Monday, September 18, 2017
5:30 PM

CITY COUNCIL AGENDA

I. Call to Order

1. Roll Call
2. Pledge of Allegiance

II. Appearance of Citizens

Policy relative to Appearance of Citizens:
A 15 minute time period is provided for citizens to appear and express their views before the City Council. Each citizen who appears will be limited to 3 minutes. No immediate response will be given by City Council or City staff members. Citizens are to give their documents to the Police Officer for distribution to the Council.

III. Approval of Minutes

Approval of Minutes of September 5, 2017, City Council Meeting

IV. Unfinished Business

V. New Business

1. Resolution Authorizing a Support Services Agreement with B&W Control Systems Integration LLC for South Water Treatment Plant – SCADA System
2. Resolution Authorizing an Agreement with Soules Bird Repelent Company for Downtown Bird Control
3. Resolution Authorizing City Manager to Execute Agreement with BlueCross BlueShield of Illinois for Administration of the City Group Health Benefit Plan for Calendar 2018
4. Resolution Authorizing City Manager to Execute Insurance Coverage for General Liability, Automobile Liability and Excess Liability for Decatur, Illinois Public Transit System for the Policy Period September 22, 2017 to July 1, 2018
5. Resolution Authorizing City Manager to Execute Insurance Coverage for Property, Liability and Workers Compensation for the City of Decatur, Illinois for the Policy Period October 1, 2017 to October 1, 2018
6. Resolution Authorizing Mayor and City Manager to execute a Professional Service Agreement with CliftonLarsonAllen, LLP for Auditing Services and Non-Audit Advisory services
7. Consent Calendar: Items listed under the Consent Calendar are considered to be routine and will be enacted by one motion and one vote. If separate

action is desired on any item, it will be removed from the Consent Calendar and considered separately.

A. Receiving and Filing of Minutes of Boards and Commissions

B. Resolution Approving Reappointment - Civil Service Commission

C. Resolution Approving Reappointment - Decatur Metropolitan Exposition Auditorium and Office Building Authority (Civic Center Board Authoritiy)

D. Resolution Approving Reappointments - Human Relations Commission

VI. Other Business

VII. Adjournment

Council Information - August Progress Report Lake Decatur Dredging Basins 1-4 & Oakley Sedimentation Basin Rehabilitation City Project 2013-14

Council Information - Agricultural Watershed Institute Progress Report - March to August 2017

Council Information - August 2017 Monthly Reports

CITY COUNCIL MINUTES
Tuesday, September 5, 2017

On Tuesday, September 5, 2017, the City Council of the City of Decatur, Illinois, met in Regular Meeting at 5:30 p.m., in the Council Chambers, One Gary K. Anderson Plaza, Decatur, Illinois.

Mayor Pro Tempore Dana Ray presided, together with her being Councilwoman Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel and Bill Faber. Six members present. Mayor Pro Tempore Dana Ray declared a quorum present.

City Manager Tim Gleason attended the meeting as well.

Mayor Pro Tempore Dana Ray led the Pledge of Allegiance to the Flag.

This being the time for Appearance of Citizens, the following citizens appeared:

Glenn Simpson shared that he and his wife were in a vehicle accident where their car was hit by a distracted driver and inquired as to whether the Council was looking into a solution.

The minutes of the August 21, 2017, City Council meeting were presented. Councilwoman Lisa Gregory moved the minutes be approved as written; seconded by Councilman Pat McDaniel, and on call of the roll, Councilmen Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel, Bill Faber and Mayor Pro Tempore Dana Ray voted aye. Mayor Pro Tempore Dana Ray declared the motion carried.

This being the time set aside for Unfinished Business and there being none, Mayor Pro Tempore Dana Ray called for New Business.

Proclamations and Recognitions: Director Charlie Gillaspie of Dove's Retired and Senior Volunteer Program (RSVP) read the Proclamation proclaiming the month of September 2017, as RSVP month and recognized RSVP's 41st Anniversary serving the Decatur and Macon County area.

2017-43 Ordinance Rezoning Property R-1 Single Family Residence District to R-3 Single Family Residence District 800 Block of East Grove Road, was presented.

Councilman Pat McDaniel moved the Ordinance do pass; seconded by Councilwoman Lisa Gregory.

Upon call of the roll, Councilmen Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel, Bill Faber and Mayor Pro Tempore Dana Ray voted aye. Mayor Pro Tempore Dana Ray declared the motion carried.

2017-44 Ordinance Rezoning Property B-2 Commercial District to M-1 Intense Commercial/Light Industrial District 1325, 1375, and 1395 North 22nd Street & 1370 and 1395 North 21st Street, was presented.

Councilwoman Lisa Gregory moved the Ordinance do pass; seconded by Councilman Pat McDaniel.

Upon call of the roll, Councilmen Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel, Bill Faber and Mayor Pro Tempore Dana Ray voted aye. Mayor Pro Tempore Dana Ray declared the motion carried.

2017-45 Ordinance Rezoning Property R-3 Single Family Residence District and B-1 Neighborhood Shopping District to M-1 Intense Commercial/Light Industrial District 2628 and 2670 East Garfield Avenue, was presented.

Councilman Pat McDaniel moved the Ordinance do pass; seconded by Councilwoman Lisa Gregory.

Upon call of the roll, Councilmen Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel, Bill Faber and Mayor Pro Tempore Dana Ray voted aye. Mayor Pro Tempore Dana Ray declared the motion carried.

R2017-107 Resolution Accepting the Bid and Authorizing the Execution of a Contract with Kinney Contractors, Inc. for CDBG Sidewalk Improvement Project, City Project 2017-21, was presented.

Councilman Pat McDaniel moved the Resolution do pass; seconded by Councilwoman Lisa Gregory.

Councilwoman Lisa Gregory asked what the formula was the City used to replace sidewalks; was it similar to streets. City Manager Tim Gleason replied, yes, it was. Councilman David Horn asked with the bid at about $400,000 and the engineer's estimate at about $550,000, does that mean there is additional CDBG funding available and what are the next priorities for those funds. City Manager Tim Gleason explained the City has about $300,000 dedicated to sidewalk improvements. During the Neighborhood Redevelopment and Revitalization discussion, he expects the community will identify target neighborhoods that will then come before Council. The staff expects Council will place priorities and the City has funds that they can dedicate to those neighborhoods. Councilman David Horn asked if the CDBG funds available have to be spent within this fiscal year. City Manager Tim Gleason stated they do not; the funds can be spent next year.

Upon call of the roll, Councilmen Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel, Bill Faber and Mayor Pro Tempore Dana Ray voted aye. Mayor Pro Tempore Dana Ray declared the motion carried.

R2017-108 Resolution Accepting the Bid and Authorizing the Execution of a Contract with Kinney Contractors, Inc. for Decatur Public Transit System (DPTS) Concrete Bus Shelter Pad Improvement Project, City Project 2017-17, was presented.

Councilman Pat McDaniel moved the Resolution do pass; seconded by Councilwoman Lisa Gregory.

Councilman David Horn stated he noticed the lowest bidder was outside of Decatur and the next closest bid was a company from Decatur and the difference in the bids was about $2,219 or a 3.4% difference. Councilman David Horn asked City Manager Tim Gleason if he was aware of any communities that have a local preference in terms of accepting bids and does the City have a sense for the economic impact of having a company from Decatur do the work versus a company that is from outside Decatur. City Manager Tim Gleason explained the decision to use a local preference for contractors is one that is held by the Council. One logic against local contractor preference is that it decreases the ability for competition. City Manager Tim Gleason stated he did not know what the economic impact to the community was by not having that local work. City Manager Tim Gleason explained that currently the Council has the right to decide to select the second bid. Councilman Charles Kuhle stated he would see it as a $100,000 economic impact. Councilman Bill Faber stated it is in the Council's prerogative to keep the money here in Decatur. Councilman Pat McDaniel stated Council also had a financial responsibility to tax payers to get the best deal and when you reduce competition the price goes up. Some of our local contractors have to go out of town to do business and they would not want a local preference there. Councilman Pat McDaniel stated Council has to be extremely careful in what they do. Mayor Pro Tempore Dana Ray stated she wants to make sure the City remains competitive and the same courtesy is given to our contractors when they look to bid jobs. There is not enough work in Decatur to keep everyone busy. Councilman Bill Faber stated he would vote no on the Resolution because he would award the project to the local bidder. Councilman David Horn suggested it would be helpful, for future meetings, to have additional factual information on economic impacts of these types of situations.

Upon call of the roll, Councilmen Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel, and Mayor Pro Tempore Dana Ray voted aye. Councilman Bill Faber voted nay. Five ayes and one nay. Mayor Pro Tempore Dana Ray declared the motion carried.

R2017-109 Resolution to Appropriate Motor Fuel Tax Funds for Purchase of LED Traffic Signal Modules by Municipality under Illinois Highway Code, City Project 2017-14, was presented.

Councilman Pat McDaniel moved the Resolution do pass; seconded by Councilwoman Lisa Gregory.

Upon call of the roll, Councilmen Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel, Bill Faber and Mayor Pro Tempore Dana Ray voted aye. Mayor Pro Tempore Dana Ray declared the motion carried.

R2017-110 Resolution Accepting the Bid and Authorizing the Execution of a Contract with Traffic Control Corporation for the Purchase of Traffic Signal Modules, City Project 2017-14, was presented.

Councilwoman Lisa Gregory moved the Resolution do pass; seconded by Councilman Pat McDaniel.

Upon call of the roll, Councilmen Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel, Bill Faber and Mayor Pro Tempore Dana Ray voted aye. Mayor Pro Tempore Dana Ray declared the motion carried.

Mayor Pro Tempore Dana Ray called for Consent Calendar Items A and B and asked if any Council member wished to have an item removed from Consent Calendar. Council did not request to have any items removed. Mayor Pro Tempore Dana Ray read Items A and B:

A. R2017-111 Resolution Approving Reappointment – Police Pension Fund Board of Trustees
B. R2017-112 Resolution Approving Appointment – Library Board of Trustees

Councilwoman Lisa Gregory moved Items A and B be approved by Omnibus Vote; seconded by Councilman Pat McDaniel, and on call of the roll, Councilmen Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel, Bill Faber and Mayor Pro Tempore Dana Ray voted aye. Mayor Pro Tempore Dana Ray declared the motion carried.

Mayor Pro Tempore Dana Ray called for Other Business. Councilman Bill Faber read a statement concerning a new policy adopted by Council in April regarding Closed Executive Sessions whereas Council members must turn in their personal meeting notes to the City Clerk at the end of each session. Councilman Bill Faber stated he cannot go along with the new Council's policy and to safeguard the rights and privileges of City Council, it is his duty to refuse to surrender his personal notes.

Councilwoman Lisa Gregory asked City Manager Tim Gleason to share the dates and topics of the special City Council meetings coming up. City Manager Tim Gleason stated a tentative special Council meeting would be held on Monday, September 25, 2017, at 5:30 p.m., in the City Council Chambers for a Study Session to kick off the Neighborhood Redevelopment and Revitalization discussion with the community.

Councilman Charles Kuhle stated that he struggled with his vote on the Transit shelter pad because it was $100,000 that could have been spent in this community and he was wondering about 5%, if it would really steer away business. Councilman Pat McDaniel stated it would be pretty hard to quantify how much goes back into the community. Contractors from the outside do hire local workers. He stated he did not want to see a lot of the other bidders back away and the City's prices start going up. Councilman David Horn requested to know what other cities do, have they found a reduction in the number of bidders, and what the economic benefits are to keeping the money local. City Manager Tim Gleason suggested he could provide a memorandum to Council after the Neighborhood Redevelopment Study Session or he could schedule a Study Session in October. Mayor Pro Tempore Dana Ray stated a memorandum would be appropriate and then Council could move forward from there.

With no other business, Mayor Pro Tempore Dana Ray called to Recess to Closed Executive Session for:

1. Open Meetings Act, Section 2 (c) (5) for the Purchase of Lease of Real Property for the Use of the Public Body, Including Meetings Held for the Purpose of Discussing Whether a Particular Parcel should be Acquired.

2. Open Meetings Act, Section 2 (c) (2) Collective Negotiating Matters Between the Public Body and its Employees or Their Representatives, or Deliberations Concerning Salary Schedules for One or More Classes of Employees.

Councilman Pat McDaniel moved to recess to Closed Executive Session; seconded by Councilman Charles Kuhle.

Upon call of the roll, Councilmen Lisa Gregory, David Horn, Charles Kuhle, Pat McDaniel, Bill Faber and Mayor Pro Tempore Dana Ray voted aye. Mayor Pro Tempore Dana Ray declared the motion carried.

Council returned to the regular Council meeting following Closed Executive Session.

Councilman Pat McDaniel moved the regular Council meeting be adjourned; seconded by Councilwoman Lisa Gregory. All were in favor by voicing no objections. Mayor Pro Tempore Dana Ray declared the Council meeting adjourned at 6:52 p.m.

Approved ___________________
Debra G. Bright
City Clerk

DATE: 9/7/2017

MEMO: 2017-06

TO: Mayor Julie Moore Wolfe and City Council

FROM: Tim Gleason, City Manager
Richard Marley, P.E., Director of Public Works
Keith Alexander, Water Production Manager

SUBJECT: Resolution Authorizing a Support Services Agreement with B&W Control Systems Integration LLC for South Water Treatment Plant SCADA System

SUMMARY RECOMMENDATION:
Council adopt the attached Resolution authorizing a Support Services Agreement with B&W Control Systems Integration LLC for South Water Treatment Plant SCADA System for a fee of $48,339.

BACKGROUND:
Many of the South Water Treatment Plant's critical purification processes are operated by a sophisticated Supervisory Control and Data Acquisition (SCADA) system. The systesnm consists of a large number of interconnected mechanical, electrical and digital hardware and software components.

City staff are able to correct minor issues and perform minor repairs to the system, however, more complex challenges must be dealt with quickly by experienced contractors.

In 2014 B&W Control Systems Integration LLC (B&W) provided significant upgrade and expansion services to the SCADA system. City staff were impressed with the firm's technical expertise and overall performance. Since then, the firm has provided SCADA support services to the City. The current agreement expired on August 31, 2017. Therefore, since B&W is the firm that is most familiar with the plant's SCADA system, and provides high quality services, it is recommended that B&W be awarded this agreement effective September 1, 2017 to December 31, 2018 for a fee of $48,339.

B&W will provide the following services:

- Renew hardware and software support and extended warranty agreements

- Perform continuous proactive system maintenance
- Perform quarterly preventative system maintenance
- Perform reactive maintenance as needed

POTENTIAL OBJECTIONS: None foreseen.

INPUT FROM OTHER SOURCES:
The following City staff reviewed and approved the agreement in August:
James Edwards, Director of Information Technology
Gregg Zientara, Director of Financial Management

STAFF REFERENCE: Richard Marley, Director of Public Works, 217-424-2747, rmarley@decaturil.gov Keith Alexander, Water Production Manager, 217-424-2863, kalexander@decaturil.gov

BUDGET/TIME IMPLICATIONS:
These services are included in the Water Production operating budget.

COPY:
Richard Foley, B&W Control Systems Integration LLC
Randy Weaver, Water Production Maintenance Supervisor
Jerry Stevens, Water Production Operations Supervisor

ATTACHMENTS:

Description	Type
Resolution	Resolution Letter
BWCSI Support Servicces Agreement 2017-18	Backup Material

RESOLUTION NO. R2017-_____

RESOLUTION AUTHORIZING A SUPPORT SERVICES AGREEMENT
WITH B&W CONTROL SYSTEMS INTEGRATION LLC FOR
SOUTH WATER TREATMENT PLANT SCADA SYSTEM

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the Agreement presented to the Council herewith between B&W Control Systems Integration LLC and the City of Decatur, Illinois, be, and the same is hereby, received, placed on file and approved.

Section 2. That the Mayor and City Clerk be, and they are hereby, authorized and directed to execute said Agreement between the City of Decatur, Illinois and B&W Control Systems Integration LLC for a fee of $48,339.00.

PRESENTED AND ADOPTED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

ATTEST:

____
Debbie Bright, City Clerk

Support Services Agreement 2017-18

Owner: **City of Decatur, Illinois** BWCSI Job No. **170441.00**

B&W Control Systems Integration, LLC (BWCSI) agrees to enter into a support agreement with the Owner to provide support services based on the “Services” indicated below and in agreement with Attachment A (Terms and Conditions), Attachment B (Service Definitions), Attachment C (Service Details), Attachment D (Equipment Lists), and Attachment E (Third-Party Support Renewals).

Services & Fees

Description	Included	Fee	Estimated Hours	Notes
Project Management	☒	$4,840	28	
Third-Party Support Renewals[1]	☒	$17,180	3	
Proactive & Preventative Maintenance	☒	$26,319	190	
Reactive Maintenance	☐			Billed separately at $135/hour
Total Fee		**$48,339**		

- For included services, the fee is a lump sum amount, and it includes 10% discounted labor rates and reduced markups (10%) on expenses unrelated to mileage/travel.
- Services that are not included can be requested and the fee will be computed on the basis of standard hourly billing rates for actual work time performed plus reimbursement of out-of-pocket expenses including travel costs. Prior written approval from Owner is required for services not included in this Agreement.

Time Period and Payment

Start Date: September 1, 2017 End Date: December 31, 2018

- Payment to be made in three (3) equal payments of $16,113 upon being invoiced:
  Payment 1: September 2017
  Payment 2: January 2018
  Payment 3: July 2018
- The fees for services that are not included in this contract will be invoiced on a monthly basis.

Authorization

The undersigned hereby enter into the agreement as described herein:

Owner:		BWCSI:	
		Christopher T. Sosnowski	July 28, 2017
Authorization By	*Date*	*Authorization By*	*Date*

[1] The cost of the 2017-2018 Third-Party Support renewals that will be due during the course of this agreement is included in this total. However, there are other licensing and/or support agreements that were renewed on behalf of the City, prior to the start of this agreement. We will add those renewals to subsequent agreements and have provided a list on page 8 for your review/reference.

