operate in a way that provides full attention to evaluating significant areas, including those that present the greatest risk and where new opportunities for financial and operational improvement may exist.

SCOPE OF SERVICES FOR THE CITY

The scope of our work for the City is outlined in the following proposal. We want to invest in what we hope will become a long-lasting relationship with the City, which is why we commit to delivering the results the City requires. The timeline of the engagement on which we are proposing is outlined in this section.

We would be honored to call the City of Pekin, Illinois our client and look forward to working with you.

WHY SIKICH IS QUALIFIED TO PROVIDE AUDITING SERVICES TO THE CITY (RFP 7.2.1)

Our team works devotedly with governmental entities just like yours, has the resources required to perform this engagement and is technically experienced and insightful.

Clients turn to us because our professionals are uniquely qualified to provide the service and industry expertise necessary to drive their organizational success. Specifically, Sikich offers the access to resources, decades of experience and passion for action necessary to face your challenges head-on with you. Your challenges are our challenges, and chances are, we have successfully faced them many times before. Aside from this, here are a number of reasons how the City of Pekin, Illinois can benefit from a relationship with Sikich.

EXPERIENCE

Helping clients achieve long-term success is what we do. Our professionals will bring to your engagement the deep industry and service-level experience they have accumulated throughout the years.

EXPERIENCE IN YOUR INDUSTRY

Sikich's state and local government team provides services to more than 450 counties, cities, villages, towns and other local governments. Many of these have been long-standing clients and are evidence of our dedication to the state and local government industry and our ability to provide high quality, timely services within this specialized industry. These clients and related work have enabled our firm to develop an extensive nationally recognized expertise in governmental accounting, auditing and financial reporting procedures and practices.

Senior members of our government services team presently hold memberships and are actively involved in numerous governmental organizations, including:

- AICPA Government Audit Quality Center
- American Institute of Certified Public Accountants (AICPA)
- GFOA Special Review Committee (SRC)
- Government Finance Officers Association of the United States and Canada (GFOA)
- ICPAS Governmental Report Review Committees
- IGFOA Technical Accounting Review Committee
- Illinois Association of County Board Members and Commissioners (IACBMC)
- Illinois City/County Management Association (ILCMA)
- Illinois County Treasurers' Association (ICTA)
- Illinois CPA Society (ICPAS)
- Illinois Government Finance Officers Association (IGFOA)
- Illinois Library Association (ILA)
- Illinois Municipal Treasurers Association (IMTA)
- Illinois Parks and Recreation Association (IPRA)
- Illinois Tax Increment Association (ITIA)
- International City/County Manager's Association (ICMA)

EXPERIENCE IN WHAT WE DO

Your Sikich engagement team is comprised of senior CPAs who have been working in the field for years. Providing high-quality audit services is second nature to each of them, which is proven through our impressive track record of helping clients succeed. This team will provide the City with timely completion of professional services. Moreover, members of the Sikich government services team have served as expert speakers to organizations, state GFOAs and others for formal presentations at local meetings and annual conferences on a variety of governmental accounting, auditing and financial reporting topics. We have also developed governmental accounting, auditing and financial reporting training courses for various organizations with members of our firm serving as lead instructors for the courses.

EXPERIENCE IN GOVERNMENT OPERATIONS

Because of our large, diverse client base and our ability to attract talent from a variety of professional backgrounds, Sikich has an established reputation as one of the leading providers of professional services in the Midwest to governmental entities. Our team of professionals specializes in the management, operations and financing of general purpose state and local governments, park districts, intergovernmental organizations, municipal utilities and special districts. This focus and our exemplary reputation assure the City the highest quality work and the most cost-effective delivery of services.

ACCESS

With Sikich, you get access to a multitude of resources that will help your organization grow today and in the future.

ACCESS TO SENIOR RESOURCES

You will gain confidence in your operations by working with a team of articulate professionals who have received the highest recognitions in their fields. To demonstrate the importance of our relationship, we pledge to provide you with unparalleled involvement from our most senior resources. Our partners are on-site during audit fieldwork and are available year-round for direct consultation as issues occur.

ACCESS TO EDUCATION

The City will remain abreast of regulatory changes and best organizational practices as Sikich's team receives ongoing continuing education they will directly apply to the City's engagement. We accomplish this by anticipating your needs based on our experience with you and your industry, and using a variety of communication channels: timely responses to your questions; informal discussions; mailings on topics of interest to you; and relevant seminars, all of which are complimentary for our clients. Past topics of thought leadership have included:

- Governmental Accounting and Financial Reporting Update
- Implementing GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions
- Implementing GASB Statement No. 67, Financial Reporting for Pension Plans
- Implementing GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions
- Government Financial Resiliency
- Public Sector Strategic Planning
- Performance Measurement
- Payroll Reporting for Government Entities
- Employee Handbook Workshop
- Keeping the Keepers: A Guide to Employee Retention
- Identity Dos & Don'ts: Agency Branding
- Video: Web Applications
- Fraud Detection and Prevention
- Technology Threats

ACCESS TO VALUE

Your organization will receive extraordinary value for Sikich's fee because we are dedicated to a customer-centric approach that includes open communication, respect and clear results. As a leader, the overall success of your organization should be the core of your focus. We're here to be your trusted advisor for those functions you can't focus on every moment, as well as for issues affecting the government industry, including new accounting pronouncements and employee benefit regulations. We understand that each client has its own unique set of needs, business practices and operating environment. Our services are tailored to the specific needs of your organization.

INITIATIVE

One of our strengths at Sikich is our need to be proactive. We find potential issues before you have to worry about them, because we're ready with a solution.

INITIATIVE FOR A SMOOTH TRANSITION

Your transition to Sikich will be a non-disruptive one. Chad, Megan, and Brent have directed the transition of many new clients and will bring this experience to the City's engagement team. Your engagement team will have continuous, hands-on involvement in what we consider an important relationship with the City. We have many ways of achieving this transitions such as:

- Developing an agreed-upon timetable for deliverables and follow up regularly on their progress
- Utilizing concise audit programs, eliminating unnecessary audit steps and preparing audit schedules and workpapers
- Using existing client materials to the greatest extent possible, such as internal control memos and client assistance letters

INITIATIVE FOR CUSTOMIZED SOLUTIONS

One-on-one, you will receive customized solutions based on your unique needs, and only your unique needs. You will find that achieving financial stability and growth, as well as uncovering new opportunities to improve performance, is possible through the strategies that Sikich experts will recommend and on which they will educate you.

After a more thorough review of your operations and audit-specific matters, we may uncover other opportunities. As part of our ongoing service and commitment to the City, we keep you abreast of regulatory changes and best business practices to ensure we identify crucial opportunities that will benefit the City.

INITIATIVE FOR YOUR SATISFACTION

The City's success is built upon the quality services and value you feel you receive from Sikich, which is why we will continually gauge your satisfaction to enhance our relationship. At various checkpoints during the engagement, a Sikich representative will meet with you to discuss how satisfied you have been with our services, our team and the value we provide. Areas stressed during these meetings will include:

- What can we do to make our services more valuable to you?
- What specific part of our service exceeded your expectations?
- In which areas do you feel we need improvement?
- Do you feel like a valued client of the firm?
- What is your vision for the City?

AUDIT FIRM QUALIFICATIONS AND EXPERIENCE (RFP 7.2.2)

Sikich is one of the country's top 30 Certified Public Accounting firms and a top 10 value-added reseller of technology products, with more than 750 employees across 21 offices. Clients turn to us for their professional service needs due to our deep industry knowledge working with organizations of their size and for the caliber of service and attention we provide—especially when it comes to dedicated, experienced service teams and partner access.

Sikich has an established reputation as one of the leading providers of professional services in the Midwest to governmental entities. Our team of professionals specializes in the management, operations, and financing of general purpose state and local governments, pension funds, park districts, intergovernmental organizations, and special districts. This focus and our exemplary reputation assure the City the highest quality work and the most cost effective delivery of services. Sikich's state and local government team provides services to more than 450 cities, pension funds, counties, villages, towns and other Illinois governments, including the second, fifth and eighth largest cities. Many of these have been long-standing clients and are evidence of our dedication to the state and local government industry and our ability to provide high quality, timely services within this specialized industry. These clients and related work have enabled our firm to develop an extensive nationally recognized expertise in governmental accounting, auditing and financial reporting procedures and practices.

Sikich currently has more than 100 partners and approximately 800 total employees. Eight of these partners and more than fifty professional staff are devoted extensively to the Firm's local government services team. This engagement will be staffed primarily from our Springfield Office which currently employs approximately 90 people, including the following professional staff:

- 13 Partners
- 20 Managers
- 3 Supervisors
- 9 Senior Accountants
- 10 Staff Accountants

QUALIFICATION AND EXPERIENCE OF PERSONNEL (RFP 7.2.3)

The City's key engagement team members will be supported by staff on the firm's government services team, primarily from the Springfield Office. Please refer to the Exhibits section to read biographies of the City's engagement team.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

Sikich commits to providing a team of senior professionals, all of whom have unmatched expertise in the government industry.

A crucial component to the City's success is working with a team that is completely dedicated to the government industry, ensuring that those individuals understand your challenges and what it takes to realize success. The City will receive unparalleled levels of expertise, insights and responsiveness from a team of senior professionals who have significant experience working with government entities. Our firm offers several employee retention programs, including tuition reimbursement, CPA review and exam assistance, a computer purchase program, travel assistance and more. We have been named as a Best Place to Work for several years, both on a local and national level. We make every effort to recruit and retain quality staff. However, employee turnover is inevitable. In the event of staff turnover on the City engagement, we will seek the prior written approval of the City.

CHAD A. LUCAS, CPA

ENGAGEMENT PARTNER

As engagement partner, Mr. Lucas will be responsible for the overall management of the audit. This includes developing and coordinating the overall audit plan, the in-depth review of all workpapers and the review of the City's comprehensive annual financial report. Moreover, our firm's philosophy is to have the team leader on location during the completion of the majority of fieldwork. Therefore, Mr. Lucas will be present at the City's offices during both our preliminary and final fieldwork. Mr. Lucas has more than twenty years of experience in the state and local government industry, including serving as engagement partner for the City of Springfield, Illinois, and Villages of Glen Carbon, Sherman, and Chatham, Illinois.

BRIAN D. LEFEVRE, CPA, MBA

RESOURCE PARTNER

The resource partner is responsible for providing overall technical support for the engagement as well as serving as a backup for the engagement partner. Mr. LeFevre has more than twenty years of experience in the state and local government industry, including serving as engagement partner for the Cities of Batavia and Naperville, Illinois and Villages of Carol Stream, East Dundee, and Lake in the Hills, Illinois.

FREDERICK G. LANTZ, CPA

QUALITY CONTROL PARTNER

The quality control partner will provide a second partner review of the audit workpapers and the City's comprehensive annual financial report. Mr. Lantz has more than thirty years of experience in the state and local government industry, including serving as engagement partner for the Cities of Aurora and Naperville and various other cities.

Prior to joining Sikich, Mr. Lantz was the assistant director for the Technical Services Center of the Government Finance Officers Association of the United States and Canada (GFOA), where he was a nationally recognized expert in the state and local government industry. At GFOA, Mr. Lantz was responsible for managing the Certificate of Achievement for Excellence in Financial Reporting Program, providing accounting, auditing and financial reporting assistance to state and local government officials and their auditors, and serving as a liaison to the Government Accounting Standards Board.

THOMAS R. KREHBIEL, CPA, CISA

INFORMATION SYSTEMS PARTNER

Mr. Krehbiel will be responsible for coordinating and conducting the review of the City's information systems. It is necessary to document our understanding of the significant controls in place in order to properly plan the nature, timing and scope of our audit procedures.

MEGAN D. COCHRAN, CPA
SENIOR AUDIT MANAGER

As the senior audit manager, Ms. Cochran will be the City's secondary contact for anything related to the successful audit of your organization. Ms. Cochran will be responsible for leading the assurance team in the field and coordinating all assurance efforts. Ms. Cochran has more than twelve years of experience in the state and local government industry, including serving as senior audit manager for the City of Springfield, Illinois and the Villages of Glen Carbon, Sherman, and Chatham, Illinois.

BRENT S. LAKE, CPA
AUDIT MANAGER

As the audit manager, Mr. Lake will be another contact for anything related to the successful audit of your organization. Mr. Lake will be responsible for leading the assurance team in the field and coordinating all assurance efforts. Brent has more than five years of experience in the state and local government industry, including serving as an audit manager for the cities of Springfield and Bloomington, Illinois and the Village of Chatham, Illinois.

ADDITIONAL PROFESSIONAL STAFF

Other professional staff assigned to the engagement will be full-time employees of the firm and have a minimum of one to three years of auditing experience. In addition, all professional staff assigned to government engagements meet and usually exceed the CPE requirements contained in the U.S. Government Accountability Office, Government Auditing Standards (2011). Moreover, our government staff possess a specific knowledge of local government accounting and reporting requirements and their application for local governments. This is achieved by attending at least 40 hours per year of a combination of external courses sponsored by the AICPA, ICPAS, GFOA and IGFOA, as well as internal courses.

This enables our firm to staff our governmental engagements with qualified professionals in the industry, providing valuable services to our governmental clients during the audit and throughout the year. We can assure you that our professional staff would not need any "on the job accounting or financial reporting training" by your staff. Moreover, we can assure the City the quality of staffing for a multi-year engagement, even if a change in personnel is required, subject to your approval.

LOCAL GOVERNMENT CLIENTS (RFP 7.2.4)

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Following is a list of significant engagements performed by the Springfield Office staff during the last five years that are similar to the engagement proposed for the City of Pekin, Illinois.

Name	Length of Service (Years)	Contact
*City of Springfield 300 S. 7 th Street Springfield, IL 62701	February 28, 2012 - 2017	Ms. Ramona Metzger Chief Accountant 217.789.2191 Ramona.Metzger@springfield.il.us
*^Village of Chatham 116 East Mulberry Chatham, IL 62629	April 30, 2005 – 2013, 2017	Ms. Sherry Dierking Chief Fiscal Officer 217.483.2451 sdierking@chathamil.net
*^Village of Glen Carbon 151 N. Main Street Glen Carbon, IL 62034	April 30, 2017	Mr. Scott Borrer Director of Finance 618.288.2607 sborrer@glen-carbon.il.us
Village of Sherman 401 St. John Drive Sherman, IL 62684	April 30, 2009 - 2017	Mr. Jeremy Stuenkel Treasurer 217.496.3420 jstuenkel@shermanil.org
*City of Bloomington 109 East Olive Street Bloomington, IL 61701	April 30, 2008 - 2015	Ms. Patti-Lynn Silva Finance Director 309.434.2336 psilva@cityblm.org

[^] Successfully assisted in receiving of their first GFOA's Certificate of Achievement for Excellence in Financial Reporting award during 2017.

* These governments participate in GFOA's Certificate of Achievement for Excellence in Financial Reporting Program (we assisted 50 governments in receiving their first Certificate awarded). Sikich has more than 75 clients that have applied for and received the Certificate of Achievement for Excellence in Financial Reporting. In addition, Single Audits of Federal Expenditures were performed for the Cities of Springfield and Bloomington and the Village of Glen Carbon and many others.

DISCIPLINARY ACTION (RFP 7.2.5)

Sikich has not been the subject of any disciplinary action or inquiry during the past five years.

QUALITY CONTROL (RFP 7.2.6)

At Sikich, we are committed to providing the highest quality audits in the industry. The City can be assured of receiving the highest level of quality and ethical professional services. Quality control is so important to us that our firm has been a member of the Private Companies Practice Section of the Division for CPA Firms of the AICPA since our formation in 1982. As such, we have voluntarily submitted our audit and accounting practice to quality control reviews of our compliance with professional standards as established by the AICPA and, more recently, by the United States Government Accountability Office, for more than 30 years. In 2017, we received our tenth consecutive peer review unmodified ("pass") report. This is the highest level of recognition conferred upon a public accounting firm for its quality control systems. Also, we go beyond the external reviews and maintain strong internal reviews of procedures and processes with oversight by our Quality Assurance Committee and our Partner-in-Charge of Quality Assurance. Please refer to the Exhibits section for a copy of our most recent peer review which included a review of specific government engagements since this accounts for a significant segment of our practice.

In addition, our state and local government reports have been reviewed by numerous federal and state oversight bodies and professional organizations. These reports have been judged to meet and, in most instances, exceed industry standards and requirements. Sikich is a member of the AICPA's Governmental Audit Quality Center (GAQC), which is a firm-based voluntary membership center designed to promote the importance of quality governmental audits and the value of these audits to purchasers of government audit services. As a member of the GAQC, Sikich has access to key information and comprehensive resources that we use to help ensure our compliance with appropriate professional standards and laws and regulations that affect our audits. Through our membership in the GAQC, we also adhere to membership requirements designed to enhance the quality of our audit practice.

STATEMENT OF INDEPENDENCE (RFP 7.2.7)

Sikich has evaluated its independence from the City of Pekin, Illinois and its component units in accordance with generally accepted auditing standards, the Governmental Auditing Standards, 2011 revision, published by the U.S. Government Accountability Office, and the AICPA Code of Professional Conduct. Based upon our evaluation, Sikich is free of any personal and external impairment with respect to the City of Pekin, Illinois and its component units, and is independent with respect to any non-attest services provided to the City of Pekin, Illinois and its component units, both in fact and in appearance to any knowledgeable third party.

CONTINUITY OF STAFF AND TRAINING ACTIVITIES (RFP 7.2.8)

Our Firm strives to maintain consistency in staffing multi-year engagements. We understand that staff continuity will be a consideration by the City when renewing the contract each year. We will make every effort to maintain staff continuity. However, should the need for staffing changes arise (e.g. turnover), we will discuss the changes with City staff before making the change. We can assure the City of the quality of staffing for a multi-year engagement, even if a change in personnel is required. The depth of our local government team as discussed in the Audit Firm Qualifications and Qualifications and Experience of Personnel sections above allows for the rotation of partners, managers and other staff members, should the City request a change.

All staff in the Firm that are assigned to government engagements exceed the continuing professional education (CPE) requirements contained in the U. S. General Accounting Office, *Government Auditing Standards*. Moreover, our government staff have a specific knowledge of local government accounting and reporting requirements and their application for Illinois governments. This is achieved by attending at least forty hours per year of external courses sponsored by the AICPA, ICPAS, GFOA, IGFOA and internal courses instructed by Fred Lantz who has over thirty years of experience instructing national governmental accounting, auditing and financial reporting courses for the GFOA, IGFOA, AICPA and ICPAS. Prior to joining Sikich LLP, Mr. Lantz was the Assistant Director for the Technical Services Center of the Government Finance Officers Association of the United States and Canada (GFOA), where he was a nationally recognized expert in the state and local government industry. This training enables our firm to staff our governmental engagements with qualified professionals in the industry, providing valuable services to our governmental clients during the audit and throughout the year, as well as consistency in staffing multi-year engagements.

SPECIFIC AUDIT APPROACH (RFP 7.2.9)

From identifying expectations to executing a plan to preparing for next year, our approach is holistic and always forward-thinking.

For the City, our approach satisfies a number of requirements, including high-quality service, access to senior resources and specialization in the government industry. We strongly believe Sikich is the firm that can offer you all of these and more.

We will tailor this engagement to the City's specific needs—always with a view toward identifying new opportunities for financial and operational improvement. Procedures are designed to give full attention to evaluating significant areas, including those that present the greatest risk. Sikich's holistic approach will address critical compliance and risk management needs.

Before embarking on this engagement, we will make certain to have a clear understanding of your mission and strategic direction. We do this by identifying and addressing risks and helping you ensure financial strength. We strongly believe there is no such thing as too much communication, not only during the engagement, but also throughout the year.

AUDIT STANDARDS

The objective of our audit is to issue an unmodified opinion on the City's governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information that collectively comprise the City of Pekin, Illinois' basic financial statements. The audit will be conducted in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, and, if necessary, generally accepted government auditing standards issued by the United States Government Accountability Office (GAO, 2011), the Single Audit Act of 1996 and the Uniform Guidance. Our firm will issue an opinion on the basic financial statements and will subject the combining and individual fund financial statements and schedules and any other supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

In addition, we will apply certain limited procedures to the Required Supplementary Information. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We will not audit the statistical or introductory sections of the comprehensive annual financial report and accordingly, will not express an opinion on the information contained in these sections.

Wherever possible, we will utilize your schedules to maximize efficiencies and contain audit costs. We request that the City provide us with the basic information required for our audit.



Sikich's audit approach includes, but is not limited to, the following procedures:

- Audit plan development
- Determination of materiality
- Audit risk evaluation
- Interviews with management to provide information for detailed documentation of the internal control structure
- Interviews with the City Council, management, and staff and analysis of audit evidence to identify and assess risks that may result in material misstatement due to fraud
- Measurement of accounting presentation and compliance reporting by identifying and focusing on areas sensitive to organizations like the City
- Performance of testing to evaluate your organization's internal control structure
- Confirmation of various accounts, performance of substantive testing and analytical procedures
- Performance of additional testing, as necessary

PRACTICAL AND CONSTRUCTIVE MANAGEMENT LETTER COMMENTS

We believe the management letter is an important part of the engagement, and we encourage all members of our engagement team to give thoughtful consideration toward developing constructive comments within the constraints of the overall engagement. Our policies regarding management letters adhere to the Professional Standards of the AICPA. If significant deficiencies and material weaknesses in internal controls are noted during the audit, they are required to be communicated in writing to those charged with governance. Items of an immaterial nature (i.e., clerical problems, minor procedures or reporting problems, etc.) are communicated to management. In both cases, we adhere to a strict firm policy that all comments and recommendations are discussed in preliminary form with appropriate personnel prior to their communication. This allows for clarification of misunderstandings, miscommunication or compensating controls or factors which may be in place.

CLIENT SERVICE TIMELINE

EVENT	PERSON(S) ASSIGNED	TIMEFRAME							
		MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
I. Preliminary Planning During this phase of the audit, we would meet with representatives of the City to discuss the approach we would take during the audit, focusing on areas of particular concern to the City as well as areas of high audit risk, and develop the time schedule for completing the subsequent phases of the audit.	The meeting would be attended by the engagement partner and engagement manager, if necessary.								
II. Preliminary Fieldwork During this phase of the audit, we would develop an understanding and documentation of the City's accounting and administrative controls using its accounting procedures manual, EDP documentation and by interviewing staff. In addition, we may perform compliance testing of those controls to determine which controls, if any, that we could rely on during later phases of the audit. Sample sizes would be determined during this phase, but generally would be between 25 and 60. Moreover, we would develop our planning materiality on an individual fund basis and complete a preliminary analytical review of the City's financial position as a whole. In addition, we would review all minutes from the meetings of the City Council, the Pension Boards and the Library; review all ordinances adopted by the City during the year; review any debt agreements entered into during the year and analyze any other unique transactions entered into by the City; and perform our fraud interviews in accordance with Statement on Auditing Standards (SAS) No. 99. Upon completion of this phase, we would finalize all necessary confirmations the City will prepare; review all proposed client assisted work papers and the timing of preparation by the City; develop our audit programs for the next phase of the audit and review and document any changes to the City's CAFR; and prepare the schedule for the remainder of the audit.	This phase would be completed by the engagement partner, engagement manager and one to two professional staff.								
III. Fieldwork During this phase of the audit, we would complete all of our substantive testing of the account balances and prepare the draft of the City's financial statements with a rough draft of the financial statements provided to the City at the conclusion of field work. We would also prepare the draft of the management report. In addition, an exit conference would be held with officials from the City to discuss the preliminary results of the fieldwork, review any proposed audit adjustments, final adjusted trial balances that agree to the financial statements and any significant findings.	This phase would be completed by the engagement partner, engagement manager and one to two professional staff.								

EVENT	PERSON(S) ASSIGNED	TIMEFRAME							
		MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT
IV. Workpaper Review and Report Production During this phase of the audit, the workpapers, drafts of all financial reports and the management letter will be reviewed by the resource partner and the quality control partner. All workpapers are reviewed by the engagement partner during phase III to ensure that all necessary information is compiled during this phase to avoid imposing upon the City's staff after fieldwork has been completed.	This phase would be completed by the engagement partner, resource partner and the quality control partner.								
V. Drafts to the City We will deliver a preliminary draft of the CAFR at the end of fieldwork. A revised draft will be delivered by the engagement partner and reviewed in-depth by representatives of the City within three weeks of the preliminary draft. A revised draft, if necessary, will be delivered to the City no later than three business days after receiving all proposed changes.	This phase would be completed by the engagement partner.								
VI. Completion of the Audit Upon approval of the drafts by the City, we will present the signed, bound copies of the comprehensive annual financial report, the management letter and the additional reports described in this proposal on or before October 31 each year. The engagement partner will be available for meetings with representatives of the City including the Mayor, the City Council and management for formal presentations of the reports.	This phase would be completed by the engagement partner and engagement manager.								
VII. Support to the City Our firm does not believe that the engagement ends with the exit conference. We stress that we are available throughout the year to provide technical accounting and financial reporting assistance and support to the City. In addition, we constantly monitor recent events in the state and local government industry, including new pronouncements that may impact our government clients, and communicate the effect of any proposed changes throughout the year. Moreover, our letter of recommendations each year will alert the City to any new pronouncements that may become effective in the next one to three years, including the potential effect that the pronouncement may have on the financial position and/or changes in the financial position of the City.	This phase would be completed by the engagement partner and engagement manager.	Ongoing							

In future years, we would develop a similar plan and timeframe with the assistance of the City to ensure the timely identification and resolution of any critical accounting and auditing issues prior to the issuance of our opinion and the comprehensive annual financial report. These completion dates are well within the deadlines established by the City. We have a proven track record of meeting and exceeding deadlines established by our clients.

IDENTIFICATION OF POTENTIAL AUDIT PROBLEMS

Our firm's approach to resolving any problems that arise during the audit is the same as our overall approach to the audit—professionalism. Professionalism in performing the audit is the cornerstone to our philosophy during all phases of the audit. Any problems encountered during the audit, except for irregularities and illegal acts, will be discussed and documented with management. The timing of this discussion will provide the City with ample time to rectify any situations that may otherwise result in the issuance of a qualified audit opinion. Irregularities and illegal acts detected or of which we become aware of will be communicated in writing to management or the appropriate level as defined in our professional standards.

Our firm's philosophy on additional fees and/or billings is based on an understanding between the firm and the client of the scope of the work to be performed. We have proposed a "not-to-exceed fee" for the audit, the scope and timing of which was specified by the City. The billings for the audit would not exceed this fee unless the City specifically requests that the scope of the engagement be expanded and the City and the firm reach a mutual agreement, in writing, as to the expanded scope of the engagement and the fee, if any, for the expanded scope.

