

**REGULAR COUNCIL MEETING MONDAY, FEBRUARY 8, 2016  
5:30 P.M.**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1  | 2 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---|
| <b>1.0 CALL TO ORDER</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |    |   |
| <b>2.0 PLEDGE OF ALLEGIANCE</b><br><i>Mayor John McCabe</i>                                                                                                                                                                                                                                                                                                                                                                                         |    |   |
| <b>3.0 ROLL CALL</b><br><i>Clerk to Call the Roll</i>                                                                                                                                                                                                                                                                                                                                                                                               |    |   |
| <b>4.0 APPROVAL OF AGENDA</b><br><br><i><b>ACTION:</b> Motion to approve the meeting agenda.</i><br><br><i><b>VOTE REQUIRED</b></i>                                                                                                                                                                                                                                                                                                                 |    |   |
| <b>5.0 APPROVAL OF MINUTES</b><br><br><i><b>ACTION:</b> Motion to approve minutes of the Regular Council Meeting of January 25, 2016, the Special Council Meeting of January 28, 2016 and the Special Council Meeting of February 1, 2016.</i><br><br><i><b>VOTE REQUIRED</b></i>                                                                                                                                                                   |    |   |
| <b>6.0 PUBLIC INPUT</b>                                                                                                                                                                                                                                                                                                                                                                                                                             |    |   |
| <b>7.0 CONSENT AGENDA</b>                                                                                                                                                                                                                                                                                                                                                                                                                           |    |   |
| <b>7.1 Receive and File Monthly Reports and Minutes:</b> Draft Liquor Commission Minutes dated January 28, 2016 and Tazewell County Animal Control January Report.                                                                                                                                                                                                                                                                                  |    | 5 |
| <i><b>ACTION:</b> Motion to approve all items listed on the Consent Agenda by Omnibus Vote.</i><br><br><i><b>VOTE REQUIRED TO APPROVE CONSENT AGENDA</b></i>                                                                                                                                                                                                                                                                                        |    |   |
| <b>8.0 COMMUNICATIONS, PETITIONS, REPORTS</b>                                                                                                                                                                                                                                                                                                                                                                                                       |    |   |
| <b>8.1 Reports:</b> Court Street Improvements                                                                                                                                                                                                                                                                                                                                                                                                       | MG | 4 |
| <b>9.0 NEW BUSINESS</b>                                                                                                                                                                                                                                                                                                                                                                                                                             |    |   |
| <b>9.1 Illinois Department of Transportation Local Agency Railway Grade Crossing Amendment 1</b><br><br><b>DESCRIPTION:</b> The IDOT and Genesee & Wyoming Railroad agreement was approved August 2013. The amendment is needed because the bids for the grade crossing improvement at Broadway Road came in higher than the estimate agreed upon. Cost is borne by the State. The City agrees to approve the use of federal funds on City Streets. | MG | 4 |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |    |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---|
| <b>VOTE REQUIRED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |    |   |
| <b>9.2 Agreement with Illinois Central Railroad Company</b><br><br><b>DESCRIPTION:</b> Council approved the agreement April 14, 2014 pending final cost for grade crossing improvements. With approval of the cost of \$478,608, the railroad will be able to install the crossing to be in compliance with the ICC order of June 30. The completed section of VFW/Veterans Drive from IL 29 to 5 <sup>th</sup> Street will be opened once signals and gates are installed.<br><br><b>VOTE REQUIRED</b> | MG | 4 |
| <b>9.3 LHF Compost Agreement for Yard Waste Disposal</b><br><br><b>DESCRIPTION:</b> The City request for LHF to approve the options to extend the agreement for two optional years with list of prices and terms of the original agreement of April 2013.<br><br><b>VOTE REQUIRED</b>                                                                                                                                                                                                                   | MG | 4 |
| <b>9.4 Efficiency Study</b><br><br><b>DESCRIPTION:</b> In response to Council's request, proposals were sought for scope of work and estimated hours to complete an efficiency study as well as quotes for dollars and expenses. Pricing was received from Baker Tilly and GovHR USA.<br><br><b>VOTE REQUIRED</b>                                                                                                                                                                                       | JM | 5 |
| <b>9.5 Ordinance No. 2738-15/16 – An Ordinance to Approve Interim City Manager Agreement</b><br><br><b>DESCRIPTION:</b> Ordinance provides for Council to approve an Interim City Manager Employment Agreement between the City of Pekin and Sarah Newcomb through July 30, 2016 or until the appointment of a City Manager.<br><br><b>VOTE REQUIRED</b>                                                                                                                                                | JM |   |
| <b>10.0 ANY BUSINESS TO COME BEFORE THE COUNCIL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |   |
| <b>11.0 EXECUTIVE SESSION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |   |
| <b>12.0 ADJOURN</b><br><br><b>NO VOTE REQUIRED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |    |   |

**Column 1 Key:**

SN Interim City Manager Sarah Newcomb  
MG City Engineer Michael Guerra

JM Mayor John McCabe  
LB Economic Development Director Leigh Ann Brown

**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.



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**PROCEEDINGS OF A SPECIAL MEETING  
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,  
CITY HALL COUNCIL CHAMBERS  
111 SOUTH CAPITOL STREET  
PEKIN, ILLINOIS 61554**

**ON MONDAY, FEBRUARY 1, 2016 AT 5:00 O'CLOCK P.M.**

**JOHN MCCABE, MAYOR PRESIDING**

**PRESENT: COUNCIL MEMBERS, GOLDEN, DUNN, ORRICK, RITCHASON, ABEL, LUFT AND MCCABE**

**ABSENT: NONE**

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Members of the Council set a special meeting after the meeting of January 28, 2016 and Notice posted on January 29, 2016 for the purpose of moving to closed session **5 ILCS 120/2 (c) 1**. The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body.

**Roll** was called and all Council Members were physically present. A quorum was declared.

**AGENDA**

Motion by Council Member Abel, seconded by Council Member Dunn that the agenda be approved as presented. Council Member Golden asked that the public's concerns for not being permitted to address the Council a second time on any matters at the end of the meeting be clarified to address Special Meeting agenda preparation. On roll call vote, all present voted Aye.

**PUBLIC INPUT**

Jim Mangan requested the Council to deliberate in open session on the possible action on a City Manager position. He stated the public had the right to full and complete information in advance of action to be taken listed on agendas. It was his opinion that the public may have information relevant to the names submitted for the naming of an interim city manager.

Bob Bramham addressed his lack of openness concerns to the Council and agreed with Mr. Mangan that there were lots of secrets by the 7 members. He expressed his disappointment that the public was not permitted to talk about the performance of the manager or dismissal terms.

Ann Witzig encouraged the Council to seek a qualified manager.

**EXECUTIVE SESSION**

Motion by Council Member Abel, seconded by Council Member Ritchason that the Council move to Executive Session at 5:15 p.m. to discuss **5 ILCS 120/2 (c) 1**. The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body. On roll call vote, all present voted Aye. The Council reconvened in open session at 6:40 p.m.

**NEW BUSINESS**

Motion by Council Member Abel, seconded by Council Member Dunn to appoint and hire Sarah Newcomb as Interim City Manager effective February 2, 2016, on terms to be agreed upon based on prior City Manager compensation; and Corporation Counsel directed to prepare contract with terms and conditions based on prior Interim City Manager contract dated December 13, 2010. On roll call vote; Ayes, Orrick, Dunn, Abel, Ritchason, McCabe; Nays, Luft and Golden. Prior to his vote Council Member Golden expressed disappointment in the Council decision. Motion carried.

No further business to come before the Council motion by Council Member Orrick, seconded by Council Member Abel to adjourn. Motion carried viva voce. Mayor McCabe adjourned the meeting.

**COUNCIL ADJOURNED AT 6:45 P.M.**

Sue E. McMillan  
City Clerk

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**PROCEEDINGS OF A SPECIAL MEETING  
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,  
CITY HALL COUNCIL CHAMBERS  
111 SOUTH CAPITOL STREET  
PEKIN, ILLINOIS 61554**

**ON THURSDAY JANUARY 28, 2016 AT 5:00 O'CLOCK P.M.**

**JOHN MCCABE, MAYOR PRESIDING**

**PRESENT: COUNCIL MEMBERS, GOLDEN, DUNN, ORRICK, RITCHASON, ABEL, LUFT AND  
MCCABE**

**ABSENT: NONE**

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Members of the Council set a special meeting after the Council Meeting of January 25, 2016 to meet for the purpose of moving to closed session **5 ILCS 120/2 (c) 1**. The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body and **5 ILCS 120/2 (c) 11**. Litigation when the public body finds that an action is probable or imminent.

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

**AGENDA**

Motion by Council Member Dunn, seconded by Council Member Orrick that the agenda be approved as presented. On roll call vote, all present voted Aye.

**PUBLIC INPUT**

Mayor McCabe advised speakers that casting of unfound criticism, negativity, and name calling were not necessary to take place during public comments. Discussion of personnel matters would not be tolerated.

Jim Mangan read from the Open Meetings Act that meeting in closed sessions could be authorized to discuss a subject covered by the exemptions but the Act did not require closed sessions. It was Mr. Mangan's opinion that the public needed to be informed of the possible action that would take place on the City Manager position listed under New Business.

Bob Bramham encouraged the Council to make a motion to discuss the City Manager's performance and position openly and not hide information from the taxpayers.

Ann Witzig stated that the ball was in the Council's court and asked that they nip it in the bud by dismissing Darin Girdler from his position.

**EXECUTIVE SESSION**

Motion by Council Member Luft, seconded by Council Member Orrick that the Council move to Executive Session at 5:10 p.m. to discuss **5 ILCS 120/2 (c) 1**. The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body. Exemption **5 ILCS 120/2 (c) 11**. Litigation when the public body finds that an action is probable or imminent was not necessary. On roll call vote, all present voted Aye. The Council reconvened in open session.

**NEW BUSINESS**

**ORDINANCE NO. 2737-15/16**

**AN ORDINANCE TO ENTER INTO SEVERANCE AGREEMENT  
WITH DARIN GIRDLER**

Motion by Council Member Orrick, seconded by Council Member Abel that Ordinance No. 2737-15/16 be adopted. On roll call vote, all present voted Aye.

No further business to come before the Council motion by Council Member Orrick, seconded by Council Member Abel to adjourn. Motion carried viva voce. Mayor McCabe adjourned the meeting in open session.

**COUNCIL ADJOURNED AT 6:35 P.M.**

Sue E. McMillan  
City Clerk

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**PROCEEDINGS OF THE REGULAR MEETING  
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,  
HELD IN THE COUNCIL CHAMBERS OF CITY HALL  
111 SOUTH CAPITOL STREET**

**ON MONDAY, JANUARY 25, 2016 AT 5:30 O'CLOCK P.M.**

**JOHN H. MCCABE \* MAYOR \* PRESIDING**

**PRESENT: COUNCIL MEMBERS, GOLDEN, DUNN, ORRICK, ABEL, RITCHASON, LUFT, AND  
MCCABE**

**ABSENT: NONE**

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The **Pledge of Allegiance** was led by Mayor McCabe.

**Roll** was called. All members were physically present. A quorum was declared.

**AGENDA**

Motion by Council Member Dunn, seconded by Council Member Ritchason that the **agenda be approved as presented**. On roll call vote all present voted Aye.

**MINUTES**

Motion by Council Member Orrick, seconded by Council Member Abel that the **minutes of the Regular City Council Meeting of January 11, 2016 and the Special Council Meeting of January 19, 2016 be approved as written**. On roll call vote all present voted Aye.

**PUBLIC INPUT**

The following addressed the Council in support of the \$5,000 funding for the Academy of fine Arts. Each person presented testimony of their experiences, opportunities offered, use of the venue, or involvement at the Speakeasy Art Center and the benefits of having such a unique facility in Pekin.

|                  |                  |                |               |
|------------------|------------------|----------------|---------------|
| Teresa Mack      | Bailey Haynes    | Linda Seth     | Shane Hawkins |
| Susan Carson     | Erica Ziegenbein | Loni Wenzel    | Bob Killion   |
| Amy Psinas       | David Laux       | Winston Dunbar | Kyra Muth     |
| Isabelle Janssen |                  |                |               |

Ann Witzig spoke against funding March Madness Event without proof of additional hotel guests during the event period. She expressed concern in contributing to the Academy of Fine Arts. She felt it was not good business if you needed to ask for money. Mrs. Witzig expressed no confidence in the audit and felt it was not the whole truth about the finances of the City. She expressed concern that there was an expense for the purchase of an office chair for over \$700.00.

Bob Bramham asked the Council to make a decision on the City Manager's continued employment in open session. He was not supportive of the contribution to the IHSA for a Peoria event in that there was no proof of tourism dollars coming to Pekin. He asked Council to table the vote for the Pekin Academy of Fine Arts until the people have the chance by viewing the Council document packet to weigh in on the decision. He agreed with Mrs. Witzig that Council was not presented with a true audit of city spending.

Sally Johnson spoke in opposition to the payment to the IHSA March Madness Event. She indicated she had never heard of the Speakeasy. She echoed Mr. Branham's request to discuss and vote on the City Manager performance in open session.

Jim Mangan read from a prepared statement of his comments regarding the purpose of the Hotel/Motel Tax Fund and without proof of stays in Pekin for the March Madness Event. It was just speculation of financial benefits.

**CONSENT AGENDA**

Motion by Council Member Luft, seconded by Council Member Orrick that the **CONSENT AGENDA be approved as presented**.

The following was read and presented by Mayor McCabe for consideration of the Consent Agenda items by Omnibus Vote.



|                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>7.1 Receive and File Monthly Reports and Minutes:</b> Tazewell County Animal Control December Report; Building Department Reports Inspections & Zoning November 2015 and December 2015; and Fire Department December 2015 Report.                                                                            |
| <b>7.2 Resolution No. 16-15/16</b> – Mayor’s appointment of L. Ray Gordon to the Mayor’s Advisory Committee for Persons with Disabilities to fill a vacancy until the first Monday in May 2017.                                                                                                                 |
| <b>7.3 Proclamation:</b> “Dr. Martin Luther King Jr. Day” January 18, 2016                                                                                                                                                                                                                                      |
| <b>7.4 Receive and File:</b> Pekin Zoning Board of Appeals Minutes August 19, 2015 and January 13, 2016.                                                                                                                                                                                                        |
| <b>7.5 Receive and File:</b> Pekin Planning Commission Minutes January 13, 2016                                                                                                                                                                                                                                 |
| <b>7.6 Receive and File:</b> Pekin Planning Commission Recommendations and Hearings:<br>Hearing #1 - 04-1899 – recommendation to re-zone certain property located at 1502 Sheridan Road PIN 04-04-35-215-025 from B-1 (Local Business District) to B-3 (General Business District) submitted by Hauter Brothers |

On roll call vote, all present voted Aye.

## COMMUNICATIONS, PETITIONS, REPORTS

### PRESENTATION CITY OF PEKIN ANNUAL FINANCIAL STATEMENTS PREPARED BY WILLOCK WARNING & CO., P.C. FOR THE YEAR ENDED APRIL 30, 2015

The Annual Financial Statements was received and filed with Council at the meeting of January 11, 2016. Auditor Jim Warning emphasized governmental accounting had differences with traditional business accounting. He had provided to the Council in advance of the meeting an outline and summary of selected financial information of the City for the fiscal year ended April 30, 2015 that he wished to explain to aid in the Council’s understanding of dollar amounts and balances found in the Audit. Mr. Warning presented highlighted information from the audit schedules and commented on Balance Sheet Items; Revenue and Expenditure Items; Schedule of Activities-Core Government Services; Schedule of Personnel Cost/Health Insurance Charges; Solid Waste Fund; and Sewerage Fund to aid in Council’s understanding of the City’s financial position.

- Sales Tax 50% of total revenue
- Personnel 72% of core government cost
- Receivables not much difference of previous 5 year comparison

Solid Waste and Sewerage Funds most concerning

- Solid Waste Fund operating activities resulted in cash deficit of \$724,000 that is absorbed by the general fund
- Last scheduled user rate increase will end April 30, 2016
- Annual debt service at least \$2,933,000 beginning FY2017-2033
- Operating expense #5 annually

Using his own wastewater service fee bill for comparison, Mr. Warning noted areas that could be addressed:

- Service fees
- Late penalties
- Additional cash – discontinue abatement of real estate taxes and/or winter averaging

Mr. Warning expressed concern that council address deficits or the City would have serious cash problems in the future. In summary Mr. Warning stated doing nothing was not an option. He encouraged the Council to work with staff on noted concerns. Mr. Warning answered Council’s questions and responded to Council’s comments:

## NEW BUSINESS

### **ORDINANCE NO. 1568-A203-15/16** **PROVIDING FOR THE REZONING OF CERTAIN PROPERTY** **PIN 04-04-035-215-025** **1502 SHERIDAN ROAD**

Motion by Council Member Abel, seconded by Council Member Dunn that **Ordinance No. 1568-A203-15/16 be adopted.** Code Enforcement Officer Ron Sieh presented to the Council the recommendation of the Pekin Planning Commission to re-zone property located at 1502 Sheridan Road from B-1 (Local Business District)

to B-3 (General Business District). Council was advised that the owners Hauter Brothers requested the change for 1 parcel to allow for more opportunities to lease space in the existing building with less restrictive regulations. Council Member Golden questioned the reference of the notice of hearing being published in Tazewell County not the Journal Star being in Peoria County. On roll call vote all present voted Aye.

Motion by Council Member Dunn, seconded by Council Member Abel that **\$5,000.00 from Hotel/Motel Tax Fund for sponsorship of 2016 March Madness Event be approved.** Leigh Ann Brown, Tourism Director presented the Council with the request from the event steering committee for regional sponsorship of \$5,000.00. The reinvestment of the tax dollars from the guests provided for potential additional traffic for the City from IHSA tournament attendees. Council Member Luft, Orrick, Dunn Abel, Ritchason and Mayor McCabe spoke in favor funding the regional partnership. Council Member Golden expressed concern of funding directly from the Hotel/Motel Tax Fund and not as a grant through the Tourism Committee. On roll call vote, Ayes, Dunn, Orrick, Abel, Luft, Ritchason and McCabe; Nay Golden. Motion carried.

Motion by Council Member Luft, seconded by Council Member Abel that **\$5,000.00 from Hotel/Motel Tax Fund for support of the Pekin Academy of Fine Arts be approved.** Leigh Ann Brown requested Council's approval to expend the dollars from the Hotel/Motel Tax Fund designed to reinvest in the economic impact adding revenue based on attendees and supporting the importance of arts and cultural events in our community. Council Members Dunn, Orrick, Abel Luft, Ritchason and Mayor McCabe spoke in support of the partnership and the benefits. Council Member Golden expressed concern that parking for the Speakeasy was not compliant with ADA requirements. He was not supportive of funding directly from the Hotel/Motel Tax Fund. On roll call vote, Ayes, Dunn, Orrick, Abel, Luft, Ritchason and McCabe; Nay Golden. Motion carried.

#### **ORDINANCE NO. 2736-15/16**

#### **AMENDING DESIGNATING AREA AS AN ENTERPRISE ZONE AND RELATED MATTERS UNDER SECTION 5 OF THE ENTERPRISE ZONE ACT /**

#### **INTERGOVERNMENTAL AGREEMENT REGARDING AN ENTERPRISE ZONE LOCATED IN SOUTHERN TAZEVELL COUNTY AMENDMENT ADDING TERRITORY**

Motion by Council Member Orrick, seconded by Council Member Luft that **Ordinance No. 2736-15/16 be adopted.** Economic Development Director Leigh Ann Brown advised the Council that Pekin, Tazewell County, Morton, and Tremont, the Southern Tazewell Enterprise Zone was certified in January 2016 with the State of Illinois. Boundaries were determined in 2014 based on future economic growth and land use. Since then additional property had interest in potential for commercial projects. The Act required new application to the State DCEO with Council approval to extend the boundaries. Council Member Golden stated the creation of Enterprise Zone was a gimmick for development and growth would be attached by a City back to basics and run well. On roll call vote, Ayes, Dunn, Orrick, Abel, Luft, Ritchason and McCabe; Nay Golden. Motion carried.

#### **ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL**

Bob Brahman, Sally Johnson, Ann Witzig, Jim Mangan were given the opportunity to expressed to the Council concerns on items other than agenda business.

Teresa Mack and Shannon Cox expressed appreciation for Council's sponsorship of the Academy of Fine Arts, the Speakeasy, and March Madness Event.

Council Member Golden suggested researching the Hotel/Motel Tax Fund for ADA space use.

Council Member Abel requested Council vote on approving the expenditure for A/V equipment.

#### **EXECUTIVE SESSION**

Motion by Council Member Golden, seconded by Council Member Ritchason, that the Council move to Executive Session at 8:58 p.m. to discuss 5 ILCS 120/2 (c) (1.) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the body and 5 ILCS 120/2 (c) 11. Litigation when the public body finds that an action is probable or imminent. On roll call vote, all present voted Aye. Council reconvened in open session.

No further business to come before the Council, motion by Council Member Orrick that Council adjourn. Motion carried voice vote. Mayor McCabe adjourned the meeting in open session.

**COUNCIL ADJOURNED AT 9:32 P.M.**

Sarah Newcomb  
Deputy City Clerk  
Submitted by  
Sue E. McMillan  
City Clerk





7.1

**LIQUOR COMMISSION MINUTES  
THURSDAY, JANUARY 28, 2016 AT 4:00 P.M.  
CITY HALL CONFERENCE ROOM  
111 SOUTH CAPITOL STREET  
PEKIN, ILLINOIS 61554**

Deputy Liquor Commissioner Rick VonRohr called the meeting to order at 4:00 p.m.

**PLEDGE of ALLEGIANCE**

Led by Liquor Commission Member Vonderheide

**ROLL CALL**

The following members were present for roll call: Deputy Liquor Commissioner Rick VonRohr, Police Chief Dossey, Fire Chief Kurt Nelson, Commission Member Buster Hanley and Commission Member Dale Vonderheide.

Absent: Liquor Commissioner John McCabe

Also present: Attorney Sue Bosich

**APPROVAL OF AGENDA**

Deputy Liquor Commissioner VonRohr amended the Agenda to include late payments of the 2% Food and Beverage Tax. Motion made by Liquor Commission Member Vonderheide to approve the agenda for January 28, 2015, seconded by Commission Member Hanley. On roll call vote all present voted Aye. Motion carried.

**APPROVAL OF LIQUOR COMMISSION MINUTES**

Motion made by Commission Member Hanley to approve the December 17, 2015 liquor commission minutes, seconded by Police Chief Dossey. On roll call vote all present voted Aye. Motion carried.

**PUBLIC INPUT/COMMENTS/QUESTIONS**

Denny Mullens asked the Commission if they could hold a Special Liquor Commission Meeting so his client Mike Monseur could obtain a liquor license for his new business Krystal's; He submitted his application and only waiting on his background check. Deputy Liquor Commissioner VonRohr stated he would have to speak with Liquor Commissioner McCabe and that he was not present for the meeting.

**NEW BUSINESS**

**JULIE'S ENTERTAINMENT, LLC DBA JULIE'S  
JULIE COX  
3293 COURT STREET  
PEKIN, ILLINOIS 61554**

Discussion: Attorney Bosich stated the liquor application had some questions that needed answered. The doing business as needs to be filled in, question 9 and 10 needs to be answered and also Julie Cox would need to re-sign last page and Paula could witness signature and notarize it. Police, Fire and Inspections all signed off the application.

Liquor Commission Member Vonderheide made a motion to approve the liquor license for Julie's Entertainment, LLC dba Julie's at 3293 Court Street pending amended application questions needing answered, Seconded by Police Chief Dossey. On roll call vote all present voted Aye. Motion carried.

**BEGU99, INC. DBA BINA'S PLACE  
BLERIM "BEN" BEKIR  
319 COURT STREET  
PEKIN, IL 61554**

Attorney Bosich reviewed the application and noticed they did not check what type of liquor license they were applying for. Also on 1A of the application they said object for which organized; Video Gaming. The Liquor Commission and City of Pekin does not issue Video Gaming licenses. There is no listed manager that is local, when they hire one they would need to come in and have a background check done. Question number 5 on the application stated they have \$50,000 in goods, wares an merchandise and listed was windows, doors, tables and bar. Was this dollar amount correct? They will need their liquor liability insurance and have City of Pekin as certificate holder. The lease will need to be re-written to include that this a liquor establishment. Mr. Bekir was not present, instead he had sent Larry Finney.

Liquor Commissioner VonRohr made a motion to table the application until the next meeting in February in order for Blerim "Ben" Bekiri to complete the application seconded by Commission Member Vonderheide. On roll call vote all present voted Aye. Motion carried.

**ANY OTHER BUSINESS**

2% Food and Beverage: Vicki Bass in the Finance Department emailed a list of late 2% Food and Beverage tax. Late are Pekin Amvet's - 6 months in arrears; Goodfella's - 4 months in arrears; Doc's Supper Club - 3 months in arrears. Attorney Sue Bosich will write up notices to these businesses.

Ol' Dad's will be on the next Liquor Commission Agenda. They are in violation of the State liquor code for smoking inside the premises. Attorney Bosich will prepare a notice of hearing.

Fire Chief Nelson stated that Mr. Chad Ball with The High Note at 431 ½ Court Street is in violation of our City Liquor Code. Jamie Evans went out there yesterday; broken window in the upstairs which is a safety hazard. Phone line is not working, no power to the building which means no security system, fire alarm and working video equipment, lots of garbage in the back. Jamie Evans emailed Ron with the Inspections Department and Chief Nelson will talk with Ron after the meeting. Attorney Bosich will prepare a letter to Mr. Ball and the State Liquor Commission informing them of the outstanding fines owed to the City of Pekin and of their violations. Deputy Liquor Commissioner VonRohr will go pull their liquor license.

Deputy Liquor Commissioner VonRohr stated that there are two liquor licensee's that are not handing over their video surveillance tapes to Police. The Police Department is working on a Robbery and believe one of the suspects is on these tapes. VonRohr stated the tapes are only saved for 30 days. Attorney Bosich asked that VonRohr write up a police report and get to her office as soon as possible and she will prepare a Hearing Notice on the Ordinance Violations from our Liquor Code.

Deputy Liquor Commissioner VonRohr welcomed Police Chief Dossey to the Liquor Commission.

The Manager from Casey's on North 8<sup>th</sup> Street asked if there has been any talks on changing the Ordinance to allow selling of alcohol where gas is sold. Liquor Commissioner McCabe is still researching this.

Fire Chief Nelson made a motion to adjourn, seconded by Police Chief Dossey

Meeting adjourned at 4:20 P.M.

**Next Regular Meeting will be Thursday, February 11, 2015 at 4:00 P.M.**

Respectfully submitted, Paula Gensel, Liquor Commission Secretary

Tazewell County Animal Control

City: City of Pekin

Date:

Billing for Month of:

January 2016

\$3,753.83

Tazewell Animal Control

Po Box 158

Tremont, IL 61568

City of Pekin

111 S. Capitol Room 242

Pekin, IL 61554



# Animal Counts Brought in by Wardens between January 1, 2016 and January 31, 2016

| City   | Warden | Origin | PickUp Site           | PickUp Dat | Species | Breed      | Disposition | Days | Log #  |
|--------|--------|--------|-----------------------|------------|---------|------------|-------------|------|--------|
| Pekin  |        |        |                       |            |         |            |             |      |        |
| LOHNES | City   |        | 100 TPAS LANE         | 1/4/2016   | Dog     | LAB        | REL         | 17   | 160136 |
| LOHNES | City   |        | 2202 BROOKDALE        | 1/8/2016   | Dog     | HEELER     | R           | 10   | 160153 |
| LOHNES | City   |        | 2212 BELMONT          | 1/7/2016   | Other   | COON       | E           | 0    | 160151 |
| LOHNES | City   |        | 1115 CATHERINE        | 1/7/2016   | Dog     | PIT        | REL         | 14   | 160147 |
| LOHNES | City   |        | 100 taps lane         | 1/7/2016   | Dog     | SHEP MIX   | REL         | 14   | 160149 |
| LOHNES | City   |        | PEKIN ANIMAL HOSPITAL | 1/5/2016   | Cat     | DSH        | REL         | 17   | 160141 |
| LOHNES | City   |        | 1515 MECHANIC         | 1/27/2016  | Other   | RABBIT     | E           | 0    | 160204 |
| LOHNES | City   |        | 1011 ELCAMINO         | 1/7/2016   | Cat     | DSH        | E           | 25   | 160150 |
| LOHNES | City   |        | 263 COOPER            | 1/19/2016  | Cat     | DLH        |             |      | 160180 |
| LOHNES | City   |        | 2107 WINDSOR          | 1/25/2016  | Dog     | BLOODHOUND | R           | 0    | 160198 |
| LOHNES | City   |        | 1423 FISHER           | 1/26/2016  | Dog     | SHIHTZUE   | R           | 1    | 160202 |
| HOMERI | City   |        | 1401 BACON #7         | 1/27/2016  | Dog     | PIT        | R           | 2    | 160208 |
| HARMS  | City   |        | PARKWAY & BROADWAY    | 1/1/2016   | Dog     | DOB        | R           | 0    | 160130 |
| HARMS  | City   |        | 827 PARK AVE          | 1/6/2016   | Dog     | LAB        | REL         | 15   | 160144 |
| HARMS  | City   |        | PEKIN ANIMAL HOSPITAL | 1/18/2016  | Cat     | DLH        | E           | 7    | 160175 |
| HARMS  | City   |        | PEKIN VET CLINIC      | 1/22/2016  | Cat     | DSH        | E           | 0    | 160192 |
| HARMS  | City   |        | PEKIN VET CLINIC      | 1/29/2016  | Cat     | DSH        |             |      | 160211 |
| HOMERI | City   |        | 911 EISENHOWER        | 1/24/2016  | Other   | COON       | E           | 0    | 160194 |
| LOHNES | City   |        | 2418 WILLOW           | 1/25/2016  | Other   | SQUIRREL   | E           | 0    | 160200 |

Total Dogs picked up in Pekin: 9

Total Cats picked up in Pekin: 6

Total Others picked up in Pekin: 4

# Animal Counts Brought in by Individuals between January 1, 2016 and January 31, 2016

| City  | In By     | Origin | PickUp Site        | PickUp Dat | Species | Breed      | Disposition | Days | Log #  |
|-------|-----------|--------|--------------------|------------|---------|------------|-------------|------|--------|
| Pekin |           |        |                    |            |         |            |             |      |        |
|       | Owner R   | County | 1803 QUAKER        | 1/28/2016  | Dog     | LAB        |             |      | 160210 |
|       | Owner R   | City   | 1420 CHARLOTTE     | 1/26/2016  | Dog     | BLOODHOUND | E           | 0    | 160201 |
|       | Owner R   | City   | 1410 CATHERINE ST. | 1/15/2016  | Dog     | CHI/MIX    | REL         | 6    | 160169 |
|       | Owner R   | City   | 1307 S. 14TH ST.   | 1/15/2016  | Dog     | CHI.       | E           | 0    | 160168 |
|       | Owner R   | City   | 1307 S. 14TH       | 1/15/2016  | Dog     | CHI.       | E           | 0    | 160167 |
|       | Individua | City   | BARNEY AVE         | 1/8/2016   | Dog     | ROTT       | A           | 19   | 160152 |

Total Dogs picked up in Pekin: 6

Total Cats picked up in Pekin: 0

Total Others picked up in Pekin: 0







## City of Pekin Court Street Improvements

Kurt Bialobreski, P.E., PTOE  
Becca Wagner, E.I.