Attachment A - STANDARD TERMS & CONDITIONS

1. The submitted Support Services Agreement and Attachments A, B & C constitute and are herein referred to as the Agreement.
2. B&W Control Systems Integration, LLC is herein referred to as BWCSI, and the party with whom BWCSI is entering into this Agreement is herein referred to as OWNER.
3. BWCSI will submit requests for payment as indicated in the Support Services Agreement. Payments under this Agreement shall be made in accordance with the Illinois Local Government Prompt Payment Act.
4. This Agreement may be terminated, in whole or in part, by either party if the other party substantially fails to fulfill its obligations under this Agreement through no fault of the terminating party; or the OWNER may terminate this Agreement, in whole or in part, for its convenience. However, no such termination may be effected unless the terminating party gives the other party: (1) not less than ten (10) calendar days written notice by certified mail of intent to terminate, and (2) an opportunity for a meeting with the terminating party before termination. If this Agreement is terminated by either party, BWCSI shall be paid for services performed to the effective date of termination, including reimbursable expenses. In the event of contract termination, the OWNER shall receive reproducible copies of Drawings, Custom Developed Applications and other documents completed by BWCSI.
5. BWCSI agrees to hold harmless and indemnify the OWNER and each of its officers, agents and employees from any and all liability claims, losses, or damages, including but not limited to legal fees (attorney's and paralegal's fees, expert fees and court costs), to the extent that that such claims, losses, or damages are caused by BWCSI's negligence in the performance of the services under this Agreement, but not including liability that may be due to the sole negligence of the OWNER or other consultants, contractors or subcontractors working for the OWNER, or their officers, agents and employees. In the event claims, losses, or damages are caused by the joint or concurrent negligence of BWCSI and the OWNER they shall be borne by each party in proportion to its negligence. BWCSI shall similarly protect, indemnify and hold and save harmless, the Owner, its officers, officials, employees, volunteers and agents against and from any and all claims, costs, causes, actions and expenses, including but not limited to, legal fees, incurred by reason of BWCSI's breach of any of its obligations under, or BWCSI's default of any provision of the Agreement. The indemnification obligations under this paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the BWCSI or any subcontractor under Workers' Compensation or Disability Benefit Acts or Employee Benefit Acts.
6. The OWNER acknowledges that BWCSI is a Limited Liability Company and not a Professional Service Corporation, and further acknowledges that the corporate entity, as the party to this contract, expressly avoids contracting for individual responsibility of its officers, directors, or employees.
7. The OWNER and BWCSI agree that any claim made by either party arising out of any act of the other party, or any officer, director, or employee of the other party in the execution or performance of the Agreement, shall be made solely against the other party and not individually or jointly against such officer, director, or employees.
8. For the duration of the project, BWCSI shall procure and maintain insurance for protection from claims under worker's compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims or damages because of injury to or destruction of property including loss of use resulting therefrom, alleged to arise from BWCSI's negligence in the performance of services under this Agreement. The OWNER shall be named as an additional insured on BWCSI's general liability insurance policy. Prior to beginning work, BWCSI shall furnish Owner with a certificate(s) of insurance and applicable policy endorsement(s) executed by a duly authorized representative of each insurer showing compliance with the insurance requirements contained in this agreement. The limits of liability for the insurance required by this Subsection are as follows:

Workers Compensation:	Statutory Limits	Excess Umbrella Liability:	$5,000,000 per claim and aggregate
General Liability:	$1,000,000 per claim $2,000,000 aggregate	Professional Liability:	$5,000,000 per claim $5,000,000 aggregate
Automobile Liability:	$1,000,000 combined single limit		

9. Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, the total liability, in the aggregate, of BWCSI and their officers, directors, employees, agents, and any of them, to the OWNER and anyone claiming by, through or under the OWNER, for any and all claims, losses, costs or damages whatsoever arising out of, resulting from or in any way related to the project or the Agreement from any cause or causes, including but not limited to the negligence, professional errors or omissions, strict liability or breach of contract or warranty expressed or implied of BWCSI or their officers, directors, employees, agents or any of them, hereafter referred to as the "OWNER's Claims", shall not exceed the total insurance proceeds available to pay on behalf of or to BWCSI by their insurers in settlement or satisfaction of OWNER's Claims under the terms and conditions of BWCSI' insurance policies applicable thereto, including all covered payments made by those insurers for fees, costs and expenses of investigation, claims adjustment, defense and appeal.
10. BWCSI is responsible for the quality, technical accuracy, timely completion, and coordination of all Designs, Drawings, Custom Developed Applications and other services furnished or required under this Agreement, and shall endeavor to perform such services with the same skill and judgment which can be reasonably expected from similarly situated professionals. If the Owner considers that BWCSI has not complied with this condition, then the Owner is required to notify BWCSI in writing (or e-mail) of the specific service not in compliance, at which time BWCSI will correct the issue or provide reasoning as to why the service is considered compliant.
11. BWCSI is not responsible for any infringements to third party copyrights, patents, or trade secrets where the Owner has made amendments to the original documents associated with such copyrights, patents or trade secrets.
12. The OWNER may, at any time, by written order, make changes within the general scope of this Agreement in the services to be performed by BWCSI. If such changes cause an increase or decrease in BWCSI's fee or time required for performance of any services under this Agreement, whether or not changed by any order, an equitable adjustment shall be made and this agreement shall be modified in writing accordingly.
13. All Drawings, Custom Developed Applications, and other documents prepared or furnished by BWCSI pursuant to this Agreement are instruments of service in respect to the project, and BWCSI shall retain the right of reuse of said documents and electronic media by and at the discretion of BWCSI whether or not the project is completed. Electronic copies of BWCSI's documents for information and reference in connection with the use and occupancy of the project by the OWNER and others shall be delivered to and become the property of the OWNER; however, BWCSI's documents are not intended or represented to be suitable for reuse by the OWNER or others on additions or extensions of the project, or on any other project. Any such reuse without verification or adaptation by BWCSI for the specific purpose intended will be at the OWNER's sole risk and without liability or legal exposure to BWCSI, and the OWNER shall indemnify and hold harmless BWCSI from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom.
14. Standard Hours are considered Monday – Friday 7:30 am to 5:00 pm Central Time, excluding the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Thursday and Friday, and Christmas Day. If a holiday falls on a Saturday, the preceding Friday shall be considered a holiday; if a holiday falls on a Sunday, the following Monday shall be considered a holiday.
15. Any provision or part thereof of this Agreement held to be void or unenforceable under any law shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the parties. The parties agree that this Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision which comes as close as possible to expressing the intention of the stricken provision.
16. Except in respect of payment liabilities, neither party will be liable for any failure of delay in its performance under this Agreement due to reasons beyond its reasonable control, including acts of war, acts of God, earthquake, flood, riot, embargo, sabotage, governmental act or failure of the Internet, provided the delayed party gives the other party prompt notice of the reasons for such cause.
17. This Agreement contains and embodies the entire and integrated agreement between parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral.

Attachment B – Service Definitions

Project Management

Plan, schedule, and coordinate the activities that must be performed to complete the project and provide support services.

Third-Party Support Renewals

The supported system includes hardware and software that may have applicable support & extended warranty agreements that are provided by a third-party, such as the manufacturer or vendor/supplier. Once the initial installation's support/warranty period has expired, it is recommended that these agreements are maintained and renewed on a regular basis. If included in the Services & Fees section of this agreement, BWCSI will provide the renewals listed in the applicable Attachment E.

Proactive & Preventative Maintenance

General

All services described within this "Proactive & Preventative Maintenance" Section will be provided by BWCSI for the specified fee regardless of actual hours of work performed.

Proactive Maintenance

BWCSI will continually monitor certain aspects (as listed in Attachments C, D, and E) of the IT infrastructure in order to avoid unexpected system shutdowns by resolving issues before they reach a critical nature.

Preventative Maintenance

BWCSI will perform periodic routine scheduled maintenance as specified in Attachment C. Upon completion of the scheduled service, BWCSI will provide the documentation as specified in Attachment C for that service. Scheduled services will be provided during Standard Hours if service does not significantly impact network performance. Scheduled services that may significantly impact network performance and are not urgently needed to maintain network security will be scheduled during other hours as agreed upon by BWCSI and the Owner.

Attachment C – Service Details

Service Description	Deliverable	Included
Preventative Maintenance - Monthly		

Utilize BWCSI's monitoring application to provide alerting and reporting on the following critical services:
• SCADA Services (iFIX, WIN-911)
• Performance / Windows Server Monitoring
  ○ Disk has a Bad Block - Alerts when "bad block" related strings are found in the logs that are collected (e.g., "found a bad block on disk" or "read error at block" or "has a bad block")
  ○ Windows Services (iFIX, WIN-911) Not Running - Alerts when a Windows Service is not running (i.e., status of "started")
  ○ Windows Out of Memory - Alerts when memory exceeds a threshold (percent) usage of physical memory (i.e., does not take swap space into iFIX)
  ○ Windows Automatic Service (iFIX, WIN-911) Not Running - Alerts when any service with Startup Type of "automatic" is not running
  ○ Windows CPU Usage over Threshold - Alerts when average CPU utilization exceeds a specified threshold (percent) for a specified number of minutes (the CPU utilization is measured as an average over all of the CPUs in the computer)
  ○ Computer Shutdown or Reboot was Unexpected - Alerts when the server reboots or is shut down unexpectedly.
  ○ Windows Disk Free below a Percentage - Alerts when free disk space is below a specified percentage on directly attached hard disk drives
	Service Desk Incident & Email/Phone Call Discussion	☒

Preventative Maintenance - Quarterly		
Firewall Maintenance • upgrade firmware • review security logs & backup configuration	Service Desk Incident with Recommendations	☒
Radio Maintenance - Check signal strength & backup configuration		☐
Backup NAS • upgrade firmware & check free space • check and backup configuration		☒
Servers, Workstations, Computers, & Laptops: • Perform updates for BIOS, drivers, firmware, etc. • Review Windows system logs • Apply Windows updates • Check drive free space • Verify & Update Anti-Virus Software • Verify Backups, if applicable • Backup SCADA Applications • Check UPS Operation		☒
PLC, OIT, & Control Panel Maintenance • Check Battery & Control Panel UPS • Backup Program • Check status of fuses, circuit breakers, & surge protectors • Check control panel thermal management • Check for environmental issues with water, moisture, dirt, dust, etc.		☒
Documentation • Copy programs, configurations, & applications to BWCSI Server • Verify & Update network diagram	Updated documents.	☒
Annually		
Renew Third-Party Support Contracts	Contracts from OEM/Supplier	☒
Budget Planning & Cost Preparation (for following fiscal year)	Budgetary Letter	☒

Attachment D –Equipment Lists

If Proactive & Preventative Maintenance is included as part of this Support Services Agreement, BWCSI will proactively support the following quantities of hardware:

Hardware Description	Quantity
Server (including physical and virtual)	6
Desktop PC	2
Laptop PC	1
Tablet	0
Firewall	1
Managed Switch	4
Unmanaged Switch	
Router (including wired and wireless)	0
Network Attached Storage (NAS)	1
Storage Area Network (SAN)	0
Human Machine Interface (HMI)	0
Programmable Logic Controller (PLC)	1
SCADA Radios	0
Industrial Protocol Converters	2
Operator Interface Terminal (OIT)	1

Physical Devices

Name	Manufacturer	Model	Serial #	Role
SWTSC2	Dell	Precision T3610	CZQ9M02	Secondary SCADA Server
SWTSCSV1	Dell	OptiPlex 3020	6GQKK02	Workstation
SWTSCSV2	Dell	OptiPlex 3020	6DXJK02	Workstation
SWTSCSV3	Dell	Latitude E5540	CRK3YZ1	Laptop
SWTSCVM1	Dell	PowerEdge R720	4J30M02	Virtual Machine Host Server
SWTSCNS1	QNAP	TS-469L	Q143I06360	NAS
SWTSCFW1	Cisco	ASA 5512	FTX181710KV	Firewall
SWTSCSW1	Cisco	Catalyst WS-C3560X-24T-L	FDO1808Z0DB	Switch
	Tripp Lite	Smart Online UPS 2200VA XL RM with PDU		UPS and Battery

Virtual Machines

Name	Role
SWTSC1	Primary SCADA Server
SWTSCUT1	Utility Server
SWTSCDB1	Database and Reporting Server
SWTSCTS1	Remote Desktop Server

Control Panels

Name	Notes
SCC-1C	New Control Panel
Plant Switchgear Communications	Ethernet Communications & Modbus Converters Only
Transfer & High Service Pumps Medium Voltage Starter Panel	Ethernet Communications & Modbus Converters Only

Attachment E – Third Party Support Renewals

The following third party support renewals will be processed as part of this Support Services Agreement.

Warranty	Included?	Detail	Qty	Total
Remote Support	☒	Coverage through 12/2018	1	$1,020
GE GlobalCare for an iClient v5.8 Thick Runtime	☒	24/7 support, no charge upgrades, access to downloads and sims Coverage through 7/2019	2	$14,100
GE GlobalCare for an iClient v5.8 Thin-Terminal Services Development	☒		1	
GE GlobalCare for an iFIX v5.8 Plus Development Unlimited	☒		1	
GE GlobalCare for an iFIX v5.8 Plus Runtime Unlimited	☒		1	
GE GlobalCare for Industrial Gateway Server	☒		2	
GE GlobalCare for Historian v5.5	☒		1	
Cisco SMARTnet MNT Premium for Catalyst 3560X 24 Port Data LAN Base (SN FDO1808Z0DB)	☒	24x7x4 – Onsite, Maintenance, Parts & Labor Coverage through 2/2019	1	$320
Cisco SMARTnet MNT Premium for ASA5512 (SN FTX181710KV)	☒	24x7x4 – Onsite, Maintenance, Parts & Labor Coverage through 2/2019	1	$715
Veritas Backup Exec Server & Backup Exec Agents	☒	Backup Software & Support, no charge upgrades Coverage through 5/2019	1	$635
Licensing Coordination	☒		3	$390
		Total		**$17,180**

The City also has the following support subscription. Since it will not be due during the course of this Agreement, the cost for its renewal is not included. The table below is provided solely for budgetary purposes and the costs to renew each will need to be quoted at the time of the new agreement.

Warranty	Included?	Detail	Qty	Total
VMWare Production Subscription for vSphere 5 Standard	☐	Current Support Ends on 6/2/2019	2	$750
			Total	**$ 750**

The warranties on the following systems are valid through 5/2019, at which time they will be at the end of their serviceable lives. The City should consider replacing both systems at that time.

Warranty	Service Tag	Detail
Dell Warranty for PowerEdge R720 Server	4J30M02	Current Support Ends on 5/6/2019
Dell Warranty for Precision T310	CZQ9M02	Current Support Ends on 5/13/2019

Public Works

DATE: 9/11/2017

MEMO: 2017-56

TO: Honorable Mayor Moore Wolfe and City Council Members

FROM: Tim Gleason, City Manager
Richard G. Marley, P.E., Public Works Director

SUBJECT:
Resolution Authorizing an Agreement with Soules Bird Repelent Company for Downtown Bird Control

SUMMARY RECOMMENDATION: Please refer to attached Council memorandum for details.

ATTACHMENTS:

Description	Type
2017-56 Memo Soules Bird Control	Cover Memo
2017-56 Resolution Soules Bird Control	Resolution Letter
2017-56 Soules Agreement	Backup Material

Public Works Memorandum
NO. 2017-56

DATE: **September 5, 2017**

TO: **Honorable Mayor Moore Wolfe and City Council Members**

FROM: **Tim Gleason, City Manager**
Richard G. Marley, P. E., Public Works Director

SUBJECT: **Resolution Authorizing an Agreement with Soules Bird Repelent Company for Downtown Bird Control**

SUMMARY RECOMMENDATION:

It is recommended by City staff that the City Council approve the attached resolution authorizing the Mayor to execute an agreement between the City and Soules Bird Repelent Company for the control of birds in downtown Decatur for a period of three years beginning October 1, 2017 through September 30, 2020 for an amount not to exceed $73,500.00.

PRIOR COUNCIL ACTION:

- September 30, 2002 – City Council approved Resolution R2002-188, authorizing Agreement with Soules Bird Repelent Company of Decatur, Illinois, for Bird Control Services in the Central Business District for a period ending September 30, 2005.

- September 6, 2005 – City Council approved Resolution R2005-120, authorizing Agreement with Soules Bird Repelent Company of Decatur, Illinois, for Bird Control Services in the Central Business District for a period ending September 30, 2008.

- October 20, 2008 – City Council approved Resolution R2008-177, authorizing Agreement with Soules Bird Repelent Company of Decatur, Illinois, for Bird Control Services in the Central Business District for a period ending September 30, 2011.

- September 6, 2011 – City Council approved Resolution R2011-145 authorizing Agreement with Soules Bird Repelent Company of Decatur, Illinois, for Bird Control Services in the Central Business District for a period ending September 30, 2014.

- September 29, 2014 – City Council approved Resolution R2014-119 authorizing Agreement with Soules Bird Repelent Company of Decatur, Illinois, for Bird

Control Services in the Central Business District for a period ending September 30, 2017.

BACKGROUND:

The City's current three-year agreement with the Soules Bird Repelent Company which was approved by the City Council on September 29, 2014, will expire on September 30, 2017. This agreement is for the control of birds in the City's downtown area. The downtown area is described in the agreement as being the area bounded by Cerro Gordo on the north, Martin Luther King on the east, Wood Street on the south and Church Street on the west. The purpose of controlling the birds is to minimize the health related problems, cleanup costs and nuisances that can be associated with high numbers of birds flocking or roosting in the area.

City Staff has met with Mr. James Soules to discuss a new agreement for these services. A new three year agreement (copy attached) has been prepared by staff and Mr. Soules for Council review and approval. The new Agreement will begin October 1, 2017 and extend through September 30, 2020. The new Agreement adds the extension of the boundaries to the east to Martin Luther King Jr. Drive. The extended area includes the Decatur Civic Center, Post Office, Decatur Public Library, Bus Depot, and Parking Garage C at Wood and Franklin.

Payment is made annually for the year beginning October 1 and ending on September 30 of the following year. The fee for the first year of the contract is $24,000.00.

This agreement is administered by the City's Public Works Department.

POTENTIAL OBJECTIONS: There are no known objections to this resolution.

INPUT FROM OTHER SOURCES: None

STAFF REFERENCE: Richard Marley, Public Works Director and Randy Callison, City Forester. Richard Marley will be in attendance at the City Council meeting to answer any questions of the Council on this item.

LEGAL REVIEW: The contract was approved by the Legal Department on September 8, 2017.

BUDGET/TIME IMPLICATIONS:

The funds for the first year of the new agreement are budgeted in the City's General Fund. Funds for the remaining two years of the agreement will have to be budgeted in the City's annual budgeting process for each year and approved by City Council.

Attach: 2

RESOLUTION NO. _________

RESOLUTION AUTHORIZING AN AGREEMENT WITH SOULES BIRD REPELENT COMPANY -DOWNTOWN BIRD CONTROL-

---

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the Agreement authorizing services for downtown bird control, presented to the City Council herewith between the City of Decatur and Soules Bird Repelent Company, be, and the same is hereby, received, placed on filed and approved.

Section 2. That the Mayor and the City Clerk be, and they are hereby, authorized and directed to execute said Agreement between the City of Decatur, Illinois, and Soules Bird Repelent Company for the time period beginning October 1, 2017 through September 30, 2020 for an amount not to exceed $73,500.00.

PRESENTED and ADOPTED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

ATTEST:

____
Debra G. Bright, City Clerk

Jimmie Soules Bird Repelent Company

53 Benton Drive ^ Decatur. Illinois 62526

Phone 217-877-3175

AGREEMENT

AGREEMENT made by and between the City of Decatur, Illinois, a municipal corporation ("City) and Jimmie Soules Bird Repelent Company ("Soules).

For and in consideration of the premises set out herein, the City and Soules agree as Follows:

1.Soules shall provide bird repellent services to all properties owned by the City located within the boundaries set out in paragraph 2 hereof. Said services shall be those determined to be necessary in the sole discretion of Soules to eliminate the noisome and unsanitary accumulation of birds on City property; provided that , such services are in strict compliance with applicable Federal, State, and City statutes, ordinances, rules, and regulations, including but not limited to environmental and conservations laws, and further provide that such services do not constitute a nuisance to abutting property owners or the public.

2. The area within which Soules shall provide bird repellent services, as discussed above, is the area bounded by Cerro Gordo Street on the north, Martin Luther King on the east, Wood Street on the south, and Church Street on the west.

3. The bird repellent services to be provided by Soules, as required hereby, shall begin no later than October 1, 2017 and shall continue through September 30, 2020.

4. The City shall pay Soules for the services described herein at the following rates, and according to the following schedule, except as provided in Paragraph 5 hereof:

October 1, 2017 - $24,000, for the period October 1, 2014 – September 30, 2018

October 1, 20118 - $24,500, for the period October 1, 2015 – September 30, 2019

October 1, 2019 - $25,000, for the period October 1, 2016 – September 30, 2020

5. The City shall have the right to terminate this Agreement after the first year of service Soules and any time during the term there after, provided that Soules shall be paid pro rata for all sums due and accrued to said date. If full payment for a period has been made and the Agreement is subsequently terminated prior to the completion of that period, as provided herein, Soules shall rebate pro rata to the City the unearned payment received.

Dated this ______________ day of __________________________, 2017

CITY OF DECATUR, ILLINOIS
A Municipal Corporation,

By ______________________

MAYOR

JIMMIE SOULES BIRD REPELENT CO.

By ______________________

JAMES SOULES

ATTEST:

By ______________________

CITY CLERK

Financial Management

DATE: 9/11/2017

MEMO: Letter to Decatur City Council Financial Management Department 2017-08

TO: Honorable Mayor Moore Wolfe and City Council Members

FROM: Tim Gleason, City Manager
Gregg D. Zientara, City Treasurer & Director of Finance

SUBJECT: Resolution Authorizing City Manager to Execute Agreement with BlueCross BlueShield of Illinois for Administration of the City Group Health Benefit Plan for Calendar 2018.