Sikich will comply with all relevant rules and regulations of authoritative bodies and the AICPA Code of Professional Conduct regarding access to our working papers and audit documentation. Reasonable requests for access will not be denied.

UNDERSTANDING THE SCOPE OF SERVICES (RFP 7.2.10)

We have received and reviewed the City's Request for Proposal Number for Professional Audit Services (RFP), and are prepared to commit the resources necessary to provide services of the highest quality to the City of Pekin, Illinois, not only to perform the audit in accordance with the RFP, but also to provide governmental accounting and financial reporting expertise and technical assistance throughout the year. Based on our discussion with James Wolf on February 16, 2018, we understand the scope of our work to include expression of an opinion on the City's basic financial statements with "in-relation-to" coverage on its combining and individual fund financial statements and schedules, as well as separate opinions and financial statements for the Single Audit (if required), the Tazewell Pekin Consolidated Communications Center, the Pekin Public Library Fund, the Sewerage Fund, the Solid Waste Fund (if necessary), the Tax Increment Financing – Central Business District Fund and the Tax Increment Financing – South Industrial Park Conservation Area Fund (if necessary). We will also prepare and electronically file the Single Audit Data Collection Form. The audit will be performed in accordance with generally accepted auditing standards, generally accepted government auditing standards and provisions of the Single Audit Act of 1996 and the provisions of the U.S. Office of Management and Budget (OMB) Uniform Guidance. We understand the timing requirements as specified in the RFP and are committed to performing the specified services within the stipulated timing requirements.

We will exceed your expectations by conducting and delivering on a high-quality engagement within your required timeline—all for a reasonable fee.

We are proposing to provide the following services to the City as specified in the RFP:

- Audit of basic financial statements and discretely presented component unit of the City of Pekin, Illinois for the fiscal years ending April 30, 2018, 2019, and 2020.
- Preparation of bound copies and an electronic copy (.pdf) of the comprehensive annual financial report (report covers, dividers, introductory section, MD&A and certain statistical data to be provided by the City);
- Preparation of bound copies and an electronic copy (.pdf) of the management letter for the City, communicating any material weaknesses and significant deficiencies found during the audit and our recommendations for improvement;
- Preparation of bound copies and an electronic copy (.pdf) of the report on compliance with Public Act 85-1142 (TIF) for the Central Business District TIF (*per discussion with James Wolf on February 16, 2018, a separate audit for the South Industrial Park Conservation Area TIF is not yet required*);
- Preparation of bound copies and an electronic copy (.pdf) of Tazewell/Pekin Consolidated Communications Center annual financial report;
- Preparation of bound copies and an electronic copy (.pdf) of the Sewerage Fund annual financial report;
- Preparation of bound copies and an electronic copy (.pdf) of the Solid Waste Fund annual financial report;
- Preparation of bound copies and an electronic copy (.pdf) of the Pekin Public Library Fund annual financial report;
- Preparation of copies of the Annual Financial Report (AFR) filed with the County Clerk and State Comptroller;
- Preparation of bound copies and an electronic copy (.pdf) of the Single Audit Report, if applicable;
- Preparation of Data Collection Form to be submitted to the Federal Audit Clearinghouse, if applicable;
- Assistance in completing and filing the required application and supporting documents to apply for the Certificate of Achievement for Excellence in Financial Reporting;
- Retain workpapers for seven (7) years in accordance with firm standards;
- Reporting to the City Council in accordance with Statement on Auditing Standards (SAS) No. 114, Communications with Those Charged with Governance; and
- Exit conference(s) with City Officials to present the completed audit and related materials.

Based upon our discussion with James Wolf on February 16, 2018, additional work was performed by the prior auditors related to the City's Fire and Police Pension Funds' DOI reports, but preparation and/or assistance with these reports (and a separate fee in section 8.12 of the RFP) has not specifically been requested in the RFP. If similar work is requested for the DOI reports, we would separately negotiate those fees with the City.

ADDITIONAL RESOURCES AND SERVICES

With more than a dozen services, our areas of expertise are oftentimes complementary of one another. How else can we help you meet your government's goals?

Many times, the challenges for which you enlist Sikich's help may be faced more effectively by integrating several of our services. Take a look at what we offer, and talk to your engagement partner about how these services may complement what you are already seeking.

DISPUTE ADVISORY

Disputes of any kind or size can be difficult to handle on your own. For example, what would happen if you began suspecting employee fraud within your organization? A dispute advisory expert can handle every aspect, from insurance claim preparation and being the liaison with law authorities, to creating a fraud prevention program and improving your organization's internal controls.

HUMAN RESOURCES

Your people are a large part of what makes up your organization. Recruiting, training and retaining employees are vital parts of ensuring your organization continues to provide only the best for your constituency. With services such as recruiting and onboarding, compensation and compliance, employee benefits and more, you can better understand what will keep your employees happy and productive.

MARKETING

The effectiveness of your marketing efforts can make or break your organization's success. From eye-catching logos to print and digital collateral, every piece must work for an intended audience. By delivering the right stories and amplifying those messages, you will properly position your organization in the marketplace.

PERFORMANCE-BASED STRATEGIC PLANNING

In an environment where there is increasing pressure for governments to be more efficient, effective and transparent, strategic planning allows an organization to engage stakeholders, focus on its mission, and logically establish short and long-term goals. Our approach, performance-based strategic planning, guides the organization toward its most productive activities and focuses on an institutionalized process. The strategic planning process is a true transition, where Sikich facilitates governments in:

- Developing ideals about what they aspire to
- Transforming ideals into ideas to meet goals
- Converting ideas into specific, actionable items
- Constructing performance measures

We ensure the results of strategic planning meet client expectations by filtering goals, objectives and/or strategies with the organization's internal capacity and available resources. The process of performance-based strategic planning has proven to assist governments in fulfilling the ideals of their community and accomplishing goals through measurable, reportable actions.

PROCESS IMPROVEMENT

Processes truly define organizations, but are often forgotten when seeking root causes to problems or managing more efficient and effective services. Improvements to existing processes—ranging from development review to utility billing—have the potential to decrease cycle time, increase quality and result in higher customer satisfaction. Sikich employs a customer-centric approach to process improvement by involving internal and external customers to understand and make meaningful improvements while continuing to meet their needs.

PUBLIC RELATIONS

Achieve a higher media profile, greater mindshare among your constituents and proper positioning in the marketplace with a thoughtful, research-based and integrated approach to public relations. From overall positioning to media relations, conveying the right stories to the right people is critical in an effective public relations program.

TECHNOLOGY: ERP & CRM SOLUTIONS

Your organization can better stay on track with the right enterprise resource planning (ERP) or customer relationship management (CRM) solution. Whether you are at the start of your search for a new solution or need a new partner to fix a failed implementation, you will have the freedom to explore a variety of products to identify the technology investment that will best capitalize on your potential.

TECHNOLOGY: IT SERVICES

Staying ahead of, or even simply keeping up with, continually changing and complex technology developments can be challenging. Organizational management software, cloud solutions, strategic information technology and IT consulting can all drive your organization toward increased productivity—if implemented the right way.

TECHNOLOGY: SECURITY AND COMPLIANCE

Keeping your organization safe from data breaches and other information security concerns is critical, especially given the vast number of organizations that have been compromised in the last couple of years. Understand where the vulnerabilities in your network lie by obtaining independent, unbiased and technically qualified security assessments—from penetration testing to forensic analyses.

FEE PROPOSAL

PROPOSAL COST SUMMARY FOR THE CITY OF PEKIN, ILLINOIS BY SIKICH LLP

The fee for all professional services and deliverables specified in this Professional Audit Service Proposal, including all direct and indirect costs, for the City of Pekin, Illinois will not exceed the following:

Year Ended	4/30/2018	4/30/2019	4/30/2020
CAFR (a)	\$ 30,000	\$ 30,600	\$ 31,400
TPCCC Annual Financial Report	3,000	3,075	3,150
Sewerage Fund	4,500	4,600	4,700
Solid Waste Fund	1,700	1,750	1,800
Central Business District TIF Fund	2,500	2,575	2,650
Pekin Public Library Fund	3,000	3,075	3,150
Subtotal	\$ 44,700	\$ 45,675	\$ 46,650
South Industrial Park Conservation Area TIF (b)	2,500	2,575	2,650
Single Audit (c)	4,000	4,100	4,200
Total fee	\$ 51,200	\$ 52,350	\$ 53,500

(a) CAFR includes preparation of the Illinois Comptroller's Annual Financial Report and the Management Letter, and assistance with the GFOA Certificate submission.

(b) Per discussion with James Wolf on February 16, 2018, a separate audit for the South Industrial Park Conservation Area TIF is not yet required.

(c) The Single Audit estimated fees are based on the assumption that major programs required to be tested under the Single Audit will not exceed one. If additional major programs are required to be tested that require additional time and effort, additional fees may be negotiated. Per discussion with James Wolf on February 16, 2018, the City does not anticipate a Single Audit will be required for the fiscal year ending April 30, 2018.

Per section 8.12, Sealed Dollar Cost Bid, of the RFP, the bid should include an all-inclusive maximum price for (1) the Single audit, (2) the TPCCC annual financial report, each of the following separate fund audits of (3) the Sewerage Fund, (4) the Solid Waste Fund, (5) the Central Business District TIF, (6) the South Industrial Park Conservation Area TIF, (7) the Pekin Public Library Fund, and (8) the audit of the City CAFR for the fiscal years ending April 30, 2018, 2019, and 2020. Based upon our discussion with James Wolf on February 16, 2018, additional work was performed by the prior auditors related to the City's Fire and Police Pension Funds' DOI reports, but preparation and/or assistance with these reports (and a separate fee in section 8.12 of the RFP) has not specifically been requested in the RFP. If similar work is requested for the DOI reports, we would separately negotiate those fees with the City.

The above fee estimates assume that the City will provide the auditors with electronic copies of adjusted trial balances by individual funds, a year-to-date general ledger with details of postings to all accounts, subsidiary ledgers that agree or are reconciled to the general ledger, and will prepare certain schedules of account analysis and confirmations of account balances.

We want to invest in what we hope will become a long-lasting relationship with the City, which is why we will absorb the costs of the orientation and nonrecurring procedures required in an initial engagement. We estimate these costs to be approximately 25% of the fee.

We invoice our clients on a monthly basis as services are provided. Payments for all services are due within 60 days of receipt of an invoice. Invoices not paid within 60 days are assessed a finance charge of 1 percent per month (12 percent annually).

Assuming the fund structure, accounting system and financial operations of the City remain relatively constant, fee increases for fiscal years the fiscal years ending April 30, 2021 and 2022 would be limited to the lesser of 3% or the Consumer Price Index for the Midwest Urban Region.

Should the City require additional services beyond the scope of this proposal, we would separately negotiate those fees with the City based on the hourly rates below, which are adjusted annually on January 1.

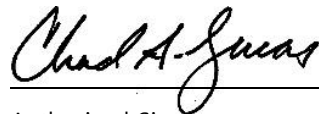
	Rate
Partner	\$ 270
Senior Manager	225
Manager	175
Senior	150
Staff	125

The estimated hours by staff level for this audit engagement are as follows:

	Hours
Partner	40
Senior Manager/Manager	80
Senior	120
Staff	170
Total	410

Note – Per discussion with James Wolf on February 16, 2018, a separate sealed dollar cost proposal is not required as referred to in Section 8.12 of the Request for Proposal. The fee proposal can be included with this proposal document.

The person signing the below is entitled to represent the Firm, empowered to submit the proposal and authorized to sign a contract with the City of Pekin, Illinois.



Authorized Signature

March 9, 2018

Date

Attachment: Auditing Proposal Sikich 2018 - 2020 (1362 : Bid Tab RFP Auditing Services)

EXHIBITS

We know you likely have many more questions for us. Take a look at the attached documents for additional information about our firm and those who will work with you.

ENGAGEMENT TEAM BIOGRAPHIES

- Chad A. Lucas, CPA
- Brian D. LeFevre, CPA, MBA
- Frederick G. Lantz, CPA
- Thomas R. Krehbiel, CPA, CISA
- Megan D. Cochran, CPA
- Brent S. Lake, CPA

SIKICH RESOURCES

STATE & LOCAL GOVERNMENT SERVICES

FIRM PROFILE

PEER REVIEW

CERTIFICATE OF GENERAL LIABILITY INSURANCE

CERTIFICATE OF PROFESSIONAL LIABILITY INSURANCE

CHAD A. LUCAS

CPA

Partner

Chad A. Lucas, CPA, is a partner in the Springfield office. He has more than 20 years of experience providing clients a broad range of audit, accounting, tax and consulting services. Chad has served clients in the local government, construction, and manufacturing and distribution industries.

SERVICE AREAS

- Assurance and Advisory Services
- Government Services
- Construction Services
- Manufacturing and Distribution Services
- Police and Fire Pension Accounting Services

AFFILIATIONS

- American Institute of Certified Public Accountants
- Illinois CPA Society
- Government Finance Officers Association, Special Review Committee
- Illinois Government Finance Officers Association
- Illinois Tax Increment Association, Board of Directors
- Leadership Springfield, Graduate and Past Board President
- Central Illinois Builders of AGC
- Government Finance Officers Association of Missouri
- United Way of Central Illinois, Board Member

EDUCATION

- Bachelor's Degree in Accounting, Illinois State University



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BRIAN D. LEFEVRE

CPA, MBA

Partner

Brian D. LeFevre, CPA, MBA, is responsible for providing technical services to Sikich's governmental clients in all areas of governmental accounting, auditing, financial reporting, budget development, revenue and expenditure forecasting, and cash and debt management. Brian has participated in hundreds of audits of municipalities and other governmental units since he began his career with Sikich in 1993. He has also been responsible for developing and serving as lead instructor for governmental accounting, auditing and financial reporting training courses internally for the Firm and for the Illinois Government Finance Officers Association (IGFOA). Brian previously served as Chair of the Governmental Report Review Committee of the Illinois CPA Society.

SERVICE AREAS

- Governmental Audit, Accounting
- Governmental Financial Reporting
- Police and Fire Pension Accounting Services

AFFILIATIONS

- American Institute of Certified Public Accountants
- Illinois CPA Society, Governmental Report Review Committee
- Illinois Government Finance Officers Association
- GFOA Special Review Committee
- Northern Illinois Alliance of Fire Protection Districts
- Illinois Public Pension Fund Association
- Aurora Downtown Kiwanis Club, Former Treasurer and Board Member
- Greater Aurora Chamber of Commerce Leadership Academy, Class of 1996
- Lord of Life Church, Former Executive Director and Treasurer

EDUCATION

- Bachelor's Degree in Accounting, Valparaiso University
- Master of Business Administration, Northern Illinois University



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FREDERICK G. LANTZ

CPA

Partner-in-Charge, Government Services

Frederick G. Lantz, CPA, is responsible for providing technical services to Sikich's clients in all areas of governmental accounting, auditing, financial reporting, budget development, revenue and expenditure forecasting, and cash and debt management. Prior to joining Sikich, Fred was the assistant director for the Technical Services Center of the Government Finance Officers Association of the United States and Canada (GFOA), where he was a nationally recognized expert in the state and local government industry. At GFOA, Fred was responsible for managing the Certificate of Achievement for Excellence in Financial Reporting Program, providing accounting, auditing and financial reporting assistance to state and local government officials and their auditors, and serving as a liaison to the Governmental Accounting Standards Board. Fred also developed courses and served as lead instructor for governmental accounting, auditing and financial reporting training courses. He is a nationally recognized speaker, having spoken at state GFOA and CPA Society meetings and conferences.

SERVICE AREAS

- Governmental Audit, Accounting
- Governmental Financial Reporting

AFFILIATIONS

- American Institute of Certified Public Accountants
2014-2015 State & Local Government Expert Panel
- Illinois CPA Society
- Government Finance Officers Association, Special Review Committee
- GASB Pension Task Force
- Illinois Government Finance Officers Association
2004-2006 Executive Board of Directors, Technical Accounting Review Committee
- Wisconsin Government Finance Officers Association
- National Association of College and University Business Officers
- Central Association of College and University Business Officers
- Illinois County Treasurers' Association
- Illinois Tax Increment Association
- Illinois Municipal Treasurers Association
- Illinois City/County Management Association
- International City/County Manager's Association

EDUCATION

- Bachelor's Degree in Accounting, Northern Illinois University
- Graduate of Advanced Government Finance Institute, University of Wisconsin at Madison



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THOMAS R. KREHBIEL

CPA, CISA

Partner-in-Charge, CPA Services, Firm-wide

Thomas R. Krehbiel, CPA, CISA, is partner-in-charge of CPA services firm-wide and serves on the firm's Executive Management Committee. Tom has more than 30 years of experience serving the firm's clients. He specializes in information systems controls reviews, SOC 1, SOC 2 and SOC 3 engagements.

In addition, Tom has extensive experience in providing audit and consulting services to a wide variety of not-for-profit clients including associations, religious organizations and voluntary health and welfare organizations. He has also conducted many audits of federal award programs under Uniform Guidance.

SERVICE AREAS

- Assurance and Advisory Services
- Not-for-Profit Audit, Accounting
- Information Technology Risk Management Services

AFFILIATIONS

- American Institute of Certified Public Accountants
- Illinois CPA Society
- Information Systems Audit and Control Association

EDUCATION

- Bachelor's Degree in Accounting, Financial and Business Information Systems Sequences, Illinois State University



LOCATION:

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MEGAN COCHRAN

CPA

Senior Manager

Megan Cochran, CPA, is a senior manager in the Springfield office of Sikich LLP. She has more than eight years of experience providing audit services for a variety of municipalities and other special districts. Megan is in charge of the day-to-day execution of the audit program and is responsible for planning, documenting and implementing all audit procedures to be performed; adjusting as needed during fieldwork. In addition to her client responsibilities, Megan serves as a mentor for Sikich's mentoring program.

SERVICE AREAS

- Governmental Audit, Accounting
- Governmental Financial Reporting

AFFILIATIONS

- Illinois CPA Society
- Government Finance Officers Association
- Illinois Government Finance Officers Association

EDUCATION

- Bachelor of Science Degree in Accounting,
Kentucky Wesleyan University



LOCATION:

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BRENT LAKE

CPA

Manager

Brent Lake, CPA, is an audit manager in Sikich LLP's Springfield, Illinois office. He has over five years of experience in public accounting providing clients with a broad range of audit, assurance, and consulting services, including compliance testing for federal award programs. Brent is responsible for engagement planning, review and performance of fieldwork, report preparation, and supervision of staff. His focus is on serving a variety of local government clients, including municipalities, counties, and special purpose governments. Brent also has experience working with manufacturing, distribution, and medical cannabis clients. In addition to his client responsibilities, Brent is a mentor for Sikich's mentoring program and presents at various association gatherings in the local government forum.

SERVICE AREAS

- Audit and Assurance
- Government
- Manufacturing and Distribution
- Medical Cannabis

COMMITTEES & AFFILIATIONS

- Illinois Government Finance Officers Association
- Government Finance Officers Association
- St. Patrick Catholic School, Board Treasurer and Finance Committee Chair

EDUCATION

- Master of Professional Accountancy, Illinois State University
- Bachelor of Science, Accounting, Illinois State University



LOCATION:

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STATE & LOCAL GOVERNMENT RESOURCES



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GOVERNMENT SERVICES

Government agencies are experiencing increasing pressure to be more effective, efficient and transparent.

As a government leader, you know how important it is to find a premier professional services partner that can strategize, plan and implement solutions to meet the goals of your organization.

WHAT CAN SIKICH DO?

- Accounting, Audit, Assurance & Tax
- Business Valuation
- Fraud Services for Governments
- ERP & CRM Software
- Human Resources Consulting
- Insurance Services
- IT Services
- Marketing & Public Relations
- Pension Fund Accounting & Consulting Services
- Retirement Planning

Whether you represent a general purpose local government or special district, Sikich will help you meet your goals by providing professional guidance in your accounting, marketing, human resources, technology and other advisory functions.

Experience unparalleled commitment and high-quality, timely services when you partner with the experts at Sikich. For more than 30 years, we have provided:

- A highly skilled staff and management team entirely dedicated to government services
- An in-depth understanding of the governmental fiscal, management, operating and regulatory environments
- Timely and cost-effective service delivery

OUR DEDICATED TEAM



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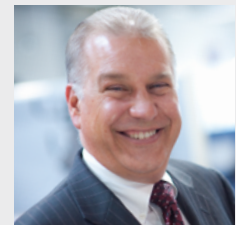


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OUR EXPERT



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WHO WE SERVE

Our government clients represent a wide range of industry sectors including:

- Counties
- Cities
- Villages
- Townships
- Other Special Districts
- Pension Plans
- Park Districts
- Forest Preserve Districts
- Public Libraries
- Community Colleges
- School Districts
- Water Authorities
- Water Reclamation Districts
- State Departments and Agencies



FIRM PROFILE

ORGANIZATION

Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking* and advisory services**, has more than 800 employees throughout the country. Founded in 1982, Sikich now ranks as one of the country's Top 30 Certified Public Accounting firms and is among the top 10 of all enterprise resource planning solution partners in the country. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach long-term, strategic goals.

INDUSTRIES

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

AGRICULTURE

ENERGY

MANUFACTURING
& DISTRIBUTION

CONSTRUCTION
& REAL ESTATE

GOVERNMENT

NOT-FOR-PROFIT

STATISTICS

2016 Revenues \$146.4M
Total Partners 107
Total Employees 689
Total Personnel 796

Personnel count as of January 19, 2017

SERVICES

ACCOUNTING, TAX & ASSURANCE

TECHNOLOGY

- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Security and Compliance

ADVISORY

- Business Succession Planning
- Insurance Services
- Forensic and Valuation Services
- Human Resources Consulting
- Investment Banking
- Marketing & Design
- Public Relations
- Retirement Plan Services
- Supply Chain
- Wealth Management

2017 AWARDS

- Bob Scott's Value Added Reseller (VAR) Stars - #7
- *Accounting Today* Top 100 VARs - #6
- Vault Accounting Top Ranked
- *Accounting Today* Top 100 Firms: ranked 27th nationally
- When Work Works Award
- WorldatWork Work-Life Seal of Distinction
- Microsoft Dynamics Inner Circle and President's Club
- Best Places to Work in Illinois
- Milwaukee's 101 Best and Brightest
- Best Places to Work in Indiana

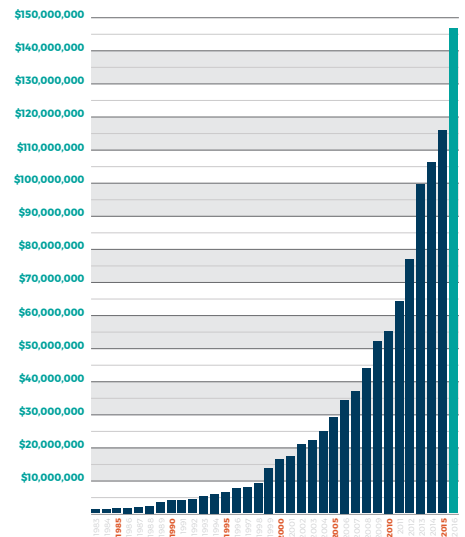
2016 AWARDS

- *Accounting Today* Regional Leaders – Top Firms: Great Lakes: ranked 4th
- *Milwaukee Business Journal* Largest Management Consulting Firms: ranked 10th
- *Milwaukee Business Journal* Largest Milwaukee-Area Accounting Firms: ranked 11th
- *INSIDE Public Accounting* Top 50 Largest Accounting Firms: ranked 31st nationally
- Milwaukee's 101 Best and Brightest Companies to Work For®
- WICPA Excellence Award - Public Service Award (Firm)
- *Accounting Today* Top 100 VAR: ranked 7th
- Bob Scott's Top 100 VAR: ranked 7th
- *Inc. 5000*: ranked #4613
- Boston's 101 Best and Brightest Companies to Work For®

2015 AWARDS

- National Best & Brightest Companies to Work For®
- National Best & Brightest in Wellness
- Edge Award - Community Service
- Chicago's 101 Best and Brightest Companies to Work For®
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee
- *Crain's List* Chicago's Largest Privately Held Companies: ranked #234
- US SMB Champions Club Heartland Partner of the Year, Microsoft's US Small and Mid-sized Business (SMB) Champions Club
- 2016 US SMB Champions Club Heartland Influencer Partner of the Year, Microsoft's US Small and Mid-sized Business (SMB) Champions Club
- Chicago Tribune's Top Workplaces

SIKICH TOTAL REVENUES



* Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.

** Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.

Securities offered through Triad Advisors, member FINRA and SIPC. Triad Advisors and Sikich Financial are not affiliated.

FIRM PROFILE

CERTIFICATIONS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2014, Sikich LLP received its 9th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

MICROSOFT PARTNER

Sikich has earned a Microsoft ERP Gold competency; ranked among the top one percent of all Microsoft Dynamics partners worldwide; and carries the following certifications:

Gold

Microsoft Partner



2017/2018
INNER CIRCLE
for Microsoft Dynamics

- **Microsoft Small Business Specialist**
- **MCP** (Microsoft Certified Professional)
- **MCSE** (Microsoft Certified System Engineer)
- **CCNA** (Cisco Certified Network Associate)
- **CCDA** (Certified Cisco Design Associate)
- **CCEA** (Citrix Certified Enterprise Administrator)
- **MRMS** (Microsoft Retail Management Systems)
- **CISA** (Certified Information Systems Auditor)
- **CNE** (Certified Novell Engineer)
- **MS CSM** (Microsoft Customer Service Manager)
- **MS CAE** (Microsoft Certified Account Executive)
- **MCDBA** (Microsoft Certified Database Admin)
- **Certified for Microsoft Dynamics (NAV)**

SIKICH IS PROUD TO BE PART OF :

THE LEADING EDGE ALLIANCE

The Leading Edge Alliance (LEA) is the second largest international association of independent accounting firms.* The LEA is an international professional association of independently-owned accounting and consulting firms. Members are top quality firms who share an entrepreneurial spirit and a drive to be the premier provider of professional services in their chosen markets. The Alliance provides Sikich with an unbeatable combination: the comprehensive size and scope of a large multinational company while offering their clients the continuity, consistency, and quality service of a local firm.

*International Accounting Bulletin, 2011



PRIMEGLOBAL

PrimeGlobal is one of the top five largest associations of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing, and management services to clients around the globe.