February 8, 2016

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### Goals

- Maintain Existing Traffic Volumes
- Reduce Long Term Maintenance Costs
- Improve Road Condition
- Limit Right-of-Way Acquisition
- Improve Access and Safety for All Modes

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### Requirements

- If You Resurface the Roadway... Fix Sidewalk Ramps
  - Detectable Warnings and Landing Zones
  - Standards Implemented in 2011
- If You Reconstruct Curbs... Fix Sidewalks
  - 6' Sidewalk at Back of Curb
    - 4' Minimum Sidewalk (Passing Zone of 5' every 200')
    - 2' Buffer From Travel Lane

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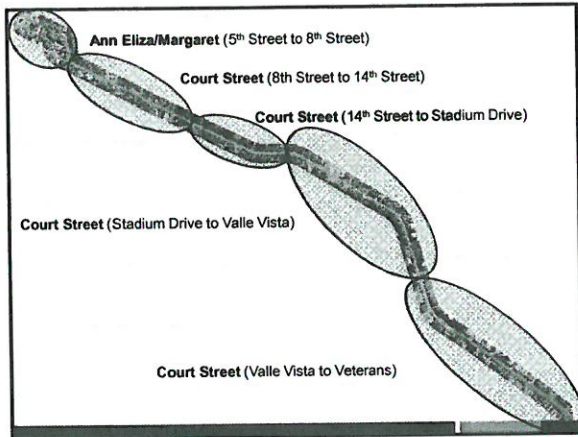
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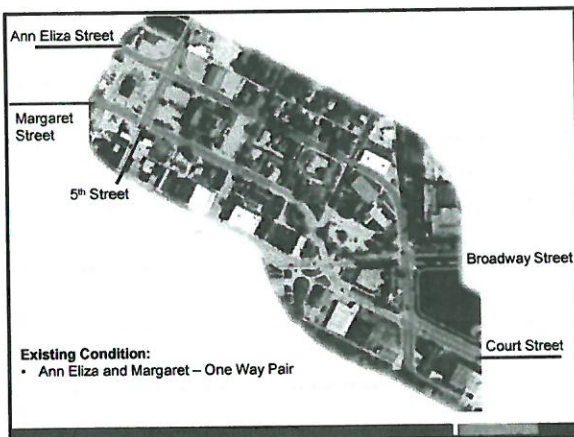
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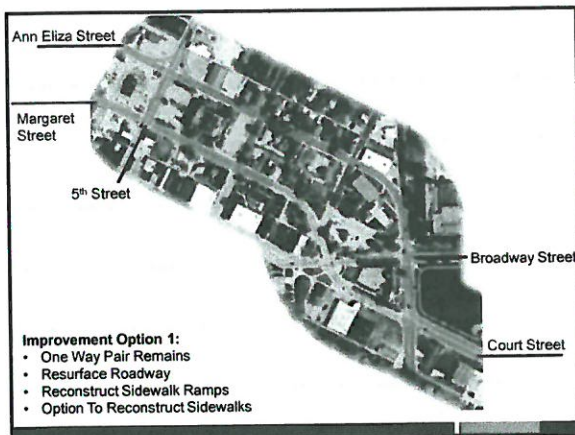
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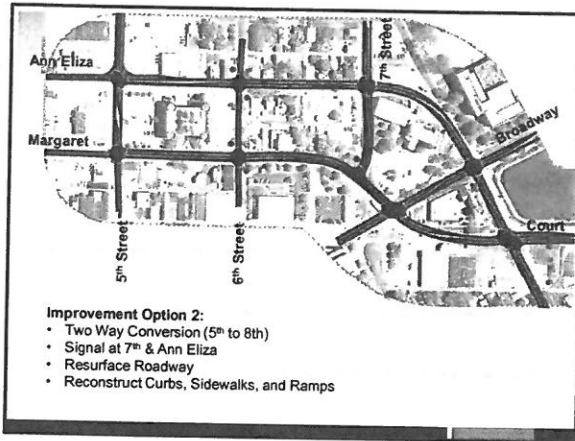
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### Summary of Options

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Improvement Option 1:</b></p> <ul style="list-style-type: none"> <li>• One Way Pair Remains</li> <li>• Resurface Roadway</li> <li>• Reconstruct Sidewalk Ramps</li> <li>• Option To Reconstruct Sidewalks</li> </ul> | <p><b>Improvement Option 2:</b></p> <ul style="list-style-type: none"> <li>• Two Way Conversion (5<sup>th</sup> to 8<sup>th</sup>)</li> <li>• Signal at 7<sup>th</sup> &amp; Ann Eliza</li> <li>• Resurface Roadway</li> <li>• Reconstruct Curbs, Sidewalks, and Ramps</li> </ul> |
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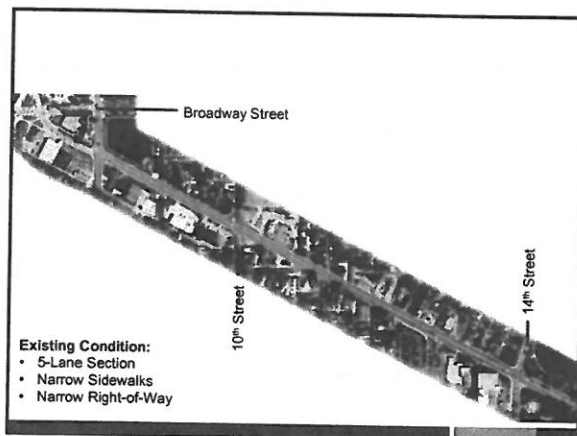
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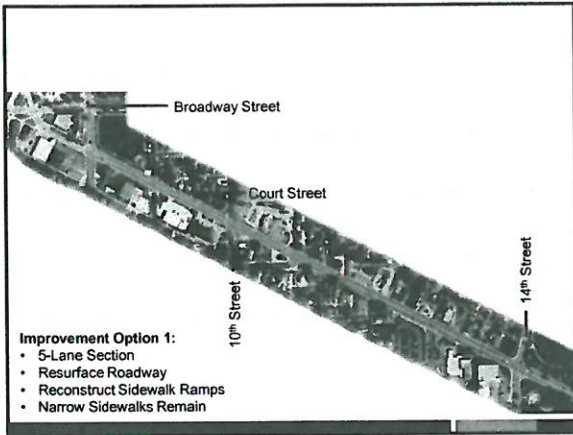
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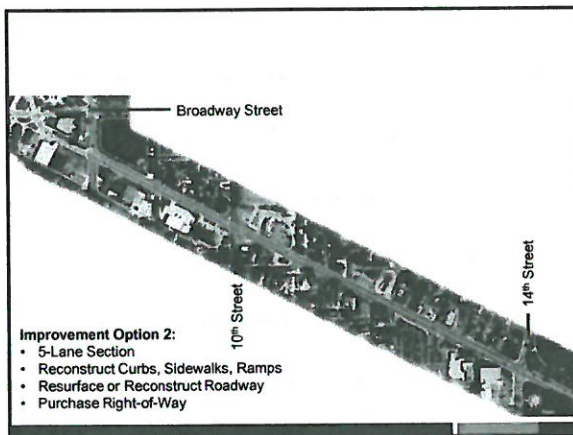
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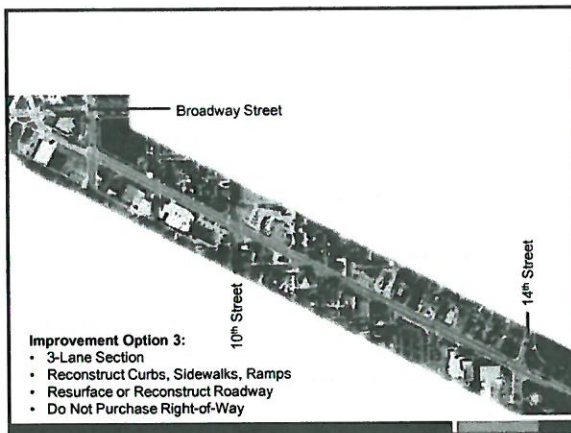
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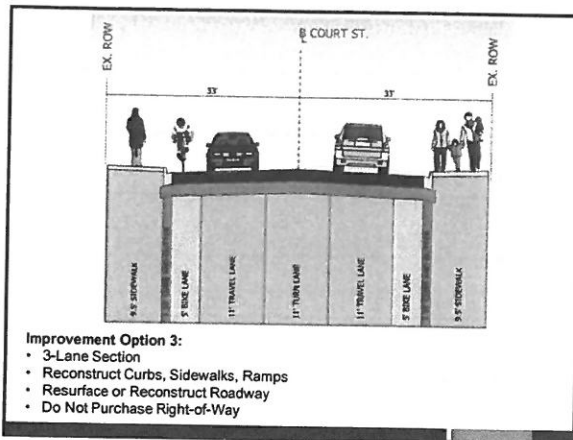
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| Summary of Options                                                                                                                                                       |                                                                                                                                                                                                |                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improvement Option 1:                                                                                                                                                    | Improvement Option 2:                                                                                                                                                                          | Improvement Option 3:                                                                                                                                                                                 |
| <ul style="list-style-type: none"> <li>• 5-Lane Section</li> <li>• Resurface Roadway</li> <li>• Reconstruct Sidewalk Ramps</li> <li>• Narrow Sidewalks Remain</li> </ul> | <ul style="list-style-type: none"> <li>• 5-Lane Section</li> <li>• Reconstruct Curbs, Sidewalks, Ramps</li> <li>• Resurface or Reconstruct Roadway</li> <li>• Purchase Right-of-Way</li> </ul> | <ul style="list-style-type: none"> <li>• 3-Lane Section</li> <li>• Reconstruct Curbs, Sidewalks, Ramps</li> <li>• Resurface or Reconstruct Roadway</li> <li>• Do Not Purchase Right-of-Way</li> </ul> |

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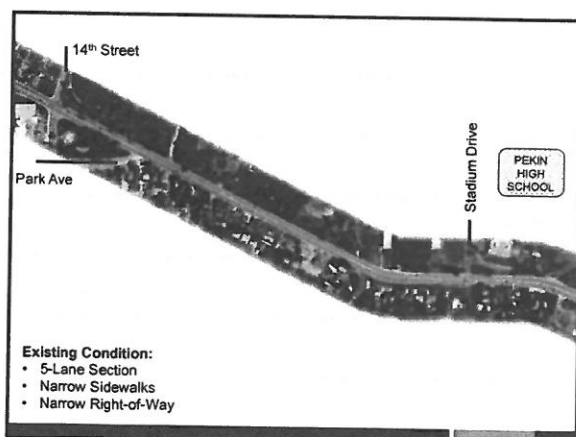
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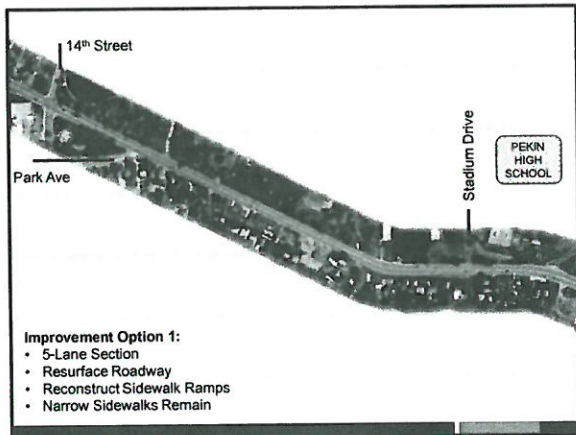
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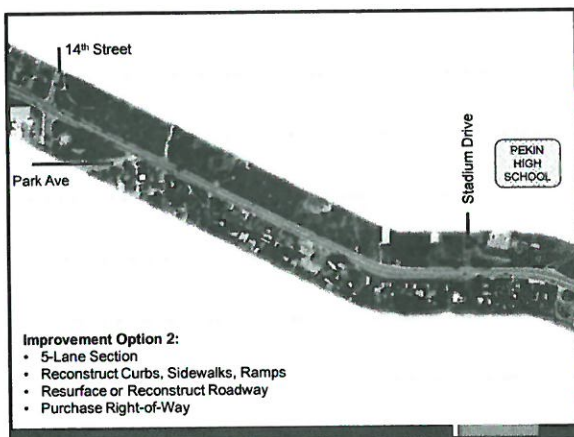
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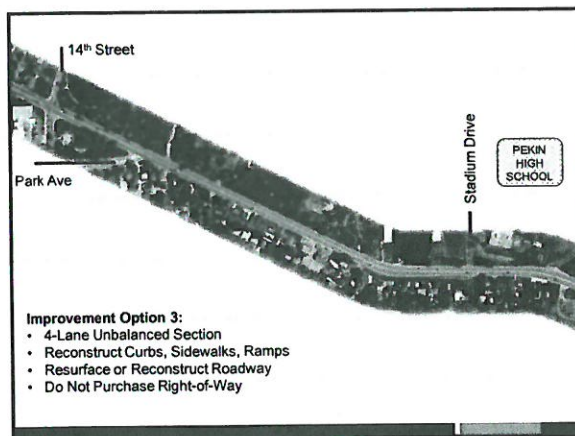
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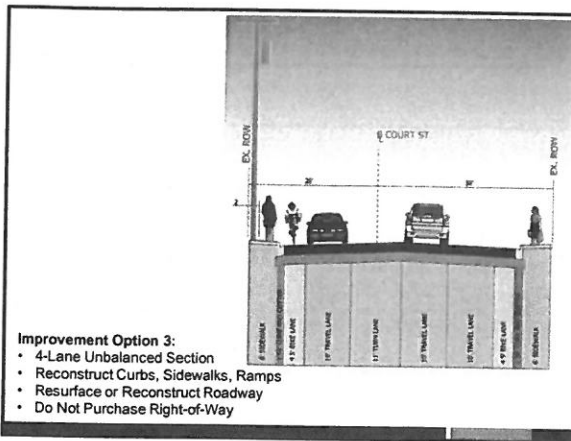
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| Summary of Options                                                                                                                                                       |                                                                                                                                                                                                |                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improvement Option 1:                                                                                                                                                    | Improvement Option 2:                                                                                                                                                                          | Improvement Option 3:                                                                                                                                                                                            |
| <ul style="list-style-type: none"> <li>• 5-Lane Section</li> <li>• Resurface Roadway</li> <li>• Reconstruct Sidewalk Ramps</li> <li>• Narrow Sidewalks Remain</li> </ul> | <ul style="list-style-type: none"> <li>• 5-Lane Section</li> <li>• Reconstruct Curbs, Sidewalks, Ramps</li> <li>• Resurface or Reconstruct Roadway</li> <li>• Purchase Right-of-Way</li> </ul> | <ul style="list-style-type: none"> <li>• 4-Lane Unbalanced Section</li> <li>• Reconstruct Curbs, Sidewalks, Ramps</li> <li>• Resurface or Reconstruct Roadway</li> <li>• Do Not Purchase Right-of-Way</li> </ul> |

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| Potential Stadium Drive Signal                                                                                                                                                                                                                                                                                                                              |
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| <ul style="list-style-type: none"> <li>• MUTCD Warrants <ul style="list-style-type: none"> <li>• Meets Peak Hour Warrant</li> <li>• Meets Vehicle Platooning Warrant</li> </ul> </li> <li>• Pedestrian Crossing</li> <li>• Works with any Improvement Option <ul style="list-style-type: none"> <li>• Sidewalk Improvements Required</li> </ul> </li> </ul> |

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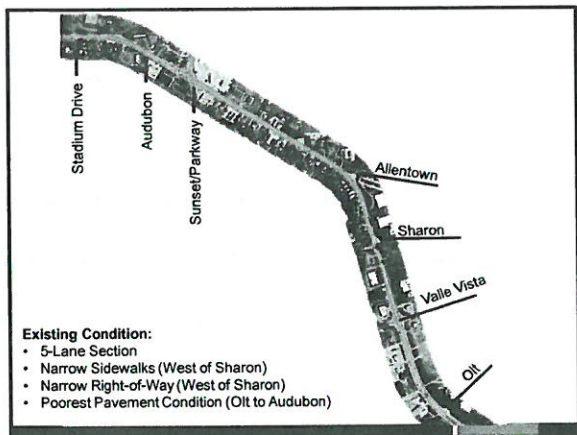
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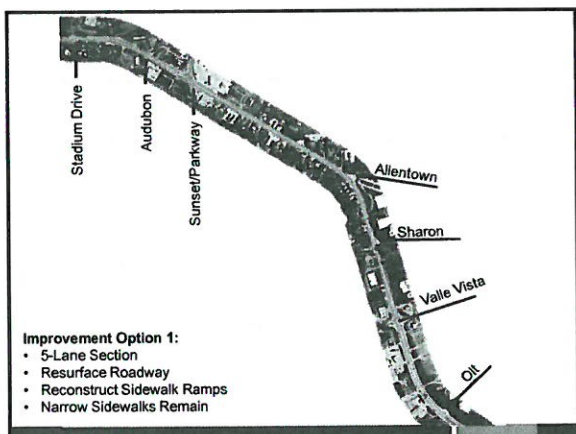
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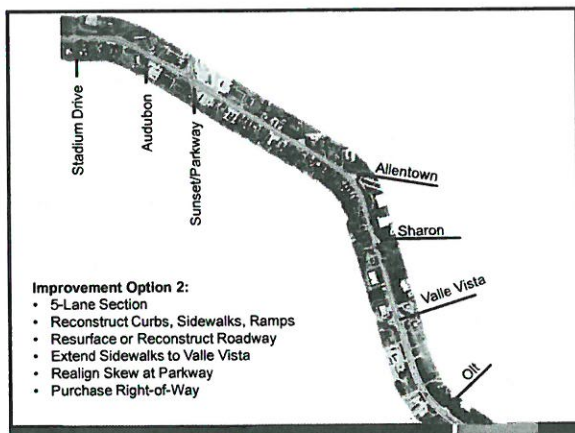
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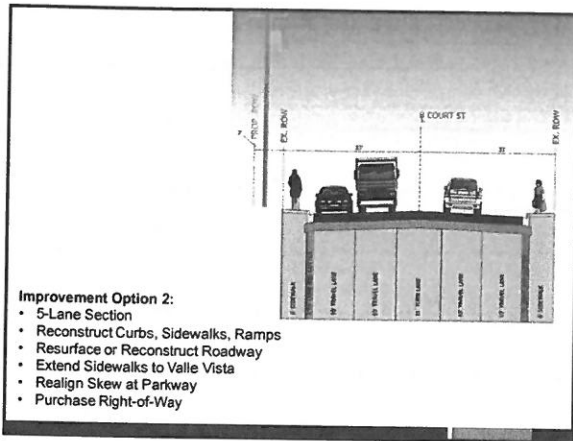
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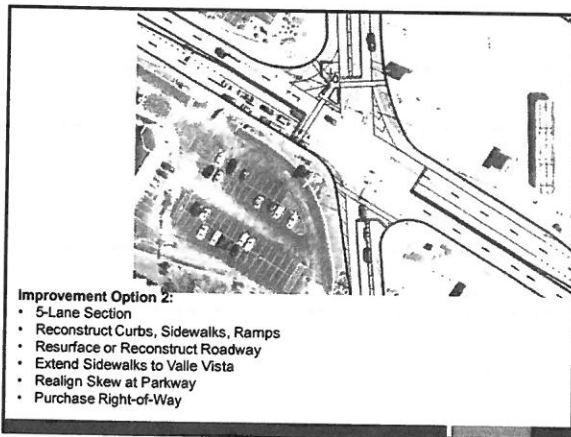
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### Summary of Options

**Improvement Option 1:**

- 5-Lane Section
- Resurface Roadway
- Reconstruct Sidewalk Ramps
- Narrow Sidewalks Remain

**Improvement Option 2:**

- 5-Lane Section
- Reconstruct Curbs, Sidewalks, Ramps
- Resurface or Reconstruct Roadway
- Extend Sidewalks to Valle Vista
- Realign Skew at Parkway
- Purchase Right-of-Way

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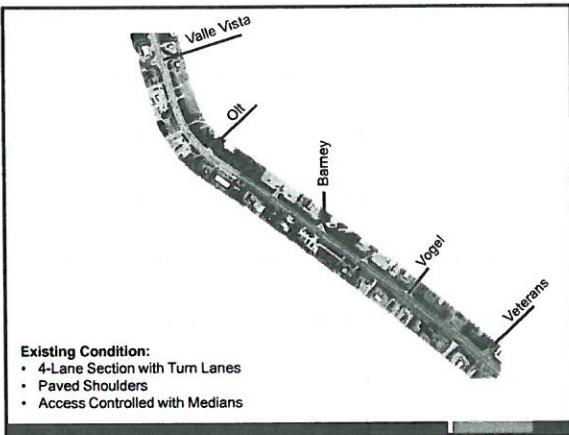
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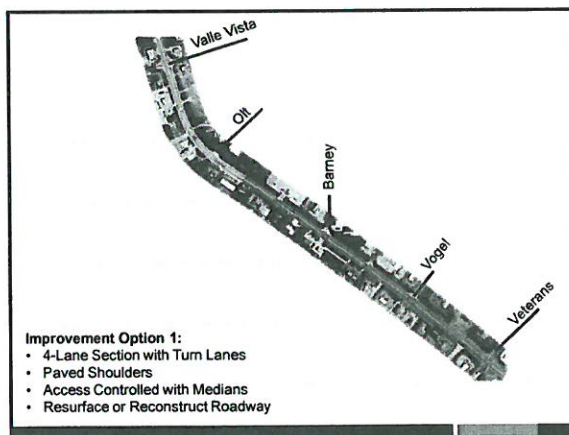
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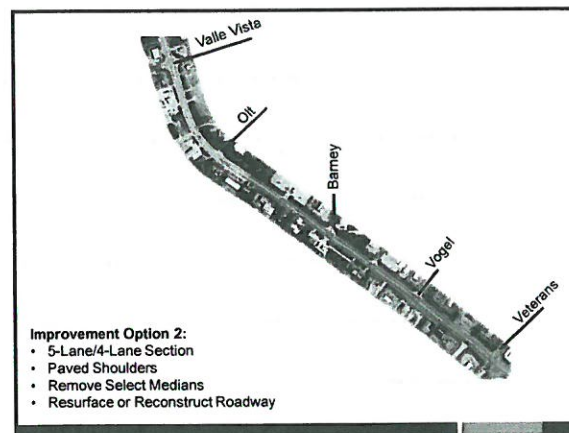
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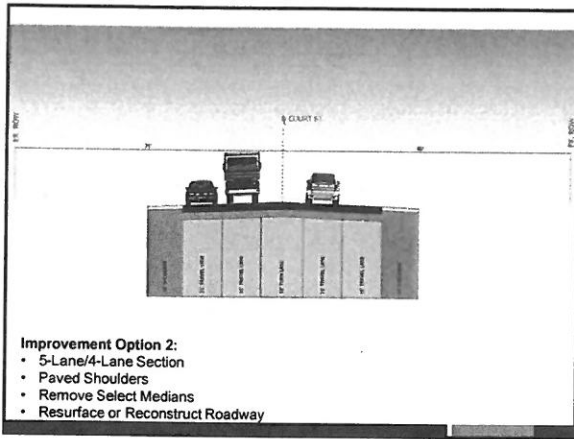
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### Summary of Options

|                                                                                                                                                                                                                                         |                                                                                                                                                                                                                       |
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| <p><b>Improvement Option 1:</b></p> <ul style="list-style-type: none"> <li>• 4-Lane Section with Turn Lanes</li> <li>• Paved Shoulders</li> <li>• Access Controlled with Medians</li> <li>• Resurface or Reconstruct Roadway</li> </ul> | <p><b>Improvement Option 2:</b></p> <ul style="list-style-type: none"> <li>• 5-Lane/4-Lane Section</li> <li>• Paved Shoulders</li> <li>• Remove Select Medians</li> <li>• Resurface or Reconstruct Roadway</li> </ul> |
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### Utility Relocation

- Discussions with Ameren
- Underground or Poles
- Right-of-Way

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**Thank You!**

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## REQUEST FOR COUNCIL ACTION

**To: Mayor and Council**

**CC: City Clerk & City Manager**

**From: Michael Guerra, City Engineer**

**AGENDA ITEM: Agency Agreement with Illinois Department of Transportation and Genesee & Wyoming Railroad**

**AGENDA DATE REQUESTED: February 8, 2016**

**ACTION REQUESTED: To approve the Amended Agency Agreement with IDOT and Genesee & Wyoming Railroad for Grade Crossing improvement at Broadway Road.**

**DESCRIPTION:** This is to amend the agency agreement for the grade crossing improvement at Broadway Road which was approved in August of 2013. The amendment is needed because the bids for the improvement came in higher than the estimate previously agreed upon.

For this project the State plans on installing gates and constant warning time circuitry for the Broadway rail crossing with rail safety funding. The cost for this work will be borne solely by the State and requires 0% participation from the City. The only City involvement with this project is to sign the agreement to allow the project on a City Street. This is due to regulations with MAP-21 funding which requires the local agency approval to use any federal funding on City Streets.

I recommend that the agreement be approved.

**FINANCIAL IMPACT: \$0**

**NEIGHBORHOOD CONCERNS: Construction on City Streets**

**IMPACT IF APPROVED: The projects will proceed**

**IMPACT IF DENIED: The projects will not be allow to proceed**

**ALTERNATIVES: None**

**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.]**

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



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|                                                                                                               |
|---------------------------------------------------------------------------------------------------------------|
| <b>REQUIRED SIGNATURES</b>                                                                                    |
| <b>Department Director:</b>  |
| Date: 2/3/16                                                                                                  |
| <b>Finance Department (Certification of Availability of Funds):</b>                                           |
| Date:                                                                                                         |
| <b>Corporation Counsel:</b>                                                                                   |
| Date:                                                                                                         |
| <b>City Manager:</b> Sarah Newcomb, ICM                                                                       |
| Date: 2/3/16                                                                                                  |

FAU 6761 (Broadway Road)  
City of Pekin  
Tazewell County  
Section 13-00186-00-SP  
Project RRP-5093(165)  
Job No. C-94-018-13

STATE OF ILLINOIS  
DEPARTMENT OF TRANSPORTATION  
AMENDMENT No. 1  
for  
Local Agency Railway-Highway  
Grade Crossing Improvements

THIS AMENDMENT is made and entered into by and between the State of Illinois, acting by and through its Department of Transportation, hereinafter referred to as the "STATE", the City of Pekin, State of Illinois, acting by and through its Director of Public Works, hereinafter referred to as the "LA" and the Illinois & Midland Railroad, Inc., hereinafter referred to as the "COMPANY."

The original AGREEMENT executed on October 4, 2013 remains in full effect, except the Estimated Railroad Cost in Exhibit A of the original AGREEMENT will change from \$176,958.57 to a new cost of \$299,931.68 based on recent bids received by the Company. Included as attachments to this AMENDMENT is the Summary of Cost as Attachment A and the original AGREEMENT as Attachment B.

Executed by the COMPANY this \_\_\_\_\_  
day of \_\_\_\_\_, 2016.

Illinois & Midland Railroad, Inc.

ATTEST:

\_\_\_\_\_

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

Name: \_\_\_\_\_

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

Executed by the LOCAL AGENCY this \_\_\_\_\_  
day of \_\_\_\_\_, 2016.

City of Pekin

acting by and through its

Director of Public Works

ATTEST:

\_\_\_\_\_

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

Name: \_\_\_\_\_

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

**APPROVED**

State of Illinois, Department of Transportation

\_\_\_\_\_  
Randall S. Blankenhorn, Secretary of Transportation Date

\_\_\_\_\_  
BY: Aaron A. Weatherholt, Deputy Director of Highways Date

\_\_\_\_\_  
Omer Osman, Director of Highways/ Chief Engineer Date

\_\_\_\_\_  
William M. Barnes, Chief Counsel Date

\_\_\_\_\_  
Jeff Heck, Chief Fiscal Officer (CFO) Date



## Illinois & Midland Railroad, Inc.

Broadway Road - Pekin, Tazewell County, IL

DOT #: 169802V  
Agency Job #: C-94-018-13  
RR MP: 10.05

Patrick #: 21477.713  
Railroad #: 13IMRR11R

### SUMMARY

|                                                                                                                |    |            |
|----------------------------------------------------------------------------------------------------------------|----|------------|
| <b>CROSSING WARNING SYSTEM</b>                                                                                 | \$ | 243,669.68 |
| (Includes all requisition, labor, materials, shop wiring, and installation)                                    |    |            |
| <b>CROSSING SURFACE/RESURFACE</b>                                                                              | \$ | -          |
| (Includes all requisition, labor, materials, and installation)                                                 |    |            |
| <b>TRACK GRADE AND REHABILITATION</b>                                                                          | \$ | -          |
| (Includes all requisition, labor, materials, and installation)                                                 |    |            |
| <b>RAILROAD ENGINEERING</b>                                                                                    | \$ | 2,000.00   |
| (Includes RAILROAD Labor for Reviewing Engineering Authorizations, Field Inspections and Administrative Labor) |    |            |
| <b>PRELIMINARY ENGINEERING</b>                                                                                 | \$ | 11,140.00  |
| (Includes CONTRACT Labor for all Engineering, Agency Coordination, and Project Management)                     |    |            |
| <b>CONSTRUCTION ENGINEERING</b>                                                                                | \$ | 33,000.00  |
| (Includes CONTRACT Labor for all Engineering, Circuitry Design, Agency Coordination, and Project Management)   |    |            |
| <b>CONSTRUCTION ENGINEERING INSPECTION</b>                                                                     | \$ | 5,303.00   |
| (Estimated Construction Engineering Inspection cost)                                                           |    |            |
| <b>UTILITY CROSSING</b>                                                                                        | \$ | -          |
| (0 new utility crossings @ \$4000 per crossing, includes application, engineering review, and right of entry)  |    |            |
| <b>FLAGGING SERVICES</b>                                                                                       | \$ | -          |
| (Estimated Flagging Services cost based on 0 days @ \$750 per 8-hour day)                                      |    |            |
| <b>AC POWER SERVICE &amp; UTILITY COORDINATION</b>                                                             | \$ | 4,819.00   |
| (Includes all Power Service Charges not included in other costs)                                               |    |            |
| <b>OTHER (Description Required)</b>                                                                            | \$ | -          |
| <b>TOTAL ESTIMATE COST</b>                                                                                     | \$ | 299,931.68 |

Estimate Prepared By:  
Date:

Xorail  
9/18/2013

Revised: Patrick  
11/23/2015

Approved By:  
Date:

**SIGNAL VENDOR BID ANALYSIS DATE: 10/08/15**

RR Code: IMRR

Location: Pekin (Tazewell County), IL

Crossing Name: Broadway Rd

AAR\DOT#: 169802V

RR Milepost: 10.05

RR Project #: 13IMRR11R

Preliminary Estimate: \$199,673.47

|                       |    |                          |
|-----------------------|----|--------------------------|
| Lowest Bid Amount:    | \$ | 243,669.68               |
| Lowest Bidder:        |    | Progress Rail Services   |
| Lowest By Amount:     | \$ | 50,491.05                |
| Second Lowest Bid:    | \$ | 294,160.73               |
| Second Lowest Bidder: |    | Railroad Signal Services |

| Vendor                   | Vendor Estimate | Prelim Estimate | Variance Cost  | Variance % | General Notes                                | Quote By     | Date      | Phone        | Email                         |
|--------------------------|-----------------|-----------------|----------------|------------|----------------------------------------------|--------------|-----------|--------------|-------------------------------|
| Progress Rail Services   | \$ 243,669.68   | \$199,673.47    | (\$43,996.21)  | -22%       | Includes trackwork and Prevailing Wage       | Nick Reyes   | 10/5/2015 | 816-350-4437 | nreyes@progressrail.com       |
| Railroad Signal Services | \$ 294,160.73   | \$199,673.47    | (\$94,487.26)  |            | Includes Prevail. Wage, trackwork not listed | Kyle Knudsen | 10/5/2015 | 402-604-0716 | kknudsen@rrsignalservices.com |
| TCR Rail Systems         | \$ 344,421.00   | \$199,673.47    | (\$144,747.53) | -72%       | Includes trackwork, non-union labor rates    | Pat Ferry    | 10/5/2015 | 502-405-3004 | pferry@tcrrailsystems.com     |

**Notes:**

1. Progress Rail and Railroad Signal Services note Prevailing Wage labor rates (required by IDOT Agreement).
2. Railroad Signal Services bid does not mention or include breakdown of trackwork.



Company Address 11209 Electron Drive  
Louisville, KY 40299

#### Quote Information

|              |                                         |             |                         |
|--------------|-----------------------------------------|-------------|-------------------------|
| Quote Number | 00025813                                | Prepared By | Nick Reyes              |
| Quote Name   | Broadway Rd Crossing Project - 00025813 | Title       | Account Executive       |
| Created Date | 10/5/2015                               | Phone       | (816) 350-4437          |
| Account      | Illinois & Midland Railroad             | E-mail      | nreyes@progressrail.com |

#### Quote Line Items

| QTY  | U/M | Line Description | Sales Price    | Total Price    |
|------|-----|------------------|----------------|----------------|
| 1.00 | LOT | Freight          | USD 1,575.00   | USD 1,575.00   |
| 1.00 | LOT | Taxes            | USD 12,944.54  | USD 12,944.54  |
| 1.00 | LOT | Installation     | USD 60,095.53  | USD 60,095.53  |
| 1.00 | LOT | Material         | USD 169,054.61 | USD 169,054.61 |

Grand Total USD 243,669.68

#### Shipping Information and Notes

**Shipping Info.** Project will be installed, in-service, and Railroad approved within 12 weeks from Notice to Proceed.

**Notes** The price includes the following:

- Wired / Tested 6 x 6 House
- (2) Gate Flasher Assemblies
- Installation Services
- AC Meter Services
- Conduits
- Bonding Materials
- Dress Stone / Fill Materials
- Insulated Joints / Switch Materials
- Misc. Ground Materials
- Prevailing Wage
- Flagging
- Freight
- Taxes

Price Excludes the Following:  
Engineering Services

#### Terms and Conditions

**Payment Terms** Net 30

**Remarks**

- Quote valid for 30 Days
- Sales tax is included at 8%
- Deliveries are subject to change at time of order placement.
- Quote is based upon the above quantity and specifications. Any changes may affect pricing.
- Freight rates are based on time of quotation and are subject to change at time of order placement and at time of



shipment.

- Acceptance of an order is governed by the Progress Rail Services Sales Order Terms And Conditions which are attached to this quote.

To place your order please e-mail your purchase order to [Signal.Orders@ProgressRail.com](mailto:Signal.Orders@ProgressRail.com).

Thank you for allowing us to be of service.