SUMMARY RECOMMENDATION:
City Administration recommends City Council approval of the attached Council Resolution authorizing the City Manager to execute the agreement for renewal of the administration of the City's self-insured group health benefit plans including claims administration and stop loss insurance for the period January 1, 2018 to December 31, 2018.

BACKGROUND:
BlueCross BlueShield has been the City's third party administrator for the City self-insured group healthcare benefit plan since 2008 and continues to be an excellent administrator for the group healthcare benefit plan. BlueCross continues to offer the largest network of doctors and hospitals in and out of state, and offers the best pricing offerings for coverage for medical care due to its substantial network of medical providers.

	Current	Proposed	Change
Illinois access fee	1.57%	1.57%	0.0%
Administration fee	$ 59.02	$ 59.02	0.0%
Rx rebate credit	($ 23.93)	($ 37.02)	-54.7%
Additional services	$ 2.00	$ 2.00	0.0%
Net administration fee	$ 37.09	$ 24.00	-35.3%
Stop loss	$ 61.55	$ 69.78	13.4%
Fixed cost per month	$ 100.42	$ 95.55	-4.8%

Projected cost	$ 717,000	$ 686,800	-4.2%

Refer to the fee comparison schedule in the medical renewal document attached for additional details on the pricing proposal.

POTENTIAL OBJECTIONS: There are no known objections to this resolution request.

INPUT FROM OTHER SOURCES:
JL Hubbard Insurance and Bonds, Rick Semonis, Broker and Advisor to the City for Employee Benefit matters.

STAFF REFERENCE: Tim Gleason, City Manager Gregg D. Zientara, City Treasurer & Director of Finance

BUDGET/TIME IMPLICATIONS:
Approval at this time will allow employee open enrollment period to be conducted during the month of October enabling improved timing of year to year transition with BlueCross BlueShield of Illinois, providing benefit to all covered members.

ATTACHMENTS:

Description	Type
Resolution	Resolution Letter
Proposal	Backup Material
BCBS ASO application	Backup Material
BCBS ASO stop loss exhibit	Backup Material

RESOLUTION NO. R2017-

**RESOLUTION AUTHORIZING CITY MANAGER
TO EXECUTE AGREEMENT WITH
BLUECROSS BLUESHIELD OF ILLINOIS
FOR ADMINISTRATION
OF THE CITY GROUP HEALTH BENEFIT PLAN
FOR CALENDAR YEAR 2018**

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the ASO Benefit Program and Stop Loss coverage presented herewith to the City Council between the City of Decatur, Illinois and BlueCross BlueShield of Illinois, be, and the same is hereby, received, placed on file and approved.

Section 2. That the City Manager be, and hereby, authorized and directed to sign said agreement and proxy in substantially the same form as presented, on behalf of the City of Decatur, Illinois.

PRESENTED AND ADOPTED THIS 18th day of September, 2017.

____
Julie Moore Wolfe
Mayor

ATTEST:

____
Debra G. Bright, City Clerk

07/03/2017

City Of Decatur

ASO Projection
for the period
January 1, 2018 - December 31, 2018

1/1/2018 ASO Medical Renewal

Presented by:

Holly Little

City Of Decatur

ASO Projection
January 1, 2018 - December 31, 2018
1/1/2018 ASO Medical Renewal

Affordable Care Act (ACA) Disclaimer

If your existing group health plan or group health insurance coverage (each "plan") was in effect on March 23, 2010, it may be a "grandfathered health plan" as that term is " defined in the Affordable Care Act and related regulations (currently 75 Fed. Reg. 34538). "

Federal regulations have been published regarding the maintenance and loss of grandfathered health plan status. We encourage you to confer with your own legal counsel to determine what benefit changes or other events may cause the loss of grandfathered health plan status and to evaluate the benefit options that are most suitable for you.

The following proposed benefit programs are not considered "grandfathered health plans".

City Of Decatur

ASO Projection
for the period
January 1, 2018 - December 31, 2018
1/1/2018 ASO Medical Renewal

FEE COMPARISON (BY PRODUCT)

Please refer to the ACA Disclaimer regarding benefits and final pricing.

Mature		PPO	
	Current	Renewal	Change
Projected Enrollment	595	599	0.7%
Single		208	
Family		391	
Illinois Access Fee	1.57%	1.57%	0.0%
Administration Fee	$59.02	$59.02	0.0%
Prescription Drug Rebate Credit	($23.93)	($37.02)	54.7%
Additional Services PCPM Fees	$2.00	$2.00	0.0%
Net Administration Fee PCPM	$37.09	$24.00	-35.3%
Individual Stop Loss $200,000 Level	$61.55	$69.78	13.4%
Aggregate Stop Loss 125% Att. Pt.	$12,723	$12,723	0.0%
Total Fixed Costs PCPM	$100.42	$95.55	-4.8%
Projected Average Claim Value PCPM	$1,212.76	$1,152.65	-5.0%
Projected Aggregate Limit PCPM	$1,515.95	$1,440.81	-5.0%
Total Projected Costs PCPM	$1,313.18	$1,248.20	-4.9%

City Of Decatur

ASO Projection
January 1, 2018 - December 31, 2018
1/1/2018 ASO Medical Renewal

CONDITIONS AND CAVEATS

Please refer to the ACA Disclaimer regarding benefits and final pricing.

Notwithstanding anything in the renewal or Proposal to the contrary, BCBSIL reserves the right to revise or withdraw our offer, or to change our administrative fees (and/or pass-through amounts) at any time before or during the contract period (all of which may be estimates, allocated or pro-rated amounts) if any local, state or federal legislation, regulation, rule or guidance (or amendments or clarifications thereto) is enacted or becomes effective/implemented, which would increase projected claim costs or BCBSIL's expenses or cost of plan administration, or would otherwise require BCBSIL to pay, submit or forward, on its own behalf or on the Employer Group's behalf, any additional tax, surcharge, fee, or other amount.

NOTICE: ACA provided for the establishment of a temporary reinsurance program(s) for a three (3) year period (2014-2016), which is funded by reinsurance contributions ("Reinsurance Fees") collected from health insurance issuers and self-funded group health plans, beginning in 2014. Information as to how these fees are calculated is provided by federal and state governments. Federal regulations establish a flat, per member, per month fee.

ACA also provides that self-funded plan sponsors are responsible for the Reinsurance Fee. BCBSIL will not assist in the remittance of those fees to the federal government; however, upon request, we can make available to our self-funded/ASO customers, existing data and information that may be helpful in determining, reporting on, and remitting their Reinsurance Fee amounts.

This renewal is being provided for the period indicated above.

This renewal offer expires as of the effective date indicated above.

This renewal offer assumes HCSC will remain the exclusive carrier for Medical and Rx coverage.

Upon inquiry from employer groups, BCBS will provide information to the employer group regarding commissions and other compensation paid to the employer's agent by BCBS in connection with the employer's policy or contract with BCBS.

The renewal is being offered on a paid basis.

Health Paid Claims subject to Stop Loss are claims paid during the policy period indicated above.

Health Paid Claims subject to Individual Stop Loss are paid claims from the following line(s) of coverage: Medical, Drug, Illinois Access Fee

Health Paid Claims subject to Aggregate Stop Loss are paid claims from the following line(s) of coverage: Medical, Drug, Illinois Access Fee

The total annual Health Stop Loss premiums are based upon the total current enrollment.

HCSC reserves the right to adjust the Average Claim Value if one or more of the following occurs within the coverage period:
- the Account's composition changes (i.e. demographics)
- the Account's number of covered employees increases or decreases by more than 10%
- the Account's benefit program changes

The minimum Aggregate Attachment Point was calculated as 90% of the ASL Limit per contract per month multiplied by the projected cumulative contracts for the period.

Aggregate Health Stop Loss premium is payable annually and is due by the first day of the policy period.

Individual Health Stop Loss premiums are payable on the first day of each month.

Any amount in excess of the Individual Health Stop Loss limit will not be included in the Aggregate Health Stop Loss Settlement.

HCSC's pharmacy benefit manager, PRIME Therapeutics (PBM), holds rebate contracts with pharmaceutical manufacturers. HCSC may, in some circumstances, provide the Employer with a Rebate Credit, but such Rebate Credit may not equal the entire amount of the rebates provided to HCSC by the PBM.

Employers that do not use Prime Therapeutics as their pharmacy benefit manager are NOT eligible for a Rebate Credit.

HCSC's current estimate of the rebates it will receive from the PBM, for drugs covered under the pharmacy benefit, for the employer's covered members, is approximately $19.95 per script.

HCSC current estimate of the rebates it will receive from the PBM, for drugs covered under the medical benefit on an aggregate basis for the calendar year 2018, is approximately $0.60 per employee per month.

City Of Decatur

ASO Projection

January 1, 2018 - December 31, 2018

1/1/2018 ASO Medical Renewal

CONDITIONS AND CAVEATS

Please refer to the ACA Disclaimer regarding benefits and final pricing.

This quote is contingent upon the account signing new contract documents in a timely manner. If not signed, then HCSC may withdraw and/or revise the quote.

Pharmacy Rebate Credit includes estimate of rebates for all categories of drugs, including specialty drugs, based on our book of business.

We reserve the right to revise or withdraw our offer if, at any time during the projected coverage period:
- The actual number of enrolled contracts (in total, by product, or by benefit plan), the Single/Family mix, or the Medicare/Non-Medicare mix varies by +/- 10% from our projections.
- The information upon which our projections were based (benefit levels, census/demographics, commissions, etc.) becomes outdated or inaccurate.

Projected Net Paid Claims for non-HMO Medical coverages on these exhibits include Estimated Value Based Care Payments and Savings.

Value Based Care payments apply to Stop Loss Coverage.

BCBSIL retains the right to recoup monetary credits provided, any remaining implementation costs or shared savings from the plan sponsor in the event of early termination of the proposed coverage or contract, either in its entirety or with respect to certain custom services or programs included in this offer.

Benefit Program Application ("ASO BPA")

Applicable to Administrative Services Only (ASO) Group Accounts

administered by Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, hereinafter referred to as "Claim Administrator" or "HCSC"

Group Status: Renewing ASO Account

Employer Account Number (6-digits): 022346	Group Number(s): P22346, P22347, P22348, P22349, PE4337	Section Number(s): 0100, 0200, 0300, 0400, 0550, 0900 8888

Legal Employer Name: City of Decatur

(Specify the Employer or the employee trust applying for coverage. Names of subsidiary or affiliated companies to be covered must also be named below. AN EMPLOYEE BENEFIT PLAN *MAY NOT* BE NAMED.)

ERISA Regulated Group Health Plan*: ☐ Yes ☒ No

Is your ERISA Plan Year* a period of 12 months beginning on the Anniversary Date specified below? ☐ Yes
If not, please specify your ERISA Plan Year*: Beginning Date __/__/__ End Date __/__/__ (month/day/year)

ERISA Plan Administrator*: Plan Administrator's Address:

If you maintain that ERISA is not applicable to your group health plan, give legal reason for exemption:
Select legal reason ; if applicable, specify other: _____

Is your Non-ERISA Plan Year* a period of 12 months beginning on the Anniversary Date specified below? ☒ Yes
If not, please specify your Non-ERISA Plan Year*: Beginning Date __/__/__ End Date __/__/__ (month/day/year)

For more information regarding ERISA, contact your Legal Advisor.
*All as defined by ERISA and/or other applicable law/regulations

Effective Date of Coverage: (Month/Day/Year) 01 / 01 / 2018

Anniversary Date: (Month/Day/Year) 01 / 01 / 2019

Account Information — NO CHANGES — SEE ADDITIONAL PROVISIONS

Standard Industry Code (SIC): 9111	Employer Identification Number (EIN): 37-6001308	
Address: #1 Gary K. Anderson Plaza		
City: Decatur	State: IL	ZIP: 62523
Administrative Contact: Gregg Zientara	Title: Group Administrator	
Email Address: gzientara@decaturil.gov	Phone Number: 217-424-2702	Fax Number: 217-424-2717

Wholly Owned Subsidiaries:

Affiliated Companies:

(If Subsidiaries or Affiliated Companies listed above are to be covered, Employer hereby confirms that Employer and the listed Subsidiaries and/or Affiliates are treated as a single employer under Internal Revenue Code Section 414(b), (c) or (m).)

Blue Access for Employers (BAE) Contact: Jenifer McCoskey

(The BAE Contact is the Employee authorized by the Employer to access and maintain the Employer's account in BAE.)

Email Address: jmccoskey@decaturil.gov	Phone Number: 217-424-2803	Fax Number: 217-424-2717

☐ The Employer or other company listed in this BPA is a public entity or governmental agency/contractor

Schedule of Eligibility — NO CHANGES — SEE ADDITIONAL PROVISIONS

Employer has made the following eligibility decisions:

1. Eligible Person means:
   ☒ A full-time employee of the Employer.
   ☐ A full-time employee of the Employer who is a member of: *(name of union)*
   ☒ Other: Retired per labor agreement or admin policy
   Are any classes of employees to be excluded from coverage? ☐ Yes ☐ No
   If yes, please identify the classes and describe the exclusion: _____

2. Employee Definitions

Full-Time Employee means:

☒ A person who is regularly scheduled to work a minimum of 30 hours per week and who is on the permanent payroll of the Employer.

☐ Other:

3. The Effective Date of termination for a person who ceases to meet the definition of Eligible Person:

☒ The date such person ceases to meet the definition of Eligible Person.

☐ The last day of the calendar month in which such person ceases to meet the definition of an Eligible Person.

☐ Other:

4. Select an effective date rule for a person who becomes an Eligible Person after the Effective Date of the Employer's health care plan (The effective date must not be later than the 91st calendar day after the date that a newly eligible person becomes eligible for coverage, unless otherwise permitted by applicable law).

☒ The date of employment.

☐ The day of employment.

☐ The day of the month following month(s) of employment.

☐ The day of the month following days of employment.

☐ The day of the month following the date of employment.

☐ Other:

Is the waiting period requirement to be waived on initial group enrollment? ☐ Yes ☐ No

Are there multiple new hire waiting periods? ☐ Yes ☒ No

If yes, please attach eligibility and contribution details for each section.

5. Domestic Partners covered: ☐ Yes ☒ No

If yes: a Domestic Partner is eligible to enroll for coverage.

If yes, are Domestic Partners eligible for continuation of coverage? ☐ Yes ☐ No

If yes, are dependents of Domestic Partners eligible to enroll for coverage? ☐ Yes ☐ No

If yes, are dependents of Domestic Partners eligible for continuation of coverage? ☐ Yes ☐ No

The Employer is responsible for providing notice of possible tax implications to those Covered Employees with coverage for Domestic Partners.

6. Civil Union Partners covered:

i. ☒ The Employer is an Illinois county, municipality, the State of Illinois, subject to the Illinois School Code, a church plan or other non-ERISA plan. For such Employers, a Civil Union Partner and his or her dependents are automatically eligible to enroll for coverage and, once enrolled, eligible for continuation of coverage as described in the Employer's Plan.

ii. For all other Employers, ☐Yes ☐ No

If yes: A Civil Union Partner and his or her dependents are eligible to enroll for coverage.

If yes, are Civil Union Partners and his or her dependents eligible for continuation of coverage? ☐ Yes ☐ No

The Employer is responsible for providing notice of possible tax implications to those Covered Employees with coverage for Civil Union Partners.

7. Limiting Age for covered Children: Twenty-six (26) years, regardless of presence or absence of a child's financial dependency, residency, student status, employment status, marital status, eligibility for other coverage, or any combination of those factors. Other:

If Employer is an Illinois county, municipality, the State of Illinois, or subject to the Illinois School Code, this Limiting Age is extended to thirty (30) years, for unmarried eligible military personnel as described in the Employer's Plan.

8. Termination of coverage upon reaching the Limiting Age:

☐ The last day of coverage is the day prior to the birthday.

☒ The last day of coverage is the last day of the month in which the limiting age is reached.
☐ The last day of coverage is the last day of the billing month.
☐ The last day of coverage is the last day of the year (12/31) in which the limiting age is reached.
☐ The last day of coverage is the day prior to the Employer's Anniversary Date.

Will coverage for a child who is medically certified as disabled and dependent on the employee terminate upon reaching the limiting age even if the child continues to be both disabled and dependent on the employee? ☐ Yes ☒ No

However, such coverage shall be extended in accordance with any applicable federal or state law. *The Employer will notify HCSC of such requirements*.

9. Will extension of benefits due to temporary layoff, disability or leave of absence apply?

☐ Yes (specify number of days below) ☒ No
Temporary Layoff: _____ days Disability:_____ days Leave of Absence: _____ days

However, benefits shall be extended for the duration of an Eligible Person's leave in accordance with an applicable federal or state law. The Employer will notify HCSC of such requirements.

10. Enrollment:

Special Enrollment: An Eligible Person may apply for coverage, Family coverage or add dependents within thirty-one (31) days of a Special Enrollment qualifying event if he/she did not previously apply prior to his/her Eligibility Date or when otherwise eligible to do so. Such person's Coverage Date, Family Coverage Date, and/or dependent's Coverage Date will be the effective date of the qualifying event or, in the event of Special Enrollment due to marriage or termination of previous coverage, then no later than the first day of the Plan Month following the date of receipt of the person's application of coverage.

An Eligible Person may apply for coverage within sixty (60) days of a Special Enrollment qualifying event in the case either of a loss of coverage under Medicaid or a state Children's Health Insurance program, or eligibility for group coverage where the Eligible Person is deemed qualified for assistance under a state Medicaid or CHIP premium assistance program.

Late Enrollment: An Eligible Person may apply for coverage, family coverage or add dependents if he/she did not apply prior to his/her Eligibility Date or did not apply when eligible to do so. Such person's Coverage Date, family Coverage Date, and/or dependent's Coverage Date will be a date mutually agreed to by the Claim Administrator and the Employer.

Open Enrollment: An Eligible Person may apply for coverage, family coverage or add dependents if he/she did not apply prior to his/her Eligibility Date or did not apply when eligible to do so, during the Employer's Open Enrollment Period. Such person's Coverage Date, family Coverage Date, and/or dependent's Coverage Date will be a date mutually agreed to by the Claim Administrator and the Employer. Such date shall be subsequent to the Open Enrollment Period.