LOCATIONS

Headquarters

1415 W. Diehl Rd.,
Suite 400
Naperville, IL 60563
(630) 566-8400

Akron, OH

(330) 864-6661

Atlanta, GA

(770) 226-9374

Boston, MA

(508) 485-5588

**Chicago –
Monroe Street**
(312) 541-9300

Chicago –

Wacker Drive
(312) 648-6666

Columbus, OH

(614) 633-5270

Dallas, TX

(496) 906-2257

Decatur, IL

(217) 423-6000

Denver, CO

(720) 200-0142

Ft. Wayne, IN

(260) 485-0665

Houston, TX

(832) 831-3549

Indianapolis, IN

(317) 842-4466

Kansas City, MO

(816) 673-7534

Los Angeles, CA

(310) 315-9660

Milwaukee, WI

(262) 754-9400

Minneapolis, MN

(763) 445-2632

Phoenix, AZ

(480) 626-0072

Rockford, IL

(815) 282-6565

Springfield, IL

(217) 793-3363

St. Louis, MO

(314) 275-7277



First Financial Bank Building
 400 Pine Street, Ste. 600, Abilene, TX 79601
 325.672.4000 / 800.588.2525 / f: 325.672.7049
 www.dkcpa.com

Report on the Firm's System of Quality Control

August 22, 2017

To the Partners of Sikich LLP
 and the Illinois CPA Society

We have reviewed the system of quality control for the accounting and auditing practice of Sikich LLP (the firm) applicable to engagements not subject to permanent PCAOB inspection in effect for the year ended March 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards). A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Sikich LLP applicable to engagements not subject to permanent PCAOB inspection in effect for the year ended March 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Sikich LLP has received a peer review rating of *pass*.

Davis Kinard & Co., PC
 Certified Public Accountants

Attachment: Auditing Proposal Sikich 2018 - 2020 (1362 : Bid Tab RFP Auditing Services)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) **5.7.d**
2/6/2018

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

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

PRODUCER Arthur J. Gallagher Risk Management Services, Inc. 4481 Ash Grove Ste B Springfield IL 62711		CONTACT NAME: Christie Rottman PHONE (A/C, No, Ext): 217-546-6900 E-MAIL ADDRESS: christie_rottman@ajg.com FAX (A/C, No): 217-546-7034	
		INSURER(S) AFFORDING COVERAGE INSURER A: Travelers Indemnity Company	
INSURED SIKIC-2 Sikich LLP; Sikich Insurance Group, LLC Sikich Capital Management Sikich Financial, LLC 1415 W. Diehl Rd. Ste 400 Naperville IL 60563		INSURER B: Travelers Casualty Insurance INSURER C: Travelers Casualty and Surety Co of America INSURER D: Travelers Property Casualty Co of America INSURER E: INSURER F:	
		NAIC # 31194 0 25674	

COVERAGES

CERTIFICATE NUMBER: 802347648

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:			680 6026R265	7/31/2017	7/31/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
B	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY			BA 6032R512	7/31/2017	7/31/2018	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$5,000			CUP 6037R648	7/31/2017	7/31/2018	EACH OCCURRENCE \$24,000,000 AGGREGATE \$24,000,000 \$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N	N / A	UB496M6928	12/31/2017	12/31/2018	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
C	Employee Dishonesty Including 3rd Party Coverage			105565965	7/31/2017	7/31/2018	\$5,000,000

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

CERTIFICATE HOLDER

CANCELLATION

City of Pekin
 Sue McMillan, City Clerk
 111 S. Capitol Street
 Pekin IL 61554

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

AUTHORIZED REPRESENTATIVE

[Signature]

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/06/2018

5.7.d

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

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

PRODUCER Integro Insurance Brokers 111 West Campbell 4th Floor Arlington Heights, IL 60005		CONTACT NAME: Kyle Daker PHONE (A/C, No, Ext): 8473856800 E-MAIL ADDRESS: Kyle.Daker@integrogroupp.com FAX (A/C, No):	
INSURED Sikich LLP 1415 West Diehl Road, Suite 400 Naperville, IL 60563		INSURER(S) AFFORDING COVERAGE INSURER A: Aspen Specialty and various Insurers INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 52026337

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG \$ \$ \$ \$ \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) \$ \$ \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$						EACH OCCURRENCE AGGREGATE \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N ☐	N / A				PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT \$ \$ \$
A	Professional Liability			LR0018817	07/01/17	07/01/18	Each Claim Annual Aggregate 1,000,000 2,000,000

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

CERTIFICATE HOLDER

City of Pekin
Sue McMillan, City Clerk
111 S. Capitol Street
Pekin, IL 61554
USA

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

David Koehn

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**CITY OF PEKIN ILLINOIS
REQUEST FOR PROPOSAL
Professional Audit Services**

The City of Pekin, Illinois, hereafter referred to as the "City", is soliciting proposals for professional audit services, hereafter referred to as "RFP", from qualified firms of certified public accountants to audit the City's financial statements for the fiscal years ending April 30, 2018, 2019 and 2020 with the option of auditing the City's financial statements for two (2) subsequent fiscal years.

Respondents are required to submit one (1) original copy, one (1) electronic copy suitable for reproduction by the City, and three (3) copies of the proposed package no later than **10:00 a.m. (CST) on Wednesday, March 14, 2018.**

Proposals should be directed to the attention of Sue McMillan, City Clerk and clearly labeled in a sealed package. MARK ENVELOPE: "PROPOSAL FOR PROFESSIONAL AUDIT SERVICES for the City of Pekin, Illinois". Respondent's name and address must appear on the outside of the envelope.

Submit Proposals to: City of Pekin
 Sue McMillan, City Clerk
 111 S. Capitol Street
 Pekin, IL 61554

All proposals must be received at the designated location by the deadline shown. Proposals received after the deadline will not be considered for the award of the contract, and shall be considered void and unacceptable. Respondent shall sign and date the Proposal. Proposals which are not signed and dated will be rejected.

Specifications and related documents may be obtained from City's Treasurer at Pekin City Hall, 111 S. Capitol Street, Pekin IL 61554, between the hours of 8:30 a.m. and 5:00pm Monday through Friday or from the City's website: www.ci.pekin.il.gov. (RFP Opportunities).

Should you have any questions or require additional information or clarification on information contained in the RFP, please contact James Wolf, City Treasurer, at jswolf@ci.pekin.il.us no later than 10:00 a.m. on Friday, March 2, 2018.

**City of Pekin, Illinois
Request for Proposal
Professional Audit Services**

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1. INTRODUCTION

1.1 The City is soliciting RFPs from qualified firms of certified public accountants to audit its financial statements. The term of the audit contract will be for three (3) years with an optional renewal for one (1) two-year term, not to exceed a maximum contract period of five (5) years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards, the provisions of the Federal Single Audit Act of 1996 as amended, and the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments.

1.2 There is no expressed or implied obligation for the City to reimburse firms for any expenses incurred in preparing proposals to respond to this request.

1.3 During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from proposers, or to allow correction of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

1.4 The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

1.5 It is anticipated that selection of a firm will be completed on Monday, March 27, 2018.

1.6 Term of Engagement – A three year contract, with an optional one-time, two-year extension, is contemplated, subject to the annual review and recommendation of the City, the satisfactory negotiation of terms (including a price acceptable to both the City and the selected firm), and concurrence of the City Council and the annual availability of budgeted funding. The total term of the engagement will not exceed five (5) years.

1.7 Subcontracting – No subcontracting will be permitted without the express prior written consent of the City.

2. CALENDAR OF EVENTS

The following is a proposed calendar of events for the auditor selection. Dates are subject to change.

<u>Date</u>	<u>Description of Events</u>
February 2, 2018	Issue Request for the Proposal
February 9, 2018	Publish Notice for RFP in local newspaper
March 2, 2018	Due Date for clarification of requirements
March 14, 2018	Receive Proposals by 10:00 a.m.
March 19, 2018	Conduct Interviews with the City to the extent necessary
March 27, 2018	Final Recommendation to the City Council

3. CRITERIA FOR EVALUATION

3.1 The City staff will review the submitted proposals. The recommendation will be based on the proposal determined to be most advantageous on behalf of the City and the taxpayers.

3.2 The City staff may interview the top firms chosen. The City Council may also request to interview the top firms. The City Staff is comprised of the City Manager, Treasurer, Finance Director and Assistant Finance Director.

3.3 While the City desires to achieve a cost effective audit, the emphasis is on quality, not low fees. However, the estimated fees and proposed hourly rates will be the basis upon which a final contract is negotiated.

3.4 The following additional evaluation criteria will be considered in the evaluation process.

- **3.4.1** The audit firm is independent and licensed to practice in the State of Illinois;
- **3.4.2** The audit firm's professional personnel have received adequate continuing professional education within the preceding two years; and
- **3.4.3** The firm has no conflict of interest with regard to any other work performed by the firm for the City.

4. SCOPE OF AUDIT SERVICES REQUIRED

4.1 The City desires the auditor to express an opinion on the fair presentation of the City's general

purpose financial statements in conformity with generally accepted accounting principles.

4.2 The City also desires the auditor to express an opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the statistical section of the report.

4.3 The auditor is responsible for the preparation of a Comprehensive Annual Financial Report (CAFR).

4.4 To meet the requirements of the RFP, the audit should be performed in accordance with Generally Accepted Auditing Standards (GAAS) as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act of 1996, as amended, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Additionally, the single audit work will be conducted in accordance with generally accepted governmental auditing standards to meet all Federal grant audit requirements.

4.5 The auditors should submit a list of requested client-prepared schedules to the City's Finance Department prior to the start of fieldwork. Because the finance department must carry on its normal operations during the audit, time constraints should be taken into account.

4.6 The financial statements of the Tazewell Pekin Consolidated Communications Center (TPCCC) are included as a component unit of the City. TPCCC is included within the scope of the City's annual audit.

4.7 Comprehensive Annual Financial Report (CAFR). The City will send its CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) for review in its Certificate for Excellence in Financial Reporting Program. It is anticipated that the auditor may be required to provide special assistance to meet the requirements of that program.

- **4.7.1** The City has not previously presented a CAFR and as a result has not received the Certificate of Achievement in Excellence in Financial Reporting in the past. The City therefore searches for a firm that actively participates in technically assisting clients that have previously been awarded the certificate.
- **4.7.2** The auditor agrees to provide print-ready financial statements and audit opinion to the City before October 31.
- **4.7.3** The auditor assumes full responsibility for printing and binding the CAFR. The auditor agrees to provide the City with a print-ready version of the CAFR in .pdf format.
- **4.7.4** The introductory and statistical sections of the CAFR will be prepared by the auditors, with assistance from City staff.
- **4.7.5** The auditor will compile and prepare all financial statements and schedules in the financial section of the CAFR.

- **4.7.6** The notes to the financial statements will be a joint effort of the City and the auditors, and will be prepared by the auditor.
- **4.7.7** The financial section of the CAFR will be prepared by the auditor.
- **4.7.8** The City reserves the right to edit the auditor's CAFR and make recommendations and/or modifications to the CAFR in accordance with all applicable governmental reporting requirements.
- **4.7.9 Certificate of Achievement.** The auditors should have the City's CAFR completed at the earliest possible date.
- **4.7.10** The schedule of Federal financial assistance and related auditor's report, if required, as well as reports on internal control structure and compliance are to be issued as part of the CAFR.

4.8 Working Paper Retention and Access to Working Papers. All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the Treasurer, and/or the City Manager of the City.

5. DESCRIPTION OF THE CITY

5.1 Inquiries. The City's day-to-day working relationship with the independent auditors will be coordinated by Angie Evans, Assistant Finance Director. Inquiries regarding the RFP may be addressed by phone at (309) 477-2300, by facsimile at (309) 346-2095 or by email at aevens@ci.pekin.il.us or James Wolf, City Treasurer, jswolf@ci.pekin.il.us. Inquiries should be conducted during normal business hours, Monday through Friday. Inquiries to any person other than the persons so named in this RFP may result in elimination of the proposal from any further consideration.

5.2 The City's 2017 population estimate is 34,000. The City's fiscal year begins on May 1 and ends on April 30 of the following year.

5.3 More detailed information about the City and its finances can be found in prior audit reports and budget presentations. These are available to the proposers upon request or preferably on the City's website at www.ci.pekin.il.us.

5.4 Fund Structure. As of January 1, 2018, The City's fund structure is as follows:

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number with Legally Adopted Annual Budgets</u>
General Fund	1	1
Special revenue funds (a)	6	6
	-6-	

Debt service funds	1	1
Capital projects funds	1	1
Enterprise funds	5	5
Internal service funds	2	2
Agency funds	0	0
Fiduciary funds	3	3
General fixed assets account group	1	N/A
General long-term debt account group	1	N/A

(a) Includes Component Unit – Tazewell Pekin Consolidated Communications Center (requires separate report)

5.5 The City prepares its budgets on the modified accrual basis of accounting for all funds. Depreciation is not budgeted in enterprise and internal service funds, and capital outlay is budgeted as an expense in enterprise and internal service funds.

5.6 During the fiscal year(s) to be audited, the City may receive the following grants and/or financial assistance: Community Development Block Grant funds from the U.S. Department of Housing and Urban Development (HUD), Federal Criminal Justice Division grants, Federal Emergency Management Agency (FEMA), and the State of Illinois.

5.7 Pension Plans. The City participates in the Illinois Municipal Retirement System, Pekin Fire Pension Fund, Pekin Police Pension Fund and IRC Section 403(3)(b) and 457 deferred compensation plans offered by the international City Manager's Association (ICMA) and Nationwide Retirement Solutions.

5.8 Component units. The City reporting entity currently includes the TPCCC as a component unit in its CAFR. The primary reason for inclusion of this component unit is the City's providing of management, funding and certain services

5.9 Availability of Prior Audit Reports and Working Papers. Interested proposers who wish to review prior years' audit reports and management letters should contact the person so named in this RFP. The City will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this RFP.

5.10 Computer Systems. The City currently uses Springbrook Software V7.16.

6. SUPPLEMENTARY INFORMATION

6.1 The financial section of the CAFR will include supplementary data to which the opinion must extend with respect to the manner in which the City has carried out the requirements of its bond ordinances. This will include a schedule showing the revenue bond debt service coverage. Any of the information upon which the auditor expresses an opinion may be used by the City as part of an Official Statement or as a stand-alone document in selling any City bonds or debt.

6.2 The opinion will also extend to an aggregating schedule of balance sheet accounts and an aggregating schedule of revenues, expenses, and retained earnings accounts for all wastewater and

solid waste funds. The schedules will follow the combining financial statements and will provide details as to the operating accounts, debt service accounts, and capital project accounts which aggregate to the enterprise fund totals. These schedules are to be prepared by the auditors.

6.3 Implementing New Accounting Standards. The auditor's assistance and consultation will be required in implementing new GASB and FASB statements at the earliest possible date, even if prior to the required effective date.

6.4 Management Letter.

- **6.4.1** The auditor will communicate in a letter to management any reportable conditions found during the audit. A reportable condition is defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses should be identified as such in the report.
- **6.4.2** The management letter will be presented on or before October 31 to the City's staff and City Council. However, all significant management recommendations should be discussed with the Treasurer and Assistant Finance Director as they are discovered so that the City can ensure immediate correction of any problems. An interim management letter may be requested depending on the nature of the findings.

6.5 Single Audit. The single audit will cover all Federal and state grants and/or funding. Final products will include:

- **6.5.1** Supplemental schedule of Federal and state financial assistance;
- **6.5.2** Report to internal control systems and on administration of Federal and state financial assistance; and
- **6.5.3** Report on compliance with laws and regulations.

6.6 Working papers and Time budgets. The City may require copies of all major working papers. The audit working papers will be made available to the City, to subsequent auditors and to the City's cognizant Federal and state audit agencies at no charge.

6.7 The audit time budget will be reviewed with the Treasurer prior to commencement of field work. An accounting of hours devoted to the job compared to budget will be submitted to the Treasurer on or before October 31, or before final payment is made by the City.

6.8 Insurance Requirements – See Appendix II

7. AUDIT QUALIFICATIONS AND QUESTIONS

7.1 The City realizes that the audit firm may have local government audit and consulting expertise nationally. While this is important, the City is most interested in local government expertise available in the local office. The local office is defined as the office from which the audit engagement will be managed and primarily staffed.

7.2 The following items should be answered and/or discussed in the RFP:

- **7.2.1** A brief statement as to why the proposing firm is qualified to provide auditing services to the City. Proposer's response may include the firm's strengths, the local office's strengths and the firm's audit philosophy.
- **7.2.2** Detail the firm's overall qualifications and abilities to meet the specific requirements of the proposal including the size of the firm, the number of offices, and the number of partners and staff in the local office.
- **7.2.3** Identify which local office would be assigned to this engagement and list the qualifications and background of the personnel who will be directly involved with this audit. Include the names of the partners, managers, and staff that will be assigned to the City engagement. Describe the experience of personnel and include resumes as an appendix.
- **7.2.4** Provide a list of local government clients served by the local office in the past five (5) years and give a contact name, telephone and email address for each. Please designate which are current clients.
- **7.2.5** Describe any disciplinary action imposed on the local office by the AICPA, state board, state society or SEC during the past five (5) years.
- **7.2.6** Describe the results of your firm's and local office's most recent peer review and its status under the AICPA peer review program.
- **7.2.7** Disclose any relationships that may exist between the City and the management and members of the firm which might impair the firm's independence.
- **7.2.8** Describe the firm's policy in rotating partners and managers and discuss the audit staff turnover that has occurred in the local office due to resignations or terminations in the past 24 months. Disclose the firm's policies regarding staff education and development.
- **7.2.9** Outline the audit plans for the audit work to be performed. Describe what your firm's philosophy will be with respect to the audit of the City.
- **7.2.10** Indicate the firm's agreement with respect to the Scope of Audit Services and the Supplementary Information sections. Any disagreement or deviation with these terms should be expressed in the proposal as the City plans to incorporate the proposal into a final contract by

reference.

8. BIDDING INSTRUCTIONS / REQUIREMENTS

8.1 Filing. One (1) original copy, one (1) electronic copy, suitable for reproduction by the City, and three (3) copies of the proposal package, clearly marked "Professional Audit Services Proposal", no later than 10:00 a.m. (CST) on Wednesday March 14, 2017:

Submit Proposal to: City of Pekin
Sue McMillan, City Clerk
111 South Capitol Street
Pekin, IL 61554

NO PROPOSAL WILL BE ACCEPTED AFTER 10:00 A.M. LATE PROPOSALS WILL BE RETURNED UNOPENED TO THE PROPOSER.

8.2 Responses. The proposing firm uses this RFP form as the OFFICIAL PROPOSAL to submit information and to answer questions. Any alterations, changes or deletions to this RFP may be grounds for the City to disregard and reject the entire proposal. Attachments are acceptable and recommended if specifically identifiable and appended.

8.3 Additional Information. The City reserves the right to request additional information or to meet with representatives from proposing firms to discuss points in the proposal before and after submission, any and all of which may be used in forming a recommendation.

8.4 Rejections. The City reserves the right to reject any and all proposals and to accept the proposal deemed most advantageous to the City.

8.5 The first page of the proposal should indicate the name and address of the local office and the name, phone number and email address of a person(s) to contact with questions and to set up an interview if needed.

8.6 Proposals must contain a table of contents and should include the answers to each question in the Auditor Qualification and Questions section. Please number the answers corresponding to the questions and/or requests in this RFP.

8.7 The resumes of key personnel should be included as an appendix to the proposal. The proposing firm will designate and commit individuals to perform the audit work. At a minimum, the Audit Partner, Manager, Site Supervisor and Direct Support Staff should be provided.

8.8 No replacements or substitution of the above positions shall be permitted without the City's knowledge and consent.

8.9 Any additional data may be included in the proposal at the proposer's discretion. Please include such material as an appendix.

8.10 Appointment. The final appointment of an audit firm will be made by the Pekin City Council.

8.11 Specific audit approach. The proposal should set forth a work plan, including explanation of the audit methodology to be followed, to perform the services as specified in this RFP. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems. In addition, proposers are required to provide the following information on their audit approach:

- **8.11.1** Proposed segmentation of the engagement;
- **8.11.2** Level of staff and number of hours to be assigned to each proposed segment of the engagement;
- **8.11.3** Sample sizes and the extent to which statistical sampling is to be used in the engagement;
- **8.11.4** Type and extent of analytical procedures to be used in the engagement;
- **8.11.5** Approach to be taken to gain and document an understanding of the City's internal control structure;
- **8.11.6** Approach to be taken in determining laws and regulations that will be subject to audit test work; and
- **8.11.7** Approach to be taken in drawing audit samples for purposes of tests of compliance.

8.12 Sealed dollar cost bid. The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this RFP. The total all-inclusive (not to exceed) maximum price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses.

- **8.12.1** The sealed dollar cost bid should include:
 - a. Name of Firm
 - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the fee estimate and authorized to sign a contract with the City.
 - c. A total all-inclusive maximum price for each of the fiscal years ending April 30, 2018, 2019, and 2020 for a Single Audit.
 - d. A total all-inclusive maximum price for each of the fiscal years ending April 30, 2018, 2019, and 2020 for the TPCCC annual financial report.
 - e. A total all-inclusive maximum price for each of the fiscal years ending April 30, 2018, 2019, and 2020 for each of the following separate fund audits: Sewerage Fund, Solid Waste Fund, Tax Increment Financing – Central Business District Fund, Tax Increment Financing – South Industrial Park Conservation Area Fund, and Pekin Public Library Fund.
 - f. A total all-inclusive maximum price for the preparation of the City CAFR (including notes to the financial statements) and identify the fee for out-of-pocket expenses, separately,

for each of the fiscal years ending April 30, 2018, 2019, and 2020.

- g. Include a time budget by employee classification for the audit.
- h. Method to be employed to calculate future year audit costs (i.e. for the additional two-year extension option).

8.13 Rates for additional professional services. If it should become necessary for the City to request the auditor to render any additional services to, either supplement the services requested in the RFP, or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work should be performed only if set forth in an addendum to the contract between the City and the firm. Any such additional work agreed to between the City and the firm shall be performed at the same rates as specified herein.

8.14 Method of payment. Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's cost proposal. Interim billings shall cover a period of not less than a calendar month.

8.15 The City will provide the opportunity for the proposers to visit the City Finance Department and review official documents.

8.16 The contents of the proposals will be considered confidential information by the City, during the evaluation process. However, upon final award of the contract by City Council, all proposals will be available to the public for review and inspection.

8.17 Work area, telephones, photocopying and FAX machines. The City will provide the auditor with reasonable work space, desk and chairs. The auditor will also be provided reasonable access to appropriate telephones, photocopying and FAX machines and internet connections.

8.18 Warranties.

- **8.18.1** Proposer warrants that it is willing and able to obtain an errors and omission insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employee or agencies thereof.
- **8.18.2** Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City.

APPENDIX I

Work Schedule

<u>Date</u>	<u>Description of Events</u>
April 30, 20YY	End of City's fiscal year
June 15, 20YY	Initial financial statements available to auditor; General ledger close by the City
September 15, 20YY	Completion of audit field work and proposed adjusting entries submitted to the City
September 30, 20YY	Audit opinion and annual financial report draft completed by auditor
October 10, 20YY	CAFR draft presented to Finance/Audit Committee
October 22, 20YY	CAFR presentation to City Council

APPENDIX II

CITY OF PEKIN CONTRACTOR INSURANCE REQUIREMENTS

Contractors providing goods, materials and services for the City of Pekin IL shall, during the term of the Contract with the City or any renewal or extension thereof, provide and maintain the types and amounts of insurance set forth herein.

Certificate of insurance: A certificate of insurance evidencing the required insurance shall be submitted by the successful Offeror prior to contract execution. If the contract is renewed or extended by the City a certificate of insurance shall also be provided to the City prior to the date the contract is renewed or extended. All coverage amounts listed shall be in United States dollars.

Type of Contract

Type and Amount of Insurance

Professional Services

Professional Liability Insurance with a minimum of \$1 million per occurrence and \$2 million aggregate.

Workers Compensation insurance as required by state law.

Notices

The Contractor shall notify the City in the event of any change in coverage and shall give such notices not less than 30 days prior the change, which notice must be accompanied by a replacement CERTIFICATE OF INSURANCE.

All notices shall be given to the City at the following address:

Sue McMillan, City Clerk
City Of Pekin
111 S. Capitol Street
Pekin, IL 61554



Total All-Inclusive Maximum Price

Firm Name: Wipfli LLP

Matthew Schueler, signer of this proposal, is entitled to represent the Firm, empowered to submit the bid and authorized to sign a contract with the City of Pekin.

A total all-inclusive maximum price for the fiscal years ending April 30, 2018, 2019 and 2020 engagement is as follows:

	2018	2019	2020
City Audit, including police and fire pensions and Fire Pension IDOI reporting	\$42,500	\$43,750	\$45,000
TPCCC Audit	3,000	3,100	3,200
Separate Fund Reports:			
Sewerage Fund	3,000	3,100	3,200
Solid Waste Fund	750	750	750
Tax Increment Financing – Central Business District Fund	1,500	1,500	1,500
Tax Increment Financing – South Industrial Park			
Conservation Area Fund	0	0	0
Pekin Public Library Fund	2,000	2,050	2,100
Total	\$52,750	\$54,250	\$55,750
CAFR preparation	\$2,500	\$2,000	\$2,000
Single Audit	\$3,500	\$3,500	\$3,500
Police pension IDOI reporting	\$2,750	\$2,850	\$2,950

The above fees include all out of pocket expenses, travel, lodging, etc. Our fees listed also include normal communications with the City during the year usually relating to audit, accounting, tax, or compliance matters.

Should the audit go smoothly with cooperation of your staff and minimal audit adjustments, we would expect our fees to increase by about 2-3% per year.

An estimate of the anticipated number of work hours by staff level is listed below:

	Estimated Work Hours	Average Hourly Rate
Partner/Manager	125	\$150 - \$285
In-Charge Accountant	175	\$125
Staff Accountant	120	\$100
Total	420	

Our approach to quality audit and accounting services in the governmental arena requires substantial involvement by experienced supervisory and partner level staff. We believe that, from our experience with competing firms, no other firm provides this level of quality supervisory level involvement. The bottom line to our clients is the highest quality service with our approach.

The fee estimates are based upon conducting a "normal" audit of the City. Should we encounter problems which would affect this fee materially, such as fraud or incomplete records, or should new auditing or accounting requirements be placed upon us that were not in existence at the time of this proposal was written, we would fully discuss the circumstances with you before proceeding.