## Terms & Conditions

Effective as of July 1, 2014

### PROGRESS RAIL SERVICES SALES ORDER TERMS AND CONDITIONS

**1. ACCEPTANCE.** These terms and conditions apply to all sales by Progress Rail Services Corporation or one of its affiliates stated in any related sales order or invoice ("Seller") issued or approved by such Seller. This is an offer to sell to Buyer by Seller. Seller may revoke this offer at any point up to, an including, acceptance of the goods or services by Buyer. BUYER'S RIGHT TO ACCEPT THIS OFFER IS LIMITED TO THESE TERMS AND CONDITIONS AND ANY PRINTED ON SELLER'S SALES ORDER OR INVOICE. NO TERMS OR CONDITIONS ISSUED BY BUYER ARE BINDING ON SELLER AND SELLER REJECTS ANY SUCH TERMS OR CONDITIONS, UNLESS SPECIFICALLY AGREED TO IN WRITING AND SIGNED BY SELLER. THERE ARE NO UNDERSTANDINGS, TERMS, CONDITIONS OR WARRANTIES NOT FULLY EXPRESSED HEREIN. ACCEPTANCE OF THESE TERMS SHALL BE EVIDENCED BY BUYER'S ACCEPTANCE OF GOODS OR SERVICES OR UPON BEGINNING OF PERFORMANCE BY SELLER.

**2. PURCHASE PRICE.** The purchase price of the goods or services shall be as stated on Seller's sales order or invoice (together with these terms and conditions, the "Agreement"); provided however, that if Seller announces a general price increase, the purchase price shall be revised to include the price increase unless the goods are scheduled for shipment or services are to be performed within thirty days of the price increase.

**3. LIMITED WARRANTIES.** Seller warrants that the goods and services sold to Buyer through this Agreement will comply with agreed upon specifications when performed. Seller warrants only its services and does not warrant any goods supplied in performance of the services. However, Seller may assign to Buyer, at Buyer's request and to the extent they are assignable, warranties applicable to goods or services provided by third parties and supplied by Seller in performance of the services. The warranties in this Agreement are void and shall not apply if in the reasonable judgment of Seller, items on which services have been performed or goods supplied in performance of the services, have been damaged by improper application, abuse or neglect, improper maintenance or repair, subjected to inappropriate environmental or operational conditions or services by third parties without prior written authorization from Seller. SELLER MAKES NO OTHER WARRANTIES, AND EXPRESSLY DISCLAIMS ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTY RELATED TO PERFORMANCE OR TO THE SUITABILITY OF BUYER FURNISHED DESIGNS, MODIFICATIONS OR SPECIFICATIONS.

**4. LIMITATION OF BUYER'S REMEDIES AND SELLER'S LIABILITY.** Seller's liability hereunder shall

**7. SHIPMENT/PASSAGE OF TITLE.** All goods shall be shipped FCA Seller's facility (Incoterms® 2010). Title to the goods sold hereunder shall pass to Buyer upon delivery to the carrier at the point of shipment. Without Seller's prior, written permission, neither Buyer nor Buyer's consignee shall have the right to divert or re consign such shipment to any destination other than specified in the bill of lading. Seller reserves the right to select the mode of transportation.

**8. PAYMENTS AND LATE CHARGES ON PAST DUE ACCOUNTS.** If Buyer fails to comply with any provision of the Agreement or fails to make payments pursuant to the Agreement or any other agreement between Buyer and Seller, Seller may at its option defer shipments or performance or, without waiving any other rights it may have, terminate this Agreement without liability. All offers shall be subject to the approval of Seller's credit department. Seller reserves the right before making any delivery, or providing any service, to require payment in cash or security for payment, and if Buyer fails to comply with such requirement, Seller may terminate this Agreement. A late charge of 1½% monthly (18% annual rate) or the maximum allowed by state law, if less, will be imposed on all past due accounts.

**9. CLAIMS BY BUYER.** Buyer shall thoroughly inspect goods and services sold under this Agreement immediately upon receipt to verify that the such goods and services conform to the specifications of the Agreement. Buyer must notify Seller of claims for failure or delay in delivery within ten (10) days after the scheduled delivery date. Buyer must notify Seller of any claims for nonconforming or defective goods or services within ten (10) days after receipt or any claim related to such goods or services shall be waived. In addition, Seller must be given an opportunity to investigate the claim before Buyer disposes of the goods or else Buyer's claim will be barred. Seller shall incur no liability for damage, shortages, or other cause alleged to have occurred or existed at or prior to delivery to the carrier unless Buyer shall have entered full details thereof on its receipt to the carrier.

**10. PERMISSIBLE VARIATIONS.** The goods sold hereunder shall be subject to standard manufacturing variations, tolerances and classifications of the Seller and in the industry.

**11. TECHNICAL ADVICE.** Buyer represents that it has made its own independent determination that the goods or services it is purchasing under this Agreement meet all design and specification requirements of Buyer's project and are suitable for Buyer's intended application. Buyer further represents that it has not relied in any respect on any written or oral statements or advice from Seller.

**12. TAXES.** No tax imposed in respect of the sale of the goods or services sold hereunder is included. Any such tax shall be added to, and paid by Buyer as part of, the purchase price.



be limited to: (1) the assignable warranties referenced above with respect to goods; (2) re-performance of services; or (3) allowance of a credit, at its option. Seller's total cumulative liability in any way arising from or pertaining to any goods sold or required to be sold, or services performed or required to be performed shall NOT in any case exceed the purchase price paid by Buyer for such goods or services. TO THE FULLEST EXTENT ALLOWED BY LAW, IN NO EVENT SHALL SELLER HAVE ANY LIABILITY FOR COMMERCIAL LOSS, LOST PROFITS, CLAIMS FOR LABOR, OR FOR EXEMPLARY, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES OF ANY TYPE, WHETHER THE CLAIM BE BASED IN CONTRACT, TORT, WARRANTY, STRICT LIABILITY, NEGLIGENCE, OR OTHERWISE, AND IRRESPECTIVE IF SELLER WAS ADVISED OR AWARE THAT SUCH DAMAGES WERE POSSIBLE OR LIKELY. IT IS EXPRESSLY AGREED THAT BUYER'S REMEDIES EXPRESSED IN THIS PARAGRAPH ARE BUYER'S SOLE AND EXCLUSIVE REMEDIES. NO DELIVERY DATES ARE GUARANTEED. BUYER'S SOLE AND EXCLUSIVE REMEDIES AND SELLER'S ONLY LIABILITY FOR ANY DELAY IN DELIVERY OF GOODS OR SERVICES SHALL BE LIMITED AS SET FORTH HEREIN. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE ACCEPTANCE OF THE GOODS OR SERVICES SOLD HEREBY OR THE TERMINATION OF THIS AGREEMENT FOR ANY REASON.

**5. FORCE MAJEURE.** In addition to all other limitations stated herein, Seller shall be excused for any failure or delay in the performance of any of its obligations under this Agreement if such failure or delay is due to a strike, lockout, work stoppage, labor dispute, material shortage, utility outage, delay in transportation, fire, flood, earthquake, severe weather, act of God, accident, trade sanction, embargo, act of war, terrorism or threats of same; condition caused by national emergency, new or changed law; failure of suppliers to deliver or meet requirements; casualties or breakdown of or damage to plants, equipment, or facilities of Seller, any component manufacturer, repair facility, or their respective suppliers; breakdown in transportation services; any other act or cause which is unpredictable and cannot be reasonably avoided; and any act or cause which is beyond the reasonable control of Seller, whether similar to or different from the causes above enumerated, and whether affecting Seller or its agents, subcontractors, or suppliers, for as long as such circumstances prevail. Seller will undertake, as soon as practicable, to notify Buyer of any actual or anticipated failure or delay, and Buyer will use its commercially consequences on performance hereunder. The parties shall remain liable for those obligations under this Agreement not affected by the force majeure event; provided however, that in the case of a U.S. sanction, embargo, or other trade order or rule that would prohibit or otherwise render Seller's performance under this Agreement impracticable, Seller shall be excused from the performance of any remaining obligations under this Agreement and this Agreement terminated, without cost or liability, upon written notice by Seller.

**6. BUYER'S OBLIGATION TO PASS ON LIMITATION OF WARRANTIES AND REMEDIES.** In order to protect Seller against claims by any purchaser from Buyer, if Buyer resells any of the goods or services purchased under this Agreement, Buyer shall include the language contained in paragraphs 3 and 4 of these Sales Order Terms and Conditions, dealing with Seller's warranties and limitations of warranties and remedies, in an enforceable agreement with Buyer's buyer. Buyer shall also include a provision in its agreement with its buyer applying Alabama law to any claims its buyer might assert against Seller with respect to goods or services provided by Seller, and requiring its buyer to bring any

**13. INDEMNITY.** To the fullest extent allowable by law, Buyer shall defend, indemnify and hold harmless the Seller and its officers, directors, employees, agents, representatives and affiliates from any and all loss, liability, claim, cause of action, cost, judgment, or damages, including reasonable attorney fees for any personal injury, death, property damage, or economic loss of any sort, related to any act or omission of the Buyer or use or abuse of the goods by the Buyer or any third party receiving, using or abusing the goods after Buyer's receipt, without regard to whether any loss is based upon breach of contract, breach of warranty, negligence, strict liability, or other tort or contract theory or cause of action.

**14. WAIVER.** Failure or inability of either party to enforce any right hereunder shall not waive any right in respect to any other or future rights or occurrences.

**15. PERIOD OF LIMITATIONS.** Buyer and Seller agree that any action by Buyer against Seller for breach of this Agreement, including any action for breach of warranty, or otherwise in connection with the goods or services sold under this Agreement, must be commenced by Buyer against Seller within one year after the cause of action accrues.

**16. SEVERABILITY.** In case any provision of this Agreement shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

**17. APPLICABLE LAW.** The United Nations Convention on Contracts for the International Sale of Goods (1980) shall not apply to this Agreement. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Alabama. Buyer and Seller, each as part of the consideration hereof, agree to the exclusive venue and jurisdiction of, and specifically agree that any legal action brought relating to this Agreement or goods or services provided will be brought and tried exclusively in the state or federal courts serving Marshall County, Alabama.

**18. COMPLIANCE WITH LAWS.** Buyer understands and agrees that goods and services sold by Seller, and any software, parts and components contained therein, along with any related manuals, materials, information or data, including but not limited to any parts, support or services provided by Seller (collectively, the "Product and Services"), as well as performance by the parties under this Agreement, are subject to laws, rules, regulations, directives, ordinances, orders, or statutes (the "Laws") of the United States and may be subject to the Laws of other, applicable countries (including, without limitation, Russia). Buyer agrees to comply with such Laws, as applicable, which may include but are not limited to, the U.S. Foreign Corrupt Practices Act, UK Bribery Act, anti-bribery Laws of other countries, U.S. Export Administration Regulations, U.S. International Traffic in Arms Regulations, and Laws administered by the U.S. Treasury Department Office of Foreign Assets Control and U.S. Department of State. Buyer agrees to cooperate with Seller to ensure compliance with the Laws when engaging in activities related to Buyer's performance of obligations under this Agreement and further agrees to indemnify, defend, and hold harmless Buyer, Buyer's direct and indirect parent entities and affiliates, and its and their respective directors, officers, employees, agents, successors, and assigns, against demands, liabilities, fines, penalties, losses, and damages (including costs, investigation and litigation expenses and counsel fees incurred in connection therewith) arising out of or related to Buyer's obligations under this paragraph. In the event of an enforcement action against Buyer relating to Buyer's non-compliance with the Laws that reasonably relate to Buyer's performance under this Agreement,

such action against Seller either in the state or federal courts serving Marshall County, in Alabama. Buyer shall defend, indemnify and hold Seller harmless from any and all claims, causes of action, damages, losses or expenses (including reasonable attorney's fees) that Seller incurs by reason of Buyer's failure to comply with this paragraph. The provisions of this paragraph shall survive the acceptance of the goods or services sold hereby or the termination of this Agreement for any reason.

Buyer shall provide to Seller written notice of such enforcement action prior to publication or disclosure of such enforcement action, and in no event later than ten (10) business days following such enforcement action. Notwithstanding the foregoing, Buyer agrees not to export, reexport, transmit or otherwise transfer the goods or services, whether directly or indirectly: (i) to any person or entity listed or otherwise designated as a blocked, prohibited or trade restricted person or party by the U.S. Commerce Department, U.S. Treasury Department, or U.S. Department of State; (ii) for any purpose or use prohibited by the U.S. government, such as for nuclear, chemical, or biological weapons production or proliferation, or (iii) to any destination or transit point subject to trade prohibitions by the U.S. government, as may be amended from time to time, such as the prohibition against transactions or trade with Iran or the Government of Iran.

IMRR – Broadway Rd  
Crossing Project  
Bill of Materials

| Factory Wired Instrument Shelter                  |                   |          |
|---------------------------------------------------|-------------------|----------|
| ITEM DESCRIPTION                                  | O.E.M.            | QTY U/M  |
| Alum. 6' x 6, Shelter GETS Crossing               | PTMW              | 1 EA     |
| Power Off Light, LED, 2 Wire                      | Velcop/Gems       | 2 EA     |
| XP-4 4 Slot, 2-XT1-1S, 1-VIO-44R                  | GETS GS           | 1 EA     |
| XP-4 9 Slot, 4-XT1-1S, 2-VIO-44R                  | GETS GS           | 1 EA     |
| Surge Arrestor. MDSA-1                            | GETS GS           | 1 EA     |
| Surge Arrestor. MDSA-2                            | GETS GS           | 1 EA     |
| Crossing Lamp Controller (XLC)                    | GETS GS           | 2 EA     |
| Plugboard Kit For XLC                             | GETS GS           | 2 EA     |
| Lightning Arrestor, Clearview                     | SAFETRAN          | 48 EA    |
| Heavy Duty Equalizer                              | SAFETRAN          | 2 EA     |
| AC Line Surge Protector, Model SP20-3A - 230 Volt | SAFETRAN          | 2 EA     |
| Nema Plug                                         | GRAYBAR           | 2 EA     |
| SJ00W Cable for Nema Plug                         | GRAINGER          | 20 FT    |
| Panduit Duct, 2' X 3', 2 inch                     | GRAYBAR           | 30 FT    |
| Panduit Cover, 2' X 3', 2 inch                    | GRAYBAR           | 30 FT    |
| Panduit Duct, 2' X 3', 3 inch                     | GRAYBAR           | 18 FT    |
| Panduit Cover, 2' X 3', 3 inch                    | GRAYBAR           | 18 FT    |
| #10 TC Blue Flex Wire                             | OKONITE           | 700 FT   |
| #16 TC Blue Flex Wire                             | OKONITE           | 600 FT   |
| #10/12 AMP Eyelets                                | SAFETRAN          | 200 EA   |
| #14/16 AMP Eyelets                                | SAFETRAN          | 150 EA   |
| Recorder, Micro Data Analyzer II w/ DTMF          | N A Signal        | 1 EA     |
| Insulated Nut                                     | SAFETRAN          | 16 EA    |
| Relay, NV, 240V, 2FB                              | GRAINGER          | 2 EA     |
| Socket, Relay 8-PIN OCT Screw                     | GRAINGER          | 2 EA     |
| Plugboard Complete, B1 Relay Mtg. Kit             | ALSTOM            | 5 EA     |
| Voltage Test Post Complete                        | ALSTOM            | 5 EA     |
| B1N Relay, 4FB-2F-1B, 500 ohm                     | ALSTOM            | 5 EA     |
| Battery Charger, 12V / 40A                        | NRS               | 2 EA     |
| Key Operated OS Override Switch                   | BACO              | 3 EA     |
| 4 Post Terminal Block w/ Hardware                 | ERICO             | 44 EA    |
| Buss Strap Grd Assy.                              | ERICO             | 4 FT     |
| Tags, Slip On                                     | ACE               | 0.5 Roll |
| Stick-On Stencil                                  | Cadillac Sign Co. | 2 EA     |
| Bond Strand, Erico# SBS8TLINS664                  | BURCO             | 200 FT   |
| Test Link, 1" Offset w/Gold Nut                   | L&W               | 110 EA   |
| Terminal Block, 2 x 6 w/flat nut only             | L&W               | 11 EA    |
| Terminal Block, 2 post 2-3/8" w/flat nut only     | L&W               | 10 EA    |
| 1/4" Bevel Washer                                 | L&W               | 150 EA   |
| 1/4-24 Clamp Nut Nickel                           | L&W               | 75 EA    |
| #6 Non-Insulated Terminal Eye 1/4 stud            | L&W               | 30 EA    |
| #6 Non-Insulated Terminal Eye 5/16 stud           | L&W               | 8 EA     |
| Binding (Barrel) Nuts                             | L&W               | 200 EA   |
| Maintainer Test Switch, 3 post test terminal      | L&W               | 3 EA     |
| Strap, Solid, 1" Centers                          | L&W               | 5 EA     |
| Strap, Solid, 2-3/8" Centers                      | L&W               | 10 EA    |
| Buss Strap, 1" Centers 12 Hole                    | L&W               | 6 EA     |
| Circuit Plan Holder                               | Village Supplies  | 1 EA     |
| FWIS Misc. Package                                | Progress          | 1 Lot    |

| Gate/Flasher Material                                                                                  |             |     |     |
|--------------------------------------------------------------------------------------------------------|-------------|-----|-----|
| ITEM DESCRIPTION                                                                                       | O.E.M.      | QTY | U/M |
| 12" Head w/24" Background & Hood (Painted AL)                                                          |             |     |     |
| Terminal For LED Hook-up ( <b>For larger RDG &amp; GE LED</b> )                                        | WCH         | 16  | EA  |
| 12" LED Highway Crossing Light (HD)                                                                    | GE Lighting | 16  | EA  |
| Gate Saver, Two Way                                                                                    | GSI         | 2   | EA  |
| Pinnacle 5"                                                                                            | Progress    | 1   | EA  |
| 1/4"-20 x 3/4" Lg. Square Head Pinnacle Screws                                                         | Progress    | 3   | EA  |
| 4" or 5" Custom Flashing Light Standoff Bracket                                                        | Progress    | 2   | EA  |
| 5" U Bolt for Mounting Crossarms assembly to Mast (2 per Standoff Bracket)                             | Progress    | 4   | EA  |
| Alum. Mast, 5" x 16' Base Hole 0 Degrees & Main Hole 90 Degrees right                                  | Progress    | 1   | EA  |
| Alum. Mast, 5" x 18', Base Hole 0 degrees, Main Hole 90 degrees right                                  | Progress    | 2   | EA  |
| Signal Mast Grounding w/ 72" pigtail #6 solid                                                          | Erico       | 3   | EA  |
| JCT. Box Base, 5" W/2"NPT Cap                                                                          | Progress    | 3   | EA  |
| 2-Way Cross Arm Assembly Less Heads (Gate Flasher)                                                     | Progress    | 2   | EA  |
| 1-Way Cross Arm Assembly Less Heads, (Gate Flasher) Front Lights                                       | Progress    | 1   | EA  |
| 1-Way Cross Arm Assembly Less Heads Side Light                                                         | Progress    | 1   | EA  |
| 2-Way Cross Arm Assembly Less Heads (Flasher)                                                          | Progress    | 1   | EA  |
| 4" Crossarms Assembly Mounting Kit                                                                     | Progress    | 2   | EA  |
| 5" Crossarms Assembly Mounting Kit                                                                     | Progress    | 3   | EA  |
| Railroad Crossing Sign, HI                                                                             | Progress    | 2   | EA  |
| Multi Track Sign Only, HI, #2                                                                          | Progress    | 2   | EA  |
| 5" Mounting Kit for Railroad Crossing Signs w/Extension Bracket                                        | Progress    | 4   | EA  |
| Gate <b>3593E</b> Mechanism Assembly, including the 5" Mast Mounting Hardware, Flex                    |             |     |     |
| Conduit, with fittings, <b>Long Arm Supports</b> & Counterweight kit for 16' - 24' Arms W/Gate Heaters | W-C-H       | 2   | EA  |
| Insulated Nut                                                                                          | SAFETRAN    | 8   | EA  |
| #10/12 AMP Eyelets                                                                                     | Safetran    | 80  | EA  |
| #10 /12 TC Blue Wire                                                                                   | BURCO       | 460 | FT  |
| Gate Arm Wind Bracket, 36"                                                                             | NEG         | 2   | EA  |
| Gate/Flasher Pallet                                                                                    | J&J Pallet  | 3   | EA  |
| Misc. Signal Material                                                                                  | Progress    | 1   | EA  |



| Ground Material                                                                                                 |             |      |     |
|-----------------------------------------------------------------------------------------------------------------|-------------|------|-----|
| ITEM DESCRIPTION                                                                                                | O.E.M.      | QTY  | U/M |
| Insulated Terminal Wrench, 1/2" / Triangle                                                                      | Velcop/Gems | 1    | EA  |
| Plugboard Terminal Wrench                                                                                       | SAFETRAN    | 1    | EA  |
| Battery Tray (12" x 38")                                                                                        | NRS         | 1    | EA  |
| Battery Tray (12" x 24")                                                                                        | NRS         | 3    | EA  |
| Stair Step Battery Rack - 52"                                                                                   | PTMW        | 1    | EA  |
| Battery, 250 Amp Hour, NiCd                                                                                     | Saft        | 10   | EA  |
| Battery, 420 Amp Hour, NiCd                                                                                     | Saft        | 18   | EA  |
| Electronic Bell, 5" MTG.                                                                                        | GSI         | 2    | EA  |
| 48" Tall Galv. Steel Gate Foundation w/32" Square Base w/4" Entrance Pipe welded on bottom of top plate (Galv.) | Progress    | 3    | EA  |
| Cast Adapter                                                                                                    | NEG         | 2    | EA  |
| EZ Gate Arm, 16'-24' Fiberglass. With Lamp Kit (HI Intensity)                                                   | RECO        | 2    | EA  |
| Diode Pak, Rev. XP-4                                                                                            | RECO        | 2    | EA  |
| Track Cable, #6 Tw. Pr. (113-12-3933)                                                                           | Okonite     | 1200 | FT  |
| Signal Cable, 5/C # 14 AWG (206-11-6885)                                                                        | Okonite     | 450  | FT  |
| Signal Cable, 7/C # 6 AWG (206-11-6247)                                                                         | Okonite     | 600  | FT  |
| Signal Cable, 7/C #14 AWG (206-11-6887)                                                                         | Okonite     | 600  | FT  |
| AC Meter, 3/C # 9 AWG.(206-11-6923)                                                                             | Okonite     | 600  | FT  |
| AC Cable, 3/C # 2 AWG (206-11-6130)                                                                             | Okonite     | 150  | FT  |
| Railroad Emergency Contact Sign - Reference Spec Prior to Ordering (SEE ECS TAB BELOW)                          | Saf-Ti-Co   | 3    | EA  |
| 5" Mounting Kit for Railroad Crossing Signs w/Extension Bracket                                                 | Progress    | 3    | EA  |
| Hex. Railroad Lock                                                                                              | Safetran    | 6    | EA  |
| Copperweld Ground Rod, 5/8" X 8'                                                                                | Erico       | 7    | EA  |
| Cadweld One Shot, 5/8" (HALO) Triple                                                                            | Erico       | 4    | EA  |
| Cadweld One Shot, 5/8" (SIGNAL) Single                                                                          | Erico       | 3    | EA  |
| Cadweld Rail Bonds, 3/16" x 7-1/2" XS                                                                           | Erico       | 50   | EA  |
| Track Connector, Web, 12"                                                                                       | Erico       | 14   | EA  |
| Track Connection Kits                                                                                           | Progress    | 6    | EA  |
| Track Wire Retainer Clip, Erico #SBA248B                                                                        | Burco       | 14   | EA  |
| Shunt, NBS-1 (267 Hz)                                                                                           | GETS        | 2    | EA  |
| Shunt, NBS-1 (326 Hz)                                                                                           | GETS        | 2    | EA  |
| Dual Wide Band Shunt                                                                                            | GETS        | 1    | EA  |
| Inductor Dummy Load - FSS (500')                                                                                | GETS        | 1    | EA  |
| In-Tie Shunt Enclosures                                                                                         | G&B         | 4    | EA  |
| 4" PVC Sch. 80 Conduit                                                                                          | B&S         | 180  | FT  |
| AC Meter Base, Breaker Box, W.H. & Pole                                                                         | Commercial  | 1    | EA  |
| 132 RE Rail (See Quote SQ100055-PRS-LOUISVILLE,KY)                                                              | Progress    | 10   | EA  |
| Dress Stone                                                                                                     | Local       | 1    | EA  |
| Sleeve, 3/16 - 3/16 & 3/16 - #6 Tinned                                                                          | L&W         | 14   | EA  |
| Duct Seal                                                                                                       | Local       | 10   | LB  |
| Bond Strand, Erico# SBS8TLINS664                                                                                | Burco       | 100  | FT  |
| No Oxide Grease                                                                                                 | Safetran    | 1    | EA  |
| #6 Bare Copper                                                                                                  | Grainger    | 75   | FT  |
| Field Material Misc. Package                                                                                    | Progress    | 1    | Lot |





10/1/2015

Marilyn Wodzinski, Program Coordinator  
Patrick Engineering Inc.  
4970 Varsity Dr., Lisle, Illinois 60532

Subject: IMRR - Pekin, Tazewell County, IL - Broadway Road

Dear Ms. Wodzinski

With Reference to the above subject and your recent request for a price, Railroad Signal Services is pleased to offer the following proposal:

Material and Labor to furnish and install a grade crossing signal system consisting of a pre-wired control shelter and flashing light/gate signal assemblies. Please refer to the accompanying material list of items and quantities we propose to furnish and install at the stated price.

|                  |              |
|------------------|--------------|
| Material Cost    | \$124,873.00 |
| Labor Cost       | \$156,519.89 |
| Tax              | \$9,189.84   |
| Shipping/Freight | \$3,578.00   |
| Total            | \$294,160.73 |

FOB: Destination  
Terms: Net 45 days

The above price is firm for sixty (60) days and based on the following:

- 1.) Price does not include cost incurred by railroad
- 2.) Price includes flagging
- 3.) Price includes Prevailing Wage
- 4.) Price is based on furnishing material as indicated on the material list which accompanies this proposal.

If you have any questions please do not hesitate to call me at (402) 694-1979

Sincerely,

Josh Dietrich  
President

| Location/Description                  | QTY  |      |
|---------------------------------------|------|------|
| <b>Broadway Road</b>                  |      |      |
| <b>Control Shelter</b>                |      |      |
| HSE 6X6 AL S/L SKR101 L/EPD/KY        | 1    | Each |
| PROTECTOR SURGE TVSS TLE 120S         | 1    | Each |
| SYS XP4 1TR RED W/VPM-3/VIO           | 1    | Each |
| SYS XP4 2TR N/S 9SLT W/VPM3/2-VIO44R  | 1    | Each |
| ASSY MDSA-2                           | 1    | Each |
| ASSY MDSA-1XS                         | 1    | Each |
| MICRO DATA ANLZ II/DTMF RA PKG        | 1    | Each |
| ASSY XLC TOP LEVEL                    | 2    | Each |
| ASSY PLUGBOARD XLC                    | 2    | Each |
| CHARGER 10-20VDC 40A NRS 10' TC       | 2    | Each |
| PROT AC LINE 230V SP20-3A             | 2    | Each |
| RLY DPDT 240VAC 10A OCT W/LAMP        | 2    | Each |
| SCKT RLY 8-PIN OCT SCREW PNLMT        | 2    | Each |
| ASSEMBLY, 4 POST TERMINALBLOCK        | 46   | Each |
| ASSY AGA-1                            | 50   | Each |
| ASSY AGE-1                            | 2    | Each |
| SWITCH ASST, KEY OPERATED<br>OVERRIDE | 3    | Each |
| RLY B 500 OHM NEUT 4FB-2F-1B          | 5    | Each |
| RLY B1 PLBD KIT NO FLAG CONT          | 5    | Each |
| KIT RLY FL E-POST MOD W/S STUD        | 5    | Each |
| NUT INSULATED HARMON                  | 16   | Each |
| TEST LINK W/PLT & INSUL               | 112  | Each |
| TEST LINK 2.375" CNTR FL INSUL        | 3    | Each |
| LABEL RK PNL-MAINTAINER TST SW        | 3    | Each |
| WIRE 16AWG/19 TC EPR/PVC BLU          | 1200 | Foot |
| WIRE 10AWG/19 TC EPR/PVC BLU          | 1000 | Foot |
| WIRE 6AWG/19THHN BLK                  | 120  | Foot |
| WIRE 6AWG/19 THHN RED                 | 120  | Foot |
| WIRE 6AWG/19 THHN GRN                 | 30   | Foot |
| CABLE RAW 3/14AWG PWR 300V            | 12   | Foot |
| CONN PLUG L6-15 250V 15A 2P3W         | 2    | Each |
| ASSY 2WAY TERM BLK W/AAR HARD         | 13   | Each |
| ASSY TERM STRIP DBL POST 12           | 12   | Each |
| ASSY SINGLE ROW TERM 12 POST          | 1    | Each |
| GROUND POST P5-162                    | 4    | Each |
| THERMOSTAT SPDT REMOTE BULB 8A        | 1    | Each |
| LIGHT POWER OFF LED W/WAGO CON        | 2    | Each |
| KIT SM PRTS GENERIC                   | 1    | Each |
| LABEL, DANGER 240 V, 1.75 X 2.        | 1    | Each |
| LABEL RK PNL WARNING OVERRIDE         | 3    | Each |
| WIRE 20AWG TFZL BLK 600V              | 12   | Foot |
| <b>Field Material</b>                 |      |      |
| FOUND SIGNAL 60"DEPTH 11 11/16        | 2    | Each |
| FOUNDATION 60" DEPTH 9-1/2"           | 1    | Each |

|                                  |      |      |
|----------------------------------|------|------|
| GATE ASSY 3593E CTWT 16-32'      | 2    | Each |
| BASE 5" SPLIT JCT BOX DBL        | 2    | Each |
| MAST AL 5" X 18' B0 M0 X-NONE    | 2    | Each |
| BASE JCT BOX                     | 1    | Each |
| MAST4"X14'SCH40 B0&180 M0 ALUM   | 1    | Each |
| PINNACLE 4" AL MACH W/SETSCREW   | 1    | Each |
| BRKT EXT F/SIDE LIGHT 5" MTG     | 1    | Each |
| CROSSARM 2W L/LED 24"H/B 4" 04   | 1    | Each |
| CROSSARM 2W L/LED 24"H/B 5" 08   | 2    | Each |
| CROSSARM 1W L/LED 24"H/B 5" 05   | 1    | Each |
| HEATER GATE MECH 115VAC 25W      | 2    | Each |
| GATE GUARD ADAPTER WCH           | 2    | Each |
| HIGH WIND BKT W/5"HDW LINCOLN    | 2    | Each |
| GATEARM 16-32' UHI VERT W/LED    | 2    | Each |
| SLEEVE 4 ALUMINUM REC #92958     | 2    | Each |
| DIODE GATEARM TIP LIGHT REC      | 2    | Each |
| SIGN XING HI W/4" STRIP          | 3    | Each |
| SIGN 2-TRACK HI NO MTG HDW       | 3    | Each |
| LENS LED FLASHING 12" RED -H7    | 16   | Each |
| BELL ELECTRONIC CROSSING 4/5"    | 2    | Each |
| CABLE UG 3 COND #4 AWG           | 100  | Foot |
| CABLE UG 7 COND #6 AWG SOLID     | 550  | Foot |
| CABLE UG 7 COND #14 AWG SOLID    | 400  | Foot |
| CABLE UG 3 COND #9 AWG SOLID     | 400  | Foot |
| CABLE UG 5 COND #14 AWG SOLID    | 450  | Foot |
| WIRE UG TRK #6 AWG DUPLEX        | 1000 | Foot |
| TAPE MARKER BURIED RR CABLE      | 2    | Roll |
| ASSY NBS-1 W/10' LEADS 267HZ     | 2    | Each |
| ASSY NBS-1 W/10' LEADS 326HZ     | 2    | Each |
| ASSY 1134D-2 CPLR BURIALABLE 22' | 2    | Each |
| ASSY FSS LOAD 500 FT             | 1    | Each |
| BOX SHUNT MOUNTING ASSY          | 1    | Each |
| PLATE SHUNT 22"X26"X1/4" GAL     | 3    | Each |
| SCREW LAG 1/2X4 JOSLYN J8754P    | 12   | Each |
| BATT NICAD 250AH 1CELL SPL250    | 10   | Each |
| BATT NICAD 420AH 1CELL SPL420    | 18   | Each |
| WIRE #6 SOFT BARE COPPER         | 40   | Foot |
| ROD 3/4 X 8 NON-SECT COP GRD     | 4    | Each |
| CADWELD ONESHOT 3/4" NX TYPE     | 4    | Each |
| BOND STRAND 8-STR 3/16" TINNED   | 200  | Foot |
| BOOTLEG BOND W/COUPLER KIT       | 26   | Each |
| BOND KIT SBK228                  | 1    | Each |
| TAPE ELECTRICAL 3M #33+ 3/4"     | 4    | Each |
| TAPE ELECTRICAL 3M #130-C        | 4    | Each |
| COMPOUND INSULATING ELECTRICAL   | 2    | Each |
| HOSE RUBBER 3/4"                 | 150  | Foot |
| STAPLE GROUND WIRE 1-1/16"X3"    | 36   | Each |
| TIE CABLE .184 X 7.31" HIG TEM   | 20   | Each |

|                                |     |      |
|--------------------------------|-----|------|
| CABLE TIE 14-1/2L NAT          | 20  | Each |
| LUG RNG 1/4" 12-10AWG INS BLK  | 90  | Each |
| WIRE DIESEL 10AWG 2000 VOLTS   | 450 | Foot |
| WIRE DIESEL 6AWG 600V          | 50  | Foot |
| LUG RNG 1/4" 6AWG AMP ONLY     | 10  | Each |
| STAPLE COPPERWELD 3/8 X 1-3/4  | 80  | Each |
| GREASE RUST PREVENTIVE NO OXID | 2   | Each |
| SLEEVE NICO 3/16"-#6 AWG REDUC | 16  | Each |
| CLIP TRACK WIRE RETAINER       | 26  | Each |
| COMPOUND DUCT SEAL 5 LB PLUG   | 4   | Each |
| PADLOCK SIGNAL CASE            | 6   | Each |
| Sign, ENS                      | 3   | Each |
| SIGN HDW F/5"MAST RIBBED XING  | 6   | Each |
| SIGN HDW F/4"MAST RIBBED XING  | 3   | Each |
| Field Cable Tag Kit            | 1   | Each |
| TRAY BATT 12X24 POLYETHYLENE   | 1   | Each |
| TRAY PVC BATTERY FOR RLY CSE   | 1   | Each |
| BATTERY TRAY 2TIER52" 6' HOUSE | 1   | Each |
| BROOM JANITORAL TYPE SWEEP     | 1   | Each |
| WOODEN STOOL 18"               | 1   | Each |





October 5, 2015

**Marilyn Wodzinski, Program Coordinator**  
**Patrick Engineering Inc.**  
**4970 Varsity Dr., Lisle, Illinois 60532**

**REFERENCE: RFQ100679**

**SUBJECT:** Price quotation to supply material, tools, equipment, and labor necessary to furnish a grade crossing warning system for the IMRR at Broadway Road in Pekin, IL.