Specify Open Enrollment Period: 12/1 to 12/31

11. * Does COBRA Auto Cancel apply? ☐ Yes ☒ No
Member's COBRA/Continuation of Coverage will be automatically cancelled at the end of the member's eligibility period.
** Not recommended for accounts with automated eligibility.*

Lines of Business (Check all applicable services)	**NO CHANGES** ***See Additional Comments***
Medical Plan Services:	**Consumer Driven Health Plan:**
☒ Participating Provider Option (PPO)	☐ Health Care Account (HCA) Administrative Services *(if purchased, complete separate HCA BPA)*
☐ Blue Choice Select PPO	☐ BlueEdge FSA (Vendor: ConnectYourCare)
☐ Blue Choice Options	☐ HSA Eligible Health Plan (Vendor:)
Additional Services:	**Prescription Drugs:**
☒ Blue Care Connection®	

☐ Wellness Incentives

☒ Well onTarget®

☐ Blue Directions (Private Exchange) *(If selected, the Blue Directions Addendum is attached and made a part of the Agreement.)*

☐ Other Select Product

☐ Other Select Product

☐ Other Select Product

☐ Other Select Product

☐ Other

☐ Other

☒ Covered under a pharmacy benefit *(If selected, the PBM Fee Schedule Addendum must be attached and is part of this BPA.)*

☒ Covered under the medical benefit or Blue Script

Pharmacy Network (Select one):

- ☒ Traditional Select Network
- ☐ Advantage Network
- ☐ Preferred Network (Not offered with Blue Script)
- ☐ Elite Network (Not offered with Blue Script)
- ☐ Network on PBM Fee Schedule Addendum

PPO Drug List: Basic Drug List

Other (please specify):

<u>Ancillary Services:</u>

☐ Dental Plan Services

☐ Vision Plan Services

☒ Stop Loss *(if selected, complete separate Exhibit to the Stop Loss Coverage Policy)*

☐ Dearborn National Life Insurance *(if selected, complete separate Life application)*

☒ COBRA Administrative Services *(if selected, complete separate COBRA Administrative Services Addendum to the BPA)*

FEE SCHEDULE

Payment Specifications — **NO CHANGES** **SEE ADDITIONAL PROVISIONS**

Employer Payment Method: ☐ **Online Bill Pay** ☒ **Electronic** ☐ **Auto Debit** ☐ **Check**

Employer Payment Period: ☐ **Weekly** (cannot be selected if Check is selected as payment method above)

☐ **Semi Monthly** ☒ **Monthly**

Claim Settlement Period: ☒ **Monthly**

Run-Off Period: Employer Payments are to be made for **<u>12</u>** months following end of Fee Schedule Period. *Standard is twelve (12) months.*

Fee Schedule Period: To begin on Effective Date of Coverage and continue for 12 months. If other than 12 months, please specify: Months

Administrative Per Employee Per Month (PEPM) Charges — **NO CHANGES** **SEE ADDITIONAL PROVISIONS**

	PPO			
Administrative Fee	$59.02	$_____	$_____	$_____
Dental	$_____	$_____	$_____	$_____
Claims Fiduciary	$_____	$_____	$_____	$_____

Management of the Virtual Visits Program	$_____	$_____	$_____	$_____
*Rebate Credit for the Prescription Drug Program	$(37.02 PEPM)	$_____	$_____	$_____
Commissions	$Net of commissions	$_____	$_____	$_____
Other: Select Service Category List Service: Member Rewards	$2.00	$_____	$_____	$_____
Other: Other Services List Service: MD Live	$.45 PEPM	$	$	$
Other: Select Service Category List Service:	$	$	$	$
Other: Select Service Category List Service:	$	$	$	$
Miscellaneous:	$	$	$	$
Miscellaneous:	$	$	$	$
Total	$	$	$	$

*The Rebate Credit is a per Covered Employee per month credit applied to the monthly billing statement. The Employer and Claim Administrator have agreed to the Rebate Credit and Employer agrees that it and its group health plan have no right to, or legal interest in, any portion of the rebates, either under the pharmacy benefit or the medical benefit, actually provided by the Pharmacy Benefit Manager (PBM) to Claim Administrator and consents to Claim Administrator's retention of all such rebates. The Rebate Credit will be provided from Claim Administrator's own assets and may or may not equal the entire amount of rebates actually provided to Claim Administrator by the PBM or expected to be provided. Rebate Credits shall not continue after termination of the Prescription Drug Program. Employer agrees that any provision in the governing Administrative Services Agreement to the contrary is hereby superseded.

Administrative Line Item Charges	Frequency	Amount
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Other: Select Service Category List Service: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Miscellaneous: _____	Select Billing Frequency If applicable, describe other: _____	$_____
Miscellaneous: _____	Select Billing Frequency If applicable, describe other: _____	$_____
	Total:	$_____

Claim Administrator Provider Access Fee(s)	NO CHANGES SEE ADDITIONAL PROVISIONS
Group Number(s): P22346, P22347, P22348, P22349, PE4337	
☒ % of ADP Savings: **1.57**%	
☐ $ per Covered Employee per month: $	
☐ ***Group with multiple Provider Access Fees by services (e.g., CMM, and/or PPO plans):*** **Group Number(s):**	
☐ % of ADP Savings: %	
☐ $ per Covered Employee per month: $	
BlueCard Program/Network access fees: Available upon request.	

Other Service and/or Program Fee(s)	NO CHANGES SEE ADDITIONAL PROVISIONS
External Review Coordination: ☒ Yes ☐ No If yes, coordination fee: $700 for each external review requested by a Covered Person that the Claim Administrator coordinates for the Employer in relation to the Employer's Plan. Employer elects the following process: ☐ State of Illinois External Review Process ☒ Federal Affordable Care Act Process	
Reimbursement Service: ☒ Yes ☐ No If yes*:* The Employer has elected to utilize the reimbursement service offered by the Claim Administrator, the Corporate Reimbursement Subrogation department. It is understood and agreed that in the event the Claim Administrator makes a recovery on a third-party liability claim, the Claim Administrator will retain 25% of any recovered amounts other than recovered amounts received as a result of or associated with any Workers' Compensation Law.	
Claim Administrator's Third Party Recovery Vendors and Law Firms (other than Reimbursement Services): Employer will pay no more than 25% of any recovered amount made by Claim Administrator's Third Party Recovery Vendor. Employer will pay no more than 35% of any recovered amount made by Claim Administrator's third party law firm.	
Alternative Compensation Arrangements: Employer acknowledges and agrees that Claim Administrator has Alternative Compensation Arrangements with contracted Providers, including but not limited to Accountable Care Organizations and other Value Based Programs. Further information concerning Employer's payment for covered services under such Arrangements is described in the Administrative Services Agreement.	
Virtual Visits Program: ☐ Yes ☒ No If yes, Covered Persons would be able to obtain certain Covered Services remotely via video or audio only (where available) capability from Providers participating in the Virtual Visit program.	

Termination Administrative Charge

As applies to the Run-Off Period indicated in the Payment Specifications section above:

i. ***For service charges (including, but not limited to, access fees) billed on a per Covered Employee basis at the time of termination of the Agreement or partial termination of Covered Employees,*** the Termination Administrative Charge will be the amount equal to ten percent (10%) of the annualized charges based on the service charges in effect as of the termination date or date of partial termination and the Plan participation of the two (2) months immediately preceding the termination date or date of partial termination. Such aggregate amount will be due the Claim Administrator within ten (10) days of the Claim Administrator's notification to the Employer of the Termination Administrative Charge described herein.

ii. ***For service charges (including, but not limited to, access fees) billed on a basis other than per Covered Employee at the time of termination of the Agreement or partial termination of Covered Employees,*** the Termination Administrative Charge will be such service charges in effect at the time of termination of the Agreement or partial termination of Covered Employees to be applied and billed by the Claim Administrator, and paid by the Employer, in the same manner as prior to termination of the Agreement or partial termination of Covered Employees.

Other Provisions

NO CHANGES SEE ADDITIONAL PROVISIONS

1. Summary of Benefits & Coverage:

   a. Will Claim Administrator create Summary of Benefits & Coverage (SBC)?

   ☒ Yes. Please answer question b. The SBC Addendum is attached.

   ☐ No. If No, then skip question b and refer to the Administrative Services Agreement for further information.

   b. Will Claim Administrator distribute the Summary of Benefits & Coverage (SBC) to participants and beneficiaries?

   ☒ No. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and provide SBC to Employer in electronic format. Employer will then distribute SBC to participants and beneficiaries (or hire a third party to distribute) as required by law.

   ☐ Yes. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and provide SBC to Employer in electronic format. Employer will then distribute to participants and beneficiaries as required by law, except that Claim Administrator will send the SBC in response to the occasional request received directly from individuals.

   ☐ Yes. Claim Administrator will create SBC (only for benefits Claim Administrator administers under the Agreement) and distribute SBC to participants and beneficiaries via regular hardcopy mail or electronically. Distribution Fee for hardcopy mail is $1.50 per package. The distribution fee will not apply to SBCs that Claim Administrator sends in response to the occasional request received directly from individuals.

2. Massachusetts Health Care Reform Act:

   Does the Employer direct Claim Administrator to provide written statements of creditable coverage to its Covered Employees who reside, or have enrolled dependents who reside, in Massachusetts and file electronic reports to the Massachusetts Department of Revenue in a manner consistent with the requirements under the Massachusetts Health Care Reform Act? ☒ Yes ☐ No

   If no: The Employer acknowledges it will provide written statements and electronic reporting to the Massachusetts Department of Revenue as required by the Massachusetts Health Care Reform Act.

3. Case Management Program: ☒ Yes ☐ No *The undersigned representative authorizes provision of alternative benefits for services rendered to Covered Persons for Utilization Management, Case Management, and other health care management programs.*

4. Employer acknowledges and agrees to utilize Claim Administrator's standard list of services and supplies for which pre-notification or preauthorization is required: ☒ Yes ☐ No If no, Employer authorizes Claim Administrator to post Employer's pre-notification or preauthorization requirements on Claim Administrator's Website: ☐ Yes ☐ No

5. Essential Health Benefits ("EHB") Election:

   Employer elects EHBs based on the following:

   ☒1. EHBs based on a HCSC state benchmark: ☒ Illinois ☐ Oklahoma ☐ Montana ☐ Texas ☐ New Mexico

   ☐ 2. EHBs based on benchmark of a state other than IL, MT, NM, OK and TX
   If so, indicate the state's benchmark that Employer elects: ___

   ☐ 3. Other EHB, as determined by Employer

   In the absence of an affirmative selection by Employer of its EHBs, then Employer is deemed to have elected the EHBs based on the Illinois benchmark plan.

6. This ASO BPA is binding on both parties and is incorporated into and made a part of the Administrative Services Agreement with both such documents to be referred to collectively as the "Agreement" unless specified otherwise.

7. Producer/Consultant Compensation

The Employer acknowledges that if any producer/consultant acts on its behalf for purposes of purchasing services in connection with the Employer's Plan under the Administrative Services Agreement to which this ASO BPA is attached, the Claim Administrator may pay the Employer's producer/consultant a commission and/or other compensation in connection with such services under the Agreement. If the Employer desires additional information regarding commissions and/or other compensation paid the producer/consultant by the Claim Administrator in connection with services under the Agreement, the Employer should contact its producer/consultant.

Additional Provisions: <u>Effective 1.1.2018 adding Naturally Slim and Protect My ID and COBRA administration</u>

<u>Updated contact information adding Gregg Zientara and Jenifer McCoskey</u>

<u>Adding group section 0500 Active Civic Center and 0900 Retired Civic Center to plan P22347. (BA 0008)</u>

adding MD Live .45 PEPM cost

Signature

Holly Little Sales Representative	Signature of Authorized Purchaser
843 815-639-7330 District Phone & FAX Numbers	Print Name
Rick Semonis Producer Representative	Title
SBSi Semonis, a division of J. L. Hubbard Insurance and Bonds, Inc. Producer Firm	Date
4530 N. University Ave., Peoria, IL 61614 Producer Address	
309-687-6020 (P) 217-233-3332 (F) Producer Phone & FAX Numbers	
rsemonis@jlhubbard.com Producer Email Address	
37-1126488 Tax I.D. No.	

PROXY

The undersigned hereby appoints the Board of Directors of Health Care Service Corporation, a Mutual Legal Reserve Company, or any successor thereof ("HCSC"), with full power of substitution, and such persons as the Board of Directors may designate by resolution, as the undersigned's proxy to act on behalf of the undersigned at all meetings of members of HCSC (and at all meetings of members of any successor of HCSC) and any adjournments thereof, with full power to vote on behalf of the undersigned on all matters that may come before any such meeting and any adjournment thereof. The annual meeting of members shall be held each year in the corporate headquarters on the last Tuesday of October at 12:30 p.m. Special meetings of members may be called pursuant to notice mailed to the member not less than thirty (30) nor more than sixty (60) days prior to such meetings. This proxy shall remain in effect until revoked in writing by the undersigned at least twenty (20) days prior to any meeting of members or by attending and voting in person at any annual or special meeting of members.

From time to time, HCSC pays indemnification or advances expenses to directors, officers, employees or agents consistent with HCSC's bylaws then in force and as otherwise required by applicable law.

Group No.: P22346, P22347, P22348, P22349, PE4337

By: ______________________________
Print Signer's Name Here

➡ ______________________________
Signature and Title

Group Name: City of Decatur

Address: #1 Gary K. Anderson Plaza

City: Decatur State: IL ZIP: 62523

Dated this ____________ day of ______________________

Month Year

BlueCross BlueShield of Illinois

EXHIBIT TO THE STOP LOSS COVERAGE POLICY

(ASO Accounts Only)

Employer Group Name: City of Decatur
Employer Group Address: #1 Gary K. Anderson Plaza
City: Decatur **State of Situs:** IL **Zip Code:** 62523-1196
Account Number: 022346
Employer Group Number(s): P22346-P22347-P22348-P22349,PE4337
Effective Date of Policy 1/1/2018
Policy Period: These specifications are for the Policy Period commencing on 1/1/2018 and ending on 12/31/2018

The specifications below shall become effective on the first day of the Policy Period specified above and shall continue in full force and effect until the earliest of the following dates: (1) The last day of the Policy Period; (2) The date the Policy terminates; or (3) The date this Exhibit is superseded in whole or in part by a later executed Exhibit.

A. Aggregate Stop Loss Insurance: ☒ Yes ☐ No
If yes, complete items 1. through 9. below.

1. ☐ New Coverage ☒ Renewal of Existing Coverage
2. Stop Loss Coverage Period:

☐ New Coverage (Select one from below):

☐ Standard: Claims incurred and paid during the Policy Period.

☐ Standard with "Run-in" included: Claims incurred on or after _____ and paid during the Policy Period.

"Run-in" includes claims paid by Policyholder's prior claim administrator: Yes ☐ No ☐

If yes, such claims must be reported by the Policyholder to the Company (Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company) within 12 months of the Effective Date of Policy and paid by the Policyholder's prior claim administrator within 6 months after the Effective Date of Policy.

☒ Renewal of Existing Coverage:

Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

3. Aggregate Stop Loss Insurance shall apply to:

☒ Medical Claims ☐ Vision Claims

☒ Outpatient Prescription Drug Claims ☐ Dental Claims

☐ For Hospital Employer Groups only: *Excludes* _____% of Home Hospital Medical claims

☐ Other (please specify): _____

4. Average Claim Value: $1,152.65 (per employee per month)

☒ Includes Claim Administrator's Provider Access Fee
☐ Excludes Claim Administrator's Provider Access Fee

Attachment Factor: 125% of the Average Claim Value

5. Aggregate Attachment Claim Liability:

Employer's Claim Liability for each Policy Period shall be the sum of the Monthly amounts obtained by multiplying the number of Individual and Family Coverage Units for each Month by the following factor:

$1,440.81for each Coverage Unit

6. Aggregate Stop Loss Coverage includes coverage of Run-Off Paid Claims: ☐ Yes ☒ No

Run-Off Attachment Claim Liability Factors:

Employer's Run-Off Claim Liability shall be an amount equal to 15% of the annualized Employer Claim Liability based on the participation of the two calendar months immediately preceding termination. Settlement for the final accounting period will be described in the section of the Policy entitled SETTLEMENTS.

7. Aggregate Stop Loss Coverage:

a. The amount of Paid Claims during the current Policy Period, less Individual (Specific) Stop Loss Claims, if any, that exceed the Point of Attachment. The Point of Attachment shall equal the sum of the Employer's Claim Liability amounts calculated Monthly as described in Item 5. above for the indicated Policy Period. However, for the indicated Policy Period the minimum Point of Attachment shall be $9,320,940.

b. The following applies if the answer to item 6. above is "Yes~~.~~" (Aggregate Stop Loss Coverage includes coverage of Run-Off Paid Claims):
In the event of termination at the end of a Policy Period, Aggregate Stop Loss Coverage shall equal the amount of Final Settlement Paid Claims that exceed the Final Settlement Point of Attachment. Final Settlement Paid Claims shall equal the sum of the Paid Claims during the Final Policy Period and the Paid Claims during the Run-Off Period, less Individual (Specific) Stop Loss Claims, if any. The Final Settlement Point of Attachment shall equal the sum of the Employer's Claim Liability amount for the Final Policy Period and the Employer's Run-Off Claim Liability calculated as described in items 5. and 6. above. However, for the Final Settlement Period the minimum Point of Attachment shall be the minimum Point of Attachment in item 7.a. above increased by 15%.

8. Premium (Select one):

☒ Annual Premium (Due on the first day of the Policy Period): $12,723.

The following applies if the answer to item 6. above is "Yes~~.~~" (Aggregate Stop Loss Coverage includes coverage of Run-Off Paid Claims): In the event of termination at the end of a Policy Period, an additional premium amount equal to 15% of the Annual Premium will be due within 10 calendar days of receipt of the billing.

☐ Monthly Premium shall be equal to the amounts obtained by multiplying the number of Individual and Family Coverage Units for a particular Month by:

$_____ for each Coverage Unit

The following applies if the answer to item 6. above is "Yes~~.~~" (Aggregate Stop Loss Coverage includes coverage of Run-Off Paid Claims):

In the event of termination at the end of a Policy Period, an additional premium amount equal to 15% of the annualized Premium based on the participation of the two months immediately preceding termination will be due within 10 calendar days of receipt of the billing.

9. The premium is based upon a current membership of 208 Individual Coverage Units and 391 Family Coverage Units.

B. Individual (Specific) Stop Loss Insurance: ☒ Yes ☐ No

If yes, complete items 1. through 6. below.

1. ☐ New Coverage ☒ Renewal of Existing Coverage

2. Stop Loss Coverage Period:

☐ New Coverage (Select one from below):

☐ Standard: Claims incurred and paid during the Policy Period.

☐ Standard with "Run-in" included: Claims incurred on or after ______and paid during the Policy Period.

"Run-in" includes claims paid by Policyholder's prior claim administrator: Yes ☐ No ☐

If yes, such claims must be reported by the Policyholder to the Company (Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company) within 12 months of the Effective Date of Policy and paid by the Policyholder's prior claim administrator within 6 months after the Effective Date of Policy.

☒ Renewal of Existing Coverage:

Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

3. Individual (Specific) Stop Loss Insurance shall apply to:

☒ Medical Claims ☐ Vision Claims

☒ Outpatient Prescription Drug Claims ☐ Dental Claims

☐ For Hospital Employer Groups only: *Excludes* _____% of Home Hospital Medical claims

☐ Other (please specify): _____

4. Individual (Specific) Stop Loss Coverage

a. Individual Stop Loss Coverage equals the amount of Paid Claims for a Covered Person during the current Policy Period in excess of the Point of Attachment of $200,000 per Covered Person. Such amount shall apply for the Policy Period.

Point of Attachment ☒ Includes Claim Administrator's Provider Access Fee

☐ Excludes Claim Administrator's Provider Access Fee

b. Employer's Claim Liability equals the sum of Paid Claims for a Covered Person during the Policy Period up to the Point of Attachment specified in 4.a. above.

5. Individual Stop Loss Coverage includes coverage of Run-Off Paid Claims: ☐ Yes ☒ No

The following applies if the answer to item 5. above is "Yes" (Individual Stop Loss Coverage includes coverage of Run-Off Paid Claims):

a. In the event of termination at the end of the Policy Period, Individual Stop Loss Coverage shall equal the amount of Final Settlement Paid Claims that exceed the Point of Attachment specified in 4.a. above. Final Settlement Paid Claims shall equal the sum of Paid Claims for a Covered Person during the Final Policy Period and the Run-Off Period.

b. In the event of termination at the end of the Policy Period, Employer's Final Settlement Claim Liability equals the sum of Paid Claims for a Covered Person during the Final Policy Period and Run-Off Period up to the Point of Attachment specified in Item 4.a. above.

Settlement for the final accounting period will be described in the section of the Policy entitled SETTLEMENTS.

6. Premium (select one):

☐ Annual Premium (Due on the first day of the Policy Period): $_____.

The following applies if the answer to item B.5. is “Yes” (Individual Stop Loss Coverage includes coverage of Run-Off Paid Claims): In the event of termination at the end of a Policy Period, an additional premium amount equal to 20% of the Annual Premium will due within 10 calendar days of receipt of the billing.