Assumptions

The quote is based on the following assumptions:

- The City staff will be cooperative participants in the process and will effectively communicate with the auditors.
- The City staff will perform a comprehensive financial close process, and there will be minimal adjusting journal entries.
- Requested information will be provided on a timely basis.
- There will be no significant changes in the operation of the City. There will be no significant new accounting or audit requirement that will impact the City.
- The City will assist in the preparation, communication, and resolution of confirmation exceptions.
- The City will provide the necessary Police & Fire Pension reporting.
- The City will file the necessary Illinois Department of Insurance pension information.

Out-of-Pocket Expenses

The cost of bound reports is included in expenses.

Cost Overruns

We work closely with management to contain the cost of professional services. We do this by:

- Making recommendations to improve efficiency and controls.
- Obtaining a comprehensive understanding of your year-end closing process. This avoids misunderstandings and inefficiencies for both you and our personnel.
- Preparing a comprehensive listing of client-prepared workpapers.
- Using technology efficiently in workpaper preparation and audit testing.

We will work with the City staff to agree on required schedules, informational needs, and due dates. It is also understood that any fee adjustments required if assumptions are not met will be discussed and agreed to by the City and Wipfli before additional work is performed.



A proposal for professional services

City of Pekin, Illinois

March 14, 2018



Matthew J. Schueler, CPA
Partner

ORIGINAL

403 East 3rd Street
Sterling, IL 61081
Phone: 815-306-4208
mschueler@wipfli.com

WIPFLI^{LLP}
CPAs and Consultants

Attachment: Auditing Proposal 018 WIPFLI (1362 : Bid Tab RFP Auditing Services)

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Wipfli LLP
 403 East 3rd Street
 Sterling, IL 61081
 815.626.1277
 fax 815.626.9118
 www.wipfli.com

March 14, 2018

City of Pekin
 Sue McMillan, City Clerk
 111 S. Capitol Street
 Pekin, IL 61554

Dear Ms. McMillan:

Wipfli LLP ("Wipfli") is pleased to present this proposal to provide audit services to City of Pekin ("City") for the fiscal years April 30, 2018, 2019, and 2020 with an optional renewal for (2) two-year term. We look forward to the opportunity to begin building a relationship with the City that will contribute to its success and growth.

Our experience with our clients has proven that our approach leads to an efficient and effective delivery of professional services. However, we believe our relationship provides more than just compliance services. We will take the initiative in understanding City's operations and offer insight and advice on issues affecting your operations. We will provide feedback on the insights we gain through the audit review and compilation process and information on relevant topics within the industry through the management report presented to the City Council.

Our mission is to be your most trusted business advisor, and we believe we have a history of success with this type of relationship. We take pride in the fact that we have a valued relationship with our clients. Furthermore, we hope you take note that we do not bill for services related to ongoing communications throughout the year. We strive to keep our fees competitive while continuing to serve you at a high level.

This proposal is a firm and irrevocable offer for ninety (90) days from the date of this letter. We are committed to performing the work as outlined in our Approach to Engagement section and are also committed to meeting any and all the time commitments of this engagement.

Mr. Matthew J. Schueler, Partner, is authorized to make representations for our firm and to bind our firm. Questions regarding this proposal may be answered by Matthew Schueler at 815.306.4208, or by email to mschueler@wipfli.com.

Sincerely,

Wipfli LLP

Matthew J. Schueler
 Partner

Scope of Audit Services

We understand that the City is requesting audit services from a certified public accountant to audit its financial statements for the fiscal year ending April 30, 2018, 2019 and 2020 with the option of auditing the City's financial statements for two (2) subsequent fiscal years. These audits will be performed in accordance with the provisions in the request for proposal.

We will express an opinion on the fair presentation of its basic financial statements, combining and individual fund, and account group financial statements and schedules in conformity with generally accepted accounting principles. We will not audit the statistical section of the report.

Our firm has experience in preparing and submitting Comprehensive Annual Financial Reports (CAFR). We will assist the City with the preparation of the CAFR, including printing, binding, and providing a final report in .pdf format.

The audit will be performed in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of the Single Audit Act of 1984 (as amended in 1996), and the requirements of the U.S. Office of Management and Budget's (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly referred to as "Uniform Guidance") as well as applicable Illinois Statutes.

We will provide the City's Finance Department with a list of requested client prepared schedules prior to the start of fieldwork.

The financial statements of the Tazwell Pekin Consolidated Communications Center (TPCCC) are included as a component unit of the City. The TPCCC will be included the City's annual audit.

As part of our Audit Services, we prepare a management letter containing our specific recommendations and suggestions with regard to increasing the efficiency of the City.

Workpaper Retention

In accordance with our firm's document retention policy, we will retain our workpapers for your engagement for a period of seven years. All of your original records will be returned to you at the end of this engagement. After seven years our workpapers and engagement files will be destroyed. Our working papers and files are not a substitute for the original records you should maintain.

Audit Qualifications and Questions

7.2.1

Firm experience: A national leader

For more than 87 years, nonprofit and government organizations throughout the United States have relied on the experienced professionals at Wipfli for advice.

Firm	2016 Ranking	Combined Nine-Year Organic Growth Rate
Baker Tilly Virchow Krause, LLP	13	3.4%
CliftonLarsonAllen LLP	9	4.6%
Eide Bailly LLP	19	5.2%
Plante Moran PLLC	14	4.3%
Wipfli LLP	20	5.6%

Source: Inside Public Accounting, August 2016

At Wipfli LLP ("Wipfli") our primary objective is to help our clients achieve their organizational goals. This is achieved by providing customized solutions and working hands-on to understand our clients' needs, develop a plan for action or corrective action, and implement the solution.

Wipfli understands that audits of any kind can be stressful for you, your organization, and your employees. Our team is dedicated to the governmental industry full-time. Rest assured; we understand your industry, your organization, and your day-to-day practices. We pride ourselves on efficient and effective work during on-site visits, and it is our promise to treat you as any Wipfli team member. After all, our clients are our partners.

Our Experience

We know governments!

- Our Nonprofit and Government Practice (NGP) audits government and nonprofit organizations all over the country.
- We have experience with City audits.
- We are a nationally recognized accounting firm.
- Wipfli's Illinois offices conduct over 200 government & nonprofit audits annually.
- We work with organizations with multiple entities.
- We offer a full range of services to both government & nonprofit organizations.
- We are dedicated to providing a quality product with outstanding client service.

Relevant Experience

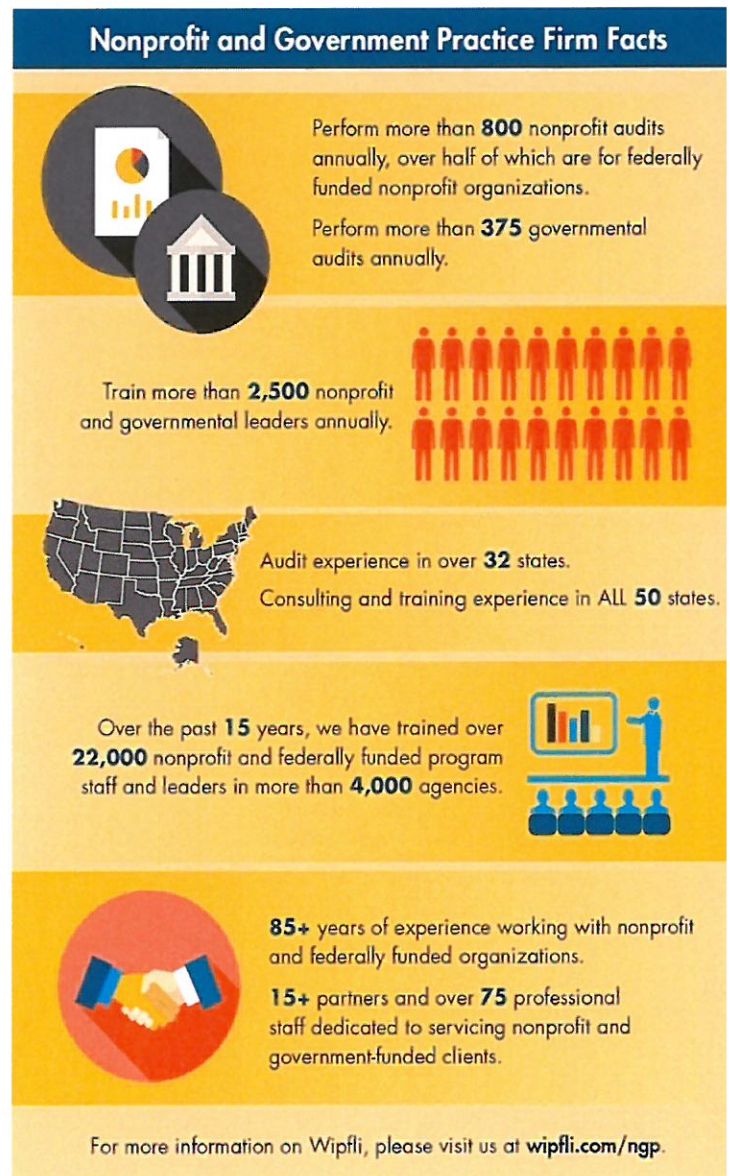
Wipfli is organized along specialized industry and business unit practices. Our practice group includes CPAs, dedicated information technology specialists, human resource specialists, tax experts, and other specialists. Our philosophy is to provide clients with quality, overall service tailored to meet their special needs.

Governmental Specialty

As a firm, Wipfli has been providing governmental services in excess of 50 years. That wealth of experience gives us the opportunity to provide a multitude of services to a variety of different governmental entities.

Wipfli's specialized knowledge and experience with state and local government assignments encompasses a variety of engagements such as

- Financial Statement Audits under *Government Auditing Standards*
- Compliance Audits under OMB Title 2 CFR Part 200
- Operation Audits
- Internal control studies
- IT examinations and consulting
- Fraud examinations



Wipfli's experience with colleges encompasses a variety of types of engagements such as financial and compliance audits, internal control studies, tax capped tax levies and extensions, organizational studies, financial management training, and program eligibility audits. These services have presented us with the opportunity to encounter and learn a variety of City accounting systems, which span the spectrum from manual accounting systems to the largest computerized systems.

Prior Experience with Governmental Entities

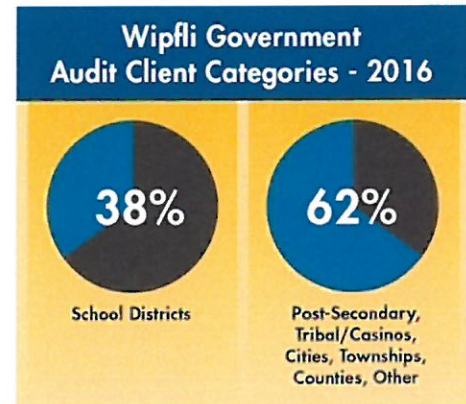
Our audit and consulting experience related to governmental agencies ranges from school districts to municipalities. Our firm presently audits or recently has audited villages, counties, cities, school districts, community colleges, technical colleges, Indian tribes, cooperative education service areas, and other government entities.

CAFR Experience

Our firm has experience preparing and submitting CAFRs to the Government Finance Officers Association (GFOA). We have successfully worked with and assisted other clients on a first year financial statement implementation to a GFOA CAFR presentation.

Prior Experience Providing Single Audits

Our partners and staff are highly experienced in the audit of nonprofit and for governmental entities that operate federally funded programs. Our experience includes financial and compliance auditing, computer systems development and selection, program evaluation, and training. Having strong internal controls and understanding the rules governing how you can and cannot spend federal dollars are keys to fiscal management and overall compliance in your organization. In addition, the federal regulations have changed, mandating that federally funded programs comply with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"). One such change is that Uniform Guidance supersedes OMB Circular A-133, thus there is no more A-133. Single Audits are still required for organizations that expend \$750,000 or more of federal awards. Wipfli has provided over 600 Single Audits, and continues to provide Single Audits around the country.



7.2.2

Firm Facts	
 Recognized leader in serving the industry.	Over 1,800 Wipfli associates serving nine industries. 
Member of Allinial Global, a strategic affiliation that connects Wipfli with accounting firms around the world.	Registered with the Public Company Accounting Oversight Board.
	Meet the independence requirements as set forth in the AICPA Code of Ethics and Government Auditing Standards. Yellow Book

For more information on Wipfli, please visit us at wipfli.com/nonprofits.

Wipfli is a multidiscipline, regional professional services firm.

At Wipfli, the City will have access to the resources of a large regional firm and will receive the personal attention of a local firm.

Our focus and dedication to industry segments provides our client's access to business experts in their industry. We offer training, webinars, products, services, and other proactive information that will help our clients shape their organizations, assist their communities, and stay in compliance.

Wipfli LLP is a limited liability partnership, formed in 1930, with capital provided by the firm's 228 partners. The firm operates 45 United States offices in Wisconsin, Minnesota, Idaho, Illinois, Pennsylvania, Virginia, Montana, Washington, Utah, and California. Its headquarters are located in Milwaukee, Wisconsin. The City's audit will be performed out of the Sterling Office. The Sterling office has 40 associates.

7.2.3

Partner, Supervisory, and Staff Qualifications and Experience

Wipfli enjoys an exceptionally low staff turnover rate. However, if any members of our service team were to leave our firm through the duration of our contract, we would provide a qualified replacement with the understanding that the City maintains the right to reject said replacement. The City will be served by associates from our Sterling office.

Matt Schueler is a partner in Wipfli LLP's nonprofit and government practice. His primary focus is on audit services working closely with members of management to improve their overall operations. Working closely with members of management to improve their overall operations, Matt provides value to his clients by ensuring that services are performed efficiently, effectively, and in a timely manner. Matt received his bachelor of science degree in accountancy from Northern Illinois University.
In-house Governmental Updates

Sara McKenna is a senior manager with Wipfli LLP's nonprofit and government practice. She has more than 10 years of experience providing audit services to governmental entities in various areas including cities, villages, school districts, community colleges, and counties. Sara has also worked in the areas of budgeting, fixed assets, and cost (fee) studies. She shares industry best practices with clients in order to improve both internal and external reporting. She has her bachelor of science degree in accountancy and her master of science degree in financial statement assurance from Northern Illinois University.

Josh Faivre is a senior accountant and works closely with his clients to ensure the audit is running efficiently. He shares industry best practices with clients in order to improve both internal and external reporting. He was the in-charge on various audits during the past few years such as Carl Sandburg College, Carl Sandburg College Foundation, Sauk Valley Community College, Sauk Valley College Foundation, Illinois Valley Community College, and Spoon River College and Spoon River College Foundation.

James A. Mark is a Information Technology Manager. As a member of Wipfli LLP's risk advisory and forensic services practice, James performs information technology (IT) examinations and consulting engagements. James has over 20 years of technology experience and specializes in social engineering, review of internal controls, IT policies,

Staff Accountants will be determined at a later date. They will be well versed in the governmental industry and will have the same government CPE as the above associates. The staff will have City background.

7.2.4

The following list is a sampling of current Sterling Office governmental audits performed by our firm that are the most similar in scope to the City:

City of Sterling

Experience: Municipally-operated utilities, police/fire pension plans and TIF reporting

Contact: Cindy VonHolten

Phone: 815.632.6621

Email: cvonholten@sterling-il.gov

City of Dixon

Experience: Municipally-operated utilities, police/fire pension plans and TIF reporting

Contact: Paula Meyer

Phone: 815.288.1485

Email: paula.meyer@discoverdixon.org

City of Monmouth

Experience: Municipally-operated utilities, police/fire pension plans and TIF reporting

Contact: Lew Steinbrecher

Phone: 309.734.2141

Email: lew.steinbrecher@cityofmonmouth.com

City of Morrison

Experience: Municipally-operated utilities

Contact: Barry Dykhuizen

Phone: 815.772.7657

Email: bdykhuizen@morrisonil.org

City of Fulton

Experience: Municipally-operated utilities and TIF reporting

Contact: Tammy Garibay

Phone: 815.589.2616

Email: tammy.garibay@cityoffulton.us

7.2.5

No disciplinary action has been taken against Wipfli LLP, or any member of our firm by the State Board of the AICPA or any other regulatory agency.

7.2.6

Our professionals must meet rigorous standards. Only graduates with high academic achievement who exhibit qualities of leadership and exceptional communication skills are considered for employment at Wipfli. Wipfli is committed to training our professionals. To accomplish this, we maintain a continuing education program for our entire staff. We provide at least 120 hours of continuing professional education every three years to all our professional staff. Professionals who perform audits in accordance with Government Auditing Standards (Yellow Book) meet the annual education requirements in governmental continuing education. In addition, the firm complies with the Yellow Book independence standards as well. Our professionals regularly attend in-house education programs as well as programs conducted by the American Institute of Certified Public Accountants and a variety of professional organizations.

Because Wipfli LLP operates in a highly competitive environment, it is important to set and achieve the highest standards of quality. We believe this is good business. It helps ensure we have satisfied clients, and it gives us a positive basis for differentiating Wipfli from other firms. The effectiveness of our internal quality control program and procedures are independently evaluated every three years through our participation in the peer review program. Our firm has consistently received an unqualified opinion which means our system of quality control in the year of review met the objectives of quality control standards published by the AICPA and was being complied with. Our last quality control review was performed for the year ended June 30, 2016. A copy of our latest peer review report is included in the Appendix.

Our in-house inspection program covers all of our firm locations. Our program encompasses all of the elements of quality control. In addition to our inspection program, our quality control review procedures provide for partner concurring reviews of selected engagements before issuance of the financial statements, post-issuance of selected financial statements and obtaining independence statements from all of our personnel twice a year.

Mr. Dan Szidon is currently the quality control partner for our firm. It is his responsibility to administer our inspection program and he is also responsible for leading our peer review process that occurs every three years.

7.2.7

Wipfli is independent of the City as defined by auditing standards generally accepted in the United States and the U.S. General Accounting Office's Government Auditing Standards. Our firm annually obtains certifications from the professional staff regarding independence concerns with any clients. Wipfli does not have any professional relationships involving the City or any of its agencies or component units. If an independence issue would surface during the contract period, it will be promptly discussed with you.

7.2.8

We do not have a firm's policy for rotating partners and managers. These types of changes are at the discretion of our clients. Turnover in our government services area has been below industry averages. This allows us to provide you with experienced industry-knowledgeable professionals. Particularly, in the last 24 months, we had one senior accountant who resigned from the Sterling Office.

We understand the appropriate General Accounting Office and other pronouncements regarding the audits of grants and nonprofit organizations and related publications. In order to maintain our position as a leader in governmental programs, Wipfli is continuously committed to ongoing education for our staff so they can serve as both technical advisers and providers of quality services.

Our dedicated governmental staff must meet the continuing education requirements of the *Government Auditing Standards*. In addition, they are encouraged to gain a broad range of experience in various government entities. We believe this provides them with a better understanding of how governments work and how they are interrelated.

Wipfli has joined the American Institute of Certified Public Accountants' (AICPA) Governmental Audit Quality Center (the "Center") for CPA firms. The Center is a national community of CPA firms that demonstrates a commitment to governmental audit quality and raises awareness of the importance of governmental audits. The Center provides members with best practices, guidelines, and tools CPAs need to perform quality governmental audits and better serve their clients.



Members of the Center demonstrate their commitment by voluntarily agreeing to adhere to the Center's membership requirements, including designating a partner responsible for the quality of our governmental audit practice, establishing quality control programs, performing annual internal inspection procedures, and making the firm's peer review report findings publicly available.

Our auditors are also involved with various state CPA societies' government-related committees. Service on those committees has included leading the committee, developing model financial statements, and being discussion leaders at state-sponsored seminars.

7.2.9

As an integral part of our services to the City, Wipfli will perform a review of your internal controls to assist us in planning the appropriate audit procedures. We develop our plan to address these areas and reduce time spent in non-critical areas. Wipfli believes strongly in the importance of structured systems and would work with you in developing and integrating such systems.

After our testing and documentation of internal and computer controls, we will further customize our audit programs and determine the audit procedures to be applied to your City's individual environment.

The sample sizes that will be used during the engagement will typically be in the range of 25 to 60 items. The actual sample size used will be determined by taking a number of variables into consideration. These variables typically include the size of the population, results of internal control testing, and the attribute(s) being tested. We typically use non-statistical sampling rather than statistical sampling.

Our audit engagement will utilize a number of different computer software packages. The specific software that will be utilized during the performance of your engagement is as follows:

- CaseWare Working Papers – Paperless audit document management system.
- CaseView for Windows – Software that allows us to tailor audit programs based on the specific client situation.
- Microsoft Excel and Word – Used to generate spreadsheets and memos, etc., for electronic storage.
- Adobe Acrobat – Used to scan client documentation into CaseWare for electronic storage.

We will utilize analytical procedures in the planning phase, as substantive tests in certain areas of audit fieldwork as well as the wrap-up phases of the audit. These procedures will be used to identify balances or relationships that fall outside of our expectations that we will develop based on the specific circumstances at the City during the year being audited.

7.2.10

Wipfli is in agreement with respect to the Scope of Audit Services and the Supplementary Information sections of the City's RFP.

Specific Audit Approach

Our audit approach is designed to formally review and evaluate your financial statements and alert you to any key issues that may arise. Our Service Team will be accessible to your staff to answer and fully explain any technical questions. Our services do not cease upon completion of the audit. We make ourselves available to you the entire year and encourage telephone calls when questions arise. There are no extra fees for incidental work during the year. These topics could range from GASB, FASB, and Uniform Guidance issues to IRS issues such as 403(b)'s or other tax reporting issues such as employee taxable fringe benefits as well as Affordable Care Act (ACA). The help needed may be research and provide recommendations, or may be independent projects to improve systems, processes or internal controls. This practice, of course, does have its limits, but we will discuss any additional fee which might be necessary with you before proceeding with the work. We would like to also emphasize that our multiple office locations enable us to be especially responsive to your needs on a timely basis.

The audit process at Wipfli begins before we conduct the audit of the financial statements. Soon after we are engaged, the Service Team will call you to plan for the upcoming audit. The planning session will:

- Develop an audit strategy to establish proper timing of your audit.
- Enable us to fully determine the internal needs for financial information to ensure the financial reports are useful to the City Council.
- Build a sense of teamwork between Wipfli personnel and your accounting staff to achieve a smooth and cost-effective audit.

We determine the level of materiality at the fund level based on the higher of total assets or total revenues. From there, we use a percentage based on established guidelines to determine our planning materiality and individually significant items.

The audit team we have assembled to perform your audit has substantial knowledge of the various laws and regulations dealing with governmental accounting, reporting, financing, budgeting, as well as Illinois regulations and requirements. Based on this experience, Wipfli has tailored its audit programs to make sure that they address the relevant laws and regulations. These programs are continually updated by members of the governmental and nonprofit technical issues committee. This committee stays abreast of changes by monitoring the following documents, and the audit will be performed accordingly:

- The Single Audit Act Amendments of 1996
- GAO *Government Auditing Standards*
- OMB Title 2 U.S. Code of Federal Regulations (CFR) Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly referred to as "Uniform Guidance")
- Uniform Guidance Compliance Supplement
- Code of Federal Regulations
- Catalog of Federal and Domestic Assistance

During the reporting and wrap up phase of the audit, we will prepare the financial reports as requested. This is a service we provide for several clients. As a result, we have developed a process for preparing reports which increases efficiency. Caseware allows us to create multiple groupings for all the different types of financial statements and schedules required by GASB. Once we link the groupings to the financial statements and schedules, they remain linked every year thereafter. We also have an internal document library for the footnotes that are updated by industry professionals as new standards are issued.

Wipfli's portal enables you to securely upload documents and retrieve documents from Wipfli, 24 hours a day, seven days a week. It is more secure than email, since all communication between the portal and your computer is encrypted. This tool improves our ability to exchange documents in an easier and more secure environment with each other. No more lost emails with attachments. No more expired links from downloading from an ftp site. Just a better digital experience!



Wipfli Client Portal Login Page

Connect with us!

Proposed Audit Time Schedule

A tentative audit schedule for each significant segment of the audit follows:

- | | |
|-----------|--|
| May/June | • In-office planning and preliminary audit |
| June/July | • Fieldwork |
| September | • Drafts reports to City |
| October | • Presentation to City Council |

In order for us to meet the deadlines stipulated in the request for proposal, we would expect all audit documentation and account reconciliations, including budget and related materials, organizational charts, programs and access to financial and other management information systems, to be completed and available prior to starting fieldwork.

Time table is subject to changes due to information needed from actuaries for pension plans and other postemployment benefits.

License to Practice

Wipfli is a certified public accounting firm licensed to practice in the State of Illinois. Wipfli and key professional staff are properly licensed to practice in Illinois and have active licenses in good standing. Evidence of licensure is available upon request.

It is the policy of our firm that all professional personnel be familiar with and adhere to the independence, integrity, and objectivity rules, regulations, interpretations, and rulings of the AICPA, the Illinois Board of Accountancy, state statutes, and other regulatory agencies as applicable.

In order to maintain this level of quality and fulfill the trust our clients place in us, Wipfli provides ongoing training to all associates. This training is also provided to all new hires as they begin their service with the firm. Wipfli also conducts an independent, in-house inspection of a sample of assurance engagements for each partner to make sure that the firm's quality control standards are being met. In addition, we update our quality control document whenever new auditing requirements are enacted.

Wipfli utilizes three distinct levels of review on every engagement to ensure that different perspectives are considered and addressed. Resolution of any potential disputes regarding accounting, auditing, and financial reporting issues are ultimately resolved under the direction of the firm's partner of assurance services, who has the final approval on disposition of these issues. Engagement partners are not able to issue reports without the requisite levels of quality control review.

Value-Added Services Beyond the Audit

Having a CPA who can be an advisor about your diverse needs is critical. Did you know Wipfli offers more than just financial services? Our audit clients have access to additional resources to help them achieve their organizational goals. These tools are invaluable assets, allowing for better workflow, regulation management, policies and procedures, and more. Below are listings of services that Wipfli provides to nonprofit and governmental clients all across the country.

Information Technology Consulting Services

Wipfli approaches information technology from a different angle. First, we analyze your needs. Then, we use technology as a tool to address those needs for the long term. Our Information Technology Consulting Group specializes in planning, assessing, responding to and implementing services such as:

- Planning
- Assessing
- Responding
- Implementing

Cybersecurity Services

Cyber threats are growing and your security efforts are a moving target—one that's getting easier to hit thanks to mobile devices, outsourcing, and cloud computing that come with new business risks. It's only a matter of time before thieves and hackers strike.

Ensure your security strategy and solutions are as fluid and agile as the evolving cyber landscape with expert assistance from Wipfli. Wipfli's comprehensive Cybersecurity Services help you proactively address mounting threats and effectively respond in the event of an incident.