Dear Marilyn,

With reference to the above subject and per the information provided to TCR we are pleased to quote the following:

**See Attached Quote Form**

**Terms: NET 30 Days**  
**Delivery: TBD**  
**FOB: Manufacturing Plant**

The above total price is based on the following:

- 1) "MEN WORKING" signs only, no special signage included if required.
- 2) Relocation of overhead and underground utility lines to be the responsibility of others. Overhead utility lines or underground obstructions such as utility lines or rock must not obstruct the operation or the location of signal equipment. If any lines are to be relocated, such relocation must be completed prior to construction work beginning, including any relocation of utility lines.
- 3) Price includes 4" conduit under the road and tracks.
- 4) Price based on Commercial AC Power being available within 50' of proposed control house locations at both CH-13 and Third Street.
- 5) Price based on using non-union labor sources.



Pg. 2

Marilyn Wodzinski

TCR Rail Systems, LLC appreciates the opportunity to quote your signal requirements.  
Thank you in advance for allowing us to serve you.

Should you have any questions or need additional information please do not hesitate to  
contact me.

I can be reached at 502-405-3004, extension 131.

Thank you!

Sincerely,

*Patrick Ferry*

Patrick Ferry

**VENDOR BID SHEET:**

Project/Crossing Name: BROADWAY ROAD  
 Railroad: IMRR  
 Location: PEKIN, IL  
 AARIDOT#: 169802V  
 RR Milepost: 10.05  
 RR Project #: 13IMRR11R

**VENDOR INFORMATION**

Company Name: TCR RAIL SYSTEMS  
 Address: 211 E. MAIN ST. SIMPSONVILLE, KY 40067  
 State of Incorporation: KY  
 Contact Name: PATRICK FERRY  
 Phone Number: 502-405-3004  
 EMAIL: pferry@tcrrailsystems.com

| SIGNAL | Description      | Estimated Quantity | Unit Pricing | Unit Price    | Total         |
|--------|------------------|--------------------|--------------|---------------|---------------|
|        | Material Cost    | 1 LOT              | EACH         | \$ 213,660.00 | \$ 213,660.00 |
|        | Labor Cost       | 1 LOT              | EACH         | \$ 114,620.00 | \$ 114,620.00 |
|        | Shipping/Freight | 1 LOT              | EACH         | \$ 2,253.00   | \$ 2,253.00   |
|        | Tax              |                    |              | \$ 13,888.00  | \$ 13,888.00  |
|        | Grand Total      |                    |              | \$            | \$ 344,421.00 |

Project Duration: 7 Days

| IMRR BROADWAY RD PEKIN, IL #169802V                    |      |     |  |
|--------------------------------------------------------|------|-----|--|
| 6X6 CROSSING CONTROL HOUSE                             | 1    | EA  |  |
| XP-4                                                   | 2    | EA  |  |
| MDSA                                                   | 2    | EA  |  |
| GETS XLC (UNIT + PLUGBOARD)                            | 2    | EA  |  |
| RELAY, VITAL NEUTRAL                                   | 2    | EA  |  |
| RELAY, NV 240V, W/ BASE POK                            | 5    | EA  |  |
| PLUGBOARD KIT FOR B1 RELAYS                            | 2    | EA  |  |
| VOLTAGE TEST TERMINAL KIT                              | 5    | EA  |  |
| TEST TERMINAL WRENCH FOR "B" RELAYS                    | 5    | EA  |  |
| SOCKET WRENCH, RR HEX 1/2"                             | 2    | EA  |  |
| DOUBLE ROW TERMINAL / WITH SLIDE CONNECTORS, NUTS & W  | 18   | EA  |  |
| 4-POST TERMINAL BLOCK GROUND                           | 44   | EA  |  |
| CENTER CONTROL INSUL. TEST LINK ONLY 2 3/8"            | 2    | EA  |  |
| 2-3/8" TERMINAL / WITH NUTS & WASHERS BAKELITE         | 8    | EA  |  |
| TEST LINK ASSEMBLY, 1"                                 | 120  | EA  |  |
| AAR FLAT WASHER                                        | 1    | LOT |  |
| AAR BINDING NUT, NICKEL, 1/4-24                        | 1    | LOT |  |
| AAR BINDING NUT                                        | 58   | EA  |  |
| LIGHTNING ARRESTER, HEAVY DUTY                         | 6    | EA  |  |
| EQUALIZER, HEAVY DUTY                                  | 2    | EA  |  |
| 48" BUSS BAR                                           | 1    | LOT |  |
| WIRE TERMINALS                                         | 1    | LOT |  |
| WIRE MARKER SLEEVES                                    | 600  | FT  |  |
| WIRE #10 OKONITE TOWER & CASE WIRE (BLUE)              | 500  | FT  |  |
| WIRE #14 OKONITE TOWER & CASE WIRE (BLUE)              | 75   | FT  |  |
| BOND STRAND, 3/16", INSULATED BLACK                    | 75   | FT  |  |
| BOND STRAND, 3/16", INSULATED RED                      | 75   | FT  |  |
| BATTERY, 420 AH                                        | 9    | CEL |  |
| BATTERY, 250 AH                                        | 10   | CEL |  |
| NAS IIR/DTMF                                           | 1    | EA  |  |
| OVER RIDE SWITCH                                       | 3    | EA  |  |
| NARROW BAND SHUNT                                      | 3    | EA  |  |
| GATE SIGNAL ASSEMBLY COMPLETE W/ 2 WAY LIGHT UNIT,     | 2    | EA  |  |
| SIDE LIGHT UNIT, GATE MECHANISM, GATE ARM WITH LIGHTS, |      |     |  |
| BELL                                                   |      |     |  |
| FLASHING LIGHT SIGNAL ASSEMBLY COMPLETE W / 1WAY       | 1    | EA  |  |
| LIGHT UNIT, CROSSING SIGN                              |      |     |  |
| 7/C #6 U.G. CABLE (GATE CABLE)                         | 400  | FT  |  |
| 7/C #14 U.G. CABLE (SIGNAL CABLE)                      | 400  | FT  |  |
| 5/C #14 U.G. CABLE (SIGNAL CABLE)                      | 1000 | FT  |  |
| 3/C #9 U.G. CABLE                                      | 300  | FT  |  |
| 2/C #6 TW TRACK U.G. CABLE                             | 500  | FT  |  |
| #6 SOLID BARE COPPER                                   | 100  | FT  |  |
| GROUND ROD 3/4" X 8                                    | 4    | EA  |  |
| SBGT-1816 ONE SHOT (FOR GROUND ROD)                    | 4    | EA  |  |
| BONDSTRAND BLACK                                       | 200  | FT  |  |
| RAILROAD LOCKS HEX HEAD                                | 8    | EA  |  |
| POWER POLE                                             | 1    | EA  |  |
| RAIL PLUG                                              | 10   | EA  |  |
| PLUG WELDS                                             | 20   | EA  |  |
| TRACK BONDS                                            | 1    | LOT |  |



# Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois / 62764

October 9, 2013

City of Pekin  
Tazewell County  
Section 13-00186-00-SP  
Project RRP-5093(165)  
Job No. C-94-018-13

RE: FAU 6761 (Broadway Road) @ the Illinois & Midland Railroad tracks in Pekin  
AAR DOT #169 802V RR MP 10.05

Mr. Brent Weatherford  
Chief Engineer  
Illinois & Midland Railroad, Inc.  
4440 Ash Grove Drive, Suite A  
Springfield, IL 62711

Dear Mr. Weatherford:

Your copy of the agreement executed by the department on October 4, 2013 is attached. The general layout plans have been reviewed and are accepted. The estimate of cost in the amount of \$176,958.57 has been reviewed and is accepted.

Upon approval of a Form 1 or Form 3 Petition by the Illinois Commerce Commission, you are authorized to proceed with the work called for in the attached agreement. Please contact Mr. Mike Guerra, City of Pekin Engineer, at (309) 478-5348 for proper scheduling of activities.

Please provide us written notice when the project has been placed in service. All bills submitted for payment must be identified with the project, section, and job numbers.

Sincerely,

James K. Klein, P.E., S.E.  
Acting Engineer of Local Roads and Streets

A handwritten signature in cursive script that reads "Gregory S. Lupton".

By: Gregory S. Lupton, P. E.  
Acting Local Project Implementation Engineer

cc-via mail  
Mike Guerra City of Pekin Engineer

cc-via email  
Larry Romaine  
Joseph Crowe Attn: Tony Sassine  
Michael Stead Attn: Rod Bergeron  
Roxy Heck

FAU 6761 (Broadway Road)  
City of Pekin  
Tazewell County  
Section 13-00186-00-SP  
Project RRP-5093(165)  
Job No. C-94-018-13

STATE OF ILLINOIS  
DEPARTMENT OF TRANSPORTATION  
AGREEMENT  
for  
Local Agency Railway-Highway  
Grade Crossing Improvements

THIS AGREEMENT is made and entered into by and between the STATE OF ILLINOIS, acting by and through its Department of Transportation, hereinafter referred to as the "STATE", and the City of Pekin, State of Illinois, acting by and through its Director of Public Works, hereinafter referred to as the "LA" and the Illinois & Midland Railroad, Inc., hereinafter referred to as the "COMPANY."

WITNESSETH:

WHEREAS, in the interest of public safety the STATE proposes to improve crossing warning signal devices at the location, and in the manner, listed on Exhibit A, as shown on the attached location map; and

WHEREAS, the parties mutually agree to accomplish the proposed improvements through the use of Federal and/or State funds which are provided under applicable Federal or State act, law or appropriation.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements as hereinafter contained the parties hereto agree as follows:

SECTION 1. The project covered under this agreement shall be subject to all applicable Federal laws, rules, regulations, orders and approvals pertaining to all agreements, specifications, award of contracts, acceptance of work and procedure in general. The STATE and the COMPANY shall be governed by the applicable provisions of the Federal-Aid Policy



Guide, Part 646, dated December 9, 1991, and any supplements or amendments thereto hereinafter referred to as the "Policy Guide".

SECTION 2. The COMPANY shall prepare the general layout plans (including surveys and other engineering services), and detailed estimates of cost. These general layout plans and estimates shall be submitted to the STATE for their approval.

SECTION 3. The completed crossing warning devices shall conform to Part VIII of the 2009 Edition of the National Manual on Uniform Traffic Control Devices (MUTCD), including any amendments which may be contained in the Illinois Supplement to the MUTCD. Barrier systems, such as guardrail and impact attenuators should not be used at railroad grade crossings except in extraordinary circumstances. Approval for the erection of any roadside barrier by the COMPANY must be obtained in writing in advance from the STATE.

SECTION 4. All required installation work at the grade crossing(s) shall be performed by the COMPANY with its own forces or in accordance with 23 CFR, part 646.216. In the event the COMPANY intends to use forces other than its own under a continuing contract or contracts, the COMPANY shall provide the Department with a list of the items of work to be accomplished under such contract or contracts and a list of the name of each contractor whose services will be used to perform the work. Such contracts shall be in compliance with the Civil Rights Act of 1964 and implementing regulations applicable to Federal-Aid Projects as well as the Illinois Fair Employment Practices Act and implementing rules and regulations.

SECTION 5. The COMPANY will not begin to work without written authorization from the STATE to proceed. The COMPANY shall file a form 1 or form 3 Petition of Illinois Administrative Code 1535 with the Illinois Commerce Commission (ICC) showing details of the automatic warning devices herein required, and shall receive approval thereof by X-Resolution before

commencing with the installation. Upon receipt of authorization from the STATE and the ICC, the COMPANY shall promptly begin the work set forth in the agreement and shall notify in writing the AGENCIES listed on EXHIBIT A before commencing work.

SECTION 6. The COMPANY, for performance of its work as herein specified, may bill the STATE monthly (in sets of two) for the STATE'S 100% share of the cost of materials purchased, delivered and stored on the COMPANY'S property but not yet installed. The materials will become the property of the STATE and must be designated for exclusive use on the project designated on EXHIBIT A.

In the event of any loss of material after payment, the COMPANY will replace the material at no cost to the STATE. The storage area of such materials shall be available for STATE inspection upon 24-hour notice. The bill shall be accompanied by a voucher from the material supplier indicating payment by the COMPANY. Payment under this paragraph shall not be claimed for any bill totaling less than \$500, unless said bill is the Final Bill.

In the event the COMPANY fails to install the stored material within one year of the fully executed agreement date, the State may provide a written notice to the Company, requiring the COMPANY to promptly deliver the stored material to a location indicated in writing by the State. Upon delivery, the STATE shall then take possession of said material for the STATE'S own use. The delivery of the material to the STATE shall in no way serve to terminate this agreement or affect the other provisions of this agreement and in addition shall not affect the COMPANY'S right to claim payment for stockpiled material to replace that taken by the STATE.

SECTION 7. The COMPANY, for performance of its work as herein specified, may bill the STATE monthly (in sets of two) for the STATE'S 100% share of its expense as incurred. These progressive invoices may be rendered on the basis of the estimated percentage of the work completed, plus allowable FHWA approved additives. Reimbursement of labor additives will be limited to only the most current direct labor additives, small tools additives, equipment additive

rate, if so developed, and public liability/property damage liability insurance rates as audited and approved by a cognizant State agency and the FHWA. Indirect overhead or general and administrative expenses, or those expenses which may be classified as such under generally accepted accounting principles are not eligible for reimbursement on this project.

In accordance with the State Prompt Payment Act (30 ILCS 540/), as currently enacted, the STATE after verifying that the bills are accurate and provided with the supporting documentation to FHWA requirements under Title 23, Part 140, Subpart H, or applicable State Law, shall promptly reimburse the COMPANY for 100% of the amount billed. Upon completion of the project, the COMPANY shall provide the STATE with a written notification of the date of completion. The COMPANY, upon completion of its work, shall submit a complete and detailed final bill of all incurred costs to the STATE no later than one year from the date of completion of the project. Otherwise, previous payments to the COMPANY may be considered final, except as agreed to by the STATE and the COMPANY. After the STATE has checked the final statement and agreed with the COMPANY that the costs are reasonable and proper, insofar as they are able to ascertain, the STATE shall then reimburse the COMPANY an amount, less previous payments, if any, equal to 100% of the amount billed.

The STATE, upon notice of completion of the work by the COMPANY, shall complete a final inspection within one (1) year from the date of completion of the project. After the STATE has audited the expenses as incurred by the COMPANY and final inspection of the installation has been made, the STATE shall reimburse the COMPANY for any amount still owed to the COMPANY or bill the COMPANY for any overpayments or items of expense found as not being eligible for reimbursement. After the three (3) year period from the date of the final bill, without audit or final inspection being made by STATE, the project shall be considered complete, and the COMPANY's expenses for the work, as submitted to the STATE, shall be considered final and closed.



The COMPANY shall maintain, for a minimum of three (3) years after the date of the final bill, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract; the contract and all books, records, and supporting documents related to the contract, which may be stored on electronic files, shall be available for review and may be audited by the AUDITOR GENERAL. The COMPANY agrees to cooperate fully with any audit conducted by the AUDITOR GENERAL and to provide full access to all relevant materials. Failure to maintain the books, records, and supporting documents required by this section shall establish a presumption in favor of the STATE for the recovery of any funds paid by the STATE under the contract for which adequate books, records, and supporting documentation are not available to support their purported disbursement (30 ILCS 500/20-65).

SECTION 8. The crossing warning signal system should be placed in service immediately after the installation is completed. The COMPANY shall notify the STATE in writing of the date of the completed installation, and this notice shall be the written notice of completion referred to in Section 7.

SECTION 9. When construction of this project is completed, and so long as State law shall so require, pursuant to 625 ILCS 5/18c-7401, the COMPANY shall maintain at its expense, or by agreement with others, provide for the maintenance of the crossing warning signal devices.

SECTION 10. If at any time subsequent to the completion of this improvement, the tracks in the area of the crossing are eliminated for any reason whatsoever, then the said signal system may be removed, relocated and reinstalled at another grade crossing of the COMPANY mutually designated and agreed to by the parties hereto and subject to the approval of the public authorities having any jurisdiction, and pursuant to 625 ILCS 5/18c-7401. The reinstalled signal system shall thereafter be subject to the terms of this agreement.

SECTION 11. In compliance with the Federal-Aid Policy Guide, dated December 9, 1991, Section 646.210, the railroad work as herein contemplated requires no contribution from the COMPANY.

SECTION 12. In the event that delays or difficulties arise in securing necessary federal or state approvals, or in acquiring rights-of way, or in settling damage claims, or for any other cause which in the opinion of the STATE render it impracticable to proceed with the construction of the project, then at any time before construction is started, the STATE may serve formal notice of cancellation upon the COMPANY and this agreement shall thereupon terminate. In the event of cancellation, the STATE shall reimburse the COMPANY for all eligible cost and expense incurred by the COMPANY prior to receipt of notice of cancellation and payment by the STATE.

SECTION 13. The COMPANY, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. The COMPANY shall carry out applicable requirements of 49 CFR part 26 in the award and administration of STATE-assisted contracts. Failure by the COMPANY to carry out these requirements is a material breach of this Agreement, which may result in the termination of this contract or such other remedy as deemed appropriate.

In the event any work at the crossing is performed by other than COMPANY forces, the provisions of "an act regulating wages of laborers, mechanics and other workers employed in public works by the State, County, City or any public body or any political subdivision or by any one under contract for public works" (Illinois Compiled Statutes, 820 ILCS 130/1 et seq.) shall apply.

SECTION 14. This agreement shall be binding upon the parties hereto, their successors or assigns.

SECTION 15. The COMPANY shall complete all work or shall be responsible that all work is completed by other forces within one year of the date of the fully executed agreement. In the event that all work cannot be completed within one year, the COMPANY shall notify the STATE



in writing the cause for the delay before the one-year deadline has expired. Otherwise, the STATE will consider petitioning the Illinois Commerce Commission to order the work to be completed.

SECTION 16. At the time this Agreement was executed, there were funds available for the project; however, obligations assumed by the STATE under this Agreement shall cease immediately, without penalty or payment beyond that which the COMPANY has already accumulated, should the Illinois General Assembly or the Federal Highway Administration fail to appropriate or otherwise make available funds for the project. COMPANY's execution of this Agreement is void and of no effect unless, within six (6) months of the date of execution of this Agreement by COMPANY, COMPANY receives in writing both a fully executed copy of this Agreement, and a written authorization to proceed with the ordering of material, construction and submittal of invoices for payment.

SECTION 17. The COMPANY is hereby requested by the STATE, to perform preliminary engineering for the project, and authorized to accrue project reimbursable preliminary engineering costs beginning on March 8, 2013. The COMPANY hereby agrees to not invoice the STATE until such time this agreement is fully executed.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in triplicate by their duly authorized officers as of the dates below indicated.

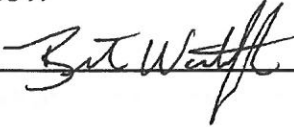
By execution of this agreement and under penalties of perjury, the COMPANY certifies that its correct Federal Taxpayer Identification Number (TIN) is 16-1494333 and the COMPANY is doing business as a corporation.

Executed by the COMPANY this 26<sup>th</sup>

Illinois & Midland Railroad, Inc.

day of July, 2013.

ATTEST:



By: 

Name: SPENCER O. WHITE

Title: PRESIDENT

Executed by the LOCAL AGENCY this 12

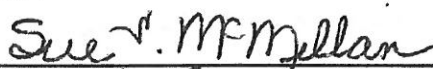
City of Pekin

day of August, 2013.

acting by and through its

Director of Public Works

ATTEST:

  
City Clerk

By: 

Name: Laurie L. Barra

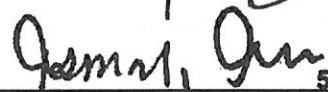
Title: MAYOR

#### APPROVED

State of Illinois, Department of Transportation

  
Ann L. Schneider, Secretary of Transportation

 10/11/13  
BY: Aaron A. Weatherholt, Deputy Director of Highways Date

 10-3-2013  
Omer Osman, Director of Highways/ Chief Engineer Date

N/A  
Michael A. Forti, Chief Counsel Date

N/A  
Tony Small, Acting Director of Finance and Administration Date

FAU 6761 (Broadway Road)  
City of Pekin  
Tazewell County  
Section 13-00186-00-SP  
Project RRP-5093(165)  
Job No. C-94-018-13

EXHIBIT A

CROSSING IDENTIFICATION:

Railroad: Illinois & Midland Railroad Company

AAR DOT # 169 802V

RR M.P.: 10.05

Road Name: FAU 6761 (Broadway Road)

Location: FAU 6761 (Broadway Road) @ the Illinois & Midland Railroad tracks in Pekin.

EXISTING CONDITIONS:

One mainline track equipped with flashing light signals.

DESCRIPTION OF WORK TO BE DONE BY RAILROAD FORCE ACCOUNT:

1. Install crossing gates and constant warning time circuitry.
2. Incidental work necessary to complete the items hereinabove specified.
3. CFDA Number: 20.205

DESCRIPTION OF WORK TO BE DONE BY OTHERS:

Local Agency agrees to provide at its expense any necessary advance warning signs and pavement markings as required by the MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES. When a marked traffic detour is required, the Local Agency at its expense shall furnish, erect, maintain and remove the traffic control devices necessary to detour highway traffic.

ATTACHMENTS:

Location Map

ESTIMATED RAILROAD COST: \$ 176,958.57  
100% Federal participation \$ 176,958.57

AGENCIES TO BE NOTIFIED BEFORE COMMENCING WORK:

Mr. Mike Guerra, Director of Public Works, City of Pekin, 111 South Capitol Street, Pekin, IL. 61554, telephone (309) 477-2300

Mr. John J. Anderson, Tazewell County Engineer, 21308 Illinois Route 9, Tremont, IL 61568, telephone (309) 925-5532 [jjanderson1@frontier.com](mailto:jjanderson1@frontier.com)

SUBMIT ALL BILLS FOR THE STATE'S 100% SHARE TO:

James K. Klein, P. E., S. E.  
Acting Engineer of Local Roads and Streets  
Illinois Department of Transportation  
2300 South Dirksen Parkway, Room 205  
Springfield, Illinois 62764



a Genesee & Wyoming Company  
Estimate No.: 169 802V - 09/18/2013

## ILLINOIS & MIDLAND RAILROAD, INC. (IMRR)

PEKIN, (Tazewell), IL - Broadway Street

DOT#: 169 802V  
RR MP.: 10.05

Midwest Region  
Springfield Division

RAILROAD #: 13IMRR11R  
XORAIL#: VEM13-32575

### Summary

|                                                                                                                                                      |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>CROSSING WARNING SYSTEM</b><br>(Includes all design, requisition, labor, materials, shop wiring, and installation)                                | <b>\$151,558.57</b> |
| <b>CROSSING SURFACE/RESURFACE</b><br>(Includes all design, requisition, labor, materials, and installation)                                          | <b>\$0.00</b>       |
| <b>TRACK GRADE AND REHABILITATION</b><br>(Includes all design, requisition, labor, materials, and installation)                                      | <b>\$0.00</b>       |
| <b>PRELIMINARY ENGINEERING (Phase 1)</b><br>(Includes CONTRACT Labor for all Engineering, Agency Coordination, and Project Management)               | <b>\$8,000.00</b>   |
| <b>AGREEMENTS &amp; APPROVALS (Phase 2)</b><br>(Includes CONTRACT Labor for all Engineering, Agency Coordination, and Project Management)            | <b>\$0.00</b>       |
| <b>CONSTRUCTION ENGINEERING (Phase 3)</b><br>(Includes CONTRACT Labor for all Engineering, Agency Coordination, and Project Management)              | <b>\$8,400.00</b>   |
| <b>CONSTRUCTION ENGINEERING INSPECTION</b><br>(Estimated Construction Engineering Inspection cost based on 2 days @ \$1500 per day)                  | <b>\$3,000.00</b>   |
| <b>UTILITY CROSSING</b><br>(0 new utility crossings @ \$4000 per crossing, Includes application, engineering review, and right of entry)             | <b>\$0.00</b>       |
| <b>RIGHT OF ENTRY FEE</b><br>(Right of Entry Fee of \$1,500 is valid for 60 days, after 60 days, additional fees of \$750 per 30 days are required.) | <b>\$0.00</b>       |
| <b>FLAGGING SERVICES</b><br>(Estimated Flagging Services cost based on 0 days @ \$1050 per day)                                                      | <b>\$0.00</b>       |
| <b>AC POWER SERVICE</b><br>(Includes all Power Service Charges not included in other costs)                                                          | <b>\$5,000.00</b>   |
| <b>OTHER (Description Required)</b>                                                                                                                  | <b>\$0.00</b>       |
| <b>TOTAL ESTIMATE COST</b>                                                                                                                           | <b>\$176,958.57</b> |

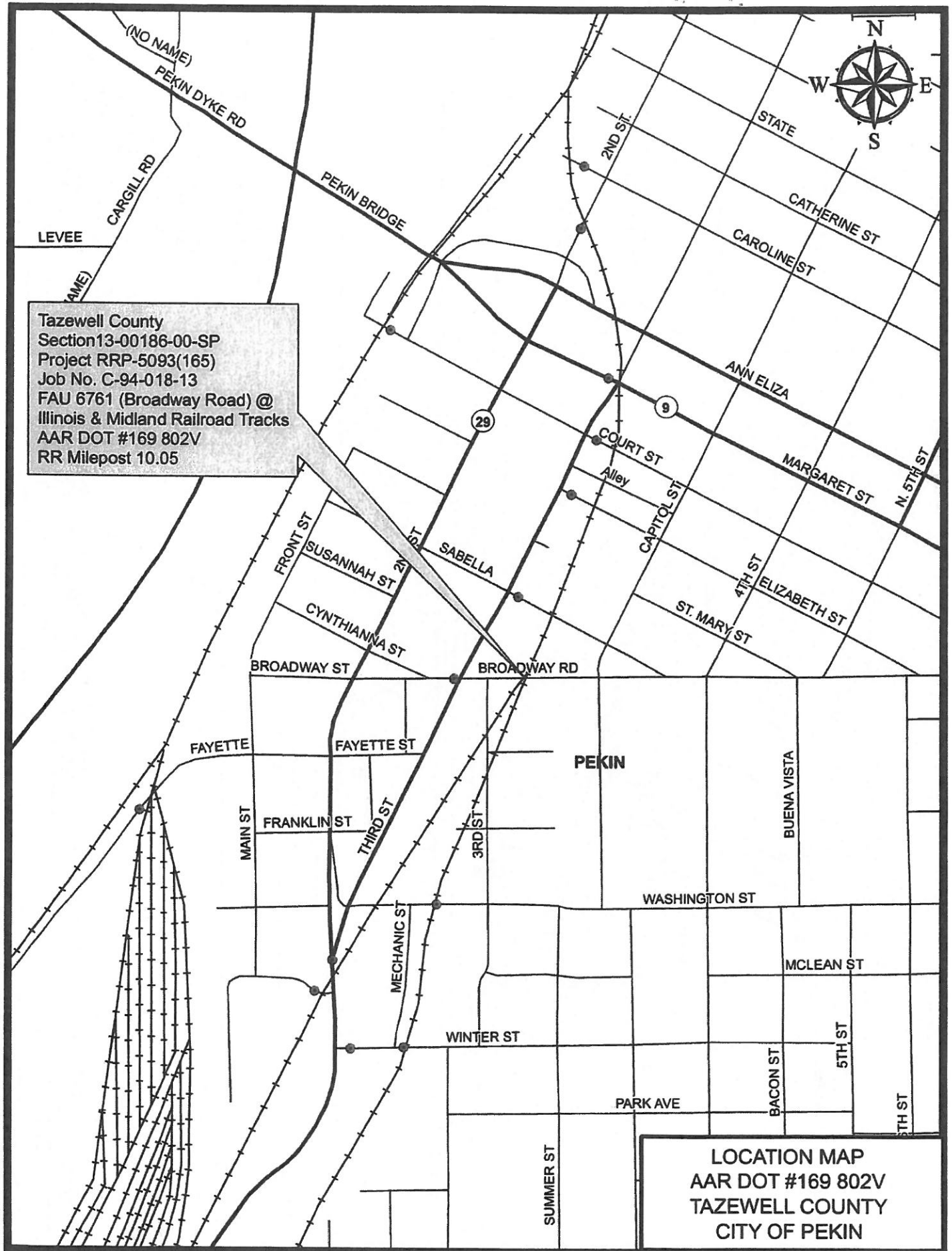
DATE: 09/18/2013

#### RESPONSIBLE PARTY:

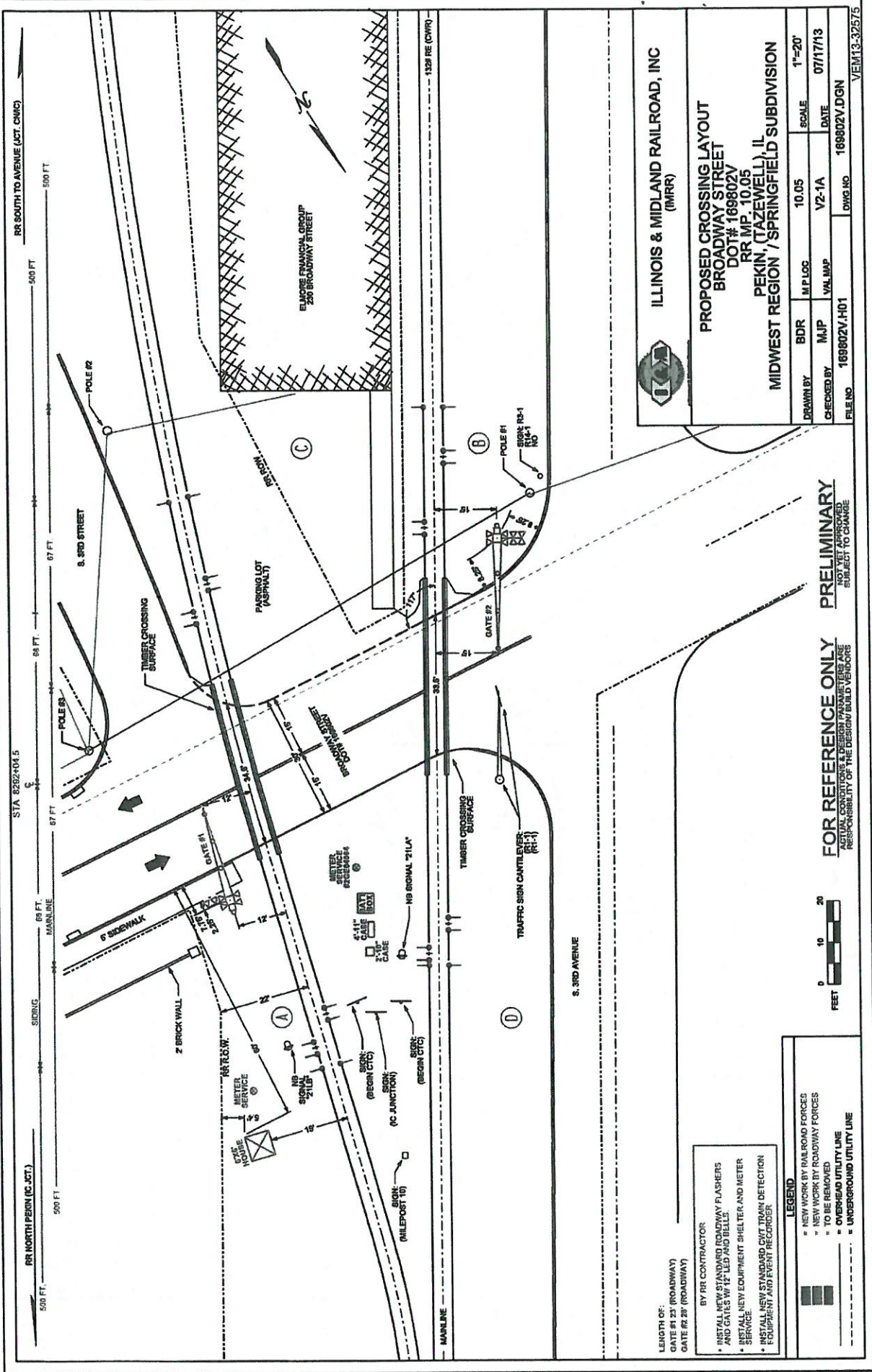
Name: ILLINOIS DOT  
Number: RRP-5093(165)  
Contact: Mr. Jason Johnson

(USD)

NOTE: This Estimate has been prepared based on site conditions, anticipated work duration periods, material prices, labor rates, manpower, resource availability, and other factors known as of the date prepared. The actual cost for Railroad work may differ based upon the agency's requirements, their contractors work procedures, and/or other conditions that become apparent once construction commences or during the progress of the work. If any extended time elapses from the date of this Estimate, the Railroad will reserve the right to update the estimate to current price values, and require agency's approval before any work by Railroad will commence.