☒ Monthly Premium shall be equal to the amounts obtained by multiplying the number of Individual and Family Coverage Units for a particular Month by:

$69.78 for each Coverage Unit

The following applies if the answer to item B.5. above is “Yes” (Individual Stop Loss Coverage includes coverage of Run-Off Paid Claims): In the event of termination at the end of a Policy Period, an additional premium amount equal to 20% of the annualized Premium based on the participation of the two months immediately preceding termination will be due within 10 calendar days of receipt of the billing.

7. The premium is based upon a current membership of 208 Individual Coverage Units and 391 Family Coverage Units.

Additional Provisions:

_____

The undersigned person represents that he/she is authorized and responsible for purchasing stop loss coverage on behalf of the Employer Group. It is understood that the actual terms and conditions of coverage are those contained in this Exhibit and the Stop Loss Coverage Policy into which this Exhibit shall be incorporated at the time of acceptance by Blue Cross and Blue Shield of Illinois, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company (“HCSC”). Upon acceptance, HCSC shall issue a Stop Loss Coverage Policy to the Employer Group. Upon acceptance of this Exhibit and issuance of the Stop Loss Coverage Policy, the Employer Group shall be referred to as the "Policyholder."

______________________ Sales Representative	______________________ Signature of Authorized Purchaser
______________________ Name of Underwriter	______________________ Title of Authorized Purchaser
	______________________ Date

INTERNAL USE ONLY	Date Application approved by Underwriting: Name of Underwriter:

DATE: 9/11/2017

MEMO: Letter to the Decatur City Council Financial Management Department 2017-05

TO: Honorable Mayor Moore Wolfe and City Council

FROM: Tim Gleason, City Manager
Gregg Zientara, City Treasurer & Director of Finance

SUBJECT: RESOLUTION AUTHORIZING CITY MANAGER TO EXECUTE INSURANCE COVERAGE FOR GENERAL LIABILITY, AUTOMOBILE LIABILITY AND EXCESS LIABILITY FOR DECTAUR ILLINOIS PUBLIC TRANSIT SYSTEM FOR THE POLICY PERIOD SEPTEMBER 22, 2017 TO JULY 1, 2018

SUMMARY RECOMMENDATION:
City Administration recommends City Council approval of the attached Resolution, authorizing the City Manager to execute insurance coverage for general liability, automobile liability, and excess liability for the Decatur Public Transit System for the policy period September 22, 2017 to July 1, 2018.

BACKGROUND:
The risk management liability program of the Decatur Public Transit System includes a series of high deductible fully insured and excess coverage policies securing the general liability, automobile liability and excess umbrella risks of the organization.

The Decatur Public Transit System has an insurance broker and advisory relationship with J.L. Hubbard Insurance and Bonds. Under this arrangement, J.L. Hubbard provides broker services including the shopping for liability insurance offerings and pricing, liability claims management support and advisory services including evaluation and recommendation of coverage levels and insurance products. This arrangement has been in place since 2013.

The Public Transit System liability insurance program includes:

General liability – fully insured coverage limit of $5,000,000 per occurrence with a $100,000 deductible,

Automobile liability –fully insured coverage limit of $5,000,000 per occurrence with a

$100,000 deductible,

Excess liability – fully insured overage limit of $5,000,000 each on general liability and automobile liability thereby providing aggregate coverage to $10,000,000 on general liability and $10,000,000 on automobile liability.

The insurance program prepared by City Risk Management and recommended herewith for City Council authorization to proceed forward to bind coverage for the insurance period commencing September 22, 2017 and ending July 1, 2018, includes coverage limits and deductibles the same as the expiring coverage.

The liability insurance coverage has been written by Lancer / Admiral since 2013. Lancer / Admiral remain one of the leading providers of liability insurance coverage in the public transportation segment.

As broker representing the Public Transit System, J.L. Hubbard held early discussions on continued coverage and pricing with Lancer / Admiral to ascertain renewal scenarios and conducted a market review with other providers of liability insurance coverage in the public transportation segment.

The market review indicated that the coverage, deductible, and subsequent policy price offering from the existing carrier(s) could not and would not be improved upon by other competing carriers.

Annual premium $	Expiring Policy	Proposed Policy	Prorated Policy
General liability	4,718	5,150	3,981
Automobile liability	136,573	143,401	110,850
Excess liability	21,518	23,644	18,267
Total	162,809	172,195	133,098
% change		5.8%	
Coverage period	September 22, 2016 to	September 22, 2017 to	September 22, 2017 to
	September 22, 2017	September 22, 2018	July 1, 2018 (1)
Letter of Credit $	$ 200,000.00	$ 241,627.50	$ 241,627.50

The policy period will shift from September 22 to July 1 at the request of the City of Decatur. Date change is to achieve standardization of public transit system business insurance policy periods.

The policy price renewal with Lancer / Admiral of $172,195 is a 5.8% premium increase versus the expiring policy price. The policy price increase is acceptable given marketplace conditions and a flat price change in the previous policy renewal period 2015 to 2016.

The resolution presented for council approval is for the prorated policy period from September 22, 2017 to July 1, 2018, and reflects a policy premium of $133,098, prorated by the number of policy days in the proposed policy to the July 1, 2018 policy end date.

In addition, the LOC security requirement will increase from $200,000 to $241,627.50. This is a non-cash requirement of the policy and only played in the event the transit system would fail to make claim payments.

POTENTIAL OBJECTIONS: None

INPUT FROM OTHER SOURCES:
J.L. Hubbard Insurance and Bonds

STAFF REFERENCE: Tim Gleason, City Manager Gregg D. Zientara, City Treasurer & Director of Finance

BUDGET/TIME IMPLICATIONS:
Current policy expires September 22, 2017. Monies for policy premiums and out of pocket claim expense are included in the existing and future budgets of the Public Transit System.

ATTACHMENTS:

Description	Type
Resolution	Resolution Letter
Proposal	Backup Material

RESOLUTION NO. R2017-

RESOLUTION AUTHORIZING CITY MANAGER TO EXECUTE INSURANCE COVERAGE FOR GENERAL LIABILITY, AUTOMOBILE LIABILITY AND EXCESS LIABILITY FOR DECATUR, ILLINOIS PUBLIC TRANSIT SYSTEM FOR THE POLICY PERIOD SEPTEMBER 22, 2017 TO JULY 1, 2018

WHEREAS, the Decatur Public Transit System current liability insurance policy coverage shall expire September 22, 2017, and,

WHEREAS, the Decatur Public Transit System is in the need of insurance covering general liability, automobile liability and excess liability for the period September 22, 2017 through July 1, 2018; and

WHEREAS, J.L. Hubbard Insurance and Bonds has secured quotes on the City's behalf for insurance covering general liability, automobile liability and excess liability for the period September 22, 2017 through July 1, 2018; and

WHEREAS, Lancer Insurance Company has submitted a quote to provide general liability and automobile liability, in the amount of $114,831.00; and,

WHEREAS, Admiral Insurance Company has submitted a quote to provide excess umbrella liability insurance in the amount of $18,267.00; and,

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the quote of Lancer Insurance Company to provide general liability and automobile liability, in the amount of $114,831.00 to the Decatur Public Transit System be, and the same is hereby, accepted and approved.

Section 2. That the quote of Admiral Insurance Company to provide excess umbrella liability insurance in the amount of $18,267.00 to the Decatur Public Transit System be, and the same is hereby, accepted and approved.

Section 4. That the City Manager be, and is hereby authorized and directed to execute the Client Authorization to Bind Coverage for the above mentioned services in accordance with the quotes as submitted by said companies.

PRESENTED AND ADOPTED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

ATTEST:

____
Debra Bright
CITY CLERK

J.L. Hubbard INSURANCE BONDS
A Soy Capital Company

Proposal For:

Decatur Public Transit System
MV Transit Inc
Decatur Transportation Corporation
City of Decatur
555 East Wood Street
Decatur, IL 62523

Presented By:
Greg Nussbaum
Vice President

Term: 09/22/17 - 07/01/18

1090 South Route 51 ▪ P.O. Box 14 ▪ Forsyth, IL 62535-0014
Phone: (217)877-3344 ▪ Fax: (217)877-0795
www.jlhubbard.com

J.L. Hubbard
INSURANCE BONDS
A Soy Capital Company

Summary Of Coverage

Lancer Insurance Company
Rated A- VII By A.M. Best

Admiral Insurance Company
Rated A+ XV By A.M. Best

All Coverages Listed In This Proposal, Once Bound, Are Subject To Actual Policy Terms, Conditions & Exclusions

J.L. Hubbard INSURANCE BONDS
A Soy Capital Company

Premium Summary

Coverage Type	Expiring	Renewal Annualized	Renewal Short Term
Commercial General Liability	4,718	5,150	3,981
Automobile	136,573	143,401	110,850
Umbrella Liability	21,518	23,644	18,267
Total Annual Premium	162,809	172,195	133,098

J.L. Hubbard
INSURANCE BONDS
A Soy Capital Company

Commercial General Liability

Coverage Type	Liability Limit
General Aggregate Limit	$5,000,000
Products/Completed Operations Aggregate	Excluded
Personal/Advertising Injury Limit	$5,000,000
Each Occurrence	$5,000,000
Damage To Premises Rented To You	$100,000
Medical Expense Limit – Any One Person	$5,000
Property Damage + Bodily Injury Deductible – Per Occurrence	$100,000

Additional Endorsements	Additional Exclusions
Illinois Changes – Cancellation & Nonrenewal	Asbestos
Illinois Changes – Defense Costs	Nuclear
Illinois Changes – Civil Union	Pollution
Contractual Liability Limitation	Employment Related Practices
	Fungi or Bacteria
	Silica or Silica-Related Dust
	Punitive or Exemplary Damages
	Lead
	Professional Liability
	Exterior Insulation & Finish Systems
	Designated Operations Covered By A Wrap-Up
	Discrimination
	Workers Compensation, Employers Liability
	Products-Completed Operations Hazard
	Access or Disclosure of Confidential or Personal Information and Data-Related Liability
	New Entities
	Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States

Annual Premium: $3,981

Endorsements & Exclusions outlined above are in addition to standard policy coverage forms.

J.L. Hubbard INSURANCE BONDS
A Soy Capital Company

General Liability Schedule Of Exposures

Code	Description	Premium Basis
61226	Building or Premise - Office NOC	3,700 Sq Ft
41210	Bus Stations or Terminals	1,000 Units

J.L. Hubbard
INSURANCE BONDS
A Soy Capital Company

Commercial Automobile

Liability Coverage	Liability Limit
Bodily Injury & Property Damage: Combined Single Limit	$5,000,000
Medical Payments: Per Person	NO COVERAGE
Uninsured Motorist Coverage	$25,000 / $50,000

Physical Damage Coverage	Deductible
Comprehensive Coverage	NO COVERAGE
Collision Coverage	NO COVERAGE

Additional Endorsements	Additional Exclusions
Hired & Non-Owned Liability	Nuclear
Illinois Changes – Defense Costs	Lead
Illinois Changes – Cancellation & Nonrenewal	Asbestos
$100,000 Liability Deductible per Accident	Workers Compensation, Employers & Fellow Employee Liability
Composite Rated: Trolley (2); Service Vehicles (7); Passenger Van (7); Bus (22)	Terrorism
Public Transportation Autos	Silica or Silica-Related Dust
	Abuse or Molestation
	Punitive Damages

Annual Premium: $110,850

Endorsement to Follow Adding the 2003 Ford Van #0542 and #0546

Endorsements & Exclusions outlined above are in addition to standard policy coverage forms.

J.L. Hubbard
INSURANCE BONDS
A Soy Capital Company

Vehicle Schedule

Veh. #	Year / Make / VIN	Liability	Medical Payments	UM / UIM	Comp.	Coll.
1	1995 Ford Escort 1FASP14J8SW247284	X		X		
2	2000 Ford Taurus 1FAFP5229YG275294	X		X		
3	2000 Ford E350 1FBNE31L31HA56846	X		X		
4	2000 Dodge Ram B3500 3B7KF26Z31M522841	X		X		
5	2007 Ford E350 1FTWF33557EA50505	X		X		
6	2008 Chevrolet G30 1GAGG25K981182246	X		X		
7	2008 Ford Eldor E350 1FD3E35L88DA42001	X		X		
8	2008 Ford Eldor E350 1FD3E35L88DA42002	X		X		
9	2009 Ford Taurus SE 1FAHP23W79G103579	X		X		
10	2010 Ford Eldo E350 1FDEE3FL1ADA05708	X		X		
11	2010 Ford Eldo E350 1FDEE3FL3ADA05709	X		X		
12	2010 Ford StarT E450 Supre 1FDFE4FL7ADB00753	X		X		
13	2013 Dodge Cara Braun Ente 2C4RDGBG9DR813590	X		X		
14	2013 Dodge Cara Braun Ente 2C4RDGBG9DR813591	X		X		
15	2001 Double K Trolley 4UZAACBV41CH98657	X		X		
16	2001 Double K Trolley 4UZAACBVX1CJ28141	X		X		
17	2001 Gillig G18E102R2 15GGE181511090432	X		X		
18	2001 Gillig G18E102R2 15GGE181511090433	X		X		
19	2001 Gilli G18E102R2 15GGE181911090435	X		X		
20	2001 Gill G18E102R2 15GGE181011090434	X		X		
21	2001 Gillig G18E102R2 15GGE181211090436	X		X		
22	2001 Gillig G18E102R2 15GGE181411090437	X		X		
23	2001 Gillig G18E102R2 15GGE181611090438	X		X		
24	2001 Gillig G18E102R2 15GGE181811090439	X		X		
25	2001 Gillig G18E102R2 15GGE181411090440	X		X		
26	2001 Gillig G18E102R2 15GGE181611090441	X		X		
27	2001 Gillig G18E102R2 15GGE181811090442	X		X		
28	2001 Gillig G18E102R2 15GGE181X11090443	X		X		
29	2001 Gillig G18E102R2 15GGE181111090444	X		X		
30	2009 Gillig G27E102N2 15GGE271091091749	X		X		
31	2009 Gillig G27E102N2 15GGE271291091748	X		X		
32	2009 Gillig G27E102N2 15GGE271991091750	X		X		
33	2009 Gillig G27E102N2 15GGE271091091751	X		X		

J.L. Hubbard INSURANCE BONDS
A Soy Capital Company

Vehicle Schedule

34	2009 Gillig G27E102N2 15GGE271291091752	X	X
35	2010 Gillig G27B102N4 15GGB2712A1177320	X	X
36	2010 Gillig G27B102N4 15GGB2714A1177321	X	X
37	2010 Gillig G27B102N4 15GGB2716A1177322	X	X
38	2010 Gillig G27B102N4 15GGB2718A1177323	X	X
39	2003 Ford Eldorado 1FDXE45F42HB40542	X	X
40	2003 Ford Eldorado 1FDXE45F12HB40546	X	X

J.L. Hubbard INSURANCE BONDS
A Soy Capital Company

Umbrella Liability

Umbrella policies have three functions: (1) To provide additional limits above the Each Occurrence Limit of the insured's primary policies; (2) To take the place of primary insurance when primary aggregate limits are reduced or exhausted; and (3) To provide broader coverage for some claims that would not be covered by the insured's primary insurance policies, which could be subject to policy retention.

Coverage	Limit of Liability
Each Occurrence	$5,000,000
Annual Aggregate	$5,000,000
Self-Insured Retention	$0

Additional Endorsements	Additional Exclusions
Illinois Changes – Cancellation & Nonrenewal	Pollution
Illinois Changes – Defense Costs	Asbestos
Service of Suit	Nuclear Energy
Illinois Extended Reporting Period	Employment Related Practices
OFAC Compliance	Fungi or Bacteria
	Lead
	Liquor
	Aircraft or Watercraft
	Claims Made Coverage
	Punitive or Exemplary Damages
	Silica or Silica-Related Dust
	Abuse or Molestation
	Bird of Flying Animal
	Care, Custody, Control
	Professional Services
	Intellectual Property
	Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the US
	Benzene

Annual Premium: $17,615 + Fees

Endorsements & Exclusions outlined above are in addition to standard policy coverage forms.

J.L. Hubbard INSURANCE BONDS
A Soy Capital Company

Requirements To Bind Coverage

Enclosed Items	Required Action
Terrorism Rejection Forms	Sign & Return
Electronic Distribution Form	Sign & Return
Collateral Adjusted = $241,627.50	Provide
Loss Runs from 2012 and 2013	Provide
Signed Lancer Applications	Sign & Return
Acceptable MVRs	Provide for All Drivers

Payment Plan Options	Direct Bill
Lancer Insurance - Agency Bill	Deposit of $28,708 + (8) Installments
Admiral Insurance - Agency Bill	100% Down / Annual Installment

DATE: 9/11/2017

MEMO: Letter to the Decatur City Council Financial Management Department 2017-06

TO: Honorable Mayor Moore Wolfe and City Council Members

FROM: Tim Gleason, City Manager
Gregg D. Zientara, City Treasurer & Director of Finance

SUBJECT: RESOLUTION AUTHORIZING CITY MANAGER TO EXECUTE INSURANCE COVERAGE FOR PROPERTY, LIABILITY AND WORKERS COMPENSATION FOR THE CITY OF DECATUR, ILLINOIS FOR THE POLICY PERIOD OCTOBER 1, 2017 TO OCTOBER 1, 2018

SUMMARY RECOMMENDATION:
City Administration recommends City Council approval of the attached Resolution authorizing the City Manager to execute insurance coverage for property, liability and workers-compensation for the period October 1, 2017 through October 1, 2018.

BACKGROUND:
The Risk Management program of the City of Decatur includes a series of self insured and excess coverage policies securing the property, liability and workers compensation risks of the organization.

The City has long maintained a self-insured coverage position with excess insurance coverage further securing risk at levels deemed to be affordable and appropriate protecting the City from risk.

The City has an insurance broker and advisory arrangement with Arthur J. Gallagher Risk Management Services, through their Decatur office. Under this arrangement, Arthur J. Gallagher provides broker services including the shopping for insurance offerings and pricing, claims processing and claims management support, advisory services including evaluation and recommendation of coverage levels and insurance products, advisory services in all risk management matters, and loss mitigation services. This specific arrangement has been in place since 2014, and further includes a broker / advisor relationship with AJ Gallagher and its predecessors approaching 25+ years.

The City's insurance program includes:

Property insurance – coverage limit of $1,000,000 per occurrence with a $150,000 SIR or deductible,

Liability insurance – coverage limit of $10,000,000 per occurrence with a $150,000 SIR or deductible,

Workers Compensation insurance – coverage limit of $50,000,000 with a $500,000 SIR or deductible.

The City insurance program prepared by City Risk Management and recommended herewith for City Council authorization to proceed forward to bind coverage for the insurance period commencing October 1, 2017 and ending October 1, 2018, includes coverage limits and SIR deductibles the same as the expiring coverage.

Arthur J Gallagher marketed the City's coverage to multiple insurers to ascertain interest and competitiveness in the marketplace. The renewal proposals received from the expiring carriers offered the most competitive terms and conditions.

Annual premium $	Expiring Price	Proposed Price
Property & Liability	262,419.00	255,514.00
Excess property	73,764.00	71,000.00
Workers compensation	652,429.00	652,429.00
Boiler, crime, cyber	24,141.00	20,470.00
Total	1,012,753.00	999,413.00

The market review conducted by Arthur J Gallagher indicated that the coverage and price offering from the expiring carriers could not be and would not be improved upon by other carriers given current marketplace climate and price offering of the expiring carriers.

POTENTIAL OBJECTIONS: None

INPUT FROM OTHER SOURCES:
Ted Miller, Arthur J. Gallagher Risk Management Service, Inc.

STAFF REFERENCE: Tim Gleason, City Manager Gregg D. Zientara, City Treasurer & Director of Finance

BUDGET/TIME IMPLICATIONS:
Insurance coverage will commence effective October 1, 2017.