Services include:

- Cybersecurity Assessments
- Penetration Testing
- Business Continuity and Disaster Recovery
- Incident Response and Digital Forensics
- Information Technology Audits
- Cybersecurity Training and Awareness

Register to access free tools and resources at www.wipfli.com/cybersecurity

Human Resources

We help clients align their workforces with their goals, using our results-driven consulting process, tools, and programs with services such as:

- Strategic planning and visioning
- Organizational development
- Growth and change implementation
- Succession planning
- Professional coaching
- Employee handbooks
- Compensation design and benchmarking
- My Wipfli Membership Service:
 - Best-practice human resources policy and procedures manual

Sustainability Services

Sustainability is the balancing and continuous improvement of three elements: people, plant, and profit. Wipfli provides:

- Education on the value of sustainability
- Sustainability strategy
- Maximization of sustainable best practices

Indirect Cost Consulting

Wipfli regularly conducts seminars that include sessions on indirect cost allocation. The sessions provide guidance on how to develop simple and straightforward cost allocations. We also frequently perform individualized consulting services on indirect costing.

Value-Added Services FOR YOU!

As a service to your organization, Wipfli would like to offer the additional tools and services below at no additional charge. We encourage clients to utilize these tools and services to the highest degree. Please consult with your Wipfli engagement partner for further details.

Added Value Product/Service	Retail Value	Client Cost
Tools:		
My Wipfli Nonprofit and Government Membership Service	\$995	\$0
IT Assessment (4 hours on-site consulting)	\$600	\$0

Details on the Products/Services Your Organization Will Receive:

Tools:

My Wipfli Nonprofit and Government Membership Service is a hub for all your nonprofit and governmental needs. Wipfli has designed the site to provide constant guidance to organizations receiving federal and state funding.

Ask Your Questions: Log into the service and ask our experts a question; we will follow up with you via e-mail or telephone no later than the end of the following business day. We can assist with questions on topic areas including financial, HR, IT, risk, and more.

Do Research: Save time by having the information you need at your fingertips and access a library of 240 linked and searchable documents, laws, regulations, and guidelines. Find every related piece of information on your desired topic in one search.

Get Updates: Worried about missing something? Don't be. As a member, you will receive e-mail updates, newsletters, training discounts, and more! As an audit client, you will receive full access to this service.

Policies and Procedures: If you maintain policy and procedures manuals for finance, HR, and even IT, you know the challenges of keeping them up to date. Wipfli has been visiting nonprofit and government organizations for decades, and we have seen organizations that understand how to operate efficiently while also staying compliant. That is why we have developed sample policy and procedures templates that combine industry best practices and compliance-based methodology. These templates are updated frequently to provide the most current and efficient methods possible.

IT Consulting

In addition to the above, Wipfli has been providing information technology audit and security assessment services to cities for decades. Over the past ten years Wipfli has built a top-flight consulting practice to offer clients other value-added services. Wipfli takes a holistic approach to consulting and works with clients to understand its business strategy, and then implement the organizational development, continuous improvement, and technology solutions required to execute those strategies.

While technology plays a critical role in delivering services and communicating with stakeholders for all of our clients, we also share in the belief that systems and applications are tools to achieve organizational goals and make the processes we work in more effective and efficient. To that end, Wipfli's approach to both IT audits and security assessment services, include the people and organization's needs to adequately plan and execute the engagement.

- *IT Consulting*

- a. We will offer an introductory on-site assessment, or 4 complementary hours towards completing an IT engagement that your organization needs. Services could include:
 - i. Technology "health check" or roadmap.
 - ii. Inventory of your hardware and software systems.
 - iii. Document your network environment and related information.
 - iv. Establish and maintain a stable and secure computer network environment.
 - v. Confirm or develop IT standards and procedures.
 - vi. Perform analysis and conduct IT planning.
 - vii. Assess your organization from a standpoint of vulnerability.
 - viii. And more!

Going Forward

The information contained in this proposal document is for discussion purposes only and does not constitute a binding contract between you or your organization and Wipfli LLP. If the above services and information are acceptable and you wish to proceed, we will prepare a formal engagement letter for you to sign, which will address the specific scope, responsibilities, and criteria relative to our engagement. The engagement letter will constitute the entirety of the terms and conditions of our arrangement with you.

Appendix A



System Review Report

To the Partners of Wipfli LLP
and the National Peer Review Committee of the AICPA

We have reviewed the system of quality control for the accounting and auditing practice of Wipfli LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based upon our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Wipfli LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Wipfli LLP has received a peer review rating of *pass*.

Weaver and Tidwell, LLP

WEAVER AND TIDWELL, L.L.P.
Dallas, Texas
September 23, 2016

AN INDEPENDENT MEMBER OF
BAKER TILLY INTERNATIONAL

WEAVER AND TIDWELL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

12221 MERIT DRIVE, SUITE 1400, DALLAS, TX 75251
P: 972.490.1970 F: 972.702.8321



Peer Review Program
Administered by the National Peer Review Committee

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

December 8, 2016

Rick E Dreher
Wipfli LLP
10000 W Innovation Dr Ste 250
Milwaukee, WI 53226

Dear Mr. Dreher:

It is my pleasure to notify you that on December 8, 2016 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is December 31, 2019. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Michael Fawley
Chair—National PRC
nprc@aicpa.org 919 4024502

cc: Terrence Everett Ford; Daniel T Szidon

Firm Number: 10077210

Review Number 462502

Letter ID: 1131944A

Appendix B



WIPFLI
CPAs and Consultants



Matthew J. Schueler
Partner

Current Position and Responsibilities

Matt Schueler is a partner in Wipfli LLP's nonprofit and government practice. His primary focus is on audit services. Working closely with members of management to improve their overall operations, Matt provides value to his clients by ensuring that services are performed efficiently, effectively, and in a timely manner.

Specializations

- Audits for governments including counties, cities, villages, townships, school districts, and colleges
- Cost studies for governments
- Budgeting for governments
- Tax levy processes for governments

Past Experience

- Joined Lindgren Callihan Van Osdol and Co., Ltd. (LCV) in 1998 (LCV merged with Wipfli in 2010)
- Worked for a Big Four firm, specializing in the telecommunications industry

Professional Memberships and Activities

- American Institute of Certified Public Accountants (AICPA) - Member
- Illinois CPA Society (ICPAS) - Member
- Illinois Association of School Business Officials (ASBO) - Service associate member
- Illinois Government Finance Officers Association (IGFOA) - Service associate member
- Community activities including coaching Little League baseball and Tee baseball
- Sauk Valley Wrestling Club - Board member

Education

- Northern Illinois University - DeKalb, Illinois
- Bachelor of science degree in accountancy

Certifications:

Certified Public Accountant

Contact Information:

Please contact Matt in our
Sterling office.
Office: 815.626.1277
E-mail: mschueler@wipfli.com

www.wipfli.com



Sara McKenna
Senior Manager

Current Position and Responsibilities

Sara McKenna is a senior manager with Wipfli LLP's nonprofit and government practice. She has more than 10 years of experience providing audit services to governmental entities and nonprofit organizations. Sara has also worked in the areas of budgeting, fixed assets, and cost (fee) studies. She shares industry best practices with clients in order to improve both internal and external reporting.

Specializations

- Audits for governments including counties, cities, villages, school districts, and community colleges.
- Accounting assistance
- Budgeting for governments

Certifications:

Certified Public Accountant

Past Experience

- Joined Lindgren Callihan Van Osdol and Co., Ltd in 2004 (LCV merged with Wipfli in 2010)

Professional Memberships and Activities

- American Institute of Certified Public Accountants (AICPA) - Member
- Illinois CPA Society (ICPAS) - Member

Education

- Northern Illinois University - DeKalb, Illinois
- Bachelor of science degree in accountancy
- Master of science degree in financial statement assurance

Contact Information:

Please contact Sara in our
Sterling office.
Office: 815.269.4322
E-mail: smckenna@wipfli.com

www.wipfli.com

**REQUEST FOR COUNCIL ACTION****To: Council Members****Date: March 21, 2018****From: Sue McMillan, City Clerk****Sue McMillan, City Clerk****AGENDA ITEM:** Tazewell County Health Department Tobacco 21**AGENDA DATE REQUESTED:** March 26, 2018**REQUIRED SIGNATURES****Department Directors and City Staff:**

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 21, 2018

From: Sarah Newcomb, Human Resources Dir

Nicole Stewart, Deputy Clerk

AGENDA ITEM: Proposed Revisions to Employee Handbook

AGENDA DATE REQUESTED: March 26, 2018

REQUIRED SIGNATURES

Department Directors and City Staff:

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 21, 2018

From: Sarah Newcomb, Human Resources Dir

Angie Evans, Finance/Accounting Contact

Jim Wolf, City Treasurer

AGENDA ITEM: Resolution No. 85-17/18 Authorization to Engage Professional Services for purpose of Annual Audit

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Authorize City Manager to engage Sikich LLP in auditing services for fiscal years 2018 through 2020.

DESCRIPTION: The City of Pekin completed a request for proposals (RFP) for auditing services with a bid opening on March 14, 2018. After confirmation of all bid proposals being complete the City Treasurer, Human Resources/Finance Director and City Manager reviewed, evaluated the proposals, the City Treasurer reached out to the references and it is the consensus of the reviewers to engage Sikich LLP for the 2018, 2019 and 2020 fiscal year audits. Sikich is highly qualified, has an audit team in Springfield Illinois dedicated to local government auditing, and was additionally the lowest bid. The City does not anticipate the need for a single audit at this time, making the proposed 2018 audit fee \$47,200, which is less the proposed budgeted amount. Sikich also has tools and auditors available to the city

FINANCIAL IMPACT: 2018 Audit Fee \$47, 200.00; single audit fee (if necessary \$4,000.00)

NEIGHBORHOOD CONCERNS: n/a

IMPACT IF APPROVED: The City Manager will engage Sikich and complete any necessary agreements for them to begin auditing after the close of fiscal year 2018.

IMPACT IF DENIED: As Willock and Warning has decided not to engage in the 2018 audit, the City would be without an auditor. The City could choose one of the other companies that provided response to the RFP.

ALTERNATIVES: Choose another responder to the RFP

RELATED TO EFFICIENCY STUDY: Engage auditing services that will improve ability to meet GFOA standards for budgeting and CAFR

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
√	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES

Department Directors and City Staff:

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:

**Resolution No. 85-17/18 Authorization to Engage Professional Services for the
purpose of Annual Audit**

Resolution No. 85-17/18

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENGAGE A
PROFESSIONAL AUDITING FIRM FOR AUDITING SERVICES FISCAL YEARS
2018, 2019 AND 2020**

WHEREAS, the City of Pekin has the need for auditing services for fiscal years 2018, 2019 and 2020 according to the Government Accounting Standards Board and for Generally Accepted Accounting Practices; and

WHEREAS, The City of Pekin completed a request for proposals for professional auditing services at the March 14, 2018 bid opening;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS AS FOLLOWS:**

The City Council of the City of Pekin hereby authorizes the City Manager to engage the professional auditing services of Sikich, LLP for the fiscal year ending April 30, 2018 through April 30, 2020.

BE IT FURTHER RESOLVED that this Resolution shall be in full force and effect upon its passage and approval.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 21, 2018

From: Mark Rothert, Administrative Service Director

AGENDA ITEM: Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Adopt the Ordinance

DESCRIPTION: For many years, the City of Pekin and a collection of other Illinois local governments have collaborated to bring affordable mortgages to qualified homebuyers in what has historically been known as the Assist Homeownership Program (“Assist”) and through Mortgage Credit Certificates (MCC).

Assist is a program that offers a full 3.00% cash grant on the amount borrowed on a mortgage to qualified home buyers in Pekin with a Federal Housing Administration, Veterans Affairs, or USDA Rural Development, 30-year, fixed-rate mortgage. The cash assistance may be used to offset some or all of the home loan’s down payment and closing costs. The Assist program therefore minimizes the amount of money needed on hand to purchase a home.

The issuance of MCCs are through a federally authorized program created as an alternative to tax-exempt housing bonds to reduce effective interest costs for qualifying homebuyers. MCC’s allow the homebuyer to qualify for a federal income tax credit equal to a percentage of the interest paid on their home loan each year. MCC holders still qualify for a regular deduction of the remaining interest paid on their home loan.

In 2017, a total of 98 loans were made to Pekin home buyers totaling almost \$7.8 million using one of these programs. That trend is expected to continue in 2018.

To provide these incentives to Pekin homeowners, the City of Pekin (and many other municipalities) pledges its Volume Cap to another unit of local government that spearheads the implementation of the programs. Volume Cap comes from a federal tax law and is an annual limit placed on cities that puts a cap on the amount of municipal bonds that can be issued each year to finance capital projects undertaken by for-profit, taxing entities. Volume Cap is allocated under the Internal Revenue Code on a

calendar year basis. The applicable statewide allocation in Illinois (and most other states) is \$105 per capita in 2018. This year, based on a population of 34,094, Pekin's 2018 volume cap is \$3,579,870.

The attached ordinance approves the transfer of the City of Pekin's volume cap over to the City of Aurora, who is spearheading the Assist and MCC programs. Program incentives are then made available on a continuing basis through a participating lender network, who in turn work with homebuyers.

Allocation of the City's cap needs to be accomplished not later than April 30, 2018 and any transfers of 2018 cap need to be reported to the State within 14 days of the transfer.

FINANCIAL IMPACT: In 2017 alone, a total of 98 loans were made to Pekin home buyers totaling almost \$7.8 million using one of the programs above (see attached map). It is anticipated that similar results will be expected in 2018.

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: Pekin homebuyers will be able to receive assistance

IMPACT IF DENIED: Pekin homebuyers will not be able to receive assistance

ALTERNATIVES:

RELATED TO EFFICIENCY STUDY:

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark ✓ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
✓	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES

Department Directors and City Staff:

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:

Ordinance No. 2778-17/18 An Ordinance Approving the Transfer of Volume Cap in Connection with Private Activity Bond Issues, and Related Matters

WHEREAS, the City of Pekin, Peoria and Tazewell Counties, Illinois (the “*Municipality*”) is a municipality and a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the “*Code*”), provides that the Municipality has volume cap equal to \$105 per resident of the Municipality in calendar year 2018, which volume cap may be allocated to certain tax-exempt private activity bonds; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, 30 *Illinois Compiled Statutes 2008*, 345/1 *et seq.*, as supplemented and amended (the “*Act*”), provides that a home rule unit of government may transfer its allocation of volume cap to any other home rule unit of government, the State of Illinois or any agency thereof or any non-home rule unit of government; and

WHEREAS, it is now deemed necessary and desirable by the Municipality to transfer its entire volume cap allocation for calendar year 2018 to the City of Aurora, Kane, DuPage, Will and Kendall Counties, Illinois (the “*Issuer*”) to be applied toward the issuance of single family mortgage revenue bonds by the Issuer (the “*Bonds*”) or for such other purpose permitted by this Ordinance;

NOW, THEREFORE, Be It Ordained by the Mayor of the City of Pekin, Peoria and Tazewell Counties, Illinois, as follows:

SECTION 1. That, pursuant to Section 146 of the Code and the Act, the entire volume cap of the Municipality for calendar year 2018 is hereby transferred to the Issuer, which shall issue the Bonds using such transfer of volume cap, without any further action required on the part of the Municipality, and the adoption of this Ordinance shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or other private activity bonds.

SECTION 2. That the Municipality and the Issuer shall maintain a written record of this Ordinance in their respective records during the term that the Bonds or any other such bonds to which such volume cap is allocated remain outstanding.

SECTION 3. That the Mayor, the City Clerk and all other proper officers, officials, agents and employees of the Municipality are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Ordinance.

SECTION 4. That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision of this Ordinance shall for any reason be declared to be invalid, such

declaration shall not affect the remainder of the sections, phrases and provisions of this Ordinance.

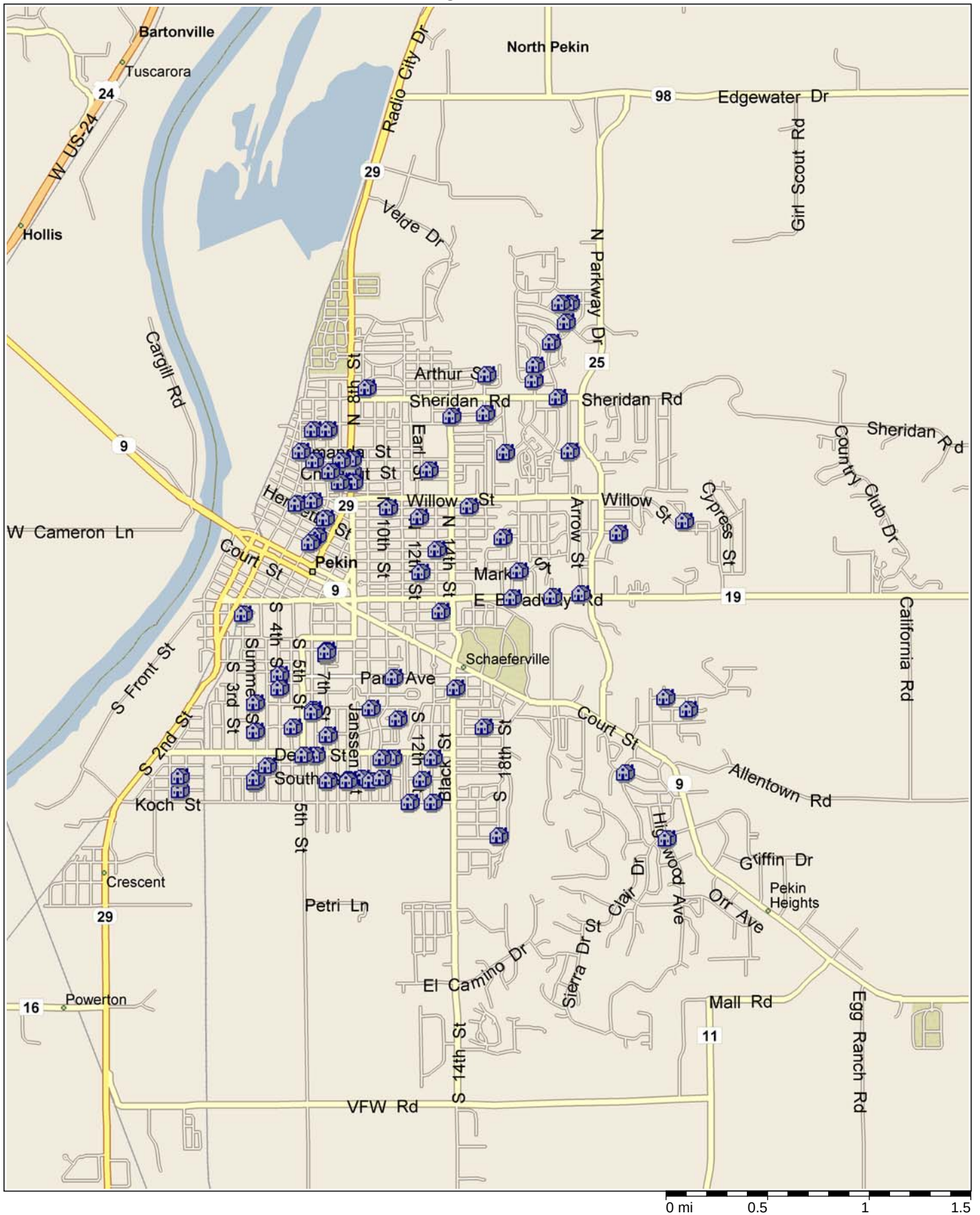
SECTION 5. That all ordinances, resolutions or orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded; and that this Ordinance shall be in full force and effect upon its adoption and approval.

MAYOR

ATTEST:

CITY CLERK

Assist Originations in Pekin



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Attachment: Assist Originations in Pekin (1361 : Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters)

CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
Illinois Assist Down Payment Assistance Program Loan Originations

	CITY	STATE	ZIP	LOAN AMOUNT
1 .	Pekin	IL	61554	\$52,040.00
2 .	Pekin	IL	61554	\$76,328.00
3 .	Pekin	IL	61554	\$52,530.00
4 .	Pekin	IL	61554	\$54,003.00
5 .	Pekin	IL	61554	\$49,094.00
6 .	Pekin	IL	61554	\$49,977.00
7 .	Pekin	IL	61554	\$71,186.00
8 .	Pekin	IL	61554	\$51,058.00
9 .	Pekin	IL	61554	\$80,416.00
10 .	Pekin	IL	61554	\$92,307.00
11 .	Pekin	IL	61554	\$77,077.00
12 .	Pekin	IL	61554	\$109,971.00
13 .	Pekin	IL	61554	\$63,822.00
14 .	Pekin	IL	61554	\$72,750.00
15 .	Pekin	IL	61554	\$76,328.00
16 .	Pekin	IL	61554	\$73,150.00
17 .	Pekin	IL	61554	\$85,424.00
18 .	Pekin	IL	61554	\$70,818.00
19 .	Pekin	IL	61554	\$106,700.00
20 .	Pekin	IL	61554	\$67,053.00
21 .	Pekin	IL	61554	\$98,188.00
22 .	Pekin	IL	61554	\$73,650.00
23 .	Pekin	IL	61554	\$71,600.00
24 .	Pekin	IL	61554	\$144,408.00
25 .	Pekin	IL	61554	\$64,804.00
26 .	Pekin	IL	61554	\$76,587.00
27 .	Pekin	IL	61554	\$57,931.00
28 .	Pekin	IL	61554	\$81,005.00
29 .	Pekin	IL	61554	\$66,276.00
30 .	Pekin	IL	61554	\$80,427.00
31 .	Pekin	IL	61554	\$77,425.00
32 .	Pekin	IL	61554	\$90,333.00
33 .	Pekin	IL	61554	\$73,641.00
34 .	Pekin	IL	61554	\$85,424.00
35 .	Pekin	IL	61554	\$78,551.00
36 .	Pekin	IL	61554	\$63,822.00
37 .	Pekin	IL	61554	\$102,116.00
38 .	Pekin	IL	61554	\$70,156.00
39 .	Pekin	IL	61554	\$70,695.00
40 .	Pekin	IL	61554	\$69,657.00

Attachment: Assist Originations in Pekin (1361 : Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters)

CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
Illinois Assist Down Payment Assistance Program Loan Originations

	CITY	STATE	ZIP	LOAN AMOUNT
41 .	Pekin	IL	61554	\$69,452.00
42 .	Pekin	IL	61554	\$69,714.00
43 .	Pekin	IL	61554	\$87,301.00
44 .	Pekin	IL	61554	\$67,258.00
45 .	Pekin	IL	61554	\$83,950.00
46 .	Pekin	IL	61554	\$56,949.00
47 .	Pekin	IL	61554	\$35,838.00
48 .	Pekin	IL	61554	\$70,695.00
49 .	Pekin	IL	61554	\$66,076.00
50 .	Pekin	IL	61554	\$125,681.00
51 .	Pekin	IL	61554	\$88,755.00
52 .	Pekin	IL	61554	\$64,804.00
53 .	Pekin	IL	61554	\$73,641.00
54 .	Pekin	IL	61554	\$71,677.00
55 .	Pekin	IL	61554	\$61,760.00
56 .	Pekin	IL	61554	\$48,995.00
57 .	Pekin	IL	61554	\$64,705.00
58 .	Pekin	IL	61554	\$84,442.00
59 .	Pekin	IL	61554	\$108,989.00
60 .	Pekin	IL	61554	\$70,713.00
61 .	Pekin	IL	61554	\$100,545.00
62 .	Pekin	IL	61554	\$85,405.00
63 .	Pekin	IL	61554	\$56,949.00
64 .	Pekin	IL	61554	\$145,015.00
65 .	Pekin	IL	61554	\$72,265.00
66 .	Pekin	IL	61554	\$61,290.00
67 .	Pekin	IL	61554	\$84,932.00
68 .	Pekin	IL	61554	\$91,311.00
69 .	Pekin	IL	61554	\$39,176.00
70 .	Pekin	IL	61554	\$102,606.00
71 .	Pekin	IL	61554	\$91,216.00
72 .	Pekin	IL	61554	\$65,786.00
73 .	Pekin	IL	61554	\$84,442.00
74 .	Pekin	IL	61554	\$97,206.00
75 .	Pekin	IL	61554	\$88,271.00
76 .	Pekin	IL	61554	\$154,057.00
77 .	Pekin	IL	61554	\$142,274.00
78 .	Pekin	IL	61554	\$86,896.00
79 .	Pekin	IL	61554	\$65,120.00
80 .	Pekin	IL	61554	\$110,953.00

Attachment: Assist Originations in Pekin (1361 : Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters)

CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
Illinois Assist Down Payment Assistance Program Loan Originations

	CITY	STATE	ZIP	LOAN AMOUNT
81 .	Pekin	IL	61554	\$74,623.00
82 .	Pekin	IL	61554	\$59,447.00
83 .	Pekin	IL	61554	\$69,352.00
84 .	Pekin	IL	61554	\$86,896.00
85 .	Pekin	IL	61554	\$105,061.00
86 .	Pekin	IL	61554	\$147,184.00
87 .	Pekin	IL	61554	\$64,738.00
88 .	Pekin	IL	61554	\$42,500.00
89 .	Pekin	IL	61554	\$62,800.00
90 .	Pekin	IL	61554	\$71,794.00
91 .	Pekin	IL	61554	\$49,094.00
92 .	Pekin	IL	61554	\$93,508.00
93 .	Pekin	IL	61554	\$123,717.00
94 .	Pekin	IL	61554	\$68,633.00
95 .	Pekin	IL	61554	\$104,700.00
96 .	Pekin	IL	61554	\$66,768.00
97 .	Pekin	IL	61554	\$101,134.00
98 .	Pekin	IL	61554	<u>\$73,542.00</u>
Total:				<u>\$7,791,329.00</u>
Average:				<u>\$79,503.36</u>



Want a home of your own, but can't meet the down payment and closing costs?

The City of Pekin, in association with a number of Illinois communities, offer a two-pronged approach to assist homebuyers: The Assist program provides families with funds to pay all or most of their closing costs and down payment and the Mortgage Credit Certificate ("MCC") program reduces the homebuyer's ongoing cost of borrowing.

What is Assist?

Assist is a program that offers individuals and families with a FHA/VA/RD, 30-year, fixed-rate mortgage and offers a full 3.00% cash grant on the amount borrowed on a mortgage to qualified home buyers for homes in Pekin. The cash assistance may be used to offset some or all of the home loan's down payment and closing costs. The Assist program minimizes the amount of money you need on hand to purchase your home.