ILLINOIS & MIDLAND RAILROAD, INC.  
(IMRR)

**PROPOSED CROSSING LAYOUT**  
BROADWAY STREET  
DOT# 169802V  
RR MP. 10.05  
PEKIN, (TAEWELL), IL  
MIDWEST REGION / SPRINGFIELD SUBDIVISION

|            |             |          |             |       |          |
|------------|-------------|----------|-------------|-------|----------|
| DRAWN BY   | BDR         | M.P. LOG | 10.05       | SCALE | 1"=20'   |
| CHECKED BY | MJP         | VAL MAP  | V2-1A       | DATE  | 07/17/13 |
| FILE NO    | 169802V.H01 | DWG NO   | 169802V.DGN |       |          |

VEN13-32575

**FOR REFERENCE ONLY**  
PRELIMINARY  
NOT YET APPROVED  
SUBJECT TO CHANGE  
ACTUAL CONDITIONS & DESIGN PARAMETERS ARE  
RESPONSIBILITY OF THE DESIGN/BUILD VENDOR



LENGTH OF:  
GATE #1 25' (ROADWAY)  
GATE #2 25' (ROADWAY)

BY RR CONTRACTOR

- INSTALL NEW STANDARD ROADWAY FLASHERS AND GATES W/ 12" LED AND BELL
- INSTALL NEW EQUIPMENT SHELTER AND METER SERVICE
- INSTALL NEW STANDARD CWT TRAIN DETECTION EQUIPMENT AND EVENT RECORDER

**LEGEND**

- NEW WORK BY RAILROAD FORCES
- NEW WORK BY ROADWAY FORCES
- TO BE REMOVED
- OVERHEAD UTILITY LINE
- UNDERGROUND UTILITY LINE



9.2

**REQUEST FOR COUNCIL ACTION****To: Mayor and Council****CC: City Clerk & City Manager****From: Michael Guerra, City Engineer****AGENDA ITEM: Agency Agreement with Illinois Central Railroad Company dba Canadian National Railroad****AGENDA DATE REQUESTED: February 8, 2016****ACTION REQUESTED: To approve the Agency Agreement with Illinois Central Railroad Company for Grade Crossing Improvements**

**DESCRIPTION:** The council approved the draft agreement with the Illinois Central Railroad pending the final estimated cost to be included during the April 14, 2014 meeting. The final cost estimate of \$478,608 has been submitted for inclusion so this motion is being brought back before council. The cost estimate has been reviewed and seems comparable to a recent bid for signals for the railroad crossing at Broadway Road and IL 29. At the conclusion of the installation the final bill will be agreed upon and the account will be balanced. This cost was already anticipated and accounted for in the Capitol Grant money received from the state.

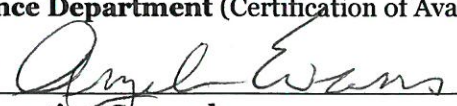
These are the standard terms as required by the railroad and follow the same guidelines that were necessary for other at-grade crossings such as Hanna Drive. With approval of the agreement the railroad will be able to install the crossing in time to be in compliance with the ICC order for the crossing to be completed by the end of June. Once the crossing, including the signals and gates, has been installed the section of VFW from IL 29 to 5<sup>th</sup> Street will be reopened.

I recommend that the agreement be approved.

**FINANCIAL IMPACT: Estimated cost of \$478,608****NEIGHBORHOOD CONCERNS: none****IMPACT IF APPROVED: The construction of the crossing will advance****IMPACT IF DENIED: Delaying the utilization of the newly constructed road and requiring a longer road closure****ALTERNATIVES: None****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.]**

|   |                                                                                                                                     |
|---|-------------------------------------------------------------------------------------------------------------------------------------|
|   | <b>A Prosperous Community.</b> To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs. |
|   | <b>A Safe Community.</b> To protect community life and property by providing effective, principled police and fire services.        |
| √ | <b>A Strong Foundation.</b> To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.      |

29

|                                                                                                               |                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                               | <b>A High Quality of Life.</b> To support or provide services that improves the quality of life for Pekin's residents.             |
|                                                                                                               | <b>An Effective Government.</b> To deliver effectively the services that Pekin's residents want, need, and are willing to support. |
| <b>REQUIRED SIGNATURES</b>                                                                                    |                                                                                                                                    |
| <b>Department Director:</b>  |                                                                                                                                    |
| Date: 2/3/16                                                                                                  |                                                                                                                                    |
| <b>Finance Department (Certification of Availability of Funds):</b>                                           |                                                                                                                                    |
| Date:  2-4-16                |                                                                                                                                    |
| <b>Corporation Counsel:</b>                                                                                   |                                                                                                                                    |
| Date:                                                                                                         |                                                                                                                                    |
| <b>City Manager:</b>                                                                                          |                                                                                                                                    |
| Date:  2/3/16                |                                                                                                                                    |



#### **RESOLUTION NO. 97-13/14**

##### **ADOPTING THE FISCAL YEAR BUDGET MAY 1, 2014 THROUGH APRIL 30, 2015**

Motion by Council Member Gillespie, seconded by Council Member Orrick that Resolution No. 97-13/14 be adopted. City Manager Joseph Wuellner presented the proposed budget with his recommendation to balance the deficit of \$1.6 million with the approved implementation of the garbage fee. Also included was the transfer of \$710,000 from the Bus Fund to the General Fund which would provide funding to reinstate some of the critical road and infrastructure projects. Council Member Golden questioned why money could be transferred from the Bus Fund but he was told previously when suggesting a transfer of funds it was not allowed under general accounting procedures. Golden Member Golden questioned the Manager on several topics he related to his decision on the Budget regarding reserves of fund balances, policy of vehicle maintenance account as an on going expense, 70% of budget being personnel expense. The Council Member questioned the accountability for the funds that were reportedly budgeted for 20 years totaling \$800,000 for a 1995 Accessibility Plan for wheel chair ramp projects. He commented that Council could not ask taxpayers to pay fees to balance a budget without history of accountability. Mayor Barra asked that Community Development Director Pamela Anderson examine budget years of HUD and related federal funds and report back to Council. Council Member Orrick commented on 3% increases to salaries costing \$425,000.00. He suggested reducing the budget with wage freeze. He questioned what the City was doing to curtail workers comp cases. Council member Gillespie stated that collective bargaining agreements dictate most if the 3% and an attempt to reduce that typically had an arbitrator rule on the side of labor. Council Member Abel spoke in support of budgeting funds to get the streets back in shape. Council Member McCabe questioned is the ISO rating would be affected in reducing the fire department. Council Member Hendricks stated he had nothing to add but would be voting no on the budget. Mayor Barra commented that only 15 cents on the dollar of the tax bill goes to the City. The approximate \$642,000 received does not cover unanticipated expenses such as last year's flooding, tornado damage, and snow events. On roll call vote, Ayes, Gillespie, McCabe, Abel, Barra; Nays, Golden, Orrick, Hendricks. Motion Carrie

#### **RESOLUTION NO. 98-13/14**

##### **RESOLUTION IN SUPPORT ON THE EXTENSION OF AN ENTERPRISE ZONE**

Motion by Council Member McCabe, seconded by Council Member Hendricks that Resolution No. 98-13/14 be adopted. City Manager Joseph Wuellner told the Council the resolution represented the City of Pekin's written support for the continuation of the Pekin Area Enterprise Zone. the City of Pekin, East Peoria, Washington, Morton Tremont, Germantown Hills, and Tazewell County, The resolution provided for the approval of an amount not to exceed \$25,0000.00, the City's zone boundary portion, for defining Local Labor Market Area, a qualified state application criteria, by Economic Development Resources, LLC. On roll call vote, all present voted Aye.

#### **RESOLUTION NO. 99-13/14**

##### **MOTOR FUEL TAX RESOLUTION FOR ANNUAL GENERAL MAINTENANCE OPERATIONS**

Motion by Council Member Abel, seconded by Council Member Gillespie that Resolution No. 99-13/14 be adopted. Council was informed that the resolution appropriated MFT Funds in the amount of \$487,000.00 for the estimate of costs of various street department budgeted operations. Items included lights, signals, tree removal, salt for plowing and street materials. On roll call vote, all present voted Aye.

Motion by Council Member Orrick, seconded by Council Member Hendricks that the **AGREEMENT WITH ILLINOIS CENTRAL RAILROAD COMPANY** be approved. Council was advised that the agreement allowed the City to petition the Illinois Commerce Commission to allow for the relocation and widening of the existing crossing at VFW Road /Veterans Drive. The improvement would include the necessary safety devices required by the ICC. It was recommended to approve pending the final cost from the ICRR doing business as Canadian National Railroad be incorporated as to not delay the schedule needed to petition the ICC. On roll call vote, all present voted Aye.

##### **ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL**

Police Chief Nelson urged drivers to be cautious of motorcycles as the weather gets nicer. Fire Chief Kurt Nelson alerted the public to check and replace smoke detectors and carbon monoxide detectors. City engineer Michael Guerra advised for safety and visibility reasons, VFW would be closing from the intersection of IL 29 to 5<sup>th</sup> Street as construction work of Veterans Drive resumes next week. Council Member McCabe promoted the excellence achieved by the student participating in the Destination

# Operations Special Capital Project Estimate

Veterans Drive

Southern Region  
Design & Construction  
Homewood, IL



Estimate: Veterans Drive  
Location: Pekin  
Company Name: Illinois Central Railroad Company  
Subdivision Name: Peoria  
Mile Post: 11.8  
State: IL  
Network #: x

Date created: August 22, 2015  
Date revised: January 18, 2016  
Status: pending  
292680C

| Description                | UM               | QTY         | PRICE     | TOTAL           |
|----------------------------|------------------|-------------|-----------|-----------------|
| <b>LABOR</b>               | <b>GANG SIZE</b> | <b>Days</b> | <b>MD</b> |                 |
| Unload/Distribute Material | 5                | 2           | 10        | \$257           |
| Construct Track            | 5                | 2           | 10        | \$257           |
| Surfacing                  | 4                | 3           | 12        | \$271           |
| Welding                    | 2                | 3           | 6         | \$261           |
| Install Crossings          | 7                | 2           | 14        | \$257           |
| S&C Labor                  | 5                | 15          | 75        | \$345           |
| Remove Crossings           | 5                | 2           | 10        | \$257           |
| <b>TOTAL DIRECT LABOR</b>  |                  |             |           | <b>\$41,983</b> |

| Description                  | UM | QTY | PRICE | TOTAL            |
|------------------------------|----|-----|-------|------------------|
| <b>MATERIAL</b>              |    |     |       |                  |
| Rail New                     |    |     |       | \$4,790          |
| Field Welding                |    |     |       | \$836            |
| Spikes                       |    |     |       | \$452            |
| Anchors                      |    |     |       | \$559            |
| Tie Plates                   |    |     |       | \$1,707          |
| Track Ties                   |    |     |       | \$422            |
| Switch Ties                  |    |     |       | \$5,252          |
| Ballast                      |    |     |       | \$5,201          |
| Crossing Materials           |    |     |       | \$19,262         |
| S&C Material                 |    |     |       | \$143,885        |
| <b>TOTAL DIRECT MATERIAL</b> |    |     |       | <b>\$182,366</b> |

| Description                   | UM  | QTY | PRICE    | TOTAL            |
|-------------------------------|-----|-----|----------|------------------|
| <b>OTHER</b>                  |     |     |          |                  |
| Per Diem (Mandays)            | SUM | 137 | \$85.14  | \$11,664         |
| Engineering Consulting/Design | SUM | 1   | \$5,000  | \$5,000          |
| Contractor Equipment          | SUM | 1   | \$12,000 | \$12,000         |
| S&C Contracts Other           | SUM | 1   | \$5,000  | \$5,000          |
| Directional Boring            | SUM | 1   | \$8,200  | \$8,200          |
| Shipping                      | SUM | 1   | \$8,000  | \$8,000          |
| Asphalt Underlayment          | SUM | 1   | \$20,000 | \$20,000         |
| Contingency                   | SUM | 1   | \$62,427 | \$62,427         |
| <b>TOTAL OTHER</b>            |     |     |          | <b>\$132,291</b> |

| ADDITIVES                                 | UM | QTY       | PRICE   | TOTAL            |
|-------------------------------------------|----|-----------|---------|------------------|
| Labor Surcharges                          |    | \$41,983  | 233.85% | \$98,177         |
| Accounting Labor Surcharges               |    | \$2,566   | 74.34%  | \$1,908          |
| Material Surcharges                       |    | \$182,366 | 12.00%  | \$21,884         |
| <b>TOTAL ADDITIVES (EXCLUDES * ITEMS)</b> |    |           |         | <b>\$121,968</b> |

| DONATION                                       | Amount       | TOTAL               |
|------------------------------------------------|--------------|---------------------|
| Recoverable Donation to CN (enter as negative) | (478,608.47) | (478,608.47)        |
| <b>TOTAL DONATION</b>                          |              | <b>(478,608.47)</b> |

|                           |                  |
|---------------------------|------------------|
| <b>TOTAL PROJECT COST</b> | <b>\$478,608</b> |
|---------------------------|------------------|



# Operations Special Capital Project Estimate

Veterans Drive

Southern Region  
Design & Construction  
Homewood, IL



| Material Description                        | State Tax | UM  | QTY | Unit Price | Total     |
|---------------------------------------------|-----------|-----|-----|------------|-----------|
| NEW 115#                                    | 6.25%     | LF  | 234 | 19.26      | \$4,790   |
| THERMITE KIT 115 #                          | 6.25%     | EA  | 8   | 98.35      | \$836     |
| SPIKE TRACK 5/8" X 6", 50 lb Keg            | 6.25%     | CN  | 14  | 30.38      | \$452     |
| RAIL ANCHOR 115                             | 6.25%     | EA  | 344 | 1.53       | \$559     |
| TIE PL DS 7-1/2X14 BASE 5-1/2N              | 6.25%     | EA  | 172 | 9.34       | \$1,707   |
| TRACK 7" X 9" X 8' 6" HWD #1                | 6.25%     | EA  | 8   | 49.68      | \$422     |
| SWITCH TIE - 9' HW                          | 6.25%     | EA  | 78  | 63.38      | \$5,252   |
| BALLAST ROAD (80T per car)                  | 6.25%     | TON | 320 | 15.30      | \$5,201   |
| RUBBER CROSSING MATERIAL (Per Quote)        | 6.25%     | TF  | 78  | 232.42     | \$19,262  |
| SIGNAL MATERIALS (Per Signal Dept Estimate) | 6.25%     | SM  | 1   | 135,421.00 | \$143,885 |

# Operations Special Capital Project Estimate

Veterans Drive

Southern Region  
Design & Construction  
Homewood, IL



## CITY COST SUMMARY

|                          |                                          |
|--------------------------|------------------------------------------|
| <b>Estimate:</b>         | <b>Veterans Drive</b>                    |
| <b>Location:</b>         | <b>Pekin</b>                             |
| <b>Company Name:</b>     | <b>Illinois Central Railroad Company</b> |
| <b>Subdivision Name:</b> | <b>Peoria</b>                            |
| <b>Mile Post:</b>        | <b>11.8</b>                              |

January 18, 2016

|                      |                  |
|----------------------|------------------|
| LABOR                | \$142,067        |
| MATERIAL             | \$204,250        |
| OTHER                | <u>\$132,291</u> |
| <b>PROJECT TOTAL</b> | <b>\$478,608</b> |

AGREEMENT  
FOR  
GRADE CROSSING IMPROVEMENTS

THIS AGREEMENT ("Agreement"), made and entered into this \_\_\_ day of \_\_\_\_\_, 2016, by and between the City of Pekin, 111 South Capitol Street, Pekin, Illinois, 61554, hereinafter referred to as "CITY" and Illinois Central Railroad Company, hereinafter referred to as "RAILROAD";

WITNESSETH:

WHEREAS, in the interest of public safety and convenience, the parties hereto propose to construct and reconfigure the highway-railway grade crossing surface(s), and perform work related thereto, at the location listed on the attached Exhibit A, by reference hereto made a part hereof; and

WHEREAS, the parties mutually agree to accomplish the proposed improvements solely through the use of CITY funds;

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, to be by them respectfully kept and performed as hereinafter set forth, it is hereby agreed as follows:

ARTICLE I. For the purpose of identifying the plans, specifications, estimates and other documents, this project will be designated as "Veterans Drive Grade Crossing Improvements at Illinois Central Railroad Company's Milepost B 11.80, at/near Pekin, Tazwell County, Illinois".

ARTICLE II. The proposed improvements to be accomplished shall be in accordance with attached Exhibit A. RAILROAD's portion of the work for the proposed improvements, listed under "WORK TO BE PERFORMED BY RAILROAD" on Exhibit A, shall be in accordance with the plan and estimate(s) of cost attached hereto as Exhibit B. No approved plan or specification shall be changed by RAILROAD excepting for minor changes necessitated by actual field conditions encountered at the time of construction or substitutions of equivalent materials. RAILROAD shall not be responsible for securing any permits, rights, licenses, easements, permissions or other authority for the work reflected on Exhibit A.

ARTICLE III. CITY shall prepare any required detailed drawings, plans and specifications as may be required for any proposed improvements listed under "WORK TO BE PERFORMED BY CITY" on Exhibit A, and shall perform or arrange for the performance of said items of work at its sole cost, risk and expense, except as may otherwise be specifically provided for in this Agreement. All drawings, plans, and specifications shall be in compliance with all applicable laws, rules, and regulations, including but not limited to the applicable Manual on Uniform Traffic Control Devices.

ARTICLE IV. In the event the work to be performed by CITY is to be let by contract, CITY shall require its contractor(s), before entering upon the tracks or premises of RAILROAD, or performing any work on or in close proximity thereof, to secure RAILROAD Right-of-Entry Permit from the authorized representative of RAILROAD for the occupancy and use of its premises and/or to confer with RAILROAD relative to its requirements for clearances, operations and general safety regulations. RAILROAD reserves the right to furnish CITY's contractor(s), at the sole cost and expense prepaid of said contractor(s), protective services such as, but not limited to, flagmen, watchmen or other as RAILROAD

may deem desirable to promote safety and continuity of rail traffic during the progress of the work, for which said contractor(s) shall be required to prepay RAILROAD before any work takes place. For any such work that is performed by RAILROAD for CITY's own forces, CITY hereby agrees to so reimburse RAILROAD upon receipt of bills. Cost and expense for work performed by RAILROAD, as referred to in this Article, shall consist of the actual cost of labor, materials and related items, plus RAILROAD's standard additives in effect at the time the work is performed.

ARTICLE V. Each party will, at its own expense, provide the necessary construction engineering and inspection for carrying out its work as set forth in Exhibit A. Any costs which may be incurred by RAILROAD for inspecting the work performed by CITY as said work may affect the properties and facilities of RAILROAD, or the safety and continuity of train operations, shall be reimbursed to RAILROAD by CITY upon receipt of bill(s) therefor.

ARTICLE VI. Subsequent to the award of any contract or contracts by the parties, and before any work is started on this project, a conference shall be held between the representatives of CITY, its contractors, and RAILROAD, at a mutually convenient time and place, for the purpose of coordinating the work to be performed by the several parties, and at which time a schedule of operations will be adopted. At CITY's election, the conference may be part of CITY's pre-construction meeting. Such schedule of operations will provide sufficient lead-time for the parties to order and assemble their respective materials. The RAILROAD estimates that the work will take approximately 60 days to complete.

ARTICLE VII. **CITY AGREES, TO THE EXTENT IT LAWFULLY MAY, TO DEFEND, INDEMNIFY AND HOLD HARMLESS RAILROAD, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, TRACKAGE RIGHTS TENANTS, SUCCESSORS AND ASSIGNS, AGAINST AND SAVE IT AND THEM HARMLESS FROM LOSS AND DAMAGE TO ANY PROPERTY, AND INJURY TO OR DEATH OF ANY PERSONS, AND FROM ANY LOSS, COST, EXPENSE, FEE, FINE, COURT COST AND/OR ATTORNEY'S**



**FEES, AND EXPENSES INCIDENT THERETO, INCLUDING BUT NOT LIMITED TO COSTS INCURRED IN ENFORCING THE TERMS OF THIS AGREEMENT, ARISING OUT OF ANY WORK TO BE PERFORMED HEREUNDER BY OR ON BEHALF OF CITY AND CAUSED BY THE NEGLIGENCE OR WILFULL MISCONDUCT OF THE RESPONSIBLE PARTIES (DEFINED HEREIN AS CITY, OR ANY AGENTS OR CONTRACTOR(S) FOR CITY, OR THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES), OR A BREACH BY ANY OF THE RESPONSIBLE PARTIES OF ANY TERM OR PROVISION OF THIS AGREEMENT, OR A VIOLATION OF ANY APPLICABLE LAW, RULE OR REGULATION BY ANY OF THE RESPONSIBLE PARTIES.**

ARTICLE VIII. CITY, or its agents or contractors, shall secure (i) Statutory Workers Compensation and Employer's Liability Insurance; (ii) Automobile Liability Insurance in an amount not less than \$1,000,000 combined single limit; and (iii) Commercial General Liability ("GCL") Insurance (Occurrence Form) in an amount not less than \$5,000,000 per occurrence and \$10,000,000 in the aggregate. The GCL policy must name RAILROAD as an additional insured. The GCL policy must not contain any provisions excluding coverage for injury, loss or damage arising out of or resulting from (a) doing business or conducting work on, near, or adjacent to railroad track or facilities, or (b) surface or subsurface pollution, contamination or seepage, or from handling, treatment, disposal or dumping of waste materials or substances. Before commencing any Work, CITY shall deliver to RAILROAD a certificate of insurance evidencing the foregoing coverages and true and complete copies of the policies described above. Each policy shall provide for not less than thirty days prior written notice to RAILROAD of cancellation of or any material change in that policy and shall contain the waiver of right of subrogation.-

ARTICLE IX. Before any work is started on this project, CITY shall provide RAILROAD payment in full for RAILROAD's estimate cost as stated and attached on Exhibit B, "Project Estimate". RAILROAD shall keep an accurate and detailed account of the actual

cost and expense as incurred by it, or for its account, in the performance of work it herein agrees to perform at CITY' expense. RAILROAD, upon completion of its work, shall promptly render to CITY a detailed final statement of CITY's share of its actual expenses as incurred. After CITY has checked the final statement and verified that it is reasonable and proper, insofar as they are reasonably able to ascertain, but in no event later than thirty (30) days after receipt of the final statement from RAILROAD, CITY shall then reimburse RAILROAD an amount, less previous payments, if any, equal to the full amount of CITY's share as billed less any item or items of expense, if any, found as not eligible for reimbursement. If the CITY's share is less than the RAILROAD's estimated cost as stated in and attached on Exhibit B, "Project Estimate", the RAILROAD shall then reimburse the CITY an amount, if any, equal to the difference between the estimate and the actual expenses as incurred.

ARTICLE X. This Agreement shall be binding on the parties hereto, their successors and assigns. This Agreement shall be governed by the laws of the State of Illinois without respect to choice of law principles. This Agreement may be amended only through a writing signed by the parties hereto. No waiver of any breach of this Agreement shall constitute precedent for any subsequent breach. Neither party shall be in default of its obligation to perform any obligation hereunder (other than payment to the other party required hereunder) to the extent that performance is prevented or delayed by severe weather, Act of God, strike, lockout, governmental regulation, or other unforeseen condition reasonably beyond the control of the party so affected, but each party shall promptly notify the other of any such event and the estimated duration of the delay caused by the event

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate counterparts, each of which shall be considered an original, by their duly authorized officials as of the day and date first written above.

Illinois Central Railroad Company

Witness:

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

Tom Bourgonje  
Regional Chief Engineer

CITY OF PEKIN, ILLINOIS

Witness:

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

Print Name: \_\_\_\_\_

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

## EXHIBIT A

### CROSSING IDENTIFICATION:

RAILROAD: Illinois Central Railroad Company

RR MILEPOST: B 11.80

ROAD NAME: Veterans Drive

LOCATION: Pekin, Tazwell County, IL

### EXISTING CONDITIONS:

2-lane road RR crossing at grade protected by automatic warning devices and CWT

### DESCRIPTION OF WORK TO BE PERFORMED BY RAILROAD:

1. Install 78' of rubber crossing material and associated track materials for new Veterans Drive which is being constructed on a new alignment
2. Install crossing signal facilities necessary
3. Incidental work necessary for completion of above.
4. Remove old VFW Rd crossing material across tracks

### DESCRIPTION OF WORK TO BE PERFORMED BY CITY:

1. Furnish, erect and maintain all traffic control signs, barricades, temporary pavement markings, etc. to mark detour route for duration of work; and
2. Resurface, taper asphalt roadway approaches as required to match elevation of resurfaced track and crossing; and
3. Install new Veterans Drive with all pavement markings signs, etc, as required; and
4. Remove al roadway approaches from OLD VFW Road and restore ditches; and
5. Incidental work necessary for completion of above new Veterans Drive.

| CITY's ESTIMATED SHARE OF RAILROAD COST:

\$ ~~000,000~~478,608.00

NOTIFY BEFORE COMMENCING WORK:

| Illinois Central Railroad Company  
Paul Chojenski  
Manager Public Works  
17641 South Ashland Avenue

City of Pekin  
Michael Guerra  
~~Joe Wuellner~~City Engineer  
111 S. Capitol Street



Homewood, IL 60430  
ph.708-332-3557

Pekin, IL 61554

### SPECIAL PROVISIONS

#### RELATIVE TO FLAGGING AND OTHER PROTECTION OF RAILROAD COMPANY TRAFFIC AND FACILITIES DURING CONSTRUCTION ADJACENT AND ABOVE, ON OR ACROSS, THE PROPERTY OF, OR ON, ABOVE AND BENEATH THE TRACKS OF THE ILLINOIS CENTRAL RAILROAD COMPANY

The Grantee, Licensee, Permittee and/or its Contractor shall, before entering upon the property of Railroad Company for performance of any work, secure a fully executed right of entry license from Railroad Company's Engineering Manager or their authorized representative for the occupancy and use of Railroad Company's property. Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) shall confer with Railroad Company relative to requirements for railroad clearances, operation and general safety regulations.

Prior to any entry onto Railroad Company's property, employees and/or subcontractors of Grantee, Licensee, Permittee and/or its Contractor doing work shall determine by the guidelines hereinafter provided and by the work to be performed the level of safety training to be required.

All employees and/or subcontractors of Grantee, Licensee, Permittee and/or its Contractor not hired by Railroad Company that will work on CN property are required to have minimum [www.contractororientation.com](http://www.contractororientation.com).

- a. EXCEPTION: Railroad Company has exempted those it classifies as "Delivery Persons" from this training. This will include contractors such as UPS, FedEx, trucking companies, etc. who merely access the property to supply materials or equipment.

All employees and/or subcontractors of Grantee, Licensee, Permittee and/or its Contractor hired by Railroad Company which will work on Railroad Company property are required to have minimum CN Safety and Security Awareness training, in addition to undergoing a background check. This training and background check must be obtained



through the eRailSafe.com website. If not done before, the contractor must contact CN Special Agent James Conroy at 708-332-5947 or [James.Conroy@cn.ca](mailto:James.Conroy@cn.ca) to be issued a vendor number prior to accessing the noted website. Minimum information required of the Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) when contacting either Special Agent James Conroy or e-RailSafe is Name, Address, Telephone, Contact Person for State Projects, DOT Contract Number, and the AAR/DOT Number. This training is good for a period of two years.

- a. EXCEPTION: Railroad Company has exempted those employees of contractors providing paving services at a road crossing under construction or repair from this requirement.
- b. EXCEPTION: Railroad Company has exempted those it classifies as "Delivery Persons" from this training. This will include contractors such as UPS, FedEx, trucking companies, etc. who merely access the property to supply materials or equipment.

All employees and/or subcontractors of Grantee, Licensee, Permittee and/or its Contractor hired by Railroad Company, whose duties include and who are engaged in the inspection, construction, maintenance, or repair of railroad track, bridges, roadway, signal and communication systems, roadway facilities, or roadway machinery that will work foul of or have the potential to foul a live track are considered Roadway Workers under FRA regulations and CN Policy. They must complete the On-Track Safety Training course approved by Railroad Company and provided by R.R. Safety – AMR, P.O. Box 75, Lomira, WI 53048, telephone (920) 517-1677, email [rrsafetytraining@yahoo.com](mailto:rrsafetytraining@yahoo.com). This training must be repeated at least once each calendar year.

- a. EXCEPTION: Railroad Company has exempted those employees of contractors providing paving services at a road crossing under construction or repair from this requirement.
- b. EXCEPTION: Railroad Company has exempted those it classifies as "Delivery Persons" from this training. This will include contractors such as UPS, FedEx, trucking companies, etc. who merely access the property to supply materials or equipment.
- c. All the employees and/or subcontractors of Grantee, Licensee, Permittee and/or its Contractor who will operate on-track machinery or those who will provide protection for other employees and/or subcontractors of Grantee,

Licensee, Permittee and/or its Contractor must also be trained on CN US Operating Rules pertaining to their duties. They must take and pass the required examination. This training is good for a period of two years.

- d. "Potential to foul a live track" is considered, at a minimum, to be working within twenty-five feet of the track; or as otherwise to be determined by CN Design & Construction Department.

The employees, subcontractors, and/or agents of the Grantee, Licensee, Permittee and/or its Contractor shall qualify for, and make available for inspection to Railroad Company's employees or other authorized personnel at all times while on Railroad Company property, a photo identification issued by [www.e-railsafe.com](http://www.e-railsafe.com), along with at least one other government-issued form of identification. Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) shall bear all costs of compliance with the requirements of this Section. Railroad Company reserves the right to bar any of employees or agents of Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) from Railroad Company's property at any time for any reason.

Grantee, Licensee, Permittee and/or its Contractor and/or any contractor engaged on their behalf, shall at all times conduct work in a manner satisfactory to the Engineering Manager of Railroad Company, or their authorized representative, and shall exercise care so as to not damage the property of Railroad Company, or that belonging to any other grantees, licensees, permittees or tenants of Railroad Company, or to interfere with railroad operations.

Engineering Manager of Railroad Company, or their authorized representative, will at all times have jurisdiction over the safety of railroad operations. The decision of the Engineering Manager or their authorized representative as to procedures which may affect the safety of railroad operations shall be final, and Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) shall be governed by such decision.

All work shall be conducted in such a manner as will assure the safety of Railroad Company. Railroad Company's authorized representative shall have the right, but not the duty, to require certain procedures to be used or to supervise the work on Railroad Company's property.

Should any damage occur to Railroad Company property as a result of the authorized or unauthorized operations of Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) and Railroad Company deems it necessary to repair such damage or perform any work for the protection of its property or operations, the Grantee, Licensee, Permittee and/or its Contractor, as the case may be, shall promptly reimburse Railroad Company for the actual cost of such repairs or work. For the purpose of these Special Provisions, actual cost shall be deemed to include the direct cost of any labor, materials, equipment, or contract expense plus Railroad Company's current standard additives in each instance.

If the work requires the construction of a temporary grade crossing across the track(s) of Railroad Company, Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) shall make the necessary arrangements and execute Railroad Company's temporary grade crossing agreement for the construction, protection, maintenance, and later removal of such temporary grade crossing. The cost of such temporary grade crossing construction and later removal shall be prepaid to Railroad Company. Additional costs for repairs, maintenance or protection will be paid within thirty (30) days upon receipt of bill(s) therefor.



Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) shall at no time cross Railroad Company's property or tracks with vehicles or equipment of any kind or character, except at such temporary grade crossing as may be constructed as outlined herein, or at any existing and open public grade crossing. Operation over such crossing shall be at the direction and method of Railroad Company's Engineering Manager or their authorized representative.

Railroad Company may, at Grantee's, Licensee's, Permittee's and/or its Contractor's and/or their contractor's sole cost, risk and expense, furnish whatever protective services it considers necessary, including, but not limited to, flagger(s), inspector(s), and stand-by personnel. Flagging protection, inspection services, or standby personnel required by Railroad Company for the safety of railroad operations because of work being conducted by Grantee, Licensee, Permittee and/or its Contractor, or in connection therewith, will be provided by Railroad Company and the cost of Grantee, Licensee, Permittee and/or its Contractor and shall be prepaid to Railroad Company by Grantee, Licensee, Permittee and/or its Contractor. Flagging protection, inspection services, or standby personnel, necessary or provided in excess of prepayment amounts will be billed at the proper rates and will be promptly paid by overnight delivery.

In the event Railroad Company is unable to furnish protective services at the desired time or on the desired date(s), or if Grantee's, Licensee's, Permittee's and/or its Contractor's prepayment for such services is exhausted and not replenished by Grantee, Licensee, Permittee and/or its Contractor, Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) shall not perform any work on Railroad Company's property until such time and date(s) that appropriate Railroad Company services can be made available and/or appropriate prepayment is received. It is understood that Railroad Company shall not be liable for any delay or increased costs incurred by Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) owing to Railroad Company's inability or failure to have appropriate protective services available at the time or on the date requested.

Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) shall request and secure flagging protection by written notice to Railroad Company using CN's "Request for Flagging Services" form. This form must be submitted at least ten (10) working days in advance of proposed performance of any work or access to Railroad Company's property.

Flagging protection will be required during any operation involving direct and potential interference with Railroad Company's tracks or traffic. This may include but is not limited to fouling of railroad operating clearances, reasonable proximity of accidental hazard to railroad traffic, work within twenty-five (25) feet horizontally of the nearest centerline of any railroad track, any work over any railroad track, or in any other condition that Railroad Company deems protective services necessary, which may include work on or off Railroad Company's property more than twenty-five (25) feet from the nearest centerline of any railroad track, such as any equipment extension (including but not limited to a crane boom) that will reach or has the potential to reach within twenty-five (25) feet of any track.

Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) shall request, prepay, and secure Railroad Company signal facility locates by written notice to Railroad Company along with submission of CN's "Request for Flagging Services" form at least ten (10) working days in advance of proposed performance of any work or access to Railroad Company property. Notice to Railroad Company does not fulfill or satisfy any other notification requirements for utility locates for non-railroad facilities.

Railroad Company may require that prior to digging, trenching, or boring activities on or near Railroad Company property, or beneath any railroad track, an on-site meeting be conducted with Railroad Company's Signal Department representative. No digging, trenching or boring activities shall be conducted in the proximity of any known buried Railroad Company signal cables without Railroad Company's Signal Department representative being present.

The rate of pay for Railroad Company employees will be the prevailing hourly rate for not less than eight (8) hours for the class of labor at regular rates during regularly assigned work hours, and at overtime rates outside of regular hours and in accordance with Labor Agreements or Schedules plus Railroad Company's current standard additives in each instance.

Wage rates are subject to change, at any time, by law or agreement between Railroad Company and employees, and may be retroactive because of negotiations or a ruling by an authorized Governmental Agent. If the wage rates are changed, Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) shall pay on the basis of the new rates and/or additives.

No digging, trenching, or boring on Railroad Company property shall be conducted without Railroad Company's written approval of the plans that were furnished to Railroad Company's Engineering Manager at least thirty (30) in advance of the excavation.

The following temporary clearances are the minimum that must be maintained at all times during any operation on or adjacent to Railroad Company property:

Vertical: 22'-0" (7.00 m) above top of highest rail within 12'-0" (3.81 m) of the centerline of any track

Horizontal: 12'-0" (3.81 m) from centerline of the nearest track, measured at right angles thereto

If lesser clearances than the above are required for any part of the work, Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) shall secure written authorization from Railroad Company's Engineering Manager for such lesser clearances in advance of the start of that portion of the work.

No materials, supplies, or equipment will be stored within twenty-five (25) feet from the centerline of any railroad track, measured at right angles thereto.

Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) will be required upon the completion of the work to remove from within the limits of Railroad Company's property all machinery, equipment, surplus materials, false work, rubbish or temporary buildings, and to leave said property in a condition satisfactory to the Engineering Manager of Railroad Company or their authorized representative.

Nothing in these Special Provisions shall be construed to place any responsibility on Railroad Company for the quality or conduct of the work performed by Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) hereunder. Any approval given or supervision exercised by Railroad Company hereunder, or failure of Railroad Company to object to any work done, material used, or method of operation shall not be construed to relieve Grantee, Licensee, Permittee and/or its Contractor and/or subcontractor(s) and/or subcontractor of any obligations pursuant hereto or under the License these Special Provisions are appended to.

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

Print Name: \_\_\_\_\_





## REQUEST FOR COUNCIL ACTION

**To: Mayor and Council**

**CC: City Clerk & City Manager**

**From: Michael Guerra, City Engineer**

**AGENDA ITEM: Extending the Agreement with LHF Compost Inc for Yard Waste Disposal**

**AGENDA DATE REQUESTED: February 8, 2016**

**ACTION REQUESTED: To approve the options to extend the Agreement with LHF Compost, Inc. for the disposal of yard waste collected for two additional years at the rates shown.**

**DESCRIPTION:** In April of 2013, the City entered into an agreement with LHF for disposal of yard waste at their facility. At that time a three year agreement with two optional years for the City was beneficial as it allowed for enough flexibility to have a location to dispose the yard waste while consideration was given to whether the City should operate its own compost facility or provide City collection. Since that time it was decided that the City should not expand its operations with a City owned compost facility due to the liabilities it would entail.

Attached is the proposed agreement which lists the prices and terms for the additional optional years. I recommend that this agreement be approved so that we can continue to provide this service to the residents of Pekin.

**FINANCIAL IMPACT: Costs get included in the solid waste budget for this item and is sufficient for the normal amount of material disposed annually**

**NEIGHBORHOOD CONCERNS: Helps to keep streets and ditches clear of grass clippings, branches and leaves**

**IMPACT IF APPROVED: Disposal of yard waste can continue**

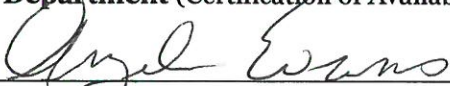
**IMPACT IF DENIED: Another location would have to be utilized at a higher rate or the City would have to cease yard waste collection.**

**ALTERNATIVES: none**

**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.]**

|                          |                                                                                                                                     |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | <b>A Prosperous Community.</b> To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs. |
| <input type="checkbox"/> | <b>A Safe Community.</b> To protect community life and property by providing effective, principled police and fire services.        |
| <input type="checkbox"/> | <b>A Strong Foundation.</b> To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.      |
| <input type="checkbox"/> | <b>A High Quality of Life.</b> To support or provide services that improves the quality of life for Pekin's residents.              |

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|                                                                                                               |                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| ✓                                                                                                             | <b>An Effective Government.</b> To deliver effectively the services that Pekin's residents want, need, and are willing to support. |
| <b>REQUIRED SIGNATURES</b>                                                                                    |                                                                                                                                    |
| <b>Department Director:</b>  |                                                                                                                                    |
| Date: 2/3/16                                                                                                  |                                                                                                                                    |
| <b>Finance Department (Certification of Availability of Funds):</b>                                           |                                                                                                                                    |
| Date:  2-5-16                |                                                                                                                                    |
| <b>Corporation Counsel:</b>                                                                                   |                                                                                                                                    |
| Date:                                                                                                         |                                                                                                                                    |
| <b>City Manager:</b>  2/5/16 |                                                                                                                                    |
| Date:                                                                                                         |                                                                                                                                    |

## MUTUAL AGREEMENT

THIS MUTUAL AGREEMENT is made and entered into this \_\_\_\_\_ day of April, 2013, by and between the City of Pekin, County of Tazewell, Illinois, a Municipal Corporation hereinafter referred to as the CITY and LHF COMPOST, INC. hereinafter designated as the CONTRACTOR regarding the disposal of yard waste collected in the City of Pekin.

### TERM OF AGREEMENT

1. This Agreement shall commence on April 1<sup>st</sup>, 2013 and shall terminate on January 15<sup>th</sup>, 2016.
2. There will be two options to extend this agreement for an additional year at the rate set in the schedule. The City shall notify LHF in writing it wishes to extend the agreement three (3) months prior to the expiration of the agreement.
3. "Yard Waste" shall include landscape waste and shall mean any and all accumulations of grass, leaves, branches, shrubs, vines, trees, and other similar vegetative items generated by the maintenance of lawns, shrubs, gardens and trees. No trees or parts of thereof shall be in excess of six (6) inches in diameter or five (5) feet in length. Yard Waste must be either loose, in bundles tied with twine or rope (not wire) or in paper yard waste bags. No plastic bags shall be allowed.
4. The CONTRACTOR agrees to accept, and the CITY agrees to dispose of at the compost facility, all yard waste, as defined herein, which is collected in the CITY'S corporate limits during the term of this Agreement from the CITY'S grounds keeping (excluding street sweeping) and from residential buildings with four or fewer dwelling units located within the CITY'S corporate limits, including additional residential units which may hereafter be erected or become operative within the corporate limits of the CITY during the term of this Agreement. For purposes of this Agreement, it is mutually understood that in a good faith approximation of the



number of dwelling units served for the year 2013 is 12,000. The CITY makes no warranties that the number is correct; however, said the number will be considered as the basis of this Agreement until modified pursuant to its terms.

5. The CITY shall pay to the CONTRACTOR according to the following schedule of yard waste disposed at the compost facility.

**April 1, 2013 through January 15<sup>th</sup>, 2014 \$8.75 per cubic yard of yard waste.**

**April 1, 2014 through January 15<sup>th</sup>, 2015 \$9.28 per cubic yard of yard waste**

**April 1, 2015 through January 15<sup>th</sup>, 2016 \$9.84 per cubic yard of yard waste**

**Optional years**

**April 1, 2016 through January 15<sup>th</sup>, 2017 \$10.43 per cubic yard of yard waste**

**April 1, 2017 through January 15<sup>th</sup>, 2018 \$11.06 per cubic yard of yard waste**

The CONTRACTOR shall invoice the CITY **weekly, payable within thirty (30) days** for disposal of all yard waste as described herein at the CONTRACTOR'S facility. The invoice shall include the amount of material received per Cubic Yard (CY) times the Unit Price set above for a total Invoice amount.

In addition, the CITY agrees to pay any tipping fee or other fee or tax hereafter imposed by any government agency for the privilege of disposing yard waste at the facility. Other than as set in this paragraph, there shall be no additional gate, tipping, or entry fee imposed on the CITY for the use of the aforesaid compost facility.

6. All Yard Waste loads shall be full loads unless it is necessary to dispose of a partial load to meet the 24-hour limit set in Paragraph Eight (8) of this Agreement.

7. The CONTRACTOR shall conduct operations at its expense under this agreement in compliance with all local, State, and Federal laws and regulations governing Composting sites

and yard waste disposal facilities. The Contractor shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of this Agreement.

8. The composting site and facility shall be available for disposal during the normal business hours between 8:00 A.M and 4:30 P.M. Monday through Friday from January 1<sup>st</sup> till January 15<sup>th</sup>, and April 1<sup>st</sup> till December 31<sup>st</sup> of each year, and other reasonable dates and times as requested by the CITY as necessary to accommodate disaster and storm cleanup collections and Saturday collections due to Holidays.

9. Trucks must be emptied at the compost site within twenty-four (24) hours after being first collected began. The CONTRACTOR shall have the right to refuse any trucks or composting materials not meeting this requirement.

10. During the term of this Agreement the CITY and its haulers shall have a license to enter the composting site and compost facility for the limited purpose of , and only to the extent necessary for, off-loading yard waste a the location and in the manner directed by the CONTRACTOR. After off-loading the waste, the CITY'S haulers/personnel shall promptly leave the composting site or compost facility.

11. The CONTRACTOR agrees to indemnify, save harmless and defend the CITY , its agents and employees from and against any and all liabilities, claims, penalties, forfeitures, suits, and the cost and expenses incident thereto, including cost of defense, settlement, and reasonable attorney's fees, which it may hereafter incur, become responsible for, or pay out as a result of death or bodily injury to any person, destruction or damage to any property, contamination of or adverse effects on the environment, or any violation of governmental laws, regulations, or orders caused by negligent or willful acts or omissions of the CONTRACTOR'S employees or its subcontractors in the performance of the Agreement. The CONTRACTOR acknowledges,

however, that the CITY may provide indemnification to its customers in reliance on the indemnification provided to the CITY in this paragraph.

12. The indemnification provision set above the CONTRACTOR includes but is not limited to claims against the CONTRACTOR which arise out of, are related to , or are based upon the disbursal, discharge, escape, release or saturation of smoke, vapor, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, or any other material, irritant, contaminant, or pollutant or hazardous materials as defined by the Illinois Environmental Protection Agency or the United States Environmental Protection Agency now or in the future or into the atmosphere, or on onto, upon, in or into the surface or subsurface (a) soil, (b) water or watercourse, (c) objects, or (d) any tangible or intangible matter, whether sudden or not.

13. The CONTRACTOR shall at all times during the term hereof, maintain public liability and property damage insurance covering all of its operations hereunder in amounts of no less than ONE MILLION (\$1,000,000.00) DOLLARS combined bodily injury and property damage limit per accident, and the CITY shall be named as an additional insured only to the extent of the CONTRACTOR'S negligence.

14. The Agreement shall be binding upon and shall inure to the benefit of the parties here to and their respective successors and permitted assigns. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

15. It is expressly agreed and understood that the CONTRACTOR is in all respects an independent contractor as to the work, notwithstanding in certain respects that the CONTRACTOR is required to follow direction of designated CITY officials (this shall include but not be limited to reporting procedures), and that the CONTRACTOR is no respect an agent, servant or employee of the CITY. This Agreement specifies the work to be done by the

CONTRACTOR but the method to be employed to accomplish this work is the responsibility of the CONTRACTOR, unless otherwise provided for in this agreement.

16. Should the CONTRACTOR fail to accept yard waste hauled to its facility at the time and in the manner required, and the CITY determines said failure constitutes a breach or default by the CONTRACTOR, the CITY may, after one hour's notice, redirect delivery of said yard waste to another compost facility or site. This is a non-exclusive remedy and shall not limit in any way the CITY'S right to other legal remedies.

17. The CONTRACTOR shall furnish the CITY or the CITY'S authorized representatives with every reasonable opportunity for ascertaining whether or not its obligations are being performed in accordance with the requirements of this Agreement. On a **WEEKLY** basis the CONTRACTOR shall supply the CITY with tickets of daily volumes (e.g. cubic yards and tons) of the yard waste deposited at the facility. The CITY may appoint authorized representatives to inspect the CONTRACTOR'S operations and records related to the composting facility at any reasonable time and the CONTRACTOR shall admit authorized representatives of the CITY to make such inspections at any reasonable time and place.

18. The CONTRACTOR specifically agrees that any strike or labor dispute of any kind or character involving the CONTRACTOR, the CITY, or any account or unit serviced hereunder, shall not, for any reason, cause a stoppage or delay of any of the obligations of the CONTRACTOR as per the terms and conditions hereof.

19. If the CONTRACTOR becomes insolvent or declares bankruptcy or commits any act of bankruptcy or insolvency, or allows any final judgment for the payment of money to stand against the CONTRACTOR, the Mayor of the CITY may then declare the Agreement canceled or at the option of the CITY, may treat this Agreement as operative.



20. The CONTRACTOR assures the CITY that it is an "Equal Opportunity Employer" as defined by Section 2000(E) of Chapter 21, Title 42 of the United States Code Annotated and Federal Executive Orders No. 11246 and 11375, which are incorporated herein by reference, and as such shall not discriminate against any other person by reason of race, creed, color, religion, age, sex, or physical or mental handicaps with respect to the hiring, application for employment, tenure, terms or conditions of employment of any persons.

21. The Illinois Fair Employment Practice Commission Equal Opportunity Clause, as required by Article II of the Illinois FEPX Rules and Regulations, is considered to be a part of any contract or purchase agreement.

22. In the employment and use of labor, the CONTRACTOR shall conform to all Illinois statutory requirements and prohibitions regarding the sexual harassment of employees, including but not limited to those pertinent provisions of the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.*

**DATED at Pekin, Illinois, this \_\_\_\_\_ day of April, 2013**

**CITY OF PEKIN, a Municipal Cooperation**

**By \_\_\_\_\_**

**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY CLERK**

**DATED at Pekin, Illinois, this \_\_\_\_\_ day of April, 2013**

**LHF Compost, Inc.**

**By \_\_\_\_\_**

**PRESIDENT**

**ATTEST: \_\_\_\_\_**

**SECRETARY**



9.4



**BAKER TILLY**

Baker Tilly Virchow Krause, LLP  
Ten Terrace Ct, PO Box 7398  
Madison, WI 53707-7398  
tel 608 249 6622  
fax 608 249 8532  
bakertilly.com

January 19<sup>th</sup>, 2016

Mr. Darin Girdler  
City Manager  
City of Pekin  
111 South Capitol Street  
Pekin, IL 61554

Dear Mr. Girdler:

We are pleased to provide the attached pricing and hours of effort information in addition to our previous response to the City's proposal for an efficiency study.

Attached to this letter is a proposal of hours and fees to complete the City's study. Once you have had a chance to review the attachment please feel free to contact us with any questions you may have. You can contact Caitlin Humrickhouse at 312.729.8098 ([caitlin.humrickhouse@bakertilly.com](mailto:caitlin.humrickhouse@bakertilly.com)) or Russ Hissom at 608.240.2361 ([russ.hissom@bakertilly.com](mailto:russ.hissom@bakertilly.com)).

Thank you for allowing us to serve you. We appreciate the opportunity to submit this response and welcome the opportunity to discuss the specifics with you. Thank you.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

Russell A. Hissom, CPA, CIA, CISA, Partner

## Proposed Project Fees

We will work under the direction of the City's steering committee or project manager. Based on current information we feel this is the appropriate number of hours to meet the project objectives. If the hours estimate should change, we will discuss those changes with the City prior to continuing with the project.

Additionally, the estimate below includes hours estimated to review every City Department. Should the City wish to take a phased approach to the project and only review a few Departments at what time, we are happy to provide an a-la-carte pricing estimate.

We estimate the project fees for each task as follows:

|                                              | Partner        | Project Manager | Senior Consultant | Consultant      | Administrative Staff | Total           |
|----------------------------------------------|----------------|-----------------|-------------------|-----------------|----------------------|-----------------|
| Phase 0: Project Planning and Management     | 2.00           | 8.50            | 9.00              | 12.00           | 0.00                 | 31.50           |
| Phase 1: Current State Assessment            | 0.00           | 68.00           | 85.00             | 95.00           | 0.00                 | 248.00          |
| Phase 2: Future State Recommendations        | 4.00           | 5.00            | 16.00             | 27.00           | 0.00                 | 52.00           |
| Phase 3: Report Development and Presentation | 2.00           | 17.00           | 31.00             | 41.00           | 4.00                 | 95.00           |
| <b>Total Hours</b>                           | <b>8.00</b>    | <b>90.50</b>    | <b>141.00</b>     | <b>175.00</b>   | <b>4.00</b>          | <b>428.50</b>   |
| Hourly Rate                                  | \$250          | \$175           | \$175             | \$125           | \$101                |                 |
| <b>Project Fees</b>                          | <b>\$2,000</b> | <b>\$17,238</b> | <b>\$24,675</b>   | <b>\$21,875</b> | <b>\$404</b>         | <b>\$66,192</b> |
| <b>Travel Expenses</b>                       |                |                 |                   |                 |                      | <b>\$3,000</b>  |
| <b>Total Costs</b>                           | <b>\$2,000</b> | <b>\$17,238</b> | <b>\$24,675</b>   | <b>\$21,875</b> | <b>\$404</b>         | <b>\$68,192</b> |

## Assumptions

We based our estimate on the assumptions detailed below. Should any of these change during the engagement, we will bring the matter to the City's attention immediately and prepare a change order detailing the new requirements and corresponding budget impact. We will not undertake additional work without the City's written approval. Assumptions include:

- > Adequate support, preparedness, and cooperation from the City's management
- > A Steering Committee created that will work to eliminate or minimize biased opinion from all resources provided to Baker Tilly
- > Access to, and be provided with, electronic or other readily available data; the data provided requires no significant data manipulation
- > Appropriate staff and officials will be available per the agreed-to schedules
- > Information will be provided within the specified timeframes and format (electronic) with minimal manipulation involved
- > City will provide resources to assist with coordination activities such as scheduling, gathering contact information, and securing project team space and technical resources
- > No significant changes in scope

Efficiency study  
**City of Pekin**

---

December 4, 2015



**BAKER TILLY**

**Candor. Insight. Results.**





**BAKER TILLY**

Baker Tilly Virchow Krause, LLP  
Ten Terrace Ct, PO Box 7398  
Madison, WI 53707-7398  
tel 608 249 6622  
fax 608 249 8532  
bakertilly.com

December 4, 2015

Mr. Darin Girdler  
City Manager  
City of Pekin  
111 South Capitol Street  
Pekin, IL 61554

Dear Mr. Girdler:

Baker Tilly Virchow Krause, LLP (Baker Tilly) is pleased to respond to the City of Pekin (the City) with regarding your Request for Proposals (RFP) for an efficiency study that will cover both economic and operational aspects of your organization.

Our firm was founded based on strong service to public sector entities and, to this day, values the unique industry specialization we have. This specialization allows us to carefully consider the political, fiscal, and operational realities faced by our clients when developing recommendations for them. We are viewed as thought leaders and follow closely the perspectives of taxpayers, legislative leaders, and government executives to best design solutions for you.

We are confident that we can help the City with the comprehensive organizational review services you seek. Baker Tilly has years of experience helping local government organizations conduct such assessments. We are eager to demonstrate how we can help you effectively deliver the services that citizens need and are willing to support. Our review will help you decide if there are changes that could be made to improve efficiency and effectiveness of city operations.

Key factors that differentiate Baker Tilly include:

- > We are a recognized national leader in organizational assessments and review, having conducted dozens of these reviews and educated local governments on how to successfully implement results
- > Extensive experience with departmental reviews for municipal and county departments, spanning all functions
- > Effective application of industry benchmarks and best practices
- > Ability to analyze alternative service delivery approaches that consider the most optimal alignment of internal and external (e.g., shared services, third party) resources

As a result of our organizational analysis, public sector clients have been able to realize both improvements in service quality and also significant savings (in some cases up to eight to ten percent of total annual budget) in operational costs. Our approach provides the full continuum of organizational analysis and considers all aspects of departments, including process modifications, staff realignment or reallocation, functional redesign, and identification of alternative staffing models.

Mr. Darin Girdler  
City of Pekin

December 4, 2015  
Page 2

Our proposal details Baker Tilly's tailored approach to working with you to accomplish your objectives, as well as information we believe will help you make your decision. The references we provide demonstrate how we provide knowledge and experience-based insights that create measurable value for our clients. We are happy to discuss further with you the various options and considerations in conducting this type of study. The City did not request fees in the RFP so we have not provided this information in our response, but we will be happy to provide a cost proposal upon the City's request.

If you have any questions about our proposal, please do not hesitate to contact me at 608 240 2361 or by email [russ.hissom@bakertilly.com](mailto:russ.hissom@bakertilly.com), or contact project manager Caitlin Humrickhouse at 312 729 8098 or [caitlin.humrickhouse@bakertilly.com](mailto:caitlin.humrickhouse@bakertilly.com).

We appreciate the opportunity to submit this response and welcome the opportunity to discuss the specifics with you. Thank you.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

A handwritten signature in black ink, appearing to read "Russell A. Hissom". The signature is fluid and cursive, with a long horizontal stroke at the end.

Russell A. Hissom, CPA, CIA, CISA  
Partner



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|                                             |    |
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BAKER TILLY

Candor. Insight. Results.

The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. Tax information, if any, contained in this communication was not intended or written to be used by any person for the purpose of avoiding penalties, nor should such information be construed as an opinion upon which any person may rely. The intended recipients of this communication and any attachments are not subject to any limitation on the disclosure of the tax treatment or tax structure of any transaction or matter that is the subject of this communication and any attachments. Baker Tilly refers to Baker Tilly Virchow Krause, LLP, an independently owned and managed member of Baker Tilly International.



## Our understanding of your project

We understand that the City of Pekin seeks an evaluation of the overall efficiency and effectiveness of City operations in order to identify strengths and improvement opportunities related to the organization, staffing, and management of the City's departments and offices.

The City seeks an assessment of various aspects of the City's performance for departments and offices including:

- > Service/product quality
- > Customer/user satisfaction
- > Employee/leadership development
- > Organizational optimization and efficiency
- > Financial viability

Each of the above aspects will require Baker Tilly to:

- > Develop measurement methods and evaluation criteria
- > Assess historical, current, and projected workloads; costs; and revenues (if applicable)
- > Identify any gaps between current performance and organizational goals
- > Recommend any necessary improvement plans, including delineating action items, schedules, and cost by year; review outsourcing opportunities for work conducted by departments

The deliverable for the project will be a report that:

- > Identifies specific improvements that can be implemented without further major study or analysis
- > Includes a prioritized listing of additional improvements that could be realized with further study or investigation. For these, Baker Tilly will include:
  - Details of the potential improvements
  - Estimated cost to implement the improvement
  - Estimated ongoing cost savings/revenue enhancement resulting from the improvement
  - Estimated length of time to implement the improvement





## Baker Tilly's qualifications

Baker Tilly is a full-service accounting and business advisory firm. We were founded in 1931 with one central objective: to use our expertise to help our clients improve their businesses. As our firm has grown over the past 84 years, we have broadened our service offerings and expanded our geographic presence to meet the evolving needs of our clients.

### **Public sector specialization and experience**

We organize our firm by industry specialization rather than service discipline. Our professionals offer clients a deep understanding of their respective industries. Your industry-focused team will possess specialized knowledge to help you improve operational efficiencies, tighten processes, and address your unique needs.

Baker Tilly formalized our Public Sector specialization more than forty years ago. We recognized the complexity of this environment and organized the partners and staff into our Public Sector Service Group. This industry specialization approach allowed us to provide specialized training and continuing education to our staff, assuring you of a team with the necessary knowledge and skills you desire to identify the strength of internal controls and processes, and with the specialization of your industry to identify key indicators that are critical to your government.

This specialization is split out between our audit team and our consulting group. The staff for this project would be sourced from our public sector consulting group. These professionals have an extensive background in government service, both as practitioners as well as consultants. Where necessary, our team can utilize knowledge from staff in other areas of the firm.

Our Public Sector Practice Group, a group with a commitment spanning more than forty years and a team of more than 220 professionals—including 15 partners—is dedicated entirely to serving governmental clients. We understand the issues governments face, providing more than 225,000 hours, annually, to the public sector. Our extensive experience provides us with the specialized knowledge and insight to find effective solutions. We work with municipalities nationwide. We have worked with various local governments, including helping many counties and municipalities with organizational reviews and evaluations.

*We are one of the few consulting and auditing firms with a State and Local Government Group dedicated entirely to serving governmental clients.*

### **Examples of public sector consulting engagements**

We have established a record of successfully serving municipal and county governments, from our 1931 beginnings as a firm, with the organization of our state and local government group, and through increasingly diverse and targeted service offerings for our municipal, county, and state clients.



## Baker Tilly's qualifications

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Our project team members have provided consulting, advisory services, or single audit/financial management consulting services, to a variety of state and local government entities. We are often contracted for new or additional services for the same clients. The following list exhibits just some of the clients of similar or larger size that we have served on consulting projects. We can provide contact information for any of these.

- |                           |                          |                                                         |
|---------------------------|--------------------------|---------------------------------------------------------|
| > City of Burbank, CA     | > City of Ogden, UT      | > Sheboygan County, WI                                  |
| > City of Carlsbad, CA    | > City of Racine, WI     | > Waseca County, MN                                     |
| > City of Dearborn, MI    | > City of Richmond, CA   | > Washington County, MN                                 |
| > City of Eagan, MN       | > City of Rockford, IL   | > Will County, IL                                       |
| > City of Elgin, IL       | > City of St. Paul, MN   | > Village of Glenview, IL                               |
| > City of Evanston, IL    | > City of Valdez, AK     | > Central Brown County Water Authority                  |
| > City of Fond du Lac, WI | > City of Wauwatosa, WI  | > Burbank Water and Power                               |
| > City of High Point, NC  | > City of Wilmington, DE | > Colorado Springs (CO) Utilities (CSU)                 |
| > City of Kenosha, WI     | > Chippewa County, WI    | > DuPage Water Commission (Elmhurst, IL)                |
| > City of Madison, WI     | > Dane County, WI        | > Guam Water Utilities                                  |
| > City of Milwaukee, WI   | > Hennepin County, MN    | > Modesto Irrigation District / MSR Public Power Agency |
| > City of Minneapolis, MN | > Milwaukee County, WI   | > Sacramento Municipal Utility District                 |
| > City of Modesto, CA     | > Portage County, WI     |                                                         |

We have provided a number of case studies to give the City an idea of the range of projects on which Baker Tilly has worked. We would also be more than happy to provide additional case studies if requested.

### City of Carlsbad, California, "Best Value Services Program" Evaluation Resource Optimization and Government Transformation

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#### The client

The City of Carlsbad in San Diego County in southern California has consistently earned high satisfaction ratings from its population of more than 100,000.

#### The business need

The City wants to preserve its excellent satisfaction ratings while addressing the real concerns of a volatile economy and increasing labor and related costs. The recession and a twenty percent drop in revenues led the City to embark on a "Best Value Services" program to ensure top-quality customer service in the long term. Seeking to utilize independent third-party expertise, they hired Baker Tilly to manage a multi-year project. Baker Tilly's engagement was to evaluate service delivery methods and costs for all City operations except sworn public safety services, with the goal of ensuring the City would be a sustainable organization—one that provides the best quality at lowest cost.

#### The Baker Tilly solution

The approach that Baker Tilly is following for each of the assessments is as follows:

- > Document current service levels and costs
- > Benchmark lines of business / major services against regional service providers, national standards, best practices, and trends



## **Baker Tilly's qualifications**

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- > Ensure that the City's resources and strategic priorities are aligned
- > Conduct gap analysis, identify alternative service delivery approaches, and cost out projected impact of the options

The Parks and Recreation Department (March–July 2012) assessment focused on:

- > Custodial Services
- > Hardscape/Specialty Maintenance
- > Landscape Maintenance
- > Trails / Open Space / Preserves Maintenance
- > Tree Maintenance
- > Aquatics Services
- > Historical Parks Services
- > Recreation Services
- > Rental Services

The Transportation Department (July 2012–March 2013) assessment focused on:

- > Street Maintenance & Operations
- > Traffic Operations
- > CIP & Asset Management
- > Traffic Signal Systems
- > Construction Management & Inspection Services

The Utilities and Property & Environmental Departmental Assessments (October 2013–present) focused on:

- > Environmental Management
- > Fleet Maintenance
- > Fleet Replacement
- > Facility Services
- > Real Estate
- > Civic Projects
- > Safety Training Center
- > Potable Water
- > Recycled Water
- > Wastewater
- > Storm Drain Maintenance
- > Solid Waste
- > Utilities Engineering

### **The results**

**Parks and Recreation** – Baker Tilly identified 48 opportunities with a range of \$2.3 million to \$4.7 million annually in estimated potential savings, revenue enhancements, or resource reallocations. Some opportunities were for increasing staff efficiency and did not necessarily translate into dollar savings. The City Council unanimously voted to





## Baker Tilly's qualifications

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implement operational improvements, consider organizational changes, and explore outsourcing of City park maintenance activities.

**Transportation** – Baker Tilly identified 44 opportunities with a range of \$1.56 million to \$2.42 million in annual cost savings, revenue enhancements, and resource allocations, as well as 38 additional opportunities yielding less impact (a continuum of efficiency, policy, organization, and outsourcing options). The City Council unanimously approved a recommendation to further consider outsourcing its traffic signal systems and automated traffic management system.

**Utilities & PEM** – Baker Tilly identified 31 opportunities that we are currently in the process of assessing their final financial impact. The opportunity areas are found along the continuum of resource optimization.

### City of Valdez, Alaska Human Resources Operational and Organizational Review

---

Baker Tilly was engaged by the City to review the Human Resources (HR) structure, explore models and approaches to improve HR management and identify gaps in the current Personnel Regulations and general approach to human resources. The City had not historically operated with a dedicated Human Resources manager and had instead assigned this function as a portion of the Assistant City Manager's duties. Baker Tilly issued an anonymous survey, held meetings with City staff and reviewed documentation in order to pinpoint areas of HR operations that were of particular concern. By using a Functional Area Maturity Ranking Model, Baker Tilly was able to provide the City with a comprehensive analysis of their current HR operations and the risks that they were facing.