ATTACHMENTS:

Description	Type
Resolution	Resolution Letter
Proposal	Backup Material

RESOLUTION NO. R2017-

RESOLUTION AUTHORIZING CITY MANAGER TO EXECUTE INSURANCE COVERAGE FOR PROPERTY, LIABILITY AND WORKERS COMPENSATION FOR THE CITY OF DECATUR, ILLINOIS FOR THE POLICY PERIOD OCTOBER 1, 2017 TO OCTOBER 1, 2018

WHEREAS, the City of Decatur current insurance coverage contract shall expire September 30, 2017, and,

WHEREAS, the City of Decatur is in need of insurance covering property, liability, and workers-compensation for the period October 1, 2017 through October 1, 2018; and

WHEREAS, Arthur J. Gallagher Risk Management Services, Inc. has secured quotes on the City's behalf for insurance covering property, liability, and workers compensation for the period October 1, 2017 through October 1, 2018; and,

WHEREAS, AIX Specialty Insurance Company (Hanover Insurance Companies) has submitted a quote to provide property, general liability, automobile liability, law enforcement liability, errors and omissions, employee benefits liability, in the amount of $255,514.00; and,

WHEREAS, Travelers Indemnity Company (The Travelers Companies, Inc.) has submitted a quote to supply excess property insurance in the amount of $71,000.00; and,

WHEREAS, Liberty Mutual Insurance Company has submitted a quote to supply excess workers-compensation insurance in the amount of $652,429.00; and,

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the quote of AIX Specialty Insurance Company (Hanover Insurance Companies) to supply property, general liability, automobile liability, law enforcement liability, errors and omissions, employee benefits liability, in the amount of $255,514.00 to the City of Decatur be, and the same is hereby, accepted and approved.

Section 2. That the quote of Travelers Indemnity Company (The Travelers Companies, Inc.) to supply excess property insurance in the amount of $71,000.00 to the City of Decatur be, and the same is hereby, accepted and approved.

Section 3. That the quote of Liberty Mutual Insurance Company to supply excess workers-compensation insurance in the amount of $652,429.00 to the City of Decatur be, and the same is hereby, accepted and approved.

Section 4. That the City Manager be, and is hereby authorized and directed to execute the Client Authorization to Bind Coverage with Arthur J. Gallagher Risk Management Services for the afore-mentioned service in accordance with the quotes as submitted by said companies.

PRESENTED AND ADOPTED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

ATTEST:

____
Debra Bright
CITY CLERK

Insurance Proposal Prepared For

City Of Decatur

One Gary K. Anderson Plaza
Decatur, IL 62523

Presented: August 18, 2017

Arthur J. Gallagher & Co.

Michael McHugh, Area Senior Executive Vice President (Rolling Meadows)
Tia Incapreo, Account Executive (Rolling Meadows)
Ted Miller, Area Senior Vice President (Decatur)
Cary Peters, Area Senior Vice President (Decatur)

Arthur J. Gallagher Risk Management Services, Inc.
2850 Golf Road
Rolling Meadows, IL 60008

Executive Summary

Mr. Gregg Zientara
City Treasurer & Director of Finance
City of Decatur
One Gary K. Anderson Plaza
Decatur, IL 62523-1196

RE: October 1, 2017 Insurance Program Renewal

Arthur J. Gallagher Risk Management Services, Inc. is pleased to present our renewal proposal of insurance to the City of Decatur. Enclosed for your review are the terms and conditions for your renewal companies that we approached on the City's behalf.

The current Workers Compensation marketplace for public entities in the state of Illinois continues to be limited. For Municipalities, the driving force of claims has been with the police and fire classifications.

Carriers continue to see a frequency of claims, but also severity of claims continues to rise. The severity of claims continues to be attributable to a few of the following factors:

- Advances in medical technology and science increases life expectancy thus increasing lifetime indemnity and medical payments
- Aging work force
- Dependence on opioids

In regards to the 2017/2018 Workers Compensation renewal we approached our incumbent carrier, Liberty Mutual Insurance Company. Our incumbent carrier Liberty Mutual gave us a very competitive renewal, we are recommending to the City that you renew with Liberty Mutual.

On the Crime Coverage we approached three carriers for the renewal. Based upon the quotations we received, we are recommending that we renew with the incumbent carrier National Union, even though their renewal premium is slightly higher than the other markets.

The City of Decatur's Cyber Coverage was submitted to three carriers for competitive quotations. This has resulted in a premium reduction. Our incumbent carrier ACE American Insurance Company has given us a premium reduction of over $2,300. We recommend that we renew with ACE.

In regards to the Boiler/Equipment breakdown coverage, we approached three carriers for your renewal. In spite of your property values slightly increasing, our incumbent carrier The Chubb Insurance Company gave us a premium reduction. We recommend the City renew with Chubb.

On your Package Policy, we did a very extensive marketing effort two years ago. At that time we moved to AIX Specialty Insurance Company. AIX gave us a premium reduction in 2016/2017 and for 2017/2018 AIX has again given us a premium reduction

Executive Summary (Cont.)

in spite of the exposures slightly increasing. It is our recommendation that we renew with AIX.

The City of Decatur's Excess Property is written by Travelers Insurance Company. For the 2017/2018 renewal Travelers has given us a rate reduction, which will result in a slight premium reduction. We recommend that the City renew with Travelers.

On behalf of the entire Gallagher Service Team, we would like to thank you again for giving us the opportunity to continue to be of service to the City of Decatur and to continue our long term relationship.

Yours truly,

Michael McHugh
Ted Miller
Tia Incapreo
Cary Peters
Don Smolinski
Debbie Champion

Executive Summary (Cont.)

Our Team and Commitment

Service Team

Michael McHugh and Ted Miller have primary service responsibility for your account. We operate using a team approach. Your Service Team consists of:

NAME / TITLE	PHONE / ALT. PHONE	EMAIL	ROLE
Michael McHugh Area Senior Executive Vice President	630-285-4373	Michael_McHugh@ajg.com	Producer
Ted Miller Area Senior Vice President	217-233-3316	Ted_Miller@ajg.com	Co-Producer
Tia Incapreo Account Executive	630-438-1586	Tia_Incapreo@ajg.com	Co-Producer
Cary Peters Area Senior Vice President	217-233-3319	Cary_Peters@ajg.com	Account Manager-Decatur
Donald Smolinski Client Service Manager Senior	630-694-5196	Donald_Smolinski@ajg.com	Account Manager-Rolling Meadows
Timothy Corr Client Service Associate	630-694-5230	Timothy_Corr@ajg.com	Technical Services
Debbie Champion Client Service Manager	309-266-2111	Debbie_Champion@ajg.com	Technical Services

Arthur J. Gallagher Risk Management Services, Inc.
Main Office Phone Number: **(630) 773-3800**

Your Program

Named Insured

Named Insured Schedule:

Add / Change / Delete	Named Insured	PROP	LGL	PRXS	PRBM	CRIM	AUTO	EXCY	LXS
	City Of Decatur	X	X	X	X	X	X		
	Decatur Metropolitan Exposition, Auditorium and Office Building Authority				X				
	Decatur Civic Center				X				

Note: Any entity not named in this proposal may not be an insured entity. This may include partnerships and joint ventures.

Marketplace Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE	PREMIUM
AIX Specialty Insurance Company	Property/Casualty Package	Recommended Quote	$245,450.00
Safety National Casualty Corporation	Property/Casualty Package	Declined-Underwriting data	N/A
Travelers Indemnity Company	Excess Property	Recommended Quote	$71,000.00
Federal Insurance Company	Equipment Breakdown	Recommended Quote	$5,918.00
Travelers Property Casualty Company of America	Equipment Breakdown	Quoted	$5,745.00
XL Catlin Insurance America, Inc.	Equipment Breakdown	Quoted	$6,600.00
National Union Fire Insurance Company of Pittsburgh PA	Crime	Recommended Quote	$3,029.00
Liberty Mutual Surety	Crime	Quoted	$2,418.00
Zurich American Insurance Company	Crime	Quoted	$2,796.00
ACE American Insurance Company	Cyber Liability	Recommended Quote	$11,523.00
Travelers Casualty and Surety Company of America	Cyber Liability	Quoted	$17,332.00
Lloyd's of London Syndicate 2623/623 (Beazley)	Cyber Liability	Quoted	$12,367.00
Liberty Mutual Insurance Company	Excess Workers Compensation	Recommended Quote	$652,429.00
Safety National Casualty Corporation	Excess Workers Compensation	Declined-Underwriting data	N/A

Location Schedule

LINE OF COVERAGE	LOC # / BLDG #	LOCATION ADDRESS
Crime	1/1	One Gary K. Anderson Plaza Decatur, IL 62523
Cyber Liability	1/1	One Gary K. Anderson Plaza Decatur, IL 62523
Equipment Breakdown	0/0	,
	1/1	Rural Dewitt County Argenta, IL 62501
	10/1	Reas Bridge Rd Decatur, IL 62521
	11/1	3615 Star Route Road Decatur, IL 62521
	12/1	2707 E.William Decatur, IL 62521
	13/1	1308 W.Eldorado Decatur, IL 62522
	14/1	2760 N. 22Nd Street Decatur, IL 62526
	15/1	318 Christine Dr Decatur, IL 62526
	16/1	1800 S Route 51 Decatur, IL 62521
	17/1	1250 Airport Rd Decatur, IL 62521
	18/1	2600 N.Jasper Decatur, IL 62526
	19/1	333 S.Franklin Decatur, IL 62523
	2/1	William & 27th Decatur, IL 62523
	20/1	120 North Franklin Decatur, IL 62523
	21/1	444 East Main Street Decatur, IL 62523
	22/1	2121 S. Imboden Ct. Decatur, IL 62523
	23/1	Wood & Franklin Decatur, IL 62523
	24/1	Water & North St Decatur, IL 62523
	27/1	1 Gary K. Anderson Plaza Decatur, IL 62523

Location Schedule (Cont.)

LINE OF COVERAGE	LOC # / BLDG #	LOCATION ADDRESS
	28/1	555 East Wood Street Decatur, IL 62523
	29/1	61 Industry Court Decatur, IL 62523
	3/1	3635 S. Franklin Street Road Decatur, IL 62521
	30/1	353 East William St Decatur, IL 62523
	31/1	Various Locs Decatur, IL 62521
	32/1	1415 N Water St Decatur, IL 62526
	33/1	205 N Water Decatur, IL 62523
	35/1	740 E Sangamon Decatur, IL 62523
	36/1	750 E Sangamon Decatur, IL 62523
	37/1	707 Southside Drive Decatur, IL 62521
	4/1	1288 W. Division Decatur, IL 62523
	5/1	1101 E. Garfield Decatur, IL 62523
	6/1	1155 S.M.L. King Dr. Decatur, IL 62521
	7/1	Lincoln Pk. Dr. Decatur, IL 62521
	8/1	N End of Dam Decatur, IL 62521
	9/1	1901 S Lake Front Rd Decatur, IL 62521

City Of Decatur

Program Details

Coverage: Property

Carrier: AIX Specialty Insurance Company

Policy Period: 10/1/2017 to 10/1/2018

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

Coinsurance or Agreed Amount:

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
All Covered Property	Yes	N/A

Coverage:

SUBJECT OF INSURANCE	LIMIT TYPE	AMOUNT	BASIS
Coverage Section I - Property: Limit Of Insurance For Each Occurrence:		-	
Automobile Physical Damage	Limit	$1,000,000	
Flood & Surface Water	Limit	$1,000,000	Each Occurrence
Flood & Surface Water	Limit	$1,000,000	Annual Aggregate
Earthquake	Limit	$1,000,000	Each Occurrence
Earthquake	Limit	$1,000,000	Annual Aggregate
Named Windstorm	Limit	$1,000,000	Each Occurrence
Business Income With Rental Value	Limit	$550,000	Each Occurrence
Business Income Without Rental Value	Limit	$550,000	Each Occurrence

Deductibles/SIRs:

TYPE	COVERAGE	AMOUNT
SIR	Property	$150,000
SIR	Automobile Physical Damage	$25,000
SIR	Mobile Equipment	$75,000
Deductible	Maintenance Deductible:	
Deductible	Property	$1,000
Deductible	Automobile Physical Damage	$1,000
Deductible	Mobile Equipment	$1,000

Program Details (Cont.)

Additional Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
Coverage Section I - Property: Limit Of Insurance For Each Occurrence:		
Data Processing Systems	Limit	$1,000,000
Data Processing Media	Limit	$1,000,000
Data Processing Extra Expense	Limit	$300,000
Valuable Papers	Limit	$1,000,000
Fine Arts	Limit	$225,000
Accounts Receivable	Limit	$1,000,000
Extra Expense	Limit	$1,000,000
Mobile Equipment	Limit	$1,000,000
Transit	Limit	$1,000,000
Automatic Acquisition Clause	Limit	$1,000,000

Perils Covered:

TYPE	DESCRIPTION
Special Form Perils	Applies

Endorsements include, but are not limited to:

DESCRIPTION
Common Declarations Page
Signatures
Protected Self-Insurance Package Coverage Form
Statutory Requirement Endorsement
Service of Process - IL Endorsement
Endorsement - Contingent Tax Interruption Coverage
If You Choose to Purchase TRIPRA Coverage Per the Premium Quoted Above and the Attached Disclosure Notice: Cap on Losses from Certified Acts of Terrorism

Exclusions include, but are not limited to:

DESCRIPTION
Earth Movement Exclusion
Flood Exclusion
Government Action Exclusion
War Exclusion
Nuclear Hazard, Power Failure

Program Details (Cont.)

Exclusions include, but are not limited to:

DESCRIPTION
If You Choose not to Purchase TRIPRA Coverage Per the Premium Quoted Above and the Attached Disclosure Notice: Terrorist Activity Exclusions – State Exception

Binding Requirements:

DESCRIPTION
Subject to receive the signed and dated TRIPRA disclosure notice in order to bind coverage.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
PSI Program Managers (10.0% Program Management & Underwriting + 1.5% Claims Management)
Property premium $245,450 includes General Liability Premium and Business Auto Premium
Property TRIA premium $1,728 includes General Liability Premium and Business Auto Premium

Premium	**$245,450.00**
ESTIMATED PROGRAM COST	**$245,450.00**
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	**$1,728.00**

Subject to Audit: N/A

City Of Decatur

Program Details

Coverage: General Liability

Carrier: AIX Specialty Insurance Company

Policy Period: 10/1/2017 to 10/1/2018

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
General Liability	Occurrence	Not Applicable	Not Applicable
Employee Benefits Liability	Claims Made	10/1/1982	
Errors & Omissions Liability	Claims Made	10/1/1982	
Employment Practice Liability	Claims Made	10/1/1982	
Sexual Harassment Liability	Claims Made	10/1/1982	
Sexual Abuse Liability	Claims Made	10/1/1982	

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
All Coverages Under Coverage Section II Combined: Each Occurrence	Limit	$10,000,000
All Coverages Under Coverage Section II Combined: Annual Aggregate	Limit	$10,000,000
Errors & Omissions Liability:		-
- All Coverages Under Coverage Section IV Combined: Each Claim	Limit	$10,000,000
- All Coverages Under Coverage Section IV Combined: Annual Aggregate	Limit	$10,000,000
Subject to the following sub-limits / aggregates which are part of and not in addition to the combined Section IV limit and annual aggregate:		-
Errors & Omissions:		-
- Each Claim	Sublimit	$10,000,000
- Annual Aggregate	Sublimit	$10,000,000
Employment Practice Liability:		-
- Each Claim	Sublimit	$10,000,000
- Annual Aggregate	Sublimit	$10,000,000
Sexual Harassment Liability:		-
- Each Claim	Sublimit	$10,000,000
- Annual Aggregate	Sublimit	$10,000,000
Sexual Abuse Liability:		-
- Each Claim	Sublimit	$10,000,000

Program Details (Cont.)

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
- Annual Aggregate	Sublimit	$10,000,000
Employee Benefits Liability:		-
- All Coverages Under Coverage Section VI Combined: Each Claim	Limit	$10,000,000
- All Coverages Under Coverage Section VI Combined: Annual Aggregate	Limit	$10,000,000
Law Enforcement Liability:		-
- All Coverages Under Coverage Section VIII Combined: Each Occurrence	Limit	$10,000,000
- All Coverages Under Coverage Section VIII Combined: Annual Aggregate	Limit	$10,000,000

Deductibles/SIRs:

TYPE	COVERAGE	AMOUNT
SIR	General Liability	$150,000
SIR	Employee Benefits Liability	$150,000
SIR	Law Enforcement Liability	$150,000
SIR	Errors & Omissions Liability Unless Listed Below:	$150,000
SIR	Errors & Omissions	$150,000
SIR	Employment Practice Liability	$150,000
SIR	Sexual Harassment Liability	$150,000
SIR	Sexual Abuse Liability	$150,000

Claims Made Coverage:
Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within (30) days of the expiration date. The cost of this extended reporting period is 100% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within (30) days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Definition of Claim:

DESCRIPTION
Claim means all notices or Suits demanding payment of money arising out of Occurrence, Accident, Wrongful Act, Sexual Harassment, Sexual Abuse, Negligent Act, Error or Omission

Program Details (Cont.)

Incident or Claim Reporting Provision:

REPORTING CONDITION TYPE	DESCRIPTION
Notice to Third Party Administrator	As soon as practical

Extended Reporting Period (ERP) Options*:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH	% OF EXPIRING PREMIUM
Refer to attached policy form	--	30 days	One Year	100%

*If ERP coverage is desired, then that request must be in writing to the carrier.

Endorsements include, but are not limited to:

DESCRIPTION
Common Declarations Page
Signatures
Protected Self-Insurance Package Coverage Form
Statutory Requirement Endorsement
Service of Process – IL Endorsement
Endorsement – Contingent Tax Interruption Coverage
If You Choose to Purchase TRIPRA Coverage Per the Premium Quoted Above and the Attached Disclosure Notice: Cap on Losses from Certified Acts of Terrorism

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
General Liability	Bodily Injury and Property Damage from pollutants - Absolute Exclusion
General Liability	Losses arising from the ownership maintenance or use of aircraft, autos, or watercraft, with some minor exceptions including certain contractual obligations
General Liability	Employment Related Practices Exclusion
General Liability	Liquor Liability Exclusion
General Liability	Aircraft Products Exclusion
General Liability	Professional Liability Exclusion
General Liability	Real Property in Your Care, Custody, and Control Exclusion
General Liability	Absolute Asbestos Exclusion
General Liability	Absolute Lead Exclusion
General Liability	War and Nuclear Hazard
General Liability	Mold / Fungus
EBL	Dishonest, fraudulent, criminal or malicious act or omission

Program Details (Cont.)

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
EBL	Bodily Injury or Property Damage or Personal Injury
EBL	Failure of performance of contract
EBL	Failure of any investment to perform as represented by you
EBL	Failure to comply with mandatory provisions of any law concerning Workers' Compensation, unemployment insurance, social security or disability benefits
EBL	Wrongful termination of an employee
EBL	Coercion, demotion, reassignment, discipline or harassment of an employee
EBL	Discrimination against an employee
General Liability	If You Choose not to Purchase Tripra Coverage Per the Premium Quoted Above and the Attached Disclosure Notice: Terrorist Activity Exclusions – State Exception

Binding Requirements:

DESCRIPTION
Subject to receive the signed and dated TRIPRA disclosure notice in order to bind coverage.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Insured'S Loss Fund: $340,269 In the Aggregate Annually
PSI Program Managers (10.0% Program Management & Underwriting + 1.5% Claims Management)
Premium of General Liability shown in Property Coverage.

Premium

ESTIMATED PROGRAM COST	**$0.00**

Subject to Audit:

City Of Decatur

Program Details

Coverage: Excess Property

Carrier: Travelers Indemnity Company

Policy Period: 10/1/2017 to 10/1/2018

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

Coinsurance or Agreed Amount:

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
All Covered Property	Yes	N/A

Coverage:

SUBJECT OF INSURANCE	LIMIT TYPE	AMOUNT
Limit	Limit	$219,969,313 x/s $1,150,000
Flood w/o A & V	Sublimit	$11,150,000
Earthquake w/o CA, Moderate & High Hazard	Sublimit	$11,150,000

Additional Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
Ordinance or Law	Sublimit	$1,000,000
Newly Acquired Locations		$2,000,000/90 Days
Municipal Sales Tax Revenue	Sublimit	$11,000,000
Vehicles	Sublimit	$23,415,525

Perils Covered:

TYPE	DESCRIPTION
Special Form Perils	Risks of Direct Physical Loss or Damage Including Flood, Earthquake, Excluding Boiler & Machinery, TRIA.