What are Mortgage Credit Certificates?

MCC's are a federally authorized program created as an alternative to tax-exempt housing bonds to reduce effective interest costs for qualifying homebuyers. MCC's allow the homebuyer to qualify for a federal income tax credit equal to a percentage of the interest paid on their home loan each year. MCC holders still qualify for a regular deduction of the remaining interest paid on their home loan.

	Without MCC	With MCC
Mortgage Amount	\$100,000	\$100,000
Mortgage Interest Rate*	4.50%	4.50%
Monthly Mortgage Payment (first year interest = \$4,467.00)	\$506.69	\$506.69
MCC Rate	N/A	25%
Monthly Credit Amount (First Year Average) (25% of \$4,467.00 is first year credit)	N/A	\$93.06
"Effective" Monthly Mortgage Payment	\$506.69	\$413.63

*The interest rate indicated is only for representation purposes. Please check the Illinois Assist website: <http://www.ehousingplus.com/available-programs/illinois/illinois-assist/> or the contact below for today's rate.



What Type of Home Can I Buy And How Much Can I Spend?

Homes that meet the program guidelines are new or existing, owner-occupied, single family homes, town homes and condominiums. Purchase Price and Income Limits are as follows:

Purchase Price Limits:	<u>Non-Targeted Area</u>		<u>Targeted Area</u>	
	\$253,809		\$310,211	
Income Limits:	<u>Non-Targeted Area</u>		<u>Targeted Area</u>	
	<u>1 or 2 persons</u>	<u>3 or more</u>	<u>1 or 2 persons</u>	<u>3 or more</u>
	\$74,100	\$85,215	\$88,920	\$103,740

How Do I Sign Up?

1. **Contact Angela Conover at (312) 664-5656 or angelaconover@earthlink.net**
2. Meet the program guidelines and qualify for the new home.
3. Close on your purchase and enjoy your new home.



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 21, 2018

From: Mark Rothert, Administrative Service Director

AGENDA ITEM: Professional Services Agreement for First Amendment to the Southern Industrial Park TIF District

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Adopt the Ordinance

DESCRIPTION: The City of Pekin wishes to engage the joint professional services of law firm Jacob & Klein, Ltd. and consulting firm Economic Development Group, Ltd. to render legal advice and administrative/technical consulting advice, respectively, to assist the City in amending the Redevelopment Plan, Area and Projects for a Tax Increment Financing District known as the SOUTHERN INDUSTRIAL PARK CONSERVATION AREA TIF DISTRICT (the "Southern Industrial Park TIF District") which was established on October 22, 2012 pursuant to the Tax Increment Allocation Redevelopment Act (the "Act"), 65 ILCS 5/11-74.4-1 et. seq.

A copy of the Professional Services Agreement with Jacob & Klein, Ltd. and the Economic Development Group, Ltd. is attached. The accompanying resolution authorizes and directs the Mayor to enter into the Professional Services Agreement and execute on behalf of the City. The Professional Services Agreement shall be effective on the date of its approval.

FINANCIAL IMPACT: \$15,000, plus any reimbursable costs (i.e. postage, printing, mileage, incidental staff costs, etc.)

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: Southern Industrial Park TIF can operate more effectively to aid in economic development

IMPACT IF DENIED: Southern Industrial Park TIF will not be as effective to aid in economic development

ALTERNATIVES: N/A

RELATED TO EFFICIENCY STUDY:

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more

than 2 boxes. Copy this check mark ✓ and paste it to the left of the relevant theme.]

✓	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
✓	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES

Department Directors and City Staff:

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:

Ordinance No. 2779-17/18 An Ordinance Approving and Authorizing the Execution of a Professional Service Agreement for the First Amendment to the Southern Industrial Park Conservation Area Tax Increment Financing District By and Between Jacob & Klein, LTD and the Economic Development Group, LTD and the City of Pekin

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF PEKIN THAT:

1. The City of Pekin, Illinois, an Illinois Home Rule Municipality, wishes to engage the professional services of Jacob & Klein, Ltd. to render administrative services and legal advice and the Economic Development Group, Ltd. to render technical consulting advice to assist the City in amending the Redevelopment Plan, Area and Projects for a Tax Increment Financing District known as the **SOUTHERN INDUSTRIAL PARK CONSERVATION AREA TIF DISTRICT** (the “Southern Industrial Park TIF District”) which was established on October 22, 2012 pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), 65 ILCS 5/11-74.4-1 *et. seq.*; and
2. The Professional Services Agreement with Jacob & Klein, Ltd. and the Economic Development Group, Ltd. attached hereto as **Exhibit A** is hereby approved; and
3. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Professional Services Agreement and the City Clerk of the City of Pekin is hereby authorized and directed to attest such execution; and
4. The Professional Services Agreement shall be effective on the date of its approval on the 26th day of March, 2018; and
5. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

MAYOR

ATTEST:

CITY CLERK

PROFESSIONAL SERVICES AGREEMENT

for the

FIRST AMENDMENT TO THE SOUTHERN INDUSTRIAL PARK CONSERVATION AREA TAX INCREMENT FINANCING DISTRICT

by and between

**JACOB & KLEIN, LTD. AND
THE ECONOMIC DEVELOPMENT GROUP, LTD.**

and

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

MARCH 2018

PROFESSIONAL SERVICES AGREEMENT
for the
FIRST AMENDMENT TO THE
SOUTHERN INDUSTRIAL PARK CONSERVATION AREA
TAX INCREMENT FINANCING DISTRICT
by and between
JACOB & KLEIN, LTD. AND
THE ECONOMIC DEVELOPMENT GROUP, LTD.
and
THE CITY OF PEKIN, ILLINOIS

THIS AGREEMENT is entered into this 26th day of March, 2018, by and between the **CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS**, an Illinois Home Rule Municipality (the “City”); **JACOB & KLEIN, LTD.**, Bloomington, Illinois (“J&K”) and **THE ECONOMIC DEVELOPMENT GROUP, LTD.**, Bloomington, Illinois (“EDG”).

WHEREAS, the City wishes to amend the existing **SOUTHERN INDUSTRIAL PARK CONSERVATION AREA TIF DISTRICT** (the “Southern Industrial Park TIF District”) which was established on the 22nd day of October, 2012 pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), 65 ILCS 5/11-74.4-1 *et seq.*; and

WHEREAS, the City desires to engage the professional services of J&K to render legal advice and EDG to render technical consulting advice to assist the City in amending (“First Amendment”) the Southern Industrial Park TIF District.

NOW, THEREFORE, the Parties agree as follows:

§1. City to Engage J&K and EDG. The City agrees hereby to engage the services of J&K and EDG for the purposes set forth herein and J&K agrees to provide all legal advice to EDG and the City to prepare or coordinate the preparation of: Reports; the First Amendment to the TIF District Redevelopment Plan, Projects and Area; Notices; and other Documentation (including those reports prepared by other professionals) necessary to complete the First Amendment to the TIF District Redevelopment Project Area, Plan and Projects as required pursuant to State Statutes and as outlined below in *Section 2, Scope of Professional Services*.

1.1. The Parties agree that J&K, as Attorneys, will undertake those responsibilities that require legal advice or preparation under this Agreement on behalf of the Developer and EDG. EDG is a separate corporate entity owned in whole or in part by Herbert J. Klein. Herbert

Professional Services Agreement

J. Klein is also the principal owner of Jacob & Klein, Ltd. (J&K). The City is entering into this Agreement voluntarily with informed consent after the opportunity to consult with independent counsel as to the ownership of both entities by Herbert J. Klein.

- 1.1-1. J&K may, in addition, be retained by the City as its special attorney to perform other professional services outside the *Scope of Services* set forth herein, including representation of the City before State agencies or the Illinois Legislature. Such representation shall be at the Attorney's then current hourly rate for similar services or as otherwise agreed. Any such representation shall be pursuant to a written agreement between the Parties.
 - A. Legal services provided by J&K with regard to financing, including the issuance of bonds involving the TIF District, will be billed separately from this Agreement and subject to the terms of any agreements related to such financing or bonds.
 - B. This Agreement does not include representation in any Court case resulting from the establishment or Amendment of the TIF District Redevelopment Plan, Area or Projects or the Annual Administration of the TIF District.
- 1.2. The total Fees and Reimbursable Costs to be paid hereunder by the City to J&K and EDG, when billed by each of the separate entities, will not be duplicated and will not exceed the total Fees and Reimbursable Costs provided for herein.
- 1.3. The Parties agree that pursuant to *Section 5/11-74.4-3(q)(1)* of the Act, all Professional Fees and related Costs incurred by the City for Amending the TIF District are TIF eligible project costs and are fully reimbursable to the City from the real estate tax increment generated by the Southern Industrial Park TIF District or available to the Southern Industrial Park TIF District Special Tax Allocation Fund as may be generated by contiguous TIF Districts pursuant to the TIF Act.
- 1.4. The City hereby acknowledges that J&K and EDG are not responsible for monitoring and documenting matters relating to compliance with the Illinois Prevailing Wage Act, the Illinois Procurement Code, and any other wage and/or employment laws, to the extent such are applicable to any public or private project undertaken within the TIF District Redevelopment Project Area or the Area as may be amended in the future.

Professional Services Agreement

§2. Scope of Professional Services.

2.1. Amendment of the Southern Industrial Park TIF District.

- 2.1-1. **Services.** J&K and EDG will provide services as outlined in *Exhibit 1* to Amend the Southern Industrial Park TIF District. The purpose of this First Amendment is to amend the Redevelopment Plan, Projects and Area to include additional parcels and related projects for which a proposed “study area” is outlined in *Exhibit 2*.
- 2.1-2. **Term.** This Professional Services Agreement for the First Amendment to the Southern Industrial Park TIF District shall commence immediately and shall continue until the presentation of the First Amendment to the TIF District Redevelopment Plan and appropriate ordinances to the City Council for the First Amendment of the Southern Industrial Park TIF District. It is anticipated that the Southern Industrial Park TIF District will be amended on or before July 31, 2018, barring unexpected complications.
- 2.1-3. **Payment of Fees and Reimbursable Costs.** The total Professional Fees to be paid to J&K and EDG for the First Amendment of the TIF District are **Fifteen Thousand and 00/100 Dollars (\$15,000.00)** plus all Reimbursable Costs incurred for the First Amendment of the Southern Industrial Park TIF District, and are to be paid by the City as follows:
- A. J&K and EDG shall be paid a total sum of **Five Thousand and 00/100 Dollars (\$5,000.00)** upon execution of this Agreement; and
 - B. J&K and EDG shall be paid an additional total sum of **Five Thousand and 00/100 Dollars (\$5,000.00)** and Reimbursable Costs incurred up to the date of delivery of the First Amendment to the TIF Redevelopment Plan to the City; and
 - C. The balance of the Fee, **Five Thousand and 00/100 Dollars (\$5,000.00)**, and remaining Reimbursable Costs for the First Amendment of the Southern Industrial Park TIF District shall be paid when the First Amendment to the TIF Redevelopment Plan and final Ordinances are presented to the City Council for passage; and
 - D. All Reimbursable Costs incurred by J&K and EDG as part of the Amendment of the TIF District shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru,

Professional Services Agreement

Illinois, all photocopying, report binding, mailings, postage, and staff costs.

For purposes of this Agreement, staff costs do not include the time of Attorneys Herb Klein, or Nic Nelson (J&K), or the time of Steven Kline (EDG) while performing said Professional Services described in ***Exhibit 1*** subject to the following conditions:

- (i) All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service.
- (ii) All other costs which are incidental to the Amendment of the TIF District, including staff costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.

E. The City understands and acknowledges that J&K and EDG will rely on the work of other professionals, including the City's Managers, Planners, Engineers, Clerk, Treasurer, Auditor and Accountants, and Attorney, to prepare reports and documentation needed for the First Amendment to the Southern Industrial Park TIF District Redevelopment Plan, Projects and Area, as well as other documents provided by the City upon request by J&K and EDG, as may be necessary to complete said First Amendment; and that J&K and EDG shall rely on their professional expertise to prepare the First Amendment to the Southern Industrial Park TIF District Redevelopment Plan, Projects and Area and present material and information necessary to complete said First Amendment. The City further understands that it may directly incur additional fees and costs for the First Amendment of the Southern Industrial Park TIF District which result from required Notices and Publications and the involvement of other (i.e., non-J&K/EDG) professionals.

2.2. Annual Administrative Services of the Southern Industrial Park TIF District.

2.2-1. **Annual Administrative Services.** J&K and EDG will provide the annual administrative services for the Southern Industrial Park TIF District as outlined in the Professional Services Agreement by and between the City and Jacob & Klein, Ltd. and the Economic Development Group, Ltd. dated March 26, 2018.

Professional Services Agreement

2.2-2 **Annual Administrative Fees and Reimbursable Costs.** The Annual Administrative Fees and Reimbursable Costs to be paid by the City to J&K and EDG for the Annual Administration of the Southern Industrial Park TIF District shall continue as set forth in the Professional Services Agreement by and between the City and Jacob & Klein, Ltd. and the Economic Development Group, Ltd. dated August 10, 2016.

§3. **Amendments to this Agreement.** The Parties hereto may amend this Agreement at any time by their mutual consent which amendment must be in writing and executed by the Parties.

§4. **Entire Agreement.** The Terms and conditions set forth in this Agreement supercede all prior oral and written understanding and constitute the entire Agreement between the Parties with respect to the subject matter hereof.

§5. **Binding Upon Successors in Interest.** This Agreement shall be binding upon all the Parties hereto and their respective heirs, successors, administrators, assigns, or other successors in interest.

§6. **Notices.** Notices or demands hereunder shall be in writing and shall be served (a) by personal delivery, or (b) certified mail, return receipt requested to:

The City of Pekin
c/o City Clerk
111 South Capitol Street
Pekin, IL 61554

Jacob & Klein, Ltd.
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704

or to the last known address of either party or to the address provided by any assignee if such address has been given in writing. In the event said notice is mailed, the date of service of such notice shall be deemed to be three (3) business days after the date of delivery of said notice to the United States Post Office.

§7. **Severability.** If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.

§8. **Choice of Law/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court of McLean County, Illinois.

(The remainder of this page is intentionally blank.)

Professional Services Agreement

IN WITNESS WHEREOF, the City, J&K, and EDG have executed this Professional Services Agreement on the day and year above written.

THE CITY OF PEKIN, an Illinois Home Rule
Municipal Corporation:

111 South Capitol Street

Pekin, Illinois 61554

Phone: (309) 477 - 2300

Fax: (309) 346-2095

By: _____

Mayor

Attest: _____

City Clerk

JACOB & KLEIN, LTD., an Illinois
Professional Service Corp.:

1701 Clearwater Avenue

Bloomington, IL 61704

Phone: (309) 664-7777

Fax: (309) 664-7878

By: _____

President

**THE ECONOMIC DEVELOPMENT
GROUP, LTD.**, an Illinois Corporation:

1701 Clearwater Avenue

Bloomington, IL 61704

Phone: (309) 664-7777

Fax: (309) 664-7878

By: _____

President

H:\PEKIN\Pekin South Ind TIF District\PSA\1ST AMEND PSA\Pekin Southern Ind Park Cons Area TIF_1st Amend PSA_26 March 2018.wpd

Professional Services Agreement

EXHIBIT 1

**FIRST AMENDMENT TO THE CITY OF PEKIN
SOUTHERN INDUSTRIAL PARK CONSERVATION AREA TIF DISTRICT**

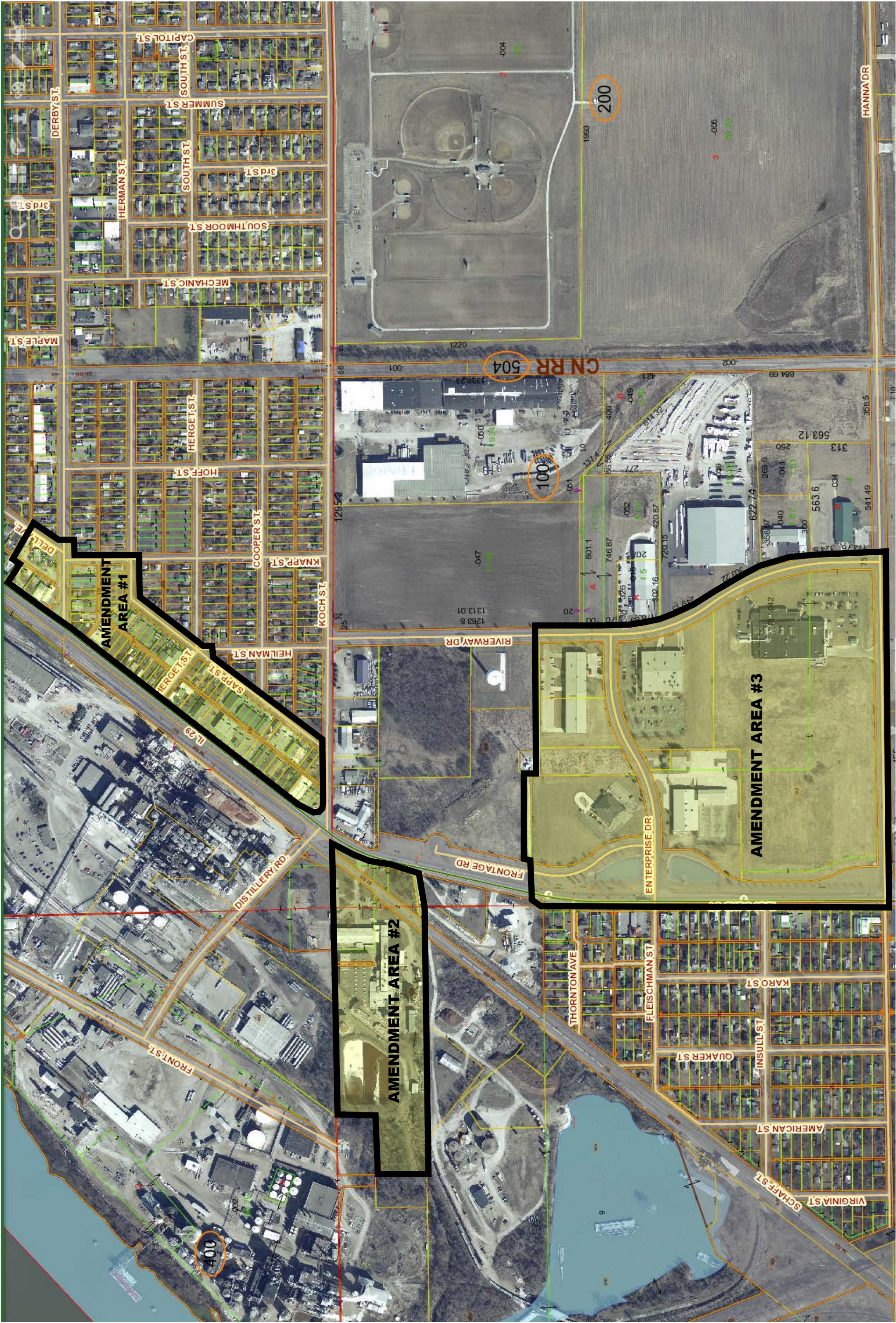
Services to be provided to the City by J&K and EDG relating to the **First Amendment to the Southern Industrial Park Conservation Area TIF District** are set forth as follows:

1. Create an estimated TIF District Amendment Time Line.
2. Work with local elected officials, City Managers, Engineers, Planners, and other City staff to define the Amended Redevelopment Project Area (TIF District Boundary).
3. Evaluate the statutory and financial feasibility of amending the TIF District.
4. Consult on necessary Annexation Agreement(s), if any, with the City and City Attorney.
5. Create an Amendment to the Southern Industrial Park TIF District Redevelopment Plan, Projects and Area. EDG will collect a variety of information from the City and, with J&K, draft the Amendment to the TIF Redevelopment Plan, Projects and Area. Local officials will provide historical information, access to legal descriptions, street maps/aerial tax maps, engineering opinion letters, descriptions and estimated costs of potential public and private projects, potential private development build-out rates, property tax bills, assessment data, and identification of local officials' properties and other City records as necessary to amend the Southern Industrial Park TIF District.
6. Organize and conduct: a Public Meeting, if required; a meeting of the Southern Industrial Park TIF District Joint Review Board; and a Public Hearing.
7. Analyze the potential impact on taxing districts and prepare any necessary Intergovernmental Agreements or amendments to existing Intergovernmental Agreements, if required.
8. Assist the City with negotiating Pre-development and/or Redevelopment Agreements with potential Private Developers.
9. Prepare and send all Notices to taxing bodies, taxpayers, residents, residences within 750 feet of the Southern Industrial Park TIF District Area as to be amended, and Interested Parties.
10. Prepare and arrange for the City Clerk all publications required of the City.
11. Draft and present to the City all required Ordinances to approve the First Amendment to the Southern Industrial Park TIF District.

Professional Services Agreement

EXHIBIT 2

**PROPOSED “STUDY AREA” FOR THE FIRST AMENDMENT
TO THE SOUTHERN INDUSTRIAL PARK TIF DISTRICT**





REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 21, 2018

From: Mark Rothert, Administrative Service Director

AGENDA ITEM: Professional Services Agreement for Administration of Southern Industrial Park TIF District

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Adopt the Ordinance

DESCRIPTION: The City of Pekin wishes to engage the joint professional services of law firm Jacob & Klein, Ltd. and consulting firm Economic Development Group, Ltd. to render legal advice and administrative/technical consulting advice, respectively, to assist the City in annually administering a Tax Increment Financing District known as the SOUTHERN INDUSTRIAL PARK CONSERVATION AREA TIF DISTRICT (the "Southern Industrial Park TIF District") which was established on October 22, 2012 pursuant to the Tax Increment Allocation Redevelopment Act (the "Act"), 65 ILCS 5/11-74.4-1 et. seq.

A copy of the Professional Services Agreement with Jacob & Klein, Ltd. and the Economic Development Group, Ltd. is attached. The accompanying resolution authorizes and directs the Mayor to enter into the Professional Services Agreement and execute on behalf of the City. The Professional Services Agreement shall be effective on the date of its approval.

FINANCIAL IMPACT: \$3,500 annually for three years (TIF eligible expense), plus any reimbursable costs (i.e. postage, printing, mileage, incidental staff costs, etc.)

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: Greater administrative oversight of Southern Industrial Park TIF District.

IMPACT IF DENIED: TIF law and administration is increasingly complex. Denial will not allow the City to benefit from expertise from the professional services firm.

ALTERNATIVES:

RELATED TO EFFICIENCY STUDY:

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant

theme.]	
	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin’s residents.
√	An Effective Government. To deliver effectively the services that Pekin’s residents want, need, and are willing to support.
REQUIRED SIGNATURES	
Department Directors and City Staff:	
Date: Finance Department (Certification of Availability of Funds): Date: City Manager: Date:	

Ordinance No. 2780-17/18 An Ordinance Approving and Authorizing the Execution of a Professional Services Agreement for Annual Administration of the Southern Industrial Park Conservation Area Tax Increment Financing District by and between Jacob & Klein, LTD and The Economic Development Group, LTD and the City of Pekin, Illinois

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF PEKIN THAT:

1. The City of Pekin, Illinois, an Illinois Home Rule Municipality, wishes to engage the professional services of Jacob & Klein, Ltd. to render administrative services and legal advice and the Economic Development Group, Ltd. to render technical consulting advice to assist the City in annually administering a Tax Increment Financing District known as the **SOUTHERN INDUSTRIAL PARK CONSERVATION AREA TIF DISTRICT** (the “Southern Industrial Park TIF District”) which was established on October 22, 2012 pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), 65 ILCS 5/11-74.4-1 *et. seq.*; and
2. The Professional Services Agreement with Jacob & Klein, Ltd. and the Economic Development Group, Ltd. attached hereto as **Exhibit A** is hereby approved; and
3. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Professional Services Agreement and the City Clerk of the City of Pekin is hereby authorized and directed to attest such execution; and
4. The Professional Services Agreement shall be effective on the date of its approval on the 26th day of March, 2018; and
5. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

MAYOR

ATTEST:

CITY CLERK

PROFESSIONAL SERVICES AGREEMENT

for the

ANNUAL ADMINISTRATION OF
THE SOUTHERN INDUSTRIAL PARK CONSERVATION AREA
TAX INCREMENT FINANCING DISTRICT

by and between

JACOB & KLEIN, LTD. AND
THE ECONOMIC DEVELOPMENT GROUP, LTD.

and

THE CITY OF PEKIN, ILLINOIS

MARCH 2018

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is entered into this 26th day of March, 2018, by and between the **CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS**, an Illinois Home Rule Municipality (the “City”); **JACOB & KLEIN, LTD.**, Bloomington, Illinois (“J&K”) and **THE ECONOMIC DEVELOPMENT GROUP, LTD.**, Bloomington, Illinois (“EDG”).

WHEREAS, the City established a Tax Increment Financing District, known as the **Southern Industrial Park Conservation Area Tax Increment Financing District** (the “Southern Industrial Park TIF District”), pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), 65 ILCS 5/11-74.4-1 *et seq.* on October 22, 2012; and

WHEREAS, the City desires to engage the professional services of J&K to render legal advice and EDG to render technical consulting advice to J&K and to the City to assist the City in administering the Southern Industrial Park TIF District.

NOW, THEREFORE, the Parties agree as follows:

§1. City to Engage J&K and EDG.

- A. The City agrees hereby to engage the services of J&K and EDG for the purposes set forth herein and J&K agrees to provide all legal advice to EDG and the City to prepare or coordinate the preparation of Reports, Notices and Documentation (including those reports prepared by other professionals) necessary to annually administer the Southern Industrial Park TIF District Redevelopment Plan, Area and Projects as required pursuant to State Statutes and as outlined in the *Scope of Professional Services*.

§2. Scope of Professional Services.

- A. J&K and EDG shall perform, when necessary, the services set forth in the attached *Section 3 (A) (2)* to administer the TIF District.
- B. The City understands and acknowledges that J&K and EDG will rely on the work of other professionals, including the City’s Managers, Engineer(s), Planners, Clerk, Treasurer, Attorney and other staff to prepare reports and documentation present material and information necessary to the annual administration of the Southern Industrial Park TIF District.
- C. Further, as a part of the annual administration of the CBD District as set forth in *Section 3 (A) (2)*, J&K and EDG shall rely on the work of others, including the City’s Auditors; the

Tazewell County Assessor and County Clerk; the Illinois Department of Revenue (IDOR); the Illinois Department of Commerce and Economic Opportunity (DCEO); and the Illinois Comptroller's Office for information and documentation necessary for the administration of the Southern Industrial Park TIF District.