Baker Tilly provided the City with 23 recommendations related to the HR organizational model, HR basics, strategic HR and HR compliance. Each recommendation was assigned an implementation time frame so that the City can use the deliverable as a roadmap as they continue to make improvements to their HR operations.

### City of Greenville, North Carolina Business process review of the Human Resources and Financial Services Departments

---

An entity's human capital is its most valuable asset and also the most significant investment in terms of operating expenditures. To ensure that its resources provide the best value, in March 2013, the City of Greenville selected us to assist with the evaluation of the City's approach to managing procurement, accounting, budget, revenue collections, treasury, and human resources city-wide. Specifically, the City asked Baker Tilly to:

- > Perform a customized review of the City finance operations function and management framework
- > Determine whether the City was managing and utilizing its human resources appropriately, efficiently, and effectively



## Baker Tilly's qualifications

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Baker Tilly identified 33 recommendations and identified whether the City should implement each recommendation in the short term or long term. Our recommendations spanned the following areas:

- > Transformation of Financial Services and HR functions and approaches from tactical to strategic
- > Optimized organizational structure and improved alignment of labor resources with strategic and program priorities
- > Enhanced organization-wide effectiveness relative to Financial Services and HR management
- > Reduction to the level of effort required to manage the City's workforce
- > Reduction in risk relative to HR decision and activities
- > Increased efficiency of fiscal processes and systems
- > Enhanced fiscal policies and procedures and reporting
- > Optimized value for the City's enterprise resource planning (ERP) project

### City of Ogden, Utah Needs assessment of ERP environment

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The City selected Baker Tilly to perform a needs assessment of their ERP environment. Currently, they are operating financials and basic HR functions on Tyler Eden. They are also using other systems such as Halogen, Cartegraph, custom AS400 systems, Velosum, InCode, and many others to conduct specialty functions such as performance evaluations, work orders, and utility billing. This has resulted in a fairly manual environment despite the fact that they have ERP technology established.

One of their greatest challenges is that they have a lot of data but not necessarily a good environment/technology to analyze it. Certain modern technology features (workflow, online approvals) are not utilized in the current environment. Baker Tilly is working to define the organizational issues that led to this separate from the functional capabilities of the system.

Ogden is a mid-sized jurisdiction with 82,000 population. However, they have a broad level of services that they offer to their community. As such, they hired Baker Tilly to assess current needs and make recommendations on their options moving forward. This includes an assessment of current business processes—a number of which are manual and based upon custom reporting.



## **Baker Tilly's qualifications**

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### **Village of Glenview, Illinois Alternative Service Delivery / Operational Assessment**

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Glenview is an Illinois suburban village north of downtown Chicago (pop. more than 44,000). Baker Tilly conducted an assessment of options relative to public works and water utility operations including privatization, outsourcing, and internal process improvements in attempt to ensure value for level of levy dollar spent.

This project was designed to assist the Village in determining what service delivery continuum would be appropriate for their public works function. It included the in-depth assessment of their current approach to delivery of a wide array of public works functions including: street maintenance, water utility services, sanitary sewer and stormwater activities, forestry, and fleet. A key focus of this study was a review of the current approach to performance management with a specific emphasis on whether this framework approaches best value service for cost and recommendations around service delivery alternatives.

The Village has moved toward a service delivery continuum that includes some contracted services and is assessing the appropriate level of internal and external service delivery approaches. It is feasible that a managed competition will occur.

### **Portage County, Wisconsin Review of the Treasurer's Office**

---

Baker Tilly was engaged by Portage County to assist the County with an independent assessment of the County Treasury function including a review of the following primary functions of a County Treasurer:

- > Managing County Funds Received – receipting and accounting for monies received from taxpayers, departments, and government agencies; disbursing monies due to employees, vendors, taxing jurisdictions, and taxpayers
- > Treasury Management – coordination of county investments and investment policy
- > Administering Property Tax Laws and Collection of Property Taxes
- > Maintaining Tax Billing and Collection History Records

Baker Tilly provided a roadmap to the County for use in enhancing controls, improving efficiency, maximizing revenue, and reducing risk. Areas of focus include:

- > Internal controls
- > Investment management and cash forecasting
- > Finance qualifications and background
- > Policies and procedures





## **Baker Tilly's qualifications**

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### **Portage County, Wisconsin Review of the Purchasing Department**

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Portage County selected Baker Tilly to conduct an independent assessment of the County's Procurement operations, internal controls, and compliance with policies and procedures of its operational environment in order to strengthen the process, internal controls, enhance operational effectiveness, and reduce risk.

Baker Tilly's report contained our assessment of areas where current internal controls could be improved and 28 recommendations designed to help the County strengthen its current process, enhance cost effectiveness of operations, and standardize the processes the individual departments utilize to procure goods. The following areas of the procurement process were reviewed:

- > Purchasing Thresholds and Tools Utilized
- > Sole Source Purchasing
- > Purchasing Process
- > Technology
- > Ethics

Baker Tilly performed a County-wide needs assessment and documented the current inventory of major systems, including an assessment of governance, customer services, cost allocation, and best practices. Peer counties benchmark and best-practice comparisons utilized data from five comparable Wisconsin counties. Needs Assessment work sessions were carried out with twenty-one departments including Health & Human Services, Human Resources, Treasurer, Finance, and Sheriff & Emergency Management.

The Baker Tilly engagement team also assessed current job duties as assigned and associated staff resource allocations. Further, they identified current expenditures and internal cost allocation revenues associated with the IS Department, and they identified pain points relative to critical IS Department operating processes, including:

- > Business needs definition and procurement
- > Project management/implementation
- > Internal customer service, including tech support / help desk, training, and capital planning
- > State systems support
- > Stability of network and servers

Baker Tilly presented recommendations in terms of thirty-three initiatives suitable for consideration including: organizational structure enhancements; outsourcing / shared service considerations; modifications to project, labor and contract management approaches; and discussion of key IT infrastructure and network options.





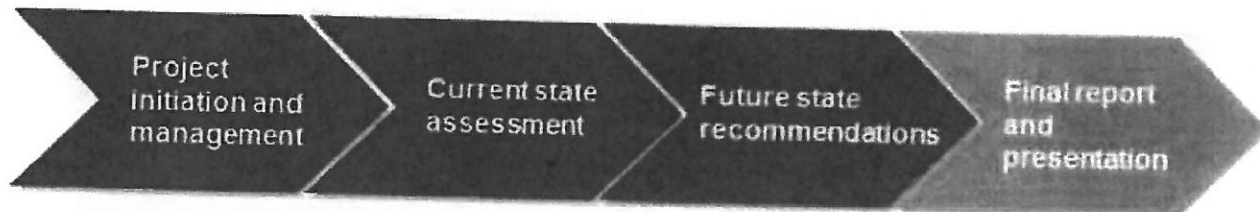
## Our approach to organizational reviews

### Underlying philosophy and approach

Our clients engage us because they require experienced, highly skilled project managers to guide, facilitate, and manage complex, strategic initiatives for their organizations. Our team combines a strong project management approach with real-world experience.

Baker Tilly employs a proven framework for this type of project including the appropriate components necessary for client involvement, approval, and signoff on key project activities and deliverables. We also position our projects to ensure you have the tools and information you need to realize the return on your investment effectively after we are gone. Our team will utilize the Baldrige Excellence Framework as a means of improving the City departments' performance.

Our project approach will be organized as follows:



Baker Tilly's proven project management methodology has been executed many times on projects of all sizes for our public sector clients. Our team has significant experience coordinating management consulting engagements across several levels of external stakeholders, staff, executives, and members of governing bodies. Our project management approach is driven by the work plan for this project and includes regular internal team meetings, status updates, commitment to timelines, and frequent, structured communication with the client.

The value your engagement team places on communication optimizes the review process, as well. Your requests and concerns always will guide the way your Baker Tilly team members conduct your engagement. We encourage you to express any desires to change aspects of our process at any time.

The implementation framework and roadmap that the City sets will be critical in realizing the desired impact. Our team can be available to assist in developing this framework and the specifics required to transition to alternative service delivery approaches.

### Approach to on-boarding with the organization

The City's engagement team members will invest a significant portion of time learning about the organization of the City's departments. They will have the skills to anticipate and respond quickly to your needs and challenges as they arise. Our approach to using industry specialists to staff your engagement will also reduce the time your employees



## Our approach to organizational reviews

will spend with the engagement team, so you can focus on your business instead of spending time educating our staff.

Prior to the initial on-site visit, an on-site kick off meeting or phone conference with the project steering committee will be held. This will provide an orientation to the project goals, timeline, and deliverables. We will provide written summaries of progress that outline the work accomplished during the reporting period and the work to be accomplished during the subsequent reporting period. We use our communicated approach and methodology with specific activities and deliverables to report technical progress. We will highlight the percent complete and current status for each of the activities and deliverables associated with the review.

### Detailed discussion of our approach

We will take the following specific steps to coordinate our project management and quality assurance approach. The project initiation and management component of this project creates the foundation for a successful project. As a result, we work to ensure that all parties are in agreement on scope, targets of review, and individuals participating in the study. To do so, we recommend the creation of a Steering Committee to provide input and oversight of the project. We would hold an executive visioning session with the Steering Committee to discuss project vision, objectives and background.

#### Project initiation and management

**Objective:** To ensure project approach, scope, and activities are in alignment with City needs and desired outcomes

##### Illustrative tasks:

- > Appoint a Project Liaison to coordinate scheduling, data collection, and other logistics
- > Introduce the Project Liaison to Baker Tilly team
- > Establish the project Steering Committee to offer input at project initiation and receive the major project deliverables, e.g., final report
- > Executive visioning sessions to align management expectations with resource allocation in functional areas
- > Identify key individuals to participate in fieldwork (Interviews, etc.)
- > Schedule regular status reports
- > Finalize project timeline with milestone deliverables
- > Initiate information request; begin review as information is received

##### Deliverables:

- > Introduction call
- > Status update schedule
- > Project timeline
- > Fieldwork agenda
- > Executive visioning session

#### Evaluation phase: on-site visit, interviews, documentation, and follow-up

The evaluation will focus on data collection and documentation for the current organizational structure. This will include data gathering and documentation of current operations, identification of the services that are provided, review of department service standards, and assessment of the staffing needs to perform expected duties. Once key



## Our approach to organizational reviews

stakeholders are identified, sessions will be organized to make sure all interested parties have the opportunity to provide information. It is our intention to collect as much of the data up front as possible and schedule on-site follow up conversations as necessary. After data collection and documentation are completed following the initial on-site visit, a progress report will be provided to the City for review. Also included in this phase is high-level benchmarking to identify potential areas for improvement. Please note that the data used for this is from readily available data sources, such as the International City/County Management Association (ICMA), the Government Finance Officers Association (GFOA) or budget books for municipalities that the City has already identified as comparable. Should the City want to develop a custom survey, this would be an optional service to add on to the current proposal.

During the data collection, we assume that the City has data readily available and can provide it to our consulting team in a format which requires very little manipulation, i.e., Excel. Our proposal assumes that the data is available and ready for analysis.

### Current state assessment

**Objective:** Identification and documentation of current staffing, service approach and service standards

#### **Illustrative tasks:**

- > Identify the current staffing, workloads, service approach, stakeholders, service demands, and service standards
- > Identify shared resources and responsibilities between staff in order to minimize overlapping
- > Assess the feasibility of adopting alternative staffing models within the functional areas (e.g., contracted, or temporary staff, volunteers)
- > Assess the status of Infrastructure and operating control procedures for each department
- > Assess organizational performance by completing a gap analysis

#### **Deliverables:**

- > Focus group sessions
- > Initial findings document
- > Identify and refine key service standards by function
- > Benchmark results summary

### **Recommendation development phase**

This phase is critical to determining if existing resource allocations are based on status quo or the actual alignment of resources with program or service priorities and requirements. Our roles in this phase will be to not only identify existing financial commitments but also to facilitate an inclusive process to highlight areas where alternative service delivery options should be pursued. In our experience, the identification of functions or activities that are no longer a priority or that have a reduced priority is a critical piece of this phase. It is our intent to use industry standards, interviews, document review, and best practice knowledge and research to conduct this phase of the project.





## Our approach to organizational reviews

### Future state recommendations

**Objective:** Quantify or qualify the impacts and considerations for future state

#### **Illustrative tasks:**

- > Identify high-impact improvement areas; focus redesign efforts on those areas through the identification of current industry standards
- > Identify service delivery options including:
  - Efficiency potential
  - Final staff counts by position
  - Fiscal impact
  - Service delivery impacts
  - Alternative staffing model incorporation impact
  - Level of flexibility for future needs
  - Level of complexity related to eliminating barriers or challenges
  - Strategy for optimizing benefits and reducing/eliminating challenges
- > Develop potential models for modified service delivery
- > Quantify cost/benefit—program elimination, service delivery changes, and/or consolidation/shared service

#### **Deliverables:**

Detailed recommendations which will include:

- > Summary of alternative considered
- > Potential fiscal and service level impacts
- > Industry best practice and comparable organization support for recommendation
- > Timeline for implementation
- > Resources needed for implementation
- > Prioritized, improvements matrix

Our proven approach to carefully quantifying resource and delivery impacts, identifying future obligations, and developing staffing model and organizational alternatives is critical to identifying realistic options that closely align resource allocations and expectations with operational needs. Understanding the required fiscal outlay, the impact on workflow and functional effectiveness, and inherent risk to each alternative is critical to a successful organizational structure.





## Our approach to organizational reviews

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### Final report

**Objective:** Present compelling case for recommended options

#### **Illustrative tasks:**

- > Present recommendations that will increase effectiveness and efficiency of the departments studied
- > Develop summary draft report with findings, key issues, and recommendations for City review and comment
- > Discuss summary draft report with the City
- > Modify to final summary report
- > Present final summary report to City representatives

#### **Deliverables:**

- > Draft report
- > Final report

#### **Timeline**

We will work with the City to determine a project timeline.

#### **Consistent communication is crucial to our relationship with clients**

Our project management approach requires a detailed work plan with key milestones, client sign offs, and deliverables for each phase of the project. This work plan will be approved by the partner in charge of the project and approved by the client.

Any problems—real or anticipated—will be brought to the attention of the City immediately. This communication ensures that both parties understand the issues and that those issues are resolved in a timely manner. We will notify the City of any significant deviation from previously agreed-upon work plans.



## Client references

We always are glad to provide references because we think it is important for you to talk with organizations we serve. We encourage you to connect with the clients listed below to learn more about the value of their relationship with Baker Tilly. Each may have a different perspective that you may find valuable as you think about your needs.

### Public sector references

|                                      |                                                                                                                                                                                                                    |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Client name</b>                   | <b>City of Carlsbad, California</b>                                                                                                                                                                                |
| <b>Address</b>                       | 1200 Carlsbad Village Dr., Carlsbad, CA 92008                                                                                                                                                                      |
| <b>Contact person</b>                | Cynthia Haas, former Deputy City Manager*                                                                                                                                                                          |
| <b>Telephone</b>                     | 805 986 6501                                                                                                                                                                                                       |
| <b>Project description and dates</b> | <b>"Best Value Service" project, Managed Competition, and Operational Assessment (Transformation) projects (2011 through 2014) (See description following)</b><br>*Cynthia is now the City Manager at Port Hueneme |

|                                      |                                                                |
|--------------------------------------|----------------------------------------------------------------|
| <b>Client name</b>                   | <b>City of Valdez, AK</b>                                      |
| <b>Address</b>                       | 212 Chenega Ave, Valdez, AK 99686                              |
| <b>Contact person</b>                | Todd Wegner, Assistant City Manager                            |
| <b>Telephone</b>                     | 907 834 3400                                                   |
| <b>Project description and dates</b> | <b>Human Resources Policy and Organizational review (2015)</b> |

|                                      |                                                                                                                                                            |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Client name</b>                   | <b>City of Greenville, North Carolina</b>                                                                                                                  |
| <b>Address</b>                       | 1500 Beatty Street, Greenville, NC 27834                                                                                                                   |
| <b>Contact person</b>                | Christopher Padgett, Assistant City Manager                                                                                                                |
| <b>Telephone</b>                     | 252 329 4432                                                                                                                                               |
| <b>Project description and dates</b> | <b>Assessment of Finance Operations (2013)</b><br>*As of January 2015, Chris Padgett is Chief Administrative Officer of Greenville Utilities, 252 752 7166 |

|                                      |                                                                                                                                                                                                         |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Client name</b>                   | <b>Ogden City Corporation</b>                                                                                                                                                                           |
| <b>Address</b>                       | 2549 Washington Boulevard, Suite 410, Ogden, UT 84401                                                                                                                                                   |
| <b>Contact person</b>                | Blake Wilkinson, IT Manager                                                                                                                                                                             |
| <b>Telephone</b>                     | 801 629 8722                                                                                                                                                                                            |
| <b>Project description and dates</b> | <b>Needs Assessment of financials, human resources, payroll, utility billing, work orders, inventory, community development, permitting, business licensing and parking enforcement. (2014-present)</b> |



## Client references

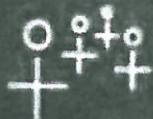
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### Public sector references

|                               |                                                                                                                                                                                 |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Client name                   | <b>Village of Glenview, Illinois</b>                                                                                                                                            |
| Address                       | <b>2500 E. Lake Avenue, Glenview, IL 60026</b>                                                                                                                                  |
| Contact person                | <b>Don Owen, Deputy Village Manager</b>                                                                                                                                         |
| Telephone                     | <b>847 724 1700</b>                                                                                                                                                             |
| Project description and dates | <b>Public Works Program Efficiency Analysis (2012) and Strategic Visioning of the Information Systems Department (2011) <i>(included a separate IT benchmarking report)</i></b> |

|                               |                                                      |
|-------------------------------|------------------------------------------------------|
| Client name                   | <b>Portage County, Wisconsin</b>                     |
| Address                       | <b>1462 Strong's Avenue, Stevens Point, WI 54481</b> |
| Contact person                | <b>Jennifer Jossie, Finance Director</b>             |
| Telephone                     | <b>715 346 1332</b>                                  |
| Project description and dates | <b>Multiple projects since 2009</b>                  |





Your engagement team

## Specially selected for the City

Our team contains individuals who have deep experience with organizational assessment. We have summarized their experience in the following table. The references we provided earlier in our proposal may be used as professional references for our team.

| Name/Title                              | Role, qualifications, and experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Russ Hissom, Partner                    | The consulting team is led by Russ Hissom, leader of our state and local government consulting practice. He will ensure that our services meet or exceed your expectations and that the deliverables presented to the City meet quality assurance standards for the project. Russ has extensive experience in providing enterprise risk advisory services, software selection and implementation projects, business process and controls reviews, enterprise risk management programs, scorecard and metrics reporting, and operational reviews. |
| Caitlin Humrickhouse<br>Project Manager | Caitlin will be the project manager and will provide process-improvement and compliance-based consulting services to help clients identify gaps in efficiency/effectiveness and controls, and provide recommendations aligned with best practices and risk mitigation. Caitlin has worked on dozens of operational and organizational reviews for public sector clients in a variety of functional areas. She specializes in cost benefit and alternative service delivery assessments as well as organizational realignment.                    |
| Kyle O'Rourke<br>Senior Consultant      | Kyle will coordinate with the project manager on data collection, methodology, and deliverables. He will complete analytical tasks included in the work plan as assigned and required by the needs of the client. Kyle is a Certified Internal Auditor (CIA) and is skilled in assessing opportunities for risk mitigation and process efficiency.                                                                                                                                                                                               |
| Danielle Wakai<br>Senior Consultant     | Danielle will also coordinate with the project manager on data collection, methodology, and deliverables. Danielle is a Certified Information Systems Auditor (CISA) and has vast experience with analyzing business systems and optimizing their use. Danielle will add value to the City's project by identifying potential improvements in how the City uses technology to deliver services.                                                                                                                                                  |
| Allison LeMay<br>Staff Consultant       | Allison specializes in benchmarking and organizational analytics and will provide analytical and research support on the City's project.                                                                                                                                                                                                                                                                                                                                                                                                         |

Resumes are included as Appendix B.





## Appendix A: About Baker Tilly

### Firm overview

Baker Tilly is a nationally recognized firm with a proven track record of serving clients nationwide—and internationally. With clients located in essentially every part of the country, our locations across the US enjoy brand recognition among our peers and the public. And as a member of Baker Tilly International, we are able to extend our reach through trusted relationships with firms across the country and around the world.

Baker Tilly was founded in 1931 with one central objective: use our industry specialization to help our clients improve their businesses. And that objective still holds true today. We will assemble an integrated team to serve the City, blending our municipal government-focused professionals with experienced specialists in the areas that are most important to you. This combination of financial, business, and industry-specific specialization ensures you will be working with knowledgeable professionals who understand your organization and the challenges you face—and can create innovative solutions to help you overcome them. And because the City will be working with a tailored engagement team, you can expect to receive consistent, efficient, and Exceptional Client Service.

Our commitment to the City extends across your entire organization. We are prepared to bring our full resources to bear on your behalf through offerings such as business and technology services; financial, tax, and estate planning services; litigation support and forensic accounting services; merger and acquisition services; risk advisory services; and valuation services.

For more than eighty years, Baker Tilly has understood that our business demands absolute integrity, a belief in the value of trusted relationships, and a willingness to collaborate with every client. We will strive to continue to deepen and enhance our relationship with the City as we seek to become your Valued Business Advisor.

### Candor

Rest assured that there will be no surprises. Your engagement team will proceed in an open and collaborative manner. We routinely ask for and provide feedback that is smart and straight to the point.



### Insight

With our mature and deep specialization by industry and service line, we mobilize resources to consistently bring new and innovative ideas to you.



### Results

We do what we say we will do. We start with a team strategically put together based on experience and chemistry. We continually focus on quality, and we work with you to develop a tailored approach that is designed to help you meet your business goals.





## Appendix A: About Baker Tilly

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### Our values

Throughout our relationship with the City, we will be guided by our firm's core values—principles that guide our behaviors and choices and help us strive for excellence in everything we do.

#### Integrity

We do the right thing, for the right reason, every day. We have high expectations for our firm and its future—expectations that only can be realized by taking the high road. Honesty, trust, and the fulfillment of promises are paramount to our success.

#### Passion

Everything matters. We listen to our clients, display an enthusiastic attitude, experience genuine satisfaction from working together to serve clients, and take great pride from a job well done. We put forth our best effort every day for the betterment of our clients, our people, and our firm.

#### Stewardship

We invest for the future with the intention of leaving everything better. Our clients will be more successful, our people will be more fulfilled, our communities will be enriched, and our firm will leave a proud legacy.

### A position of leadership

Baker Tilly professionals are among the most influential in the accounting and advisory industry, with Baker Tilly thought leaders directly involved with issues shaping our industry.

In October 2015, Baker Tilly CEO Tim Christen continues Baker Tilly's influence and leadership as chairman of the American Institute of CPAs (AICPA). The AICPA is the world's largest member association representing the accounting profession, with more than 400,000 members in 145 countries. With members representing nearly all areas of practice, the AICPA sets ethical standards for the profession and US auditing standards for private companies, nonprofit organizations, federal, state and local governments.

### Top 12 and growing

For clients and associates, Baker Tilly is the firm to grow with.

- > In 2015, *Accounting Today* named Baker Tilly the number twelve firm in its annual list of the top one hundred accounting firms.
- > Baker Tilly was also named by *Accounting Today* as the second fastest-growing among the top one hundred accounting firms and the third fastest-growing firm in the US.

Baker Tilly's goal is to become America's Finest Professional Services Firm. Our growth means new geographies, new services, new influence, and greater opportunity to deliver exceptional results for our clients as Valued Business Advisors.

## Appendix B: Resumes

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**Russell A. Hissom, CPA, CIA, CISA**  
*Partner*

608 240 2361  
russ.hissom@bakertilly.com

Russell Hissom is a partner at Baker Tilly and has been with the firm since 1983. Russ has extensive experience in providing enterprise risk advisory and internal audit services, software selection and implementation projects, financial and compliance audits, management audits, business process and controls reviews, enterprise risk management programs, scorecard and metrics reporting, construction cost reviews, operational reviews and internal audit, risk assessment and financial training for public sector organizations.

### Specific experience

- > Partner-in-charge of public sector utility software selection and implementation projects
- > Provides internal audit and enterprise risk advisory services
- > Performs management audits that analyze operations in key business processes to determine and recommend greater efficiencies in operations
- > Performs benchmarking analysis, overhead cost allocation studies, and utility financial performance projects
- > Performs enterprise risk management program implementation projects
- > Develops internal controls reviews under the COSO internal control framework
- > Assists public sector organizations in developing benchmark and scorecard reporting
- > Partner-in-charge of financial audits for public sector enterprise funds (electric, water, wastewater, gas, and communications)
- > Performs specialized training for public sector organizations in the area of enterprise risk management programs, construction accounting, establishing internal audit programs, and accounting standards implementation
- > Authors various industry articles

### Industry involvement

- > National and state public sector utility organizations
- > American Institute of Certified Public Accountants (AICPA)
- > Institute of Internal Auditors (IIA)
- > ISACA
- > Member – Sustainability Accounting Standards Board Energy Standards Group
- > National speaker on enterprise risk management, work order business process improvements, and industry accounting topics

### Education

University of Wisconsin–Milwaukee  
Bachelor of Business Administration in Accounting



## Appendix B: Resumes

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**Caitlin M. Humrickhouse, MPA**  
*Senior Consultant, Project Manager*

312 729 8098

[caitlin.humrickhouse@bakertilly.com](mailto:caitlin.humrickhouse@bakertilly.com)

Caitlin Humrickhouse, Senior Consultant with Baker Tilly Virchow Krause, LLP, has been with the firm since 2012. Prior to joining the firm she worked at the University of Illinois at Chicago where she performed program and market analyses for an online education unit.

### **Specific experience**

- > Provides management consulting services with a focus on resource optimization; these services assist governmental entities in their efforts to ensure that the resources available (people, processes and technology) are utilized in the most efficient manner; recent projects include:
  - A comprehensive business process review of the Human Resources and Financial Services Departments for the City of Greenville, North Carolina; the project included a customer satisfaction survey, an assessment of available technology, and business process analysis
  - An operational and organization review of the Human Resources function for the City of Valdez, AK
  - A comprehensive review of the organizational structure and policies for the Human Resources Department for Pima Community Colleges in Tucson, AZ
  - Enterprise resource planning (ERP) system selection services for the City of Green Bay, Wisconsin, Ogden City, Utah and St. Tammany Parish, Louisiana
  - Benchmarking and comparable analysis for multiple municipalities including the City of Carlsbad, California
  - Analysis of business processes and operations for the City of Stoughton, Wisconsin

### **Education**

University of Illinois at Urbana-Champaign  
Bachelor of International Business  
Bachelor of Spanish

University of Illinois at Chicago  
Master of Public Administration  
Concentration in Financial Management



## Appendix B: Resumes

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**Kyle O'Rourke, MPA, CIA**  
*Senior Consultant*

**312 729 8000**  
**kyle.orourke@bakertilly.com**

Kyle O'Rourke is a senior consultant with Baker Tilly Virchow Krause, LLP. He has three years of experience working with government entities to provide business process improvement and enterprise system procurement.

Kyle also has experience working as a researcher with the Indiana Complex Operation Partnership, analyzing economic activity generated by Indiana National Guard Facilities and also ascertaining qualitative effects.

### **Specific experience**

- > Consults with utility providers, governments, and higher education clients on various projects including business process improvement, economic impact analysis, grant compliance, and enterprise system procurement
- > Enterprise resource planning (ERP) system selection services for local governments including conducting needs assessments, documenting function and technical requirements, developing the Request for Proposal, and serving as project manager through the selection phase of the procurement process
- > Leads annual risk assessments and execute internal audit plans for not for profits and membership organizations, local governments, and higher education clients
- > Plans and executes GAGAS compliant financial and compliance audits on behalf of Federal entities including USAID and SIGAR
- > Performs project management tasks including monitoring subcontractors, preparing weekly reports, and presenting findings and recommendations to executive level management and audit committees

### **Industry involvement**

- > Institute of Internal Auditors (IIA)

### **Education**

Indiana University at Bloomington  
Master of Public Affairs  
Concentration in Public Financial Management

Indiana University at Bloomington  
Bachelor of Science in Public Affairs

## Appendix B: Resumes

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**Danielle Wakai, CPA**  
*Senior Consultant*

608 240 2644  
danielle.wakai@bakertilly.com

Danielle Wakai is a senior consultant with Baker Tilly Virchow Krause, LLP. She has more than five years of experience with business systems solutions, including analyzing, developing, and implementing business and web applications.

Danielle also has experience analyzing financial statements, analyzing processes to identify cost-saving technical solutions, and maintaining and improving current business systems.

### **Specific experience**

- > Performs business process reviews of public sector entities to facilitate greater efficiencies in operations
- > Performs financial audits of public sector entities
- > Author of information technology governance textbook for the utility industry
- > Performs information technology risk assessments and internal control evaluations for public and private sector entities
- > Analyzes inventory processes to identify and develop cost-saving solutions
- > Developed and implemented system applications for sales and engineering departments
- > Prepared comprehensive data analysis of departmental expenses and budgets
- > Developed and implemented web applications for sales and engineering departments
- > Developed customized reporting system and supporting database
- > Developed business applications to track and maintain transportation fleets
- > Developed databases and websites

### **Education**

University of Wisconsin–Madison  
Master of Accountancy

Blackhawk Technical College (Janesville, Wisconsin)  
Associate in Applied Sciences (three degrees)

- > CIS/Networking Specialist
- > CIS/Micro Programmer Specialist
- > CIS/Microcomputer Specialist

## Appendix B: Resumes

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**Allison LeMay, MPA**  
*Consultant*

**312 729 8000**  
**[allison.lemay@bakertilly.com](mailto:allison.lemay@bakertilly.com)**

Allison LeMay is a consultant with Baker Tilly Virchow Krause, LLP. She recently joined the firm after obtaining her Master of Public Affairs. Allison also brings five years of strategy and finance experience to the firm from both public and private entities.

### **Specific experience**

- > Designs cost model alternatives to forecast financial impact of program restructuring, presenting quantitative and qualitative impacts of the models
- > Develops client programs and analyzes industry comparable programs
- > Assesses client needs to identify software solutions
- > Led data management efforts to systematize the Indianapolis–Marion County database and automate the chargeback practice

### **Education**

Indiana University at Bloomington  
Master of Public Affairs  
Concentration in Public Financial Management and Policy Analysis

Kenyon College (Gambier, Ohio)  
Bachelor of Arts in Spanish Area Studies and Pre-Medicine







**GovHR USA**

Voorhees Associates GovTempsUSA

**PROPOSAL FOR AN EFFICIENCY  
STUDY FOR THE CITY OF PEKIN**

**December 4, 2015**



# **CITY OF PEKIN, ILLINOIS EFFICIENCY STUDY EVALUATION**

## **EXECUTIVE SUMMARY**

It is a pleasure for GovHR USA, LLC ("GovHR") to provide the City of Pekin with this proposal for an Efficiency Study of the city's staffing and operations. GovHR is a public sector management consulting firm specializing in executive recruitment and management consulting. All services are provided solely for public jurisdictions and not-for-profit entities. GovHR provides service to jurisdictions and agencies in a variety of contemporary issues, including management, financial, and human resources assistance. Our organization has a staff of 21 Consultants. The company was formed as Voorhees Associates in 2009; however most of our Consultants also worked together previously at The PAR Group. The PAR Group was a public sector management consulting firm in business for over 30 years.

GovHR has one of the most experienced professional staffs of any comparable public management consulting firm. The principals of our organization have over 250 years of combined municipal government experience. Our Consultants not only have significant experience working in the public sector, but are also experienced consultants with a history of helping other clients with staffing and efficiency analysis studies, such as the one being considered by the City of Pekin. The consultants assigned to this study have the time and commitment to take on this work at this time.

## **SCOPE & WORK PLAN SCHEDULE**

In accordance with the request for addressing a technical approach for the City's objectives and requirements, this section of the proposal is organized around the purposes for the study that were identified by the request for proposal. This proposal includes the following informational sections.

- Scope of Study
- Work Plan
  - Purpose A - Identify Efficiencies and Inefficiencies in the current operations of the Administration, Fire, Police, and Public Works Departments.
  - Purpose B - Provide recommendations for increasing departmental efficiencies in a cost-effective manner.
- Project Approach
- Work Plan Schedule

### **Scope of Study**

This proposal seeks to address what we understand is the City of Pekin's goals in undertaking this organizational review and evaluation. We believe the City seeks an assessment of the City's performance in five key areas for all of its departments, with those areas being: Service/Product Quality; Customer Satisfaction; Employee/Leadership Development; Organizational Optimization and Efficiency; and Financial Viability. Accordingly, this proposal and our work

will look to assess each of these areas, and recommend if improvements are required, and how to achieve them. GovHR proposes this outline of components to conduct an Efficiency Study to review and evaluate the current administrative and operational structures of the City Government and to assist the City in its determination of the staffing needs and desired services and service levels for City government. The study's primary aim will be to investigate, assess and recommend revisions, where necessary, to organizational components, processes and positions within the City Organization and its corresponding policies, procedures and systems.