Endorsements include, but are not limited to:

DESCRIPTION
Travelers Excess Property Coverage Form XS P1 00 08 04

Exclusions include, but are not limited to:

DESCRIPTION
Earth Movement Exclusion

Program Details (Cont.)

Exclusions include, but are not limited to:

DESCRIPTION
Flood Exclusion
Government Action Exclusion
War Exclusion
Nuclear Hazard, Power Failure
Protection of Property Expense - Exclusion and Underlying Insurance Limitation
"Frame" builder's risk projects are excluded
Certain computer related losses due to dates or times
Exclusion of Nuclear Hazard, Fungus, Wet Rot, Dry Rot and Bacteria, War, Military Action, Electronic Vandalism and Pathogenic or Poisonous Biological or Chemical Materials
Exclusion for Fungus, Wet Rot, Dry Rot and Bacteria
Loss Due to Virus or Bacteria

Binding Requirements:

DESCRIPTION
Subject to Forward a Copy of the Completed Primary Policy for our Review and Acceptance Within 60 Days of the Effective Date of Coverage.
Subject to Forward a Signed and Completed Business Income Worksheet Prior to Policy Issuance.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
TIV: The premium quoted herein is based on the TIV reported below and any changes to this TIV could impact the final premium charged. -PD: $214,028,350 -BI: $7,090,863 Total: $221,119,213
Premium Includes TRIA Premium of $0
All other sublimits: As Per Underlying Quote
This coverage is subject to a 125% Margin Clause applied per location to: Buildings/Business Personal Property/Rents
This policy does not provide coverage for over the road.
Locations Insured / Coverage Limitations: Various US locations per the Statement of Values on file with the company.

Premium	**$71,000.00**
ESTIMATED PROGRAM COST	**$71,000.00**
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	**INCLUDED**

Program Details (Cont.)

Subject to Audit: N/A

City Of Decatur

Program Details

Coverage: Equipment Breakdown

Carrier: Federal Insurance Company

Policy Period: 10/1/2017 to 10/1/2018

DESCRIPTION	AMOUNT
Equipment Breakdown – Blanket Limit	$100,000,000

Deductibles/SIRs:

COVERAGE	AMOUNT
Equipment Breakdown	$5,000
Business Income	Included
Off Premises Property Damage	$5,000
Unintentional Errors and Omissions	$5,000
Pollutant Clean Up or Removal	$5,000
Service Interruption	12 Hours
Dependent Business Income	12 Hours

Additional Coverage:

DESCRIPTION	AMOUNT
Ammonia Contamination	$1,000,000
Expediting Expense	$1,000,000
Water Damage	$1,000,000
Electronic Data	$1,000,000
Spoilage-Scheduled Locations	$1,000,000
Spoilage-Utility Owned Equipment	$1,000,000
Debris Removal	$1,000,000
Business Income-Loss of Utilities	$1,000,000
Business Income-Pollutant Clean-Up or Removal	$100,000
Fungus Clean-Up or Removal	$50,000
Pair and Set	$50,000
Preparation of Loss Fees	$50,000
Off Premises Property Damage	$1,000,000
Unintentional Errors and Omissions	$100,000
Pollutant Clean Up or Removal	$100,000
Business Income Dependent Business Premises	$1,000,000

Program Details (Cont.)

Additional Coverage:

DESCRIPTION	AMOUNT
Blanket Limit: Applies separately at each premise subject to deductible. Covers: Electronic Data, Expediting Expenses, Public Safety Service Charges, Spoilage - Scheduled Locations, Spoilage - Utility Owned Equipment, Water Damage	$250,000

Valuations:

DESCRIPTION	LIMITATIONS
Equipment Breakdown	Repair or Replacement

Endorsements include, but are not limited to:

DESCRIPTION
Exclusion of Certified Acts of Terrorism Endorsement - 43020678 04/01/2011
Named Insured Endorsement - 43020477 04/01/2011
Schedule of Forms - 43020455 04/01/2011
Premium Summary - 43020452 04/01/2011
Insuring Agreement - 43020742 04/01/2011
Declarations - 43020453 04/01/2011
Supplementary Declarations-Property - 43020778 04/01/2011
Supplementary Declarations-Business Income - 43020786 04/01/2011
Property Damage - 43020783 02/01/2013
Business Income With Extra Expense Insurance - 43020784 02/01/2013
Property/Business Income Conditons and Definitions - 43020785 04/01/2011

Exclusions include, but are not limited to:

DESCRIPTION
Nuclear Hazard
War or Military Action
Earth Movement

Premium

ESTIMATED PROGRAM COST **$5,918.00**

Subject to Audit: N/A

City Of Decatur

Program Details

Coverage: Crime

Carrier: National Union Fire Insurance Company of Pittsburgh PA

Policy Period: 10/1/2017 to 10/1/2018

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Crime	Loss Sustained	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
Single Loss Coverage Forms:		-
Employee Theft - Per Loss Coverage	Limit	$500,000
Forgery or Alteration	Limit	$500,000
Inside the Premises - Theft of Money and Securities	Limit	$500,000
Inside Premises - Robbery,Safe Burglary - Other Prop.	Limit	$500,000
Outside the Premises	Limit	$500,000
Computer Fraud	Limit	$500,000
Funds Transfer Fraud	Limit	$500,000
Money Orders and Counterfeit Paper Currency	Limit	$500,000

Deductibles/SIRs:

TYPE	COVERAGE	AMOUNT
Deductible	Employee Theft - Per Loss Coverage - Single Loss	$5,000
Deductible	Forgery or Alteration - Single Loss	$5,000
Deductible	Inside the Premises - Theft of Money and Securities - Single Loss	$5,000
Deductible	Inside Premises - Robbery,Safe Burglary - Other Prop. - Single Loss	$5,000
Deductible	Outside the Premises - Single Loss	$5,000
Deductible	Computer Fraud - Single Loss	$5,000
Deductible	Funds Transfer Fraud - Single Loss	$5,000
Deductible	Money Orders and Counterfeit Paper Currency - Single Loss	$5,000
Deductible	Impersonation Fraud Coverage	$25,000

Additional Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
Add Credit, Debit or Charge Card Forgery	Limit	$500,000
Add Faithful Performance of Duty Coverage for Government Employees	Limit	$500,000

Program Details (Cont.)

Additional Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
Impersonation Fraud Coverage	Limit	$100,000

Endorsements include, but are not limited to:

DESCRIPTION
Government Crime Policy Admitted - CR0027 (05/06)
Illinois Changes - CR0202 05/06
Illinois Amendatory- Cancellation/Nonrenewal - 52142 07/13
Notice of Claim (Reporting by E-Mail) - 99758 08/08
Add Credit, Debit or Charge Card Forgery - CR2520 08/07
Add Faithful Performance of Duty Coverage for Government Employees - CR2519 05/06
Include Designated Person Required to Have Knowledge of Loss (Loss Sustained Form) - CR2023 08/07
Impersonation Fraud Coverage (ISO) - 116956 01/17
Include Treasurer or Tax Collectors as Employees - CR2512 08/07
Include Volunteer Workers as Employees - CR2509 08/07
Economic Sanctions Endorsement - 119679 09/15
Forms Index Endorsement - 78859 10/01

Exclusions include, but are not limited to:

DESCRIPTION
Third Party Employee Dishonesty
Government Action Exclusion
Accounting or Arithmetic Errors
Voluntary Parting of Property
Loss in which the existence of such loss is only proved by a profit and loss comparison or inventory records
Any theft or criminal act committed by a partner of the insured
Loss Due to Employee Dishonesty
Protected Information Exclusion - 113013 10/12
Indirect or Consequential Loss Exclusion - 113024 10/12

Binding Requirements:

DESCRIPTION
Subject to Updated Signature Page - Prior to Binding
Subject to brokers license number and expiration date for the state of Illinois will be required.

Program Details (Cont.)

Premium	**$3,029.00**
ESTIMATED PROGRAM COST	**$3,029.00**

Program Details

Coverage: Business Auto

Carrier: AIX Specialty Insurance Company

Policy Period: 10/1/2017 to 10/1/2018

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
All Coverages Under Coverage Section III Combined: Each Accident	Limit	$10,000,000
Uninsured/Underinsured Motorist Coverage - Any One Person	Limit	$20,000
Uninsured/Underinsured Motorist Coverage - Any One Occurrence	Limit	$40,000

Deductibles/SIRs:

TYPE	COVERAGE	AMOUNT
SIR	Self-Insured Retention	$150,000

Endorsements include, but are not limited to:

DESCRIPTION
Common Declarations Page
Signatures
Protected Self-Insurance Package Coverage Form
Statutory Requirement Endorsement
Service of Process – IL Endorsement
Endorsement – Uninsured/Underinsured Motorist Coverage
Endorsement – Contingent Tax Interruption Coverage
If You Choose to Purchase TRIPRA Coverage Per the Premium Quoted Above and the Attached Disclosure Notice: Cap on Losses from Certified Acts of Terrorism

Exclusions include, but are not limited to:

DESCRIPTION
Excluded Drivers
Expected or Intended Injury
Contractual - added back as noted
Workers' Compensation
Employers' Liability
Property Damage to Property Owned or Transported by you

Program Details (Cont.)

Exclusions include, but are not limited to:

DESCRIPTION
Pollution
Other standard policy exclusions apply
Terrorism
If You Choose not to Purchase TRIPRA Coverage Per the Premium Quoted Above and the Attached Disclosure Notice: Terrorist Activity Exclusions – State Exception

Binding Requirements:

DESCRIPTION
Subject to receive the signed and dated TRIPRA disclosure notice in order to bind coverage.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
PSI Program Managers (10.0% Program Management & Underwriting + 1.5% Claims Management)
Premium of Business Auto shown in Property Coverage.

Auto Disclaimer:
Commercial Auto policies utilize a set of coverage symbols to stipulate a category of covered autos. One or more symbols are assigned to each coverage purchased indicating which autos that coverage applies to. Please refer to your policy and make certain that you read and understand the various auto symbols and associated descriptions. Specific symbols may apply to either a particular kind of vehicle or the vehicle's ownership status. The symbols could also differ depending upon whether the coverage is for liability or physical damage. Also, in certain circumstances, an insurance company may agree to provide coverage for an auto scenario that is not described in the auto symbols. When this occurs, a unique symbol and related description is used. If you have any questions regarding the auto symbols or associated descriptions contained in your policy, please contact us.

Premium

ESTIMATED PROGRAM COST	**$0.00**

Program Details

Coverage: Cyber Liability

Carrier: ACE American Insurance Company

Policy Period: 10/1/2017 to 10/1/2018

Form Number:

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Security/Privacy, and Internet Media Liability	Claims Made and Reported	12/11/2014	Not Applicable
Data Breach Fund, Digital Asset Loss, Cyber Extortion, and Business Interruption	Occurrence	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Privacy Liability :	Limit	$1,000,000/$1,000,000	Each Claim/Aggregate
Breach Response Services	Limit	$1,000,000/$1,000,000	Each Claim/Aggregate
Network Security Liability	Limit	$1,000,000/$1,000,000	Each Claim/Aggregate
Internet Media Liability	Limit	$1,000,000/$1,000,000	Each Claim/Aggregate
Network Extortion	Limit	$1,000,000/$1,000,000	Each Claim/Aggregate
Digital Asset Coverage	Limit	$1,000,000/$1,000,000	Each Claim/Aggregate
Business Interruption	Limit	$1,000,000/$1,000,000	Each Claim/Aggregate
Aggregate Limit of Liability for all coverage Combined	Limit	$1,000,000	

Deductibles/SIRs:

TYPE	COVERAGE	AMOUNT
Retention	Network Interruption – Waiting Period	12 hrs
Retention	- Standard Limit - Each Claim	$25,000

Defense Limitations:

COVERAGE TYPE	DEFENSE COST DOLLAR LIMIT	DEFENSE LIMIT	DEFENSE COST TYPE / COMMENTS
Cyber Liability	Applies		Within Policy Limits (expenses erode policy limit)

Program Details (Cont.)

Claims Made Coverage:
Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within (60) days of the expiration date. The cost of this extended reporting period is 100% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within (60) days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Definition of Claim:

DESCRIPTION
With respect to Insuring Agreement D:
a. A written demand against any Insured for monetary or non-monetary damages
b. A civil proceeding against any Insured seeking monetary damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading;
c. An arbitration proceeding against any Insured seeking monetary damages or non-monetary or injunctive relief

Incident or Claim Reporting Provision:

REPORTING CONDITION TYPE	DESCRIPTION
Claim	Written notice of claim, potential claim, or circumstance (breach) shall be sent to the carrier as soon as practicable, but no later than 30 days after the end of policy period or ERP:
Claim	Data Breach Coach Hotline: 1 (800) 817-2665 ; Mail/Overnight: Director of Claims, ACE Professional Risk, P.O. Box 5150, Scranton, PA 18505-0518; ACEClaimsFirstNotice@acegroup.com; Network Extortion Claims Hotline 1-800-523-9254 – For urgent Network Extortion Threat support

Extended Reporting Period (ERP) Options*:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH	% OF EXPIRING PREMIUM
Extended Reporting Period	--	60 Days	12 months	100%

*If ERP coverage is desired, then that request must be in writing to the carrier.

Premium

ESTIMATED PROGRAM COST	**$0.00**

Subject to Audit: Not Auditable

City Of Decatur

Program Details

Coverage: Excess Workers Compensation

Carrier: Liberty Mutual Insurance Company

Policy Period: 10/1/2017 to 10/1/2018

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Excess Workers Compensation	Occurrence	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	AMOUNT
Limit of Indemnity for Each Accident or Each Employee for Disease	$50,000,000
Employer's Liability	$1,000,000
Combined WC & EL	Not Applicable
Aggregate Limit of Indemnity Each Policy Period	Not Applicable

Deductibles/SIR:

TYPE	COVERAGE	AMOUNT
Retention	Workers Compensation	$500,000
Retention	Employee Liability	$500,000

Premium Basis:

DESCRIPTION	FACTOR
Payroll	1.6780/$100

States:

DESCRIPTION	STATE
States Covered:	IL

Endorsements include, but are not limited to:

DESCRIPTION
Amendatory Endorsement (Paragraph D in Part Seven) GPO 4323
Amendatory Endorsement - Notice of Accident GPO 4328
Amendatory Endorsement (Change in TPA) GPO 4330
Definition of Remuneration GPO 4986 08 09
Employers Liability Insurance Endorsement GPO 4321
Excess Insurance Policy for Self-Insurer of Workers Compensation and Employers Liability GPO 4244

Program Details (Cont.)

Endorsements include, but are not limited to:

DESCRIPTION
FELA Exclusion Endorsement GPO 4354
Knowledge Of Occurrence GPO 4351
Maritime Exclusion Endorsement GPO 4313
Notice Of Occurrence GPO 4350
Terrorism Risk Insurance Act Endorsement GPO 5050
Unintentional Failure to Disclose GPO 4349
Who is Insured Amendatory Endorsement GPO 4333

Exclusions include, but are not limited to:

DESCRIPTION
Maritime
FELA
Punitive or Exemplary Damages

Other Significant Terms and Condition/Restrictions:

DESCRIPTION
Policy is subject to annual audit of payroll
The payroll is estimates at $37,693,019
TRIA = $19,940

Premium	**$652,429.00**
ESTIMATED PROGRAM COST	**$652,429.00**

Program Details

Premium Summary

The estimated program cost for the options are outlined in the following table:

LINE OF COVERAGE		EXPIRING PROGRAM CARRIER	EXPIRING PROGRAM EXPIRING COST	PROPOSED PROGRAM CARRIER	PROPOSED PROGRAM ESTIMATED COST
Property/Casualty Package	Premium Taxes Total Fees **Estimated Cost** Annualized Cost TRIA Premium	AIX Specialty Insurance Company (Hanover Insurance Companies)	$251,124.00 $9,793.00 $502.00 - **$262,419.00** Excluded	AIX Specialty Insurance Company (Hanover Insurance Companies)	$245,450.00 $9,573.00 $491.00 **$255,514.00** - $1,791.94
Excess Property	Premium **Estimated Cost** Annualized Cost TRIA Premium	Travelers Indemnity Company (The Travelers Companies, Inc.)	$73,764.00 - **$73,764.00** Included	Travelers Indemnity Company (The Travelers Companies, Inc.)	$71,000.00 **$71,000.00** - Included
Equipment Breakdown	Premium **Estimated Cost** Annualized Cost TRIA Premium	Federal Insurance Company (Chubb Group of Insurance Companies)	$7,002.00 - **$7,002.00** Excluded	Federal Insurance Company (Chubb Group of Insurance Companies)	$5,918.00 **$5,918.00** - Excluded
Crime	Premium **Estimated Cost** Annualized Cost TRIA Premium	National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc)	$3,202.00 - **$3,202.00** NA	National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc)	$3,029.00 **$3,029.00** - -
Cyber Liability	Premium Total Fees **Estimated Cost** Annualized Cost TRIA Premium	Illinois Union Insurance Company (ACE Group)	$13,441.00 $496.21 - **$13,937.21** NA	ACE American Insurance Company (Chubb Group)	$11,523.00 **-** **$11,523.00** - NA
Excess Workers Compensation	Premium **Estimated Cost** Annualized Cost TRIA Premium	Liberty Mutual Insurance Company (Liberty Mutual Holding Company, Inc.)	$652,429.00 - **$652,429.00** Included	Liberty Mutual Insurance Company (Liberty Mutual Holding Company, Inc.)	$652,429.00 **$652,429.00** - Included
Broker Fee	Annualized Cost	Arthur J. Gallagher RMS	**$62,000.00**	Arthur J. Gallagher RMS	**$62,000.00**
Total Estimated Program Cost			**$1,074,753.21**		**$1,061,413.00**

Premium Summary

Quote from **National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc)** is valid until **10/1/2017**
Quote from **ACE American Insurance Company (Chubb Group)** is valid until **10/01/2017**
Quote from **Federal Insurance Company (Chubb Group of Insurance Companies)** is valid until **10/01/2017**
Quote from **Travelers Indemnity Company (The Travelers Companies, Inc.)** is valid until **9/30/2017**
Quote from **Liberty Mutual Insurance Company (Liberty Mutual Holding Company, Inc.)** is valid until **10/01/2017**
Quote from **AIX Specialty Insurance Company (Hanover Insurance Companies)** is valid until **9/8/2017**
Quote from **AIX Specialty Insurance Company (Hanover Insurance Companies)** is valid until **9/8/2017**
Quote from **AIX Specialty Insurance Company (Hanover Insurance Companies)** is valid until **9/8/2017**

Gallagher is responsible for the placement of the following lines of coverage:
Property
General Liability
Excess Property
Equipment Breakdown
Crime
Business Auto
Cyber Liability
Excess Workers Compensation

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Payment Plans

CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
AIX Specialty Insurance Company (Hanover Insurance Companies)	Property/Casualty Package	Premium is minimum & deposit. Loss Fund is fully earned at Inception. Premium is payable in two equal installments due 10/1/2017 and 4/1/2018.	Agency Bill
Travelers Indemnity Company (The Travelers Companies, Inc.)	Excess Property	Premium due date: 11/15/17 (45 days from inception)	Agency Bill
Federal Insurance Company (Chubb Group of Insurance Companies)	Equipment Breakdown	Annual pre-pay	Agency Bill
National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc)	Crime	Annual pre-pay	Agency Bill
ACE American Insurance Company (Chubb Group)	Cyber Liability	Annual pre-pay	Agency Bill
Liberty Mutual Insurance Company (Liberty Mutual Holding Company, Inc.)	Excess Workers Compensation	25% deposit; 8 equal installments	Agency Bill

Changes / Developments

It is important that we be advised of any changes in your operations that may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Changes in any operation such as expansion to other states or new products.
2. Mergers and/or acquisition of new companies.
3. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
4. Circumstances which may require increased liability insurance limits.
5. Any changes in fire or theft protection, such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to same.
6. Immediate advice of any changes to scheduled equipment such as contractors' equipment, electronic data processing, etc.
7. Property of yours that is in transit, unless we have previously arranged for the insurance.
8. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed, or occupied.

☐ No Changes and/or Developments

Signature: ____________________

Title: ____________________

Date: ____________________

Proposal Disclosures

Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer

IMPORTANT: The proposal is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, “We are an Open Society,” and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively “insurance coverages”) handled for a client’s account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.

2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional compensation if stipulated underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the particular insurance company and/or through the particular intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in certain commission rates. These additional commissions, commonly referred to as “supplemental commissions” are frequently known as of the effective date of the applicable insurance placement, but some insurance companies pay this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage placed through Gallagher.

3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.

4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility is utilized in the placement of a client’s account, the facility may earn and retain customary brokerage commission or fees for its work.

5. Gallagher assists its clients in procuring premium finance quotes and unless prohibited by law may earn compensation for this optional value-added service.

6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.

7. Gallagher strives to find appropriate coverage at a competitive price for our clients. In order to achieve these goals, we gather and analyze data about our clients and their insurance coverage. This

Proposal Disclosures (Cont.)

data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our clients. This data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please contact Gallagher via e-mail at Compensation_Complaints@ajg.com or by regular mail at:

AJG Chief Compliance Officer
Arthur J. Gallagher & Co.
2850 Golf Rd., 8th Floor
Rolling Meadows, IL 60008

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a $100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by $20 million each calendar year before the TRIPRA program responds from the 2015 trigger of $100 million to $200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Property Estimator Disclaimer

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

Actuarial Disclaimer

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher Risk Management Services, Inc.. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

Insurance Company Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING	ADMITTED / NON-ADMITTED
AIX Specialty Insurance Company	A XV	Non-Admitted
Federal Insurance Company	A++ XV	Admitted
ACE American Insurance Company	A++ XV	Admitted
Liberty Mutual Insurance Company	A XV	Admitted
National Union Fire Insurance Company of Pittsburgh PA	A XV	Admitted
Zurich American Insurance Company	A+ XV	Admitted
Lloyd's of London Syndicate 2623/623	A XV	Non-Admitted
XL Insurance America, Inc.	A XV	Admitted
Travelers Indemnity Company	A++ XV	Admitted

If the above indicated coverage is placed with a Non-Admitted Carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

*The above A.M. Best Rating was verified on the date the proposal document was created.

Guide to Best Ratings

Rating Levels and Categories

LEVEL	CATEGORY
A++, A+	Superior
A, A-	Excellent
B++, B+	Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Suspended

Financial Size Categories

(In $000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)

FSC I	Up to 1,000	FSC IX	250,000 to 500,000
FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
FSC III	2,000 to 5,000	FSC XI	750,000 to 1,00,000
FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
FSC VIII	100,000 to 250,000		

Best's Insurance Reports , published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at http://www.ambest.com/ratings/notice.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at http://www.ambest.com. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

Best's Credit Ratings reproduced herein appear under license from A.M. Best and do not constitute, either expressly or impliedly, an endorsement of (Licensee's publication or service) or its recommendations, formulas, criteria or comparisons to any other ratings, rating scales or rating organizations which are published or referenced herein. A.M. Best is not responsible for transcription errors made in presenting Best's Credit Ratings. Best's Credit Ratings are proprietary and may not be reproduced or distributed without the express written permission of A.M. Best Company.

Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Insurance Company Ratings and Admitted Status (Cont.)

BEST'S FINANCIAL STRENGTH RATING GUIDE – (FSR)

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

** Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".*

FSR Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurance companies that are publicly placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal ongoing insurance operations; an impaired insurer.
F	Status assigned to insurance companies that are publicly placed in liquidation by a court of law or by a forced liquidation; an impaired insurer.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AMBRS.

Rating Disclosure – Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance and business profile or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AMBRS) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AMBRS.

BCRs are distributed via the AMBRS website at www.ambest.com. For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Understanding Best's Credit Ratings" available at no charge on the AMBRS website. BCRs are proprietary and may not be reproduced without permission.

Client Signature Requirements

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 8/17/2017, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

		LINE OF COVERAGE	CARRIER
☐Accept ☐Accept	☐ Reject ☐ Reject	Property/Casualty Package TRIA Coverage	AIX Specialty Insurance Company (Hanover Insurance Companies)
☐Accept ☐Accept	☐ Reject ☐ Reject	Excess Property TRIA Coverage	Travelers Indemnity Company (The Travelers Companies, Inc.)
☐Accept ☐Accept	☐ Reject ☐ Reject	Equipment Breakdown TRIA Coverage	Federal Insurance Company (Chubb Group of Insurance Companies)
☐Accept Not Applicable	☐ Reject	Crime TRIA Coverage	National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc)
☐Accept Not Applicable	☐ Reject	Cyber Liability TRIA Coverage	ACE American Insurance Company (Chubb Group)
☐Accept ☐Accept	☐ Reject ☐ Reject	Excess Workers Compensation TRIA Coverage	Liberty Mutual Insurance Company (Liberty Mutual Holding Company, Inc.)

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

____

____

Producer/ Insured Coverage Amendments and Notes:

____

Client Initials

Client Authorization to Bind Coverage

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed $20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

By: ____

Print Name (Specify Title)

____

Signature

Date: ____

Appendix

Arthur J. Gallagher & Co.

Next-Generation eRiskHub®

The dangers of data breaches are far reaching, and the severity of these is being felt at all levels. You hear about the large ones like Anthem, Target and Sony, but in reality any organization that houses valuable information is a potential target from a range of vulnerabilities such as hackers to rogue employees. As an Arthur J. Gallagher & Co. client, you will receive complimentary access to the Gallagher eRiskHub; a dynamic cyber risk management tool that can help your organization be more proactive in assessing your cyber risk posture.

All Gallagher clients have access to the Gallagher eRiskHub, and if you have not registered for access we recommend you do so today.

To access the Gallagher eRiskHub now:

1. Navigate to **https://eriskhub.com/gallagher**
2. Complete the new user registration at the bottom of the page. You pick your own user ID and password. The access code is **08167**
3. After registering, you can access the hub immediately using your newly created credentials in the member login box located in the top right of the page.

Key Features of the Gallagher eRiskHub:

- **Gallagher Cyber Risk Due Diligence —** A six-step process designed to walk our clients through a simple thought-provoking framework to encourage organizational communication, establish clear direction, and highlight priorities to better understand your cyber risk profile.
- **Security & Privacy Training—** An overview of best practices for creating an effective security training program for your employees.
- **News Center—** Keep up to date on what is going on in the world of cyber risk through handpicked articles, feeds and blogs.
- **Learning Center—** An extensive collection of white papers, articles, webinars, videos and blog posts on a variety of topics. Looking for something specific? Try the search box in the top right of the page to search the entire Gallagher eRiskHub.
- **Risk Manager Tools—** A collection of tools with many different purposes such as researching known breach events, calculating your potential cost of a breach event and downloading free sample policies your organization can use as templates.
- **eRisk Resources—** Information on third-party vendors that can assist your organization with improving your overall cyber risk.

If you have any questions about the Gallagher eRiskHub, please reach out to Adam Cottini at **adam_cottini@ajg.com** or the eRiskHub support staff at **support@eriskhub.com**.

Arthur J. Gallagher & Co.

Gallagher Cyber Liability Practice

Adam Cottini

250 Park Avenue

New York, NY 10177

212.994.7048

www.ajg.com/cyber

16BSD29393C

Claims Reporting By Policy

Direct Reporting

Immediately report all claims for the following lines of coverage to the insurance carrier.

For Workers Compensation, General Liability, Property, and Automobile claims report to:

TPA or Carrier Name:	Gallagher Bassett Services, Inc.
By Mail – Address:	P.O. Box 8009 Two Pierce Place Itasca, IL 60143
By Phone:	(800) 227-7391
By Fax:	(847) 240-6660

For Boiler & Machinery claims report to:

TPA or Carrier Name:	Chubb Group of Insurance Companies
By Mail – Address:	Claim Service Center 600 Independence Way P.O. Box 4700 Chesapeake, VA 23327-4700
By Phone:	(800) 252-4670

For Crime claims report to:

TPA or Carrier Name:	AIG
By Mail – Address:	Financial Lines P.O. Box 25947 Shawnee Mission, KS 66225
By Fax:	(866) 227-1750
By Email:	c-claim@aig.com

For Cyber claims report to:

Carrier Name:	ACE North America Claims
By Mail – Address:	P.O. Box 5122 Scranton, PA 18505
By Fax:	(877) 395-0131
By Email:	aceclaimsfirstnotice@acegroup.com

Bindable Quotations & Compensation Disclosure Schedule

Client Name: City Of Decatur

COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM[1]	COMM.% OR FEE[2]	WHOLESALER, MGA OR INTERMEDIARY NAME[3]	COMM.% OR FEE[4]	AJG OWNED? YES/NO
Property/Casualty Package	AIX Specialty Insurance Company (Hanover Insurance Companies)	$245,450.00	0 %	Risk Placement Services	11.5 %	Yes
Excess Property	Travelers Indemnity Company (The Travelers Companies, Inc.)	$71,000.00	0 %	N/A		
Equipment Breakdown	Federal Insurance Company (Chubb Group of Insurance Companies)	$5,918.00	0 %	N/A		
Equipment Breakdown	Travelers Property and Casualty Company	$5,745.00	15 %	Risk Placement Services	15 %	Yes
Equipment Breakdown	XL America, Inc.	$6,600.00	15 %	Risk Placement Services	15 %	Yes
Crime	National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc.)	$3,029.00	15 %	N/A		Yes
Crime	Liberty Mutual Surety	$2,418.00	15 %	AJG Crime		Yes
Crime	Zurich American Insurance Company	$2,796.00	15 %	AJG Crime		Yes
Cyber Liability	ACE American Insurance Company (Chubb Group)	$11,523.00	0 %	AJG Management Liability	7.75%	Yes
Cyber Liability	Travelers Insurance Company of America	$17,332.00	0 %	AJG Management Liability	17.50 %	Yes
Cyber Liability	Lloyd’s of London Syndicate 2623/623 (Beazley)	$12,367.00	0 %	AJG Management Liability	7.5 %	Yes
Excess Workers Compensation	Liberty Mutual Insurance Company (Liberty Mutual Holding Company, Inc.)	$652,429.00	0 %	N/A		

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may

Bindable Quotations & Compensation Disclosure Schedule (Cont.)

range from less than 1% up to 10% of the policy premium. Please refer to the Compensation Disclosure or contact your Gallagher representative for additional information.

1 If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.
 * A verbal quotation was received from this carrier. We are awaiting a quotation in writing.
2 The commission rate is a percentage of annual premium excluding taxes & fees.
 * Gallagher is receiving _________% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.
3 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.
4 * The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.

DATE: 9/11/2017

MEMO: Letter to the Decatur City Council Financial Management 2017-07

TO: Honorable Mayor Moore Wolfe and City Council Members

FROM: Tim Gleason, City Manager
Gregg D. Zientara, City Treasurer & Director of Finance

SUBJECT: Resolution Authorizing Mayor and City Manager to execute a Professional Service Agreement with CliftonLarsonAllen, LLP for Auditing Services and Non-Audit Advisory services

SUMMARY RECOMMENDATION:
City Administration recommends Council approval of the attached Resolution to authorize the Mayor and City Manager to enter into a professional service agreement with CliftonLarsonAllen, LLP ("CLA") for Auditing services and Non-Audit Advisory services whereby CLA will perform the independent audit of the financial statements of the City of Decatur for the year ended December 31, 2017.

BACKGROUND:
CliftonLarsonAllen, LLP has served as the City of Decatur audit partner and has performed independent auditing services for the City of Decatur since 2005.

The relationship has been and remains a satisfactory professional relationship benefiting the City of Decatur. The duration of the relationship and CLA acquired knowledge of the financial affairs of the City of Decatur, benefits the city with manageable audit fees resulting from CLA's acquired knowledge.

Based upon CLA estimate of the audit engagement work-scope, the fee for the engagement should approximate $68,600, including two (2) federal grant program reviews in accordance with federal single audit requirements.

Expected fees to be expended to CliftonLarsonAllen, LLP for the audit services and non-audit advisory services will be as follows:

December 31, 2017 audit services	$68,600
December 31, 2017 3rd federal program	$5,000
Non-audit advisory services	$10,400
Total	$84,000

POTENTIAL OBJECTIONS: There are no known objections to this resolution request.

INPUT FROM OTHER SOURCES:
No input from other sources.

STAFF REFERENCE: Tim Gleason, City Manager Gregg D. Zientara, City Treasurer & Director of Finance

BUDGET/TIME IMPLICATIONS:
The audit work begins with audit field work in November, preceding close of the fiscal period to be audited. This schedule facilitates audit completion in accordance with the schedule as defined by the City of Decatur.

The 2018 budget includes coverage for the fee schedule proposed by CLA as included in this spending resolution request of the City Council.

ATTACHMENTS:

Description	Type
Resolution	Resolution Letter
Engagement Letter	Backup Material

RESOLUTION NO. R2017-xx

RESOLUTION AUTHORIZING MAYOR AND CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICE AGREEMENT WITH CLIFTONLARSONALLEN, LLP FOR AUDITING SERVICES AND NON-AUDIT ADVISORY SERVICES

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the Professional Service Agreement presented herewith to the City Council between the City of Decatur, Illinois and CliftonLarsonAllen, LLP, be, and the same is hereby, received, placed on file and approved.

Section 2. That the Mayor and the City Manager be, and they are hereby, authorized and directed to sign said engagement agreement in substantially the same form as presented, on behalf of the City of Decatur, Illinois.

PRESENTED AND ADOPTED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

ATTEST:

____
CITY CLERK

CliftonLarsonAllen LLP
301 North Neil Street, Suite 205
Champaign, IL 61820
217-351-7400 | fax 217-355-9549
CLAconnect.com

August 1, 2017

City Council and Management
City of Decatur
#1 Gary K. Anderson Plaza
Decatur, IL 62523-1196

Dear City Council and Management:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide for City of Decatur ("you," "your," or "the entity") for the year ended December 31, 2017.

Hope Wheeler is responsible for the performance of the audit engagement.

Audit services

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of City of Decatur, as of and for the year ended December 31, 2017, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management's discussion and analysis.
2. Budgetary comparison schedules for the General Fund and major special revenue funds.
3. GASB-required supplementary pension and OPEB information.

We will also evaluate and report on the presentation of the following supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole:

1. Schedule of expenditures of federal awards
2. Budgetary comparison schedules for non-major funds
3. Combining statements

The following information other than RSI accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditors' report will not provide an opinion or any assurance on that information:

1. Statistical section

2. Introductory section

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements, schedule of expenditures of federal awards, and related notes.
- Drafting the State of Illinois Annual Financial Report.
- Preparation of the Data Collection Form.
- Preparation of adjusting journal entries.

Audit objectives

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Reporting on internal control over compliance related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs. We will make reference to May, Cocagne & King, P.C.'s audit of Civic Center Authority in our report on your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions on the financial statements or the single audit compliance opinion are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

We also will issue a written report on Illinois Municipal Code Subsection (q) Section 11.74.4-3 of Public Act 85-1142 upon completion of our audit.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements and compliance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the entity's major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and the Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements, RSI, and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for providing us with, or making arrangements to facilitate (1) unrestricted communication between us and the component auditor(s) to the extent permitted by law or regulation; (2) communications between the component auditor(s), those charged with governance of the component(s), and component management, including communications of significant deficiencies and material weaknesses in internal control; (3) communications between regulatory authorities and the component(s) related to financial reporting matters; (4) access to component information, those charged with governance of the component(s), component management, and the component auditor(s) (including relevant audit documentation requested by us); and (5) permission to perform work, or request a component auditor to perform work, on the financial information of the component(s).

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation and fair presentation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes in conformity with U.S. GAAP and the Uniform Guidance based on information provided by you. Since the preparation and fair presentation of the financial statements and schedule of expenditures of federal awards is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements and schedule of expenditures of federal awards.

- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.

- We will prepare the AFR and Data Collection form. You will be responsible for reviewing and approving these.

Use of financial statements

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

> CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any regulator, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government

Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the regulator. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Except as permitted by the “Consent” section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our relationship with you is limited to that described in this letter. As such, you understand and agree that we are acting solely as independent accountants. We are not acting in any way as a fiduciary or assuming any fiduciary responsibilities for you. We are not responsible for the preparation of any report to any governmental agency, or any other form, return, or report or for providing advice or any other service not specifically recited in this letter.

Our engagement and responsibility end on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Mediation

Any disagreement, controversy, or claim (“Dispute”) that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice (“Mediation Notice”) to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Illinois, without giving effect to choice of law principles.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

Fees

Our fees for these services will be based on the time involved and the degree of responsibility and skills required, plus expenses including internal and administrative charges. Based on our preliminary estimates, the fee for the engagement should approximate $68,600 for the audit (includes two major programs in single audit). The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Unanticipated services

We do not anticipate encountering the need to perform additional services beyond those described in this letter. Below are listings of services considered to be outside the scope of our engagement. If any such service needs to be completed before the audit can proceed in an efficient manner, we will determine whether we can provide the service and maintain our independence. If appropriate, we will notify you and provide a fair and reasonable price for providing the service. We will bill you for the service at periodic dates after the additional service has been performed.

Bookkeeping services

Bookkeeping services are not audit services. Bookkeeping services include the following activities:

- Preparation of a trial balance
- Account reconciliations
- Bank statement reconciliations
- Capital asset accounting (e.g., calculating depreciation, identify capital assets for additions and deletions)
- Calculating accruals
- Analyzing transactions for proper recording
- Preparation of financial statements and the related notes to the financial statements
- Processing immaterial adjustments through the financial statements
- Adjusting the financial statements for new activities and new disclosures

Additional work resulting from unanticipated changes in your organization or accounting records

If your organization undergoes significant changes in key personnel, accounting systems, and/or internal control, we are required to update our audit documentation and audit plan. The following are examples of situations that will require additional audit work:

- Revising documentation of your internal control for changes resulting from your implementation of new information systems
- Deterioration in the quality of the entity's accounting records during the current-year engagement in comparison to the prior-year engagement
- Significant new accounting issues
- Significant changes in your volume of business
- Mergers, acquisitions, or other business combinations
- New or unusual transactions
- Changes in audit scope or requirements resulting from changes in your activities
- Erroneous or incomplete accounting records
- Evidence of material weaknesses or significant deficiencies in internal control
- Regulatory examination matters
- Implementation or adoption of new or existing accounting, reporting, regulatory, or tax requirements
- New financial statement disclosures

Changes in engagement timing and assistance by your personnel

The fee estimate is based on anticipated cooperation from your personnel and their assistance with timely preparation of confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, we will advise management. Additional time and costs may be necessary because of such unanticipated delays. Examples of situations that may cause our estimated fee to increase include:

- Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents)
- Rescheduling our fieldwork
- Schedule disruption caused by litigation, financial challenges (going concern), loan covenants (waivers), etc.
- Identifying a significant number of proposed audit adjustments
- Schedules prepared by your personnel that do not reconcile to the general ledger
- Numerous revisions to information and schedules provided by your personnel
- Restating financial statements for accounting errors in the prior year
- Lack of availability of entity personnel during audit fieldwork

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Consent

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this engagement letter will serve as your consent to use of City of Decatur's information in these cost comparison, performance indicator, and/or benchmarking