- D. In order for J&K and EDG to effectively perform its obligations as set forth hereunder, the City understands and acknowledges that it is hereby obligated to provide to J&K and EDG, at their request, any and all necessary documents, records and information relating to the establishment and administration of the Southern Industrial Park TIF District. The City shall not hold J&K or EDG liable for the non-performance of any obligation hereunder that results from any failure of the City, for whatever the reason, to provide such necessary documents, records or information.
- E. J&K and EDG shall not be responsible for the work done by others in the establishment and administration of the TIF District (including any errors or omissions contained in the Comptroller's Annual Reports filed with the State of Illinois) from the inception of the TIF District and through the filing of the Comptroller's Annual Reports for Fiscal Year 2017.

§3. Terms, Time of Employment and Scope of Services.

A. Administration of TIF District:

- 1) **Term of Agreement:** The term of the Annual Administrative Services provided in this Agreement shall be for three (3) years and commence upon execution of this Agreement. Thereafter this Agreement shall automatically renew at the end of each three-year period during the life of the District as a roll-over, for a new period of three years, absent notice of non-renewal as provided herein. This Agreement as it relates to annual administrative services may be terminated by written notice of non-renewal from the City to J&K and EDG no later than one (1) year prior to the end of each contract period. Upon receiving written notice of non-renewal, J&K and EDG is to provide to the City a final invoice for professional fees and costs incurred as of the date of the termination.
- 2) **Annual Administrative Services:** provided to the TIF District by J&K and EDG are set forth below. Annual Fees are set forth in *Section 3 (A) (4)*.
 - a) Provide the City with on-call legal and consulting services on matters relating to the Southern Industrial Park TIF District as needed.

- b) Consult with and coordinate administrative activities with City's Managers, Engineers, Planners, City Clerk, Treasurer and Accountants, Auditor, Mayor and other officials as required.
- c) Track and monitor the growth of annual Real Estate and Municipal Sales Tax (if applicable) Increments within the Southern Industrial Park TIF District.
- d) Negotiate terms of TIF Reimbursements and prepare Redevelopment Agreements with Private Developers.
- e) Consult with Private Developers regarding TIF Redevelopment Agreements and related Reimbursements.
- f) Communicate with Private Developers and the County Supervisor of Assessments to review improvements, paid real estate tax bills and changes in Equalized Assessed Valuations.
- g) Advise City on matters relating to Private Developer Reimbursements (e.g., verify paid real estate tax bills and eligible project costs, and advise the City to make payments).
- h) Provide City with a Requisition/Payment Approval process.
- i) Advise City on matters relating to payments to other taxing bodies under Intergovernmental Agreements.
- j) Prepare TIF District Annual Reports for submission to City and other taxing districts.
- k) Provide legal opinion (J&K) on matters relating to Annual Reports to the State Comptroller as required by the TIF Act.
- l) Beginning with Fiscal Year 2018, prepare, certify, and electronically submit Annual TIF District Reports to the Office of the Illinois Comptroller.
- m) Beginning with Fiscal Year 2018, conduct the City's Annual Joint Review Board Meetings with Taxing Bodies as required by the TIF Act for the City.

- n) Work with the School District to determine and analyze potential impacts, evaluate alternative approaches for assisting schools and prepare necessary Intergovernmental Agreements.
 - o) Provide Special Counsel Opinion (J&K) on matters relating to the TIF District (subject to possible additional fees per *Section 4* and *Section 5* below).
 - p) Prepare TIF Increment Projections for the City and Private Reimbursement Estimates for Private Developers.
 - q) EDG may be retained by the City at no additional annual fee as an Independent Registered Municipal Advisor (IRMA) pursuant to a separate Engagement Letter to provide general information, facts, figures and pro forma projections relating to the potential use of TIF Revenue Bonds, Developer Notes and other forms of municipal financing products; and
 - r) If retained as a Registered Municipal Advisor under a separate Engagement Letter, EDG will analyze the potential use of TIF Revenue Bonds, Developer Notes and other forms of municipal financing alternatives, as well as arrange for Bond Counsel when required by the City or Private Developer for specific projects. All professional services related to the issuance of Bonds will be additional, subject to separate agreements and billed at the then applicable rates.
- 3) **Annual Administrative Fees - Attorney (J&K) and EDG:** On an annual basis, all of the legal review of documents and matters relating to the statutory compliance of public and private development activities occurring within the TIF District are provided by J&K in the Annual Administrative Fee. Other administrative functions will be provided by EDG. EDG will also provide financial feasibility reviews for new proposed private developments. J&K will provide legal services required in the preparation of new Redevelopment Agreements and other legal documents and legal opinions.
- 4) **Calculation of Fees:** J&K and EDG shall be paid Annual Administrative Fees by the City for Annual Administrative Services provided herein as follows:
- a) Base Annual Administrative Fee for the Southern Industrial Park TIF District: On an annual basis, the Base Professional J&K and EDG Fees for all services described in the Scope of Professional Services relating to the Southern

Industrial Park TIF District shall be **Four Thousand Five Hundred and 00/100 Dollars (\$4,500.00)**, plus the increase in the Consumer Price Index - All Urban Consumers IL-IN-WI, using 2018 as the base year.

- b) Provided J&K and EDG Professional Services Agreements relating to the annual administration of the Southern Industrial Park TIF District and the Pekin Central Business District TIF District are approved by the Parties and remain in effect, then the Annual Administrative Fee for the Southern Industrial Park TIF District shall be reduced by One Thousand and 00/100 Dollars (\$1,000.00).
- 5) **Annual Administrative Costs:** All Reimbursable Costs incurred by J&K and EDG as part of the establishment and/or administration of the TIF District shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. Such are to be reimbursed at customary rates charged by J&K or EDG. For purposes of this Agreement, staff costs do not include the time of Attorneys Herb Klein, and Nic Nelson (J&K), or the time of Steven Kline (EDG) while performing said Professional Services described in *Section 3(A)(2)* and subject to the following conditions:
- a) All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the administration of the TIF District, including staff support costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
- 6) **Quarterly Billing for Annual Administrative Fees and Costs:** For Annual Professional Administrative Oversight J&K and EDG Base Fees, and Annual Administrative Costs, J&K and EDG shall bill the City on a quarterly basis.
- a) For purposes of this Agreement, quarterly billings shall occur as follows:

January-March	Billed in April
April-June	Billed in July
July-September	Billed in October
October-December	Billed in December

- 7) **Allocation of Professional Services:** The Parties agree that J&K, as Attorneys, will undertake those responsibilities that require legal advice or preparation under this Agreement on behalf of the City or EDG. EDG is a separate corporate entity established by Thomas N. Jacob (of counsel) and is owned in whole by Herbert J. Klein. Mr. Klein is also the principal owner of Jacob & Klein, Ltd. (J&K). The City is entering into this Agreement voluntarily and with informed consent after the opportunity to consult with independent counsel as to the ownership of both entities by Herbert J. Klein. The legal duties and responsibilities required of them under this Agreement shall continue to be performed by J&K. The total fees and costs to be paid hereunder, when billed by each of the separate entities, will not be duplicated and will not exceed the total fees and costs provided for herein.
- 8) To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees, Annual Costs and other fees to those Private Developments on a pro-rata basis determined by the increment generated by those Developments which have Redevelopment Agreements.
- 9) The Parties agree that pursuant to *Section 5/11-74.4-3(q)(1)* of the Act, all Professional Fees and related costs incurred by the City for annually administering the Southern Industrial Park TIF District are TIF eligible project costs and are fully reimbursable to the City from the real estate tax increment generated by the Southern Industrial Park TIF District.

§4. Additional Services.

- A. J&K may, in addition, be retained by the City as its special attorney to perform other professional services outside the Scope of Duties set forth herein, including representation of the City before State agencies or the Illinois Legislature. Such representation shall be at the Attorney's then current hourly rate for similar services. Any such representation shall be pursuant to a written agreement between the parties. Legal services provided with regard to the issuance of Bonds involving the TIF District will be separate from this Agreement and subject to the terms of the agreements related to such bonds.

§5. Limitations on Professional Services.

- A. This Agreement does not include representation in any Court case resulting from the establishment of the TIF District or Plan and Annual Administration of the TIF District.

- B. The City hereby acknowledges that J&K and EDG are not responsible for monitoring and documenting matters relating to compliance with the Illinois Prevailing Wage Act, the Illinois Procurement Code, and any other wage and/or employment laws, to the extent such are applicable to any public or private project undertaken within the TIF District Redevelopment Project Area or the Area as may be amended in the future.

§6. Amendments to this Agreement.

- A. The Parties hereto may amend this Agreement at any time by their mutual consent which amendment must be in writing and executed by the parties.

§7. Miscellaneous.

- A. **Entire Agreement:** The Terms and conditions set forth in this Agreement supercede all prior oral and written understanding and constitute the entire Agreement between the Parties with respect to the subject matter hereof.
- B. **Binding Upon Successors in Interest:** This Agreement shall be binding upon all the Parties hereto and their respective heirs, successors, administrators, assigns, or other successors in interest. J&K/EDG shall have the right to assign this Agreement to a successor entity and will provide Notice to City of any such Assignment.
- C. **Titles of Paragraphs:** Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any provisions hereof.
- D. **Notices:** Notices or demands hereunder shall be in writing and shall be served (a) by personal delivery, or (b) certified mail, return receipt requested to:

The City of Pekin
c/o City Clerk
111 South Capitol Street
Pekin, IL 61554

Jacob & Klein, Ltd.
The Economic Development Group, Ltd.
1701 Clearwater Avenue
Bloomington, IL 61704

or to the last known address of either party or to the address provided by any assignee if such address has been given in writing. In the event said notice is mailed, the date of service of such notice shall be deemed to be three (3) business days after the date of delivery of said notice to the United States Post Office.

- E. **Severability**: If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.
- F. **Further Assistance and Corrective Instruments**: J&K, EDG and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required by the Parties hereto for carrying out the intention of or facilitating the performance of this Agreement.
- G. **Choice of Law/Venue**: This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court of McLean County, Illinois.

IN WITNESS WHEREOF, the City, J&K and EDG have executed this Professional Services Agreement on the day and year above written.

THE CITY OF PEKIN, an Illinois Home Rule
Municipal Corporation:

111 South Capitol Street
Pekin, Illinois 61554
Phone: (309) 477 - 2300
Fax: (309) 346-2095

By: _____
Mayor

Attest: _____
City Clerk

JACOB & KLEIN, LTD., an Illinois
Professional Service Corp.:

1701 Clearwater Avenue
Bloomington, IL 61704
Phone: (309) 664-7777
Fax: (309) 664-7878

By: _____
President

**THE ECONOMIC DEVELOPMENT
GROUP, LTD.**, an Illinois Corporation:

1701 Clearwater Avenue
Bloomington, IL 61704
Phone: (309) 664-7777
Fax: (309) 664-7878

By: _____
President

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REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 21, 2018

From: Mark Rothert, Administrative Service Director

AGENDA ITEM: Professional Services Agreement for Annual Administration of Central Business District TIF

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Adopt the Ordinance

DESCRIPTION: The City of Pekin wishes to engage the joint professional services of law firm Jacob & Klein, Ltd. and consulting firm Economic Development Group, Ltd. to render legal advice and administrative/technical consulting advice, respectively, to assist the City in annually administering a Tax Increment Financing District known as the PEKIN CENTRAL BUSINESS DISTRICT TIF DISTRICT (the "CBD TIF District") which was established on November 11, 1986 pursuant to the Tax Increment Allocation Redevelopment Act (the "Act"), 65 ILCS 5/11-74.4-1 et. seq.

A copy of the Professional Services Agreement with Jacob & Klein, Ltd. and the Economic Development Group, Ltd. is attached. The accompanying resolution authorizes and directs the Mayor to enter into the Professional Services Agreement and execute on behalf of the City. The Professional Services Agreement shall be effective on the date of its approval.

FINANCIAL IMPACT: \$5,000 annually for three years (TIF eligible expense), plus any reimbursable costs (i.e. postage, printing, mileage, incidental staff costs, etc.)

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: Greater administrative oversight of CBD TIF District.

IMPACT IF DENIED: TIF law and administration is increasingly complex. Denial will not allow the City to benefit from expertise from the professional services firm.

ALTERNATIVES:

RELATED TO EFFICIENCY STUDY:

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
√	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES

Department Directors and City Staff:

Date:

Finance Department (Certification of Availability of Funds):	
Date:	

City Manager:
Date:

Ordinance No. 2781-17/18 An Ordinance Approving and Authorizing the Execution of a Professional Services Agreement for Annual Administration of Central Business District Tax Increment Financing District by and between Jacob & Klein, LTD and The Economic Development Group, LTD and the City of Pekin, Illinois

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF PEKIN THAT:

1. The City of Pekin, Illinois, an Illinois Home Rule Municipality, wishes to engage the professional services of Jacob & Klein, Ltd. to render administrative services and legal advice and the Economic Development Group, Ltd. to render technical consulting advice to assist the City in annually administering a Tax Increment Financing District known as the **PEKIN CENTRAL BUSINESS DISTRICT TIF DISTRICT** (the “CBD TIF District”) which was established on November 11, 1986 pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), 65 ILCS 5/11-74.4-1 *et. seq.*; and
2. The Professional Services Agreement with Jacob & Klein, Ltd. and the Economic Development Group, Ltd. attached hereto as **Exhibit A** is hereby approved; and
3. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Professional Services Agreement and the City Clerk of the City of Pekin is hereby authorized and directed to attest such execution; and
4. The Professional Services Agreement shall be effective on the date of its approval on the 26th day of March, 2018; and
5. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

MAYOR

ATTEST:

CITY CLERK

PROFESSIONAL SERVICES AGREEMENT

for the

ANNUAL ADMINISTRATION OF
THE PEKIN CENTRAL BUSINESS DISTRICT
TAX INCREMENT FINANCING DISTRICT

by and between

JACOB & KLEIN, LTD. AND
THE ECONOMIC DEVELOPMENT GROUP, LTD.

and

THE CITY OF PEKIN, ILLINOIS

MARCH 2018

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is entered into this 26th day of March, 2018, by and between the **CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS**, an Illinois Home Rule Municipality (the “City”); **JACOB & KLEIN, LTD.**, Bloomington, Illinois (“J&K”) and **THE ECONOMIC DEVELOPMENT GROUP, LTD.**, Bloomington, Illinois (“EDG”).

WHEREAS, the City established a Tax Increment Financing District, known as the **Pekin Central Business District Tax Increment Financing District** (the “CBD TIF District”), pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), 65 ILCS 5/11-74.4-1 *et seq.* on November 11, 1986; and

WHEREAS, the CBD TIF District was subsequently extended for twelve (12) years by the Illinois General Assembly, thereby causing the estimated date of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs to be not later than December 31 of the year in which the payment to the City treasurer is to be made with respect to ad valorem taxes levied in the 35th calendar year after the year in which the CDB TIF District was established; and

WHEREAS, the City desires to engage the professional services of J&K to render legal advice and EDG to render technical consulting advice to J&K and to the City to assist the City in administering the CBD TIF District.

NOW, THEREFORE, the Parties agree as follows:

§1. City to Engage J&K and EDG.

- A. The City agrees hereby to engage the services of J&K and EDG for the purposes set forth herein and J&K agrees to provide all legal advice to EDG and the City to prepare or coordinate the preparation of Reports, Notices and Documentation (including those reports prepared by other professionals) necessary to annually administer the CBD TIF District Redevelopment Plan, Area and Projects as required pursuant to State Statutes and as outlined in the *Scope of Professional Services*.

§2. Scope of Professional Services.

- A. J&K and EDG shall perform, when necessary, the services set forth in the attached *Section 3 (A) (2)* to administer the TIF District.
- B. The City understands and acknowledges that J&K and EDG will rely on the work of other

professionals, including the City's Managers, Engineer(s), Planners, Clerk, Treasurer, Attorney and other staff to prepare reports and documentation present material and information necessary to the annual administration of the CBD TIF District.

- C. Further, as a part of the annual administration of the CBD District as set forth in *Section 3 (4) (2)*, J&K and EDG shall rely on the work of others, including the City's Auditors; the Tazewell County Assessor and County Clerk; the Illinois Department of Revenue (IDOR); the Illinois Department of Commerce and Economic Opportunity (DCEO); and the Illinois Comptroller's Office for information and documentation necessary for the administration of the CBD TIF District.
- D. In order for J&K and EDG to effectively perform its obligations as set forth hereunder, the City understands and acknowledges that it is hereby obligated to provide to J&K and EDG, at their request, any and all necessary documents, records and information relating to the establishment and administration of the CBD TIF District. The City shall not hold J&K or EDG liable for the non-performance of any obligation hereunder that results from any failure of the City, for whatever the reason, to provide such necessary documents, records or information.
- E. J&K and EDG shall not be responsible for the work done by others in the establishment and administration of the TIF District (including any errors or omissions contained in the Comptroller's Annual Reports filed with the State of Illinois) from the inception of the TIF District and through the filing of the Comptroller's Annual Reports for Fiscal Year 2017.

§3. Terms, Time of Employment and Scope of Services.

A. Administration of TIF District:

- 1) **Term of Agreement:** The term of the Annual Administrative Services provided in this Agreement shall be for three (3) years and commence upon execution of this Agreement. Thereafter this Agreement shall automatically renew at the end of each three-year period during the life of the District as a roll-over, for a new period of three years, absent notice of non-renewal as provided herein. This Agreement as it relates to annual administrative services may be terminated by written notice of non-renewal from the City to J&K and EDG no later than one (1) year prior to the end of each contract period. Upon receiving written notice of non-renewal, J&K and EDG is to provide to the City a final invoice for professional fees and costs incurred as of the date of the termination.

- 2) **Annual Administrative Services:** provided to the TIF District by J&K and EDG are set forth below. Annual Fees are set forth in *Section 3 (A) (4)*.
- a) Provide the City with on-call legal and consulting services on matters relating to the CBD TIF District as needed.
 - b) Consult with and coordinate administrative activities with City's Managers, Engineers, Planners, City Clerk, Treasurer and Accountants, Auditor, Mayor and other officials as required.
 - c) Track and monitor the growth of annual Real Estate and Municipal Sales Tax (if applicable) Increments within the CBD TIF District.
 - d) Negotiate terms of TIF Reimbursements and prepare Redevelopment Agreements with Private Developers.
 - e) Consult with Private Developers regarding TIF Redevelopment Agreements and related Reimbursements.
 - f) Communicate with Private Developers and the County Supervisor of Assessments to review improvements, paid real estate tax bills and changes in Equalized Assessed Valuations.
 - g) Advise City on matters relating to Private Developer Reimbursements (e.g., verify paid real estate tax bills and eligible project costs, and advise the City to make payments).
 - h) Provide City with a Requisition/Payment Approval process.
 - i) Advise City on matters relating to payments to other taxing bodies under Intergovernmental Agreements.
 - j) Prepare TIF District Annual Reports for submission to City and other taxing districts.
 - k) Provide legal opinion (J&K) on matters relating to Annual Reports to the State Comptroller as required by the TIF Act.

- l) Beginning with Fiscal Year 2018, prepare, certify, and electronically submit Annual TIF District Reports to the Office of the Illinois Comptroller.
 - m) Beginning with Fiscal Year 2018, conduct the City's Annual Joint Review Board Meetings with Taxing Bodies as required by the TIF Act for the City.
 - n) Work with the School District to determine and analyze potential impacts, evaluate alternative approaches for assisting schools and prepare necessary Intergovernmental Agreements.
 - o) Provide Special Counsel Opinion (J&K) on matters relating to the TIF District (subject to possible additional fees per *Section 4* and *Section 5* below).
 - p) Prepare TIF Increment Projections for the City and Private Reimbursement Estimates for Private Developers.
 - q) EDG may be retained by the City at no additional annual fee as an Independent Registered Municipal Advisor (IRMA) pursuant to a separate Engagement Letter to provide general information, facts, figures and pro forma projections relating to the potential use of TIF Revenue Bonds, Developer Notes and other forms of municipal financing products; and
 - r) If retained as a Registered Municipal Advisor under a separate Engagement Letter, EDG will analyze the potential use of TIF Revenue Bonds, Developer Notes and other forms of municipal financing alternatives, as well as arrange for Bond Counsel when required by the City or Private Developer for specific projects. All professional services related to the issuance of Bonds will be additional, subject to separate agreements and billed at the then applicable rates.
- 3) **Annual Administrative Fees - Attorney (J&K) and EDG:** On an annual basis, all of the legal review of documents and matters relating to the statutory compliance of public and private development activities occurring within the TIF District are provided by J&K in the Annual Administrative Fee. Other administrative functions will be provided by EDG. EDG will also provide financial feasibility reviews for new proposed private developments. J&K will provide legal services required in the preparation of new Redevelopment Agreements and other legal documents and legal opinions.

- 4) **Calculation of Fees:** J&K and EDG shall be paid Annual Administrative Fees by the City for Annual Administrative Services provided herein as follows:
 - a) Base Annual Administrative Fee for the CBD TIF District: On an annual basis, the Base Professional J&K and EDG Fees for all services described in the Scope of Professional Services relating to the CBD TIF District shall be **Six Thousand Five Hundred and 00/100 Dollars (\$6,500.00)**, plus the increase in the Consumer Price Index - All Urban Consumers IL-IN-WI, using 2018 as the base year.
 - b) Provided J&K and EDG Professional Services Agreements relating to the annual administration of the CBD TIF District and the Pekin South Industrial Park TIF District are approved by the Parties and remain in effect, then the Annual Administrative Fee for the CBD TIF District shall be reduced by One Thousand Five Hundred and 00/100 Dollars (\$1,500.00).
- 5) **Annual Administrative Costs:** All Reimbursable Costs incurred by J&K and EDG as part of the establishment and/or administration of the TIF District shall be reimbursed to J&K and EDG by the City, including all reasonable travel and subsistence expenses while away from Bloomington or Peru, Illinois, all photocopying, report binding, mailings, postage, and staff costs. Such are to be reimbursed at customary rates charged by J&K or EDG. For purposes of this Agreement, staff costs do not include the time of Attorneys Herb Klein, and Nic Nelson (J&K), or the time of Steven Kline (EDG) while performing said Professional Services described in *Section 3(4)(2)* and subject to the following conditions:
 - a) All travel will be reimbursed for mileage at the maximum rate permitted by Internal Revenue Service Rules and Regulations at the time of service. All other costs which are incidental to the administration of the TIF District, including staff support costs, photocopying and report binding, mailings, postage, and telecommunication charges, shall be reimbursed at the current rates then charged by J&K and EDG.
- 6) **Quarterly Billing for Annual Administrative Fees and Costs:** For Annual Professional Administrative Oversight J&K and EDG Base Fees, and Annual Administrative Costs, J&K and EDG shall bill the City on a quarterly basis.
 - a) For purposes of this Agreement, quarterly billings shall occur as follows:

January-MarchBilled in April
 April-JuneBilled in July
 July-SeptemberBilled in October
 October-DecemberBilled in December

- 7) **Allocation of Professional Services:** The Parties agree that J&K, as Attorneys, will undertake those responsibilities that require legal advice or preparation under this Agreement on behalf of the City or EDG. EDG is a separate corporate entity established by Thomas N. Jacob (of counsel) and is owned in whole by Herbert J. Klein. Mr. Klein is also the principal owner of Jacob & Klein, Ltd. (J&K). The City is entering into this Agreement voluntarily and with informed consent after the opportunity to consult with independent counsel as to the ownership of both entities by Herbert J. Klein. The legal duties and responsibilities required of them under this Agreement shall continue to be performed by J&K. The total fees and costs to be paid hereunder, when billed by each of the separate entities, will not be duplicated and will not exceed the total fees and costs provided for herein.
- 8) To the extent possible, J&K and EDG will attempt to include in Private Redevelopment Agreements provisions allocating a portion of the Annual Administrative Fees, Annual Costs and other fees to those Private Developments on a pro-rata basis determined by the increment generated by those Developments which have Redevelopment Agreements.
- 9) The Parties agree that pursuant to *Section 5/11-74.4-3(q)(1)* of the Act, all Professional Fees and related costs incurred by the City for annually administering the CBD TIF District are TIF eligible project costs and are fully reimbursable to the City from the real estate tax increment generated by the CBD TIF District.

§4. Additional Services.

- A. J&K may, in addition, be retained by the City as its special attorney to perform other professional services outside the Scope of Duties set forth herein, including representation of the City before State agencies or the Illinois Legislature. Such representation shall be at the Attorney's then current hourly rate for similar services. Any such representation shall be pursuant to a written agreement between the parties. Legal services provided with regard to the issuance of Bonds involving the TIF District will be separate from this Agreement and subject to the terms of the agreements related to such bonds.

§5. Limitations on Professional Services.

- A. This Agreement does not include representation in any Court case resulting from the establishment of the TIF District or Plan and Annual Administration of the TIF District.
- B. The City hereby acknowledges that J&K and EDG are not responsible for monitoring and documenting matters relating to compliance with the Illinois Prevailing Wage Act, the Illinois Procurement Code, and any other wage and/or employment laws, to the extent such are applicable to any public or private project undertaken within the TIF District Redevelopment Project Area or the Area as may be amended in the future.

§6. Amendments to this Agreement.

- A. The Parties hereto may amend this Agreement at any time by their mutual consent which amendment must be in writing and executed by the parties.

§7. Miscellaneous.

- A. **Entire Agreement:** The Terms and conditions set forth in this Agreement supercede all prior oral and written understanding and constitute the entire Agreement between the Parties with respect to the subject matter hereof.
- B. **Binding Upon Successors in Interest:** This Agreement shall be binding upon all the Parties hereto and their respective heirs, successors, administrators, assigns, or other successors in interest. J&K/EDG shall have the right to assign this Agreement to a successor entity and will provide Notice to City of any such Assignment.
- C. **Titles of Paragraphs:** Titles of the several parts, paragraphs, sections or articles of this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any provisions hereof.
- D. **Notices:** Notices or demands hereunder shall be in writing and shall be served (a) by personal delivery, or (b) certified mail, return receipt requested to:

The City of Pekin
 c/o City Clerk
 111 South Capitol Street
 Pekin, IL 61554

Jacob & Klein, Ltd.
The Economic Development Group, Ltd.
 1701 Clearwater Avenue
 Bloomington, IL 61704

or to the last known address of either party or to the address provided by any assignee if such address has been given in writing. In the event said notice is mailed, the date of service of such notice shall be deemed to be three (3) business days after the date of delivery of said notice to the United States Post Office.