The study team's efforts will be focused on gaining an understanding of the present organizational structure and service delivery/operational approaches of the City, comparing those findings to present day models of similar organizations, and making recommendations for revisions, enhancements and adjustments where necessary. An employee survey will be conducted to provide the City with information regarding employee time and duty information as well as satisfaction and overall perception of City operational methods. "Best" or smart practices for the operations of municipal government will be identified for consideration by the City for service delivery options in addition to performance measurement tools for municipalities. This assessment will also look at customer service satisfaction levels, how the City currently measures those levels, and how it might increase and utilize feedback from residents and other stakeholders doing business with the City.

It is anticipated that the result of this review will assist the City in developing an organizational system that will lend itself to a higher level of effective and efficient administration and management of its operations. The following are elements designed to address the goals expressed in your purpose and scope for this service delivery and organizational structure study.

#### **Work Plan**

The work plan for the components of the study as presented below is organized around the purposes for the study addressed in the request for proposal. The consulting team will initially seek input from the policy leaders and management staff in Pekin on the mission, goals and targets of the city government. It is important for the consulting team to have a good understanding of the direction that the City desires to go into the future. The remainder of the tasks outlined below will be undertaken with these policy and management directions of the City as the basis for analysis.

|                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------|
| <p><b>Purpose A. Identify Efficiencies and Inefficiencies in Current Operations - an Organization Wide Perspective</b></p> |
|----------------------------------------------------------------------------------------------------------------------------|

The purpose of this component is to perform an organizational inventory and service delivery assessment of the City government organization. The component is outlined below. At the conclusion of this component, the study team will prepare its preliminary findings and recommendations for City consideration.

#### ***Component 1: Organizational Inventory and Service Delivery Assessment Using Multiple Data Gathering Points***



- TASK:** Review the existing organizational system via document study and interviews with key administrative staff members and administrators that will include all department heads and the City Manager.
- TASK:** Collect, review and analyze existing organizational relationships chart, position descriptions; review information and documentation for formal definitions of responsibilities and reporting relationships. Search statutes, ordinances and administrative enabling documents for position content and authorizations, etc.
- TASK:** Conduct an employee survey questionnaire to obtain time and duty information on all City positions as well as information regarding employee satisfaction and overall perception of City operational methods. The survey will also seek input from employees regarding professional development and training opportunities, leadership training and succession planning, all with an eye toward identifying opportunities for workforce development, growth and motivation.
- TASK:** Review, and collect as appropriate, departmental input, output and throughput data including results and performance measures.
- TASK:** Compare existing duties and relationships to the formalized structure, synthesize information and diagram existing organization structure and workflow.
- TASK:** Appraise the organization and systems of the City of Pekin government as a whole and of each department to determine desirable change in the allocation of functions, lines of responsibility, and interdepartmental relationships, noting (a) administrative problems, (b) adequacy of information flow, coordination, and control, and (c) demands placed on managers with respect to policy formulation and execution.
- TASK:** Recommend an organizational chart and staffing requirements based on similar organizational models according to the needs of the organization and administrative function.
- TASK:** Review departmental expenditure and revenues vis-a-vis personnel assignments, workloads and staffing deployment.
- TASK:** Review how the City currently gathers and measures customer service satisfaction levels.
- TASK:** Appraise the adequacy of staff and internal operating policies and procedures in supporting policy formulation, decision-making, and program execution.

The principal factors considered in developing an organizational re-design include:

- The composition of organizational units
- The reporting relationships among units
- The structural connections between units
- Expressed service delivery priorities and outcome targets
- Organizational information flow and control systems
- Organization-wide methods and procedures
- Organization-wide work technologies

*Preliminary Report* - Based on our multi-variant data gathering including interviews, observations, surveys, service delivery records and an inventory of the documents made available to the team, a report on the City's current organizational structure, service delivery systems and reporting relationships will be prepared in narrative form as findings, along with accompanying recommendations. In addition, to support the narrative, organizational workflow charting will also be prepared.



Applying service delivery goals and current management principles to the City's functions and structures, the study team will develop alternative organizational designs that seek to clarify the service goals, service roles, inter and intra-organizational relationships and responsibilities of the various administrative units, and key management and executive functions.

**Purpose B. Provide Recommendations for Improving Departmental Responsiveness and Efficiency as Cost Effectively as Possible**

The purpose of the next two components will be to build upon the success of the first component that defined the appropriate services and service levels for Pekin, along with the best organizational structure to help establish the most responsive, efficient and economical service delivery system for the City government operations. Based upon the findings of the first component, the departments to be reviewed in more detail will be determined by the consulting team and City officials.

**Component 2: *Department Analysis and Position Inventory and Analysis - Key Administrative and Operational Staff for Selected Departments***

**TASK:** Based upon the outcomes of Component 1 and discussion with Pekin City officials, GovHR will review the current organization and operations of the selected departments, evaluate the same and define needs. GovHR will interview individual staff members to determine job content, performance expectations, coordination and overlap points, supervisory-subordinate relationships, etc. for each administrative position; analyze, compare, define/refine job content components of each position. Develop preliminary job definitions for key positions that surface during the analysis, including assessments of job content analysis and desired outputs, preferred and required qualifications and training expectations, and preparation of informal "position descriptions" for existing and/or future re-defined positions.

**TASK:** Information Technology (Optional Service) – If the City agrees, GovHR will also provide a review of the use of information technology (IT) by the City as part of the larger management study of the City government. This review will include interviews with key Pekin staff and reviews of budget, planning, and related documents. The IT review will address these questions concerning the City's IT use:

- What are the ways in which Pekin is currently using information technology?
- What are some general findings on the use of IT at Pekin?
- What IT "best practices" are used by other similar cities? How does the use of IT in Pekin compare to these best practices?
- What are the primary strengths, weaknesses, opportunities, and threats regarding the use of IT at Pekin, and what measures should Pekin take to address these issues?

**Component 3: *Organizational, Administrative and Governing Body Policy and Procedures Review***

**TASK:** Observe, assess, inventory and review existing administrative policy-making, management, and human resource systems via interviews, observations and

documentation reviews from the City's primary policy and management officers, identify areas of improvement and revision with regard to policies and procedures with general suggestions for overall goals and objectives of the administrative policy-making system.

**TASK:** Inventory and review existing administrative policies and procedures contained in formal or informal rules, regulations and procedures; identify areas of improvement and revision with regard to administrative policies and procedures providing general suggestions for overall goals and objectives of administrative and policy-making approaches and procedures.

## **Summary Report**

### **Component 4: *Prepare Consolidated Final Report of Findings and Recommendations***

The study team's findings will be incorporated in a multi-part narrative with supporting documentation and executive summary.

## **Project Approach**

*Process Consultation.* We believe it is important to emphasize the nature of our approach and relationship with City management and staff during the course of our study. GovHR's Management Consulting Division takes pride in employing the "Process Consultation" approach developed by the noted Organizational Development scholar and consultant, Edgar Schein of M.I.T. In broad terms, Process Consultation emphasizes ongoing communication with the client during the engagement, a sharing of the diagnostic process and actively involving the client in generating and understanding remedies.

GovHR employs this approach by fostering an environment of open communication, understanding and objectivity. Our primary objective is to conduct a fair evaluation of departmental operations and effectiveness. For this reason, we believe it is imperative during the study to develop an open and mutually supportive relationship between the project staff, management and departmental staff. While it is important that we maintain our posture of independence and objectivity during the study, it is no less important that City management, the department directors and key staff be kept regularly informed of the progress and results of our inquiries. In this way, you can be confident that the study is proceeding according to plan, and more importantly, that it is accomplishing its intended objectives. Moreover, it has been our experience that this approach leads to the consideration of meaningful changes as a result of the study.

*A Word about Benchmarking.* Benchmarking is a common term referenced in RFPs for studies of this nature. When assessing the effectiveness of a particular organizational unit, the assessors must apply a frame of reference or "measure" to the functions being evaluated. Clients frequently ask the question "against what standards are we going to be assessed?" That is a logical question indeed, but not one that is easily answered. The reason is this: for local government organizations, standards of performance come from "within" and not from a national textbook of "performance criteria" for local government administration. While certain aspects of performance and service delivery can be measured objectively or through statistical review, other aspects are more qualitative and organizationally dependent.



The most important set of benchmarks or "standards" to be used in the study will come from the City organization itself. What are the expectations of the City Manager? Department Directors? Line Employees? Department Employees? The City Council? The Public? Or Vendors? The information we glean from our interviews and inquiries will weave an eventual fabric of expectations by which the Pekin organization will be evaluated.

### **Work Plan Schedule**

We are prepared to begin work within four weeks of notice to proceed by the City. All work on the Purpose A - Component 1 - *Organizational Inventory and Service Delivery Assessment* will be completed and preliminary findings determined within 60 days from the date that work commences on the study. Any complications or inhibitors to meeting the target schedule will be raised with the City, with adjustment or amendments reviewed and approved jointly. The remaining Components will be initiated and completed on a time schedule that will be mutually coordinated with the City as the engagement progresses. It is expected that the rest of the study will be completed within an additional 60 days.

## **QUALIFICATIONS AND EXPERIENCE**

The lead consultants on this engagement will be GovHR Vice President Karl Nollenberger and Senior Vice President Lee Szymborski. Mr. Nollenberger and Mr. Szymborski will be assisted by Lee McCann and Norm Malcom, also Vice Presidents of GovHR. An outside consultant, Jerry Schulz, will be utilized for his IT expertise. A full profile for each consultant can be found in the supplement presented with this proposal. A summary of each consultant's qualifications follow:

- **Karl Nollenberger** is a Vice President of GovHR, specializing in management consulting assignments, executive search and financial evaluation. He has over forty years of experience in government, management consulting and the private sector. Dr. Nollenberger has extensive leadership and chief executive experience in city and county governments. He has served in management positions in eight local governments in five states.
- **Lee Szymborski** is a Senior Vice President with GovHR USA, working on both executive search and general management consulting assignments. He has more than 33 years of experience in local government administration. Mr. Szymborski's experience spans both Illinois and Illinois communities. Mr. Szymborski served more than 15 years as City Administrator in Mequon, Illinois until July 2014. In Illinois, he served for 12 years as Assistant Village Manager in Buffalo Grove. In addition to his Wisconsin service in Mequon, he also worked for the City of Wauwatosa and Milwaukee County.
- **Lee McCann** specializes in general management studies and executive recruitment/search projects. He has over 36 years of active public safety experience having worked with three local law enforcement agencies. (Twenty-three of those years were as Chief of Police in Buffalo Grove and Skokie, Illinois.) In addition to service as an on-site assessment team leader for the Commission on Accreditation for Law Enforcement

agencies since 1987, he has provided consulting services to over 25 local government agencies. He served as a Vice President of the former PAR Group, and currently performs the same services for GovHR.

- **Norm Malcom** is veteran of over 35 years in the fire service. He spent 34 years with the Village of Palatine, the last 10 as Fire Chief. Under his leadership the Village added two fire stations, increased staffing by 30%, and developed auto-aid agreements with all neighboring fire departments. He served as President of MABAS Division One and represented area Chiefs on the EMS Advisory Board. After retiring from Palatine, Norm accepted the Interim Fire Chief's position with the Village of Streamwood. He successfully completed that assignment July 1, 2011.
- **Jerry Schulz** is an on-call consultant with GovHR. He has 32 years of combined experience in information technology management and analysis and local government administration. Mr. Schulz has carried out a variety of consulting assignments for local governments. Most of these assignments have involved technology planning or implementation of new data systems.

Additional consultants can be added for other specific areas that are of interest to the city officials.

## **REFERENCES & EXAMPLES OF SIMILAR PROJECTS**

A complete listing of comparable projects is shown in the supplement submitted with this proposal. The studies done for Portage, Wisconsin (2015), Wood Dale, Illinois (2014), Geneva, Illinois (2012), Warrenville, Illinois (2011), and East Point, Georgia (2004 & 2012) were very similar projects to the one that is being proposed for Pekin. They encompassed an overall operations review of the city services with an in-depth review of many of the individual departments. The Village of Huntley study was an overall management study with projections for future staffing. The staff in Huntley has consistently used this study for the last ten years to guide their organizational growth. The Central Lake County Water Agency study was a management/administrative operations study of a similar nature. A comprehensive analysis of police services for Hamtramck Michigan was done in 2007. Hamtramck is a very urban community with very limited resources and a significant crime rate. The scope of the analysis included everything one can imagine regarding a police agency. Another example of a successful project is the internal organization audit done for Lake Zurich, Illinois.

### **References:**

City of Portage, Wisconsin – Organizational Analysis and Service Delivery Review – Shawn Murphy, City Administrator, 608/742-2176, [shawn.murphy@portagewi.gov](mailto:shawn.murphy@portagewi.gov)

City of Wood Dale, Illinois - Organizational Analysis and Service Delivery Review – Jeff Murmays, City Manager, 630/766-4900, [jmurmays@wooddale.com](mailto:jmurmays@wooddale.com)

City of Geneva, Illinois – Organizational Analysis and Service Delivery Review - Mary McKittrick, City Administrator, 630/262-8495, [mmckittrick@geneva.il.us](mailto:mmckittrick@geneva.il.us)



City of Warrenville, Illinois – Service Levels and Staffing – Service Delivery & Organizational Analysis Study - Jennifer McMahon, Assistant City Administrator or John Coakley, City Administrator - 630/393-9427, [JCoakley@warrenville.il.us](mailto:JCoakley@warrenville.il.us) or [JMcMahon@warrenville.il.us](mailto:JMcMahon@warrenville.il.us)

City of East Point, Georgia - Performance Management Audit - Lance Rhodes, Councilmember, 404/234-5022, [lrhodes@EastPointCity.org](mailto:lrhodes@EastPointCity.org)

Village of Huntley, Illinois - Management Staffing Study - Dave Johnson, Assistant Village Manager, 847/669-2341, [djohnson@huntly.il.us](mailto:djohnson@huntly.il.us)

Central Lake County, Illinois Joint Action Water Agency - Staffing Study - Ed Glatfelter, Former Executive Director of Water Agency, Currently Water Conservation Program Director at Alliance For The Great Lakes - 312/939-0838, [eglatfelter@greatlakes.org](mailto:eglatfelter@greatlakes.org)

City of Hamtramck, Michigan - Police Study - Donald D. Crawford, Former City Manager 989 725-0569, [DonaldD.Crawford@ci.owosso.mi.us](mailto:DonaldD.Crawford@ci.owosso.mi.us)

City of Lake Zurich, Illinois – Internal Organization Audit - Bob Vitas, Former Village Administrator - [BobVitas@gmail.com](mailto:BobVitas@gmail.com)

Niles, IL. Comprehensive Police Management Study - George Van Geem, Village Manager 847 588-8002, [gvg@vniles.com](mailto:gvg@vniles.com)

McHenry County Conservation District Police, Comprehensive Management Study - Elizabeth Kessler, Executive Director - 815 260-7206 - [EKessler@MCCDistrict.org](mailto:EKessler@MCCDistrict.org)

## COST PROPOSAL

GovHR is pleased to provide our proposed costs and expenses for the Efficiency Study of the City of Pekin operations. The consulting teams are priced out based on estimated staff hours or days to complete the assignment as defined by the client organization and understood by our project director. A component for estimated reimbursable direct expenses is also included for consultant travel, lodging and associated activities. Together, these two components comprise our projected fee.

Karl Nollenberger and Lee Szymborski will serve as lead consultants to undertake this engagement. Lee McCann, Norm Malcolm and Jerry Schulz will supplement them in their fields of expertise. Documentation and report preparation will be coordinated between the consultants. The cost of the services is based on the time of our professional staff to complete the study, as well as on transportation and other expenses such as report preparation. We estimate the maximum cost of the project based on the above factors and propose a fixed fee for services and a not to exceed fee for expenses. It is expected that the City will provide background information, office space, and access to City staff and officials while our staff is conducting the project. Our normal consultant fees are \$110 an hour but in this instance, we will provide a regional discount and charge at a rate of \$100 an hour. Based on the foregoing statement of our usual practice, GovHR agrees to complete the study for a fee of \$27,000. However, in doing so, it is understood that the scope of the in-depth departmental analysis will be determined after completion of Purpose A, based on mutual agreement with Pekin City officials.

The following provides a breakdown of the costs of this component of the study. Although the total cost will not change, the cost for each component may vary based on conclusions reached by the consultants and discussion with City officials.

**Purpose A - *Identify the Efficiency and Inefficiencies in Current Operations - Organization Wide Perspective***

|                                       |          |         |
|---------------------------------------|----------|---------|
| Meetings with key officials and staff | 35 hours | \$3,500 |
| Collect and analyze data              | 45 hours | \$4,500 |
| Prepare findings                      | 10 hours | \$1,000 |

**Purpose B - *Improving Departmental Responsiveness and Efficiency***

|                                                        |          |         |
|--------------------------------------------------------|----------|---------|
| Interview key staff of selected departments            | 40 hours | \$4,000 |
| Collect and analyze departmental data                  | 45 hours | \$4,500 |
| Research and compare data to comparable municipalities | 20 hours | \$2,000 |
| Information Technology review (Optional Service)       | 20 hours | \$2,000 |

**Final Report Preparation and  
Presentation of Findings**

|          |         |
|----------|---------|
| 20 hours | \$2,000 |
|----------|---------|

|                                |                  |                 |
|--------------------------------|------------------|-----------------|
| <b>Total Professional Fees</b> | <b>235 HOURS</b> | <b>\$23,500</b> |
|--------------------------------|------------------|-----------------|

Reimbursable Expenses (telephone,  
copying, federal express, consultant  
travel, etc.) Not to exceed

\$3,500

**TOTAL PROJECT COST**

**\$27,000**

Payment terms are 50% of the Professional Fee (11,750) due upon signing of the contract; 25% (\$5,875) following completion of Purpose A/Component 1, and the balance of the Professional Fee plus Expenses due at the conclusion of the project. Invoices will be sent and are payable within thirty (30) days of receipt, after which a 2% monthly fee will be added.

### **CONCLUDING REMARKS**

In closing, GovHR is a public sector management consulting firm devoted to assisting only public sector entities. We believe that the team assembled for conducting the proposed Efficiency Study for the City of Pekin is of the highest caliber and qualifications. GovHR appreciates your consideration of this Proposal and looks forward to the opportunity to work with the City of Pekin.

Please feel free to contact Dr. Karl Nollenberger at 847/533-0145 should you have any questions.

Respectfully submitted,



Joellen C. Earl  
Co-Owner  
GovHR USA, LLC



## CONSULTANT BIOGRAPHIES

### **Karl Nollenberger, Ph.D. Vice President**

Dr. Nollenberger is Vice President of GovHR USA, specializing in management consulting assignments, executive search and financial evaluation. He has over 34 years of experience in government, management consulting and private sector. He has served in management positions in eight local governments in five states.

Dr. Nollenberger has extensive leadership and chief executive experience in city and county governments. While City Manager of Muscatine, Iowa; Richfield, Minnesota; Beaumont, Texas; and Duluth, Minnesota and County Administrator of St. Louis County, Minnesota and Lake County, Illinois, he developed and implemented significant organizational changes. In addition, he implemented financial management policies and systems that stabilized the financial affairs of the communities. Dr. Nollenberger has managed organizations from 200 to 2800 employees. He also served as a Finance Director and as Assistant Finance Director in two communities in Iowa and Colorado.

Dr. Nollenberger worked as a management consultant with one of the then "big eight" accounting firms serving clients in local governments. He performed organizational studies for San Antonio, Arlington, and College Station, Texas and Bella Vista, Arkansas. He performed privatization studies for Austin and Beaumont, Texas. He has performed executive search engagements across the country. In addition, he has been responsible for or participated in financial forecasting and revenue analysis, implementation of personnel classification/compensation programs, productivity analysis and organizational restructuring, organizational effectiveness and team building, employee participation programs, labor relations/negotiations, economic development, downtown redevelopment, and capital budgeting/bond financing. Dr. Nollenberger recently revised the 4th edition text of the ICMA publication *Evaluating Financial Condition — A Handbook for Local Government*.

Dr. Nollenberger has been responsible for management in the areas of personnel, police, fire, public works, airports, transit, water & sewer, parks & recreation, planning, economic development, health, civic centers, housing, solid waste, libraries, engineering, liquor stores, finance, information systems and budget & research. He has also been responsible for management in the financial areas of accounting, revenue, purchasing, treasury, and debt management.

Dr. Nollenberger received his doctorate in Public Administration from the University of Illinois at Chicago. He has a Master's Degree in Public Administration from the University of Colorado and a Bachelor's of Business Administration degree in accounting from the University of Iowa.

Dr. Nollenberger has served as the President of the International City/County Management Association (1994-95). He is currently a Fellow of the National Academy of Public Administration (chartered by Congress). He has served in numerous other



association positions in city and county government and presented at numerous conferences. He has taught courses for five universities in their Master's programs.

**Lee Szymborski**  
**Senior Vice President**

Lee Szymborski is a Senior Vice President with GovHR USA, working on both executive search and general management consulting assignments. He has more than 33 years of experience in local government administration.

Mr. Szymborski served more than 15 years as City Administrator in Mequon, Wisconsin. Mequon is a full service city with \$30 million in combined budgets, and more than 170 employees serving 23,000 residents over a 47-square mile area. Mr. Szymborski's experience spans both Wisconsin and Illinois communities. In addition to his Wisconsin service in Mequon, he also worked for the City of Wauwatosa and Milwaukee County. In Illinois, he served for 12 years as Assistant Village Manager in Buffalo Grove.

Mr. Szymborski's track record points to a results-oriented approach to municipal government management. That is demonstrated by his work including the purchase of a \$14 M private water utility that has seen its customer base increase under city ownership (Mequon); reorganizing city departments and reducing workforce costs in an organizationally sensitive manner (Mequon); spearheading a 10- community oversight committee to secure the startup of commuter rail service (Metra) on the WI Central railway (Buffalo Grove); and re-purposing TIF funds to provide incentives that secured a \$16 M mixed-use development in Mequon's Town Center. He is additionally skilled in budgeting, personnel administration, community engagement efforts and strategic planning.

Mr. Szymborski has published articles in Public Management magazine, and is an adjunct instructor at Upper Iowa University – Milwaukee Center. He holds a B.A. in Political Science, as well as an M.S. in Urban Affairs, both from the University of Wisconsin – Milwaukee.

Since joining GovHR USA in 2014, Mr. Szymborski has done organizational analyses for the Wisconsin cities of New Berlin, Portage, Oshkosh, and Wauwatosa, and strategic plans for the City of Eau Claire and the Wisconsin City Management Association. He has been part of teams conducting classification and compensation studies for several Illinois and Wisconsin communities. He has also conducted more than 20 executive searches in Illinois, Wisconsin, Massachusetts and Missouri.

**Lee McCann**  
**Vice President**

Lee McCann, brings over 36 years of active public safety experience to GovHR USA. He works on executive search and general management consulting projects.

Following his honorable discharge from the United States Army, Mr. McCann began his career in local law enforcement as a patrol officer in Evergreen Park, Illinois. He rose through the ranks of that agency, attaining the highest merit position, Lieutenant, in less than ten years. In 1982 he was named Chief of Police in Buffalo Grove, Illinois and served as Chief of Police in Buffalo Grove & Skokie, Illinois for the next 23 years. While serving in Buffalo Grove, he led the police department in becoming one of the first 50 law enforcement agencies in the nation to be accredited.

Mr. McCann accepted numerous leadership roles with intergovernmental agencies during his tenure as Chief of Police. He helped found and manage the Lake County (Illinois) Major Crimes Task Force, served as Chairman of the Executive Committee of the Northwest Central Dispatch System and was President of the Northern Illinois Police Crime Laboratory. He was Secretary of the Executive Board of the Northwest Police Academy for ten years, and was also President of the Northern Illinois Police Alarm System - a mutual aid organization that provides manpower and other specialized services to member agencies during disaster and other emergency situations. During the five years he served as President of this organization, Mr. McCann oversaw a 100% growth in membership to over 80 law enforcement agencies serving a population of approximately 1,000,000 people.

Mr. McCann's consulting experience includes general police management studies, executive search & recruiting assignments, and service as on-site assessment team leader for the Commission on Accreditation for Law Enforcement Agencies. He also is a member of several professional organizations and has served on the governing boards of civic and charitable organizations such as OMNI Youth Services, United Way and as chairman of the Regional Action Planning Project, a local initiative to suppress street gang activity.

Mr. McCann is a graduate of the F.B.I. National Academy, the Illinois Law Enforcement Executive Institute, and Chicago State University.

#### **Norman Malcolm Vice President**

Norman Malcolm came to GovHR USA following a 36 year career in the Fire Service. Norm began his career with the Village of Palatine Fire Department in 1975. He rose through the ranks from Firefighter, Paramedic, Lieutenant, Captain and Deputy Chief before being appointed Chief of the Department in 1998.

During his tenure as Chief, Norm oversaw the construction of two new fire stations and the growth of the organization by almost 50 %. Chief Malcolm also valued regional cooperation by negotiating mutual response agreements with Long Grove, Palatine Rural, Rolling Meadows and Arlington Heights Fire Departments. Agreements for sharing of reserve equipment and special team members were also accomplished.

Chief Malcolm was a member of the Northwest Community Hospital Advisory Board, Palatine Township Health Advisory Board, and Vision In Progress. He also served as President of MABAS Division One for 3 years.

After retiring from Palatine in 2009, Chief Malcolm accepted the Interim Fire Chief post in the Village of Streamwood Illinois. In his fourteen months there he implemented a new training program, a company inspection program, a successful contract negotiation, and key staff promotions. He also was involved in the recruitment process for the new Fire Chief.

In 2013 Chief Malcolm served as Interim Fire Chief for the Village of Roselle and most recently, served as Interim Chief for the West Chicago Fire Protection District.

Norm is a graduate of Northern Illinois University, with a Bachelor of Arts Degree. He has numerous training certifications including Fire Officer III and the University of Maryland Staff and Command School. Norm also has experience as a Building Inspector for the Village of Palatine. He previously worked as a teacher and coach before entering the Fire Service. Norm has been actively involved in the Palatine Rotary Club, Men's Civic Club and Catholic Charities Northwest. He also has been involved in coaching youth sports in the Palatine community.

#### **Jerry Schulz** **Vice President**

Jerry Schulz brings over 37 years of experience in information technology management and analysis and local government administration to GovHR USA. He has carried out a variety of consulting assignments for local governments. Most of these assignments have involved technology planning or implementation of new data systems.

Mr. Schulz served as Manager of Application Development for the Milwaukee Public Schools from April, 2007 through November, 2012. He oversaw development and maintenance of data applications for this large urban school district. Projects he managed included upgrading the PeopleSoft human resources system and adding abilities to automate job applications and track professional development, implementing new systems for substitute dispatch and student intervention tracking, and expanding a data warehouse system.

Mr. Schulz served for five years as Director of Information Systems for the Catholic Archdiocese of Milwaukee, Wisconsin. He developed the first strategic technology plan for the Archdiocese and led projects to replace the financial system, upgrade fund-raising systems, install a newspaper circulation system, upgrade the web site, and increase the use of broadcast electronic mail communication.

Mr. Schulz served for six years as the Manager of Information Systems for Waukesha County, Wisconsin. While at Waukesha County, Mr. Schulz led the implementation of data systems for



the Finance, Register of Deeds, Health and Human Services, and Courts areas. He also oversaw the implementation of an enterprise computer network serving all county facilities.

Prior to his tenure at Waukesha County, Mr. Schulz served as Director of Information Technology and Telecommunications for the Milwaukee Area Technical College (MATC). Mr. Schulz also served as the Information Systems Director of the Milwaukee County Department of Social Services and later also served as the Program Analysis Manager for Milwaukee County. In his role with Social Services he developed a strategic technology plan for the department and implemented a case tracking system.

Mr. Schulz is a graduate of Cornell University, majoring in Government, and holds a Master of Public Administration degree from Roosevelt University and a Master of Arts in Teaching from Northwestern University. He is the author of *Information Technology for Local Government: A Practical Guide for Managers*, published by the International City/County Management Association (ICMA) in 2001.

Mr. Schulz serves as an adjunct faculty member at the University Of Wisconsin- Milwaukee Department Of Public Administration and the Indiana University-Purdue University Indianapolis School of Public and Environmental Affairs, where he teaches courses on the use of technology in the public sector.



2738-15/16

**ORDINANCE NO. \_\_\_\_\_****AN ORDINANCE TO APPROVE INTERIM CITY MANAGER AGREEMENT**

**WHEREAS**, the Code of the City of Pekin 1995 was adopted on April 10, 1995, and duly published in book form; and

**WHEREAS**, the City of Pekin is a home rule municipality as described in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, and as such may exercise any power and function pertaining to its government and its affairs; and

**WHEREAS**, the current City Manager, Darin Girdler, has tendered his resignation as City Manager, effective FEBRUARY 4, 2016; and

**WHEREAS**, the City Council and current human resources director Sarah Newcomb have reached an agreement whereby Sarah Newcomb will be additionally employed as Interim City Manager, and in the best interests of the City, and;

**WHEREAS**, the parties are desirous in moving forward with Sarah Newcomb as Interim City Manager; and

**WHEREAS**, the City Council has determined that it is in the best interests of the City to adopt said ordinance regarding such.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS**, in the exercise of its home rule powers, as follows:

1. That Sarah Newcomb is hired and appointed Interim City Manager;
2. The Employment Agreement attached hereto as Exhibit A is approved and the Mayor and Clerk are authorized to sign it on behalf of the City.

3. Effective date of the Agreement is February 2, 2016.

**BE IT FURTHER ORDAINED** that all other parts of the Code of the City of Pekin 1995 as amended except as modified herein are hereby reaffirmed and ratified and are in full force and effect.

**BE IT FURTHER ORDAINED** that all Ordinances or parts of ordinances in conflict herewith are hereby repealed.

**BE IT FURTHER ORDAINED** that this Ordinance shall be in full force and effect upon its passage and approval and publication as required by law.

**PASSED AND APPROVED** at a regular meeting of the City Council of the City of Pekin, this \_\_\_\_ day of \_\_\_\_\_, 2016; and upon roll call the vote was as follows:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAINING: \_\_\_\_\_

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
SARAH NEWCOMB

**INTERIM CITY MANAGER EMPLOYMENT AGREEMENT  
CITY OF PEKIN, ILLINOIS**

This Agreement is made and enters into this 8th day of FEBRUARY, 2016, by and between the CITY OF PEKIN, Illinois, a municipal corporation ("City") and SARAH NEWCOMB ("Interim City Manager").

**AGREEMENT**

1. **DUTIES.** The City agrees to employ SARAH NEWCOMB as Interim City Manager of their City of Pekin to perform functions and duties in the charter ordinances and resolutions of the City effective February 2, 2016. The Interim City Manager serves in an administrative capacity wherein the principal responsibility is to implement the policies adopted by the City Council. The Interim City Manager does not perform independent policy making functions. The Interim City Manager shall perform the duties to the best of her ability in accordance with the highest possible and ethical standards of conduct and shall comply with all general rules and regulations established by the City.

2. **SALARY.** For the term of this Agreement, the City agrees to pay the Interim City Manager the pro-rated equivalent to the City Manager salary of \$10,416.66 per month for services rendered pursuant to this Agreement as compensation. The Interim City Manager shall receive the same benefits, including vacation, retirement, or otherwise which accrue to other employees of the City.

3. **GENERAL BUSINESS EXPENSES.** The City recognizes that certain reasonable expenses of a non-personal and job-affiliated nature may be incurred by the Interim City Manager. The City agrees to compensate the Interim City Manager \$75.00 per month for technology allowance.

4. **TERM.** The term of this Agreement shall commence on FEBRUARY 2, 2016 through JULY 30, 2016 or until the acceptance and appointment of the City Manager or such other extensions as the parties may agree.

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5. **HOURS OF WORK.** The City acknowledges and accepts the Interim City Manager continues to be employed as the Human Resources Director for the City. The Interim City Manager intends to work hours sufficient to fulfill the responsibilities of both positions until such time as a City Manager is appointed on a full time basis.

6. **INDEMNIFICATION.** The Interim City Manager agrees to provide the services to the City required pursuant to this Agreement as an employee of the City. Therefore, the City shall defend, hold harmless and indemnify the Interim City Manager from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any and all legal proceeding arising out of any act or omission, now or in the future, as a result of the performance of her duties as Interim City Manager.

7. **BONDING.** City shall bear the cost of fidelity or other bonds required of the Interim City Manager under any law or ordinance.

8. **RESIGNATION AND TERMINATION.** The Interim City Manager may resign from the Interim City Manager position at any time with or without cause and agrees to give the City at least 30 days advance written notice of the effective date of the resignation from the Interim City Manager position, but shall retain the position of Human Resources Director. The City may at any time relieve the Interim City Manager duties upon 14 day written advanced notice.

IN WITNESS WHEREOF, employer has caused this agreement to be signed and executed on its behalf by it's Mayor and City Clerk and Employee has signed this Agreement, in supplicate, the day and year first written above.

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MAYOR

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CITY CLERK

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SARAH NEWCOMB