- E. **Severability**: If any provision of this Agreement is held to be invalid, the remainder of this Agreement shall not be affected thereby.
- F. **Further Assistance and Corrective Instruments**: J&K, EDG and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required by the Parties hereto for carrying out the intention of or facilitating the performance of this Agreement.
- G. **Choice of Law/Venue**: This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois with venue lying in the Circuit Court of McLean County, Illinois.

IN WITNESS WHEREOF, the City, J&K and EDG have executed this Professional Services Agreement on the day and year above written.

THE CITY OF PEKIN, an Illinois Home Rule
Municipal Corporation:

111 South Capitol Street
Pekin, Illinois 61554
Phone: (309) 477 - 2300
Fax: (309) 346-2095

By: _____
Mayor

Attest: _____
City Clerk

JACOB & KLEIN, LTD., an Illinois
Professional Service Corp.:

1701 Clearwater Avenue
Bloomington, IL 61704
Phone: (309) 664-7777
Fax: (309) 664-7878

By: _____
President

**THE ECONOMIC DEVELOPMENT
GROUP, LTD.**, an Illinois Corporation:

1701 Clearwater Avenue
Bloomington, IL 61704
Phone: (309) 664-7777
Fax: (309) 664-7878

By: _____
President

H:\PEKIN\CBD TIF District\Agreements\PSA\Pekin CBD TIF_Administrative PSA_26 March 2018.wpd



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 21, 2018

From: Mark Rothert, Administrative Service Director

AGENDA ITEM: Award of Contract for Repair of Roof on Pekin Airport Hangar B

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Adopt the Resolution

DESCRIPTION: Hangar B at the Pekin Municipal Airport is experiencing a leak in its roof that is dripping on the new hangar doors which were replaced last spring. Without action to fix the leak, it may cause premature rusting and deterioration of the new doors.

FINANCIAL IMPACT: Not to exceed \$10,400; cost is within Airport's FY18 budget.

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: City asset is repaired

IMPACT IF DENIED: City assets would further deteriorate

ALTERNATIVES: N/A

RELATED TO EFFICIENCY STUDY:

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]

	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
√	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES**Department Directors and City Staff:**

Date:

Finance Department (Certification of Availability of Funds):

Date:

City Manager:

Date:

Award of Contract for Repair of Roof on City of Pekin Airport Hangar B

WHEREAS, Hangar B at the Pekin, Illinois Municipal Airport is experiencing a leak in its roof that is dripping on the new hangar doors which were replaced last spring; and

WHEREAS, without action to fix the leak, it may cause premature rusting and deterioration of the new doors.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF PEKIN THAT:

1. The City of Pekin, Illinois, an Illinois Home Rule Municipality, wishes to engage the construction services of Five Star Roofing Systems, Inc. to complete work that will apply a metal roofing system to the Pekin Airport Hangar B to stop any leaks; and
2. The contract for construction services attached hereto as **Exhibit A** is hereby approved in an amount not to exceed \$10,400; and
3. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said contract and the City Clerk of the City of Pekin is hereby authorized and directed to attest such execution; and
4. This Resolution shall be in full force and effect from and after its passage and approval as required by law.

MAYOR

ATTEST:

CITY CLERK

**AGREEMENT
BETWEEN OWNER AND CONTRACTOR
FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)**

THIS AGREEMENT is by and between City of Pekin, IL ("Owner") and
Five Star Roofing Systems, Inc. ("Contractor").

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

- 1.01 *Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:* Apply a metal one ply fibered aluminum coat roofing system to the Pekin Airport "Hanger B" roof

ARTICLE 2 – THE PROJECT

- 2.01 *The Project, of which the Work under the Contract Documents is a part, is generally described as follows:* The scope of work generally includes installing a fibered aluminum roof coating over the north half of the airport roof (approximately 64 feet by 72 feet) and flashing around all roof penetrations in order to provide a leak-proof roofing system. The scope includes all labor, materials, equipment and accessories to perform the work.

ARTICLE 3 – ENGINEER

- 3.01 The Project has been prepared by City of Pekin, Engineering Department. ("Engineer")

ARTICLE 4 – CONTRACT TIMES

4.01 *Time of the Essence*

- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment, as stated in the Contract Documents, are of the essence of the Contract.

4.02 *Contract Times: Days*

- A. The Work will be substantially completed within 90 DAYS after the date of Notice to Proceed with the following conditions.
1. ONE PLY BLACK TO BE COMPLETED WITHIN 30 DAYS
 2. 30-60 DAYS AFTER ONE PLY BLACK IS INSTALLED THE FIBERED ALUMINUM COATING WILL BE APPLIED

4.03 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving, in a legal or arbitration proceeding, the actual loss suffered by Owner, if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):
1. Substantial Completion: Contractor shall pay Owner \$200 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above for Substantial Completion until the Work is substantially complete.
 2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$100 for each day that expires after such time until the Work is completed and ready for final payment.
 3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.

ARTICLE 5 – CONTRACT PRICE

- 5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow:
- A. For the option of the “metal one ply fibered coat” at the discounted price of \$10,400.00 stated in Contractor’s Bid.

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in the form of an invoice with all corresponding payroll certifications. Applications for Payment will be processed by the Engineer. No payments shall be made until after work has begun.
- B. A pre-final inspection shall be completed within 24 HOURS upon notice of completion of the one ply black layer for acceptance.

6.02 *Final Payment*

- A. Upon final completion and acceptance of the Work, Owner shall pay the remainder of the Contract Price as recommended by the Engineer.
- B. Contractor will retain title and possession of all material and equipment furnished by them under terms of this contract until final payment has been made.

ARTICLE 7 – INTEREST (NOT USED)**ARTICLE 8 – CONTRACTOR’S REPRESENTATIONS**

- 8.01 In order to induce Owner to enter into this Contract, Contractor makes the following representations:
- A. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
 - B. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - C. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
 - D. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor’s safety precautions and programs.
 - E. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
 - F. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
 - G. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
 - H. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
 - I. Contractor’s entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

ARTICLE 9 – CONTRACT DOCUMENTS**9.01 Contents**

- A. The Contract Documents consist of the following:
 - 1. This Agreement (pages 1 to 5, inclusive).
 - 2. Exhibits to this Agreement (enumerated as follows):
 - a. Contractor’s Bid (inclusive).

- b. Current Prevailing Wage Rates.
- 3. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.
 - b. Work Change Directives.
 - c. Change Orders.
- B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 9.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

ARTICLE 10 – MISCELLANEOUS

10.01 *Terms*

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

10.02 *Assignment of Contract*

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.03 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.04 *Severability*

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

10.05 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 10.05:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value likely to influence the action of a public official in the bidding process or in the Contract execution;
2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement. Counterparts have been delivered to Owner and Contractor. All portions of the Contract Documents have been signed or have been identified by Owner and Contractor or on their behalf.

This Agreement will be effective on _____ (which is the Effective Date of the Contract).

OWNER: City of Pekin, IL

CONTRACTOR: Five Star Roofing Systems, Inc.

By: _____

By: _____

Title: _____

Title: _____

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest: _____

Attest: _____

Title: _____

Title: _____

Address for giving notices:

Address for giving notices:

License No.: _____
(where applicable)

NOTE TO USER: Use in those states or other jurisdictions where applicable or required.



REQUEST FOR COUNCIL ACTION

To: Council Members

Date: March 19, 2018

From: Mark Rothert, Administrative Service Director

AGENDA ITEM: Lease Renewal - Brian Aviation Enterprise

AGENDA DATE REQUESTED: March 26, 2018

ACTION REQUESTED: Approve the Lease Agreement

DESCRIPTION: Since 1987, the City has leased land at the Pekin Municipal Airport to Murray Brian d/b/a Brian Aviation Enterprise (BAE). During the original lease term, BAE constructed a hangar on City owned airport property and used it for commercial aviation purposes (i.e. crop dusting). The thirty (30) year lease with BAE has expired and the company desires to again lease the City's property for continued commercial aviation purposes for an extended period. The attached resolution allows for the City Manager to enter into an agreement with BAE (draft attached) under the following minimum conditions:

1. The term of the lease agreement shall be for an initial term of term of ten (10) years.
2. BAE shall have the option to extend the lease agreement, with mutually agreeable terms with the City, through two (2) extensions, one for another 10 year term and a final extension for five (5) years.
3. BAE shall pay the City a rental rate that includes a two-percent (2%) escalator for every year of rental.
4. Rental Rate terms for any future extension shall be negotiated to an amount comparable to the rental rates for similar land, building or facilities at such time.
5. The City and BAE shall use their best efforts to enter into a Lease Agreement as soon as feasible by both parties.

FINANCIAL IMPACT: Increased annual rental income for the Airport over ten years; BAE is a major source of fuel revenues for the Airport

NEIGHBORHOOD CONCERNS: N/A

IMPACT IF APPROVED: Increased rental income and continued fuel sales

IMPACT IF DENIED: Negative impact on revenues

ALTERNATIVES: N/A

RELATED TO EFFICIENCY STUDY: N/A	
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark ✓ and paste it to the left of the relevant theme.]	
✓	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin’s residents.
✓	An Effective Government. To deliver effectively the services that Pekin’s residents want, need, and are willing to support.
REQUIRED SIGNATURES	
Department Directors and City Staff:	
Date:	
Finance Department (Certification of Availability of Funds):	
Date:	
City Manager:	
Date:	

Lease Agreement with Brian Aviation Enterprise

WHEREAS, the City of Pekin, Illinois, an Illinois Home Rule Municipality (the “City”), has the authority to enter into contracts and agreements with private business owners to lease publicly owned land to promote the development of industry and commerce; and

WHEREAS, since 1987, the City has leased land at the Pekin Municipal Airport to Murray Brian d/b/a Brian Aviation Enterprise (BAE); and

WHEREAS, during the original lease term, BAE constructed a hangar on City owned airport property and used it for commercial aviation purposes (i.e. crop dusting); and

WHEREAS, the thirty (30) year lease with BAE has expired and the company desires to again lease the City’s property for continued commercial aviation purposes for an extended period; and

WHEREAS, the City is desirous to again lease property at its airport for commercial aviation purposes to BAE.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Pekin, Illinois, that the Mayor and/or City Manager are authorized to negotiate and enter into a Lease Agreement with Murray Brian d/b/a Brian Aviation Enterprise, given the following minimum conditions:

1. The term of the lease agreement shall be for an initial term of term of ten (10) years.
2. The BAE shall have the option to extend the lease agreement, with mutually agreeable terms with the City, through two (2) extensions, one for another 10 year term and a final extension for five (5) years.
3. In the initial ten (10) year term, BAE shall pay the City a rental rate that includes a two-percent (2%) rental fee escalator for every year of rental.
4. Rental Rate terms for any future extension shall be negotiated to an amount comparable to the rental rates for similar land, building or facilities at such time.
5. The City and BAE shall use their best efforts to enter into a Lease Agreement as soon as feasible by both parties.

MAYOR

ATTEST:

CITY CLERK

DRAFT**LEASE AGREEMENT****between****City of Pekin (Lessor)****and****Murray J. Brian d/b/a Brian Aviation Enterprise (Lessee)**

This Lease Agreement ("Agreement") entered into this ____th day of _____, 2018, by and between the CITY OF PEKIN, a Municipal Corporation, hereinafter referred to as "Lessor," and MURRAY J. BRIAN, d/b/a Brian Aviation Enterprise of Tazewell County, Illinois, hereinafter referred to as "Lessee," WITNESSETH:

WHEREAS, Lessor is a municipal corporation organized and existing under and by virtue of the laws of the State of Illinois, and has heretofore acquired a public airport in Tazewell County, Illinois, located south of the City of Pekin, Illinois, known as the Pekin Municipal Airport, and upon which the Lessor has constructed certain facilities consisting of runways, taxi-ways, hangars, terminal aprons and terminal buildings together with other facilities; and

WHEREAS, Lessee is willing to lease part of said premises and related facilities thereon, the use of which shall be enjoyed by Lessee during the term of this Lease Agreement, with title to said hangar and other facilities to revert to Lessor upon the expiration of this Lease.

NOW, THEREFORE, for and in consideration of the promises of each of said parties to the other made and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of said parties, IT IS COVENANTED AND AGREED by the parties hereto as follows:

1. **EFFECTIVE DATE.** The "Effective Date" of this Agreement shall be effective on the last signature date set forth below.
2. **TERM.** The term of this Agreement shall commence on the Effective Date and end after a term of ten (10) years. The Lessee shall have the option to extend this Agreement, with mutually agreeable terms with the Lessor, through two (2) extensions, one for another 10 year term and a final extension for five (5) years. To enact each extension, Lessee shall provide (90) days' written notice to Lessor prior to the end date of each term. The amount of the rental rate defined in Section 5 shall be negotiated for each extended term to an amount comparable to the rental rates for similar land, building and facilities at such time.

It is further agreed between the parties that in the event the Lease is not renewed or extended as herein provided, possession of the leased premises shall be surrendered by the Lessee to the Lessor immediately upon the expiration of this Lease Agreement.

3. **PREMISES.** Lessor does hereby give and grant the operator the right of possession, use and occupancy of the real estate and areas in and upon said Airport as is set forth on EXHIBIT "A Site Map" attached hereto.

Attachment: MURRAY BRIAN LEASE AGREEMENT DRAFT (Final) 3-19-18 (1356 : Lease Renewal - Brian Aviation Enterprise)

Lessor agrees that Lessee shall have the right to use in common with all other occupants of the Airport the public parking, ramps, taxiways and service roads.

Lessor reserves the right to construct or erect on the fixed- base operations area or elsewhere on the Pekin Municipal Airport, any additional buildings, pavement or facilities which will not obstruct or unreasonably interfere with the carrying on of Lessee's authorized activities in said area described in Section 4 below.

4. USE OF PREMISES AND COVENANTS OF LESSEE.

- a) Lessee shall have use of a hangar and a roofed loading ramp on the premises, the hanger being approximately 100 feet by 60 feet (approximately 6,000 square feet).
- b) Lessee shall have full and unimpaired access to the premises at all times.
- c) It is understood and agreed that the primary use of the leased premises shall be for the personal and commercial aviation use of Lessee; however, Lessee may authorize transient aircraft to use Lessee's hangar facility from time to time on a temporary basis only.
- d) Lessee represents that they are familiar with the rules, regulations and requirements of the State of Illinois Department of Transportation, Division of Aeronautics, covenants and minimum standards adopted by the Pekin Municipal Airport Advisory Committee, and agree that they will faithfully comply to its rules, regulations and provisions as it may apply to their activities as Airport Lessee under the terms of this Lease.
- e) As to those portions of the premises over which the Lessee has the right to control, maintain and manage, it shall be the duty and responsibility of the Lessee to control and maintain order on said Airport and keep it in a clean and orderly condition and in good repair, normal wear and tear, acts of God and accidental damage excepted.
- f) Lessee further agrees and covenants to keep the grass mowed and trimmed on the premises described above.
- g) Lessee further agrees to repaint the exterior of said facility at such times as directed by the Lessor and in accordance with specifications established by Lessor, so long as the specifications are not greater than those required by Lessor on its own building.

- 5. **RENTAL RATE.** Lessee shall pay Lessor for the rights and privileges granted them and covered by this Lease Agreement, and for the carrying on of the operations hereinabove provided during the initial ten (10) year term of this Lease Agreement, a Rental Rate that is in accordance with the fee structure attached as EXHIBIT "B". Rental Rate terms for any future extension shall be negotiated to an amount comparable to the rental rates for similar land, building and facilities at such time.
- 6. **MANNER OF PAYMENT.** The annual rent for the first year of the initial ten (10) year Term of this Agreement shall be paid at the Office of the City Clerk of Lessor within fifteen (15) days of the Effective Date. The annual rent for subsequent years of the Term of this Agreement, including any extensions, shall be paid in advance to Lessor in annual installments by the annual anniversary of the Effective Date of this Agreement at the Office of the City Clerk of Lessor or at such other place as the Lessor may from time to time designate in writing to the Lessee.
- 7. **MAINTENANCE OF LEASED PREMISES.** The Lessee covenants and agrees that he will keep the interior of said premises and the fixtures and appurtenances therein in good repair at their own expense, expressly including all electric, plumbing and heating; well, septic system, air conditioning

systems, fixtures and equipment, entrance ways, hangar doors, other doors and exits; and will, at their own expense, replace all broken glass, including plate glass in windows, doors and passageways.

Lessee further agrees to maintain the roof, the exterior walls and structural portions of the building, including the hangar doors, in good order and repair. It is further agreed that upon reasonable notice Lessee shall allow Lessor reasonable access to said premises to inspect the same. In the event Lessor determines that Lessee has or is not maintaining said premises to Lessor's satisfaction, or is not complying with the other terms and covenants of Lessee in this Lease Agreement, Lessor shall give written notice to Lessee of the items to be repaired or corrected by Lessee. Lessee shall have thirty (30) days to correct said deficiencies, or if Lessee cannot cure said deficiencies within said time, Lessee shall notify Lessor of any additional time required to correct said deficiencies, and Lessor shall then notify Lessee if they shall be granted the additional time to correct said deficiencies, or Lessor shall have all other remedies available to it under the terms of this Lease Agreement.

All utility bills for said premises shall be paid by the Lessee.

8. **TAXES.** If any property taxes are levied on the improvements on the parcel of land herein leased or upon the land herein leased, the Lessee shall pay the same.
9. **DRAIN TILE.** It is understood and agreed that the Lessee is not responsible for repairs to any underground storm sewer drain tile line that may be passing under land herewithin leased to the Lessee. All costs to maintain and repair said line will be the responsibility of the Lessor.
10. **FIRE INSURANCE.** Lessee shall obtain the necessary fire and extended coverage insurance, together with liability insurance, in accordance with the minimum standard for the Airport and as set forth in paragraph 14. Lessor shall be named as additional insureds on said premises. In case of fire or other loss, the Lessee shall rebuild the premises, using the proceeds of the insurance and their individual funds as is necessary.
11. **ALTERATIONS.** Lessee may, at any time after the execution of this Lease Agreement, enter upon the demised premises and make changes and alterations in the interior of the building beneficial or necessary to its intended use, including partition walls, but shall make no changes or alterations which affect the structural strength of the building. All improvements or changes made by Lessee shall be completed and maintained in good workmanlike condition, and Lessee shall not suffer or permit any lien or liens to attach to the premises on account of the making thereof.
12. **WAIVER OF LIENS.** Lessee agree that they will pay for initial construction and/or any alterations in said building and will obtain waivers of mechanic's liens claims from the contractor and any subcontractors and statements from the contractor of the names of all parties furnishing materials and labor, and of the amount to become due to each, before payments are made for materials and labor furnished to the demised premises. Lessee further agrees to exhibit such lien waivers and statements to Lessor or its attorney on demand, and further agrees that any contracts for construction will provide that each contractor or subcontractor will comply with the Prevailing Wage Act of the State of Illinois, as adopted by the City of Pekin.
13. **SUBLET CLAUSE.** Lessor and Lessee specifically agree that Lessee shall not and will not, at any time during the term of this Lease Agreement or any extension hereof, in any manner, either directly

or indirectly, assign, hypothecate or transfer this Lease Agreement or any interest therein without the written consent of Lessor; provided, however, that the Lessor will not withhold consent unreasonably.

14. **BANKRUPTCY.** It is expressly agreed between the Lessor and Lessee that if Lessee shall be adjudged bankrupt or insolvent, this Lease Agreement shall immediately terminate upon the option of Lessor and the same shall not be assignable by any process of law or be treated as an asset of the Lessee after such adjudication.

This Lease Agreement, and the interest of Lessee herein, shall not, without the written consent of the Lessor first had and obtained, be subject to garnishment or sale under execution in any suit or proceeding which may be brought against or by Lessee.

15. **INDEMNITY INSURANCE.** Lessee specifically agrees to hold Lessor free and harmless from loss and from each and every claim and demand of whatsoever nature made on behalf of or by any person, persons, firm, partnership, corporation or otherwise, for any wrongful act or omission on the part of Lessee, their agents, servants and/or employees, and (except as hereinabove provided) from loss and damage by reason of such wrongful acts or omissions, this to include from any operations by Lessee upon Pekin Municipal Airport.

Lessee shall maintain public liability insurance to protect Lessor and Lessee against liability for loss, property damage or injury to persons due to any operations carried on by Lessee in the conduct of their business on Pekin Municipal Airport. The liability limits of such insurance shall not be less than THREE HUNDRED THOUSAND (\$300,000.00) DOLLARS for each person and not less than ONE MILLION (\$1,000,000) DOLLARS for each occurrence, provided that such insurance is available for purchaser.

In the event that Lessee houses or stores aircraft owned by a third-party during any Term of the Lease Agreement, Lessee shall further maintain hangarkeeper's legal liability insurance protecting Lessor and Lessee against liability for damage to aircraft of third persons in the custody of Lessee for storage, repair or safekeeping on Pekin Municipal Airport. The liability limits of such insurance shall not be less than ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS for any one aircraft and not less than ONE HUNDRED THOUSAND (\$100,000.00) DOLLARS for any one loss.

Certificates of insurance carried by Lessee shall be furnished immediately to Lessor, and a copy thereof shall be deposited with Lessor.

Lessee agrees to bear, pay and discharge, when and as the same become due and payable, all judgments and lawful claims for damage or otherwise against Lessor arising from Lessee's occupancy of the leased premises and other areas which Lessee uses and will assume the burden and expense of defending all such suits, whether brought before or after the expiration of this Lease Agreement, and will protect, indemnify and save harmless the Lessor and leased premises from all such claims for damages or otherwise, either to persons or property by reason of or on account of Lessee's use or occupancy of said demised premises or for any failure on Lessee's part to comply with the statutes and ordinance of any governmental body or agency, either Federal, State or Municipal, wherein the demised premises are situated. Lessor will be named as an additional insured on all policies obtained by Lessee.

16. SURRENDER OF PREMISES. At the termination of the term demised herein, Lessee covenants to surrender and deliver up the premises hereby leased, with all improvements, fixtures and appurtenances in place. This paragraph shall not be construed to require Lessee to do any act or thing which is the responsibility of Lessor under any provision of this Lease Agreement. Lessee agrees not to hold over beyond the end of the term hereby leased on the failure of the Lessor to give notice to vacate.

17. USE OF FACILITIES AND MINIMUM STANDARDS. Lessor and Lessee agree that Lessor does hereby establish minimum standards applicable to any operations upon said Airport and that Lessee shall and will at all times adhere to said minimum standards as presently adopted at the time of execution of this Lease Agreement and any future amendments made thereto, and in addition, Lessee also agrees that all terms and provisions of this Lease Agreement are subject to and subordinate to the following agreements:

- a) The Lessee agrees to furnish services on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service, provided that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates and other similar types or price reductions to volume purchasers.
- b) The Lessee, their personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over or under such land and the furnishing or services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation- Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended. In the event of breach of any of the above nondiscriminatory covenants, the City of Pekin shall have the right to terminate the Lessee and to re-enter and repossess said land and the facilities thereon and hold the same as if said Lease Agreement had never been made or issued.
- c) It is clearly understood that the Lessee knows that no right or privilege has been granted which would operate or prevent any person, firm or corporation operating aircraft on the Airport from performing any services with its own regular employees (including, but not limited to, maintenance, fueling and repair) of its own aircraft that it may choose to perform, subject to reasonable safety regulations of the Airport Commission and subject to payment of the Airport's fuel and/or lubricant tax per unit that is assessed on FBO sales at the Airport at the time.
- d) It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 308 (a) of the Federal Aviation Act of 1958, as amended, and the Lessor reserves the right to grant to others the privilege and right of conducting any one of all activities of an aeronautical nature.

- e) Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Lessee, and without interference or hinderance.
- f) Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. Lessor is obligated to remove snow and ice from the taxiways, runways and driveways.
- g) During the time of war or national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use; and if such lease is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.
- h) Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Airport which, in the opinion of the Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft.
- i) This Lease Agreement shall be subordinate to the provisions of any existing between Lessor and the United States, relative to the operation or maintenance of the Airport.
- j) In the event the Federal Statutes, FAA Regulations or Code of Federal Regulations referred to herein shall be altered or amended, then the terms and conditions of this Lease Agreement will be automatically amended to conform to such changes and to bring this Lease Agreement not only in compliance with but with no greater restrictions than are required by said Federal Statutes, FAA Regulations or Code of Federal Regulations.

18. CAUSE FOR TERMINATION. In addition to any other remedies available at law or in equity, Lessor and Lessee further agree that in case of failure on the part of Lessee to comply fully with any of the terms or covenants of this Lease Agreement, such failure shall constitute grounds for the cancellation and termination of this Lease Agreement by Lessor at its option and without legal proceedings, and shall give Lessor the right to re-enter and take possession of the demised premises; provided, however, that before canceling and terminating this Lease Agreement, Lessor shall give written notice to the Lessee specifying particulars in which Lessee has failed to comply with the terms of this Lease Agreement and shall extend to Lessee a reasonable time, but not less than thirty (30) days, in which to correct the default specified as grounds for cancellation and termination of this Lease Agreement. Upon timely correction, this Lease Agreement remains in full force and effect. In case of failure on the part of Lessor to comply fully with the terms of this Lease Agreement, the Lessee shall have the rights as to cancellation and termination of this Lease Agreement as are given to the Lessor by this paragraph, subject to the same requirements as to written notice and a period of time for compliance as are stated in this paragraph.

19. GENERAL PROVISIONS.

- a) Nothing herein contained or the failure on the part of either party or its agents to strictly enforce any of the terms or provisions hereof, or the acceptance of rent, shall operate or be deemed as a



Exhibit "A" Site Map



Attachment: MURRAY BRIAN LEASE AGREEMENT DRAFT (Final) 3-19-18 (1356 : Lease Renewal - Brian Aviation Enterprise)

Exhibit B - RATE STRUCTURE PER YEAR

2% Rate Escalator Each Year

Year	Sq. Feet	Rental Rate	Annual Rent	Year Over Year Change
1	6,000	\$0.11	\$660.00	\$-
2	6,000	\$0.11	\$673.20	\$13.20
3	6,000	\$0.11	\$686.66	\$13.46
4	6,000	\$0.12	\$700.40	\$13.73
5	6,000	\$0.12	\$714.41	\$14.01
6	6,000	\$0.12	\$728.69	\$14.29
7	6,000	\$0.12	\$743.27	\$14.57
8	6,000	\$0.13	\$758.13	\$14.87
9	6,000	\$0.13	\$773.30	\$15.16
10	6,000	\$0.13	\$788.76	\$15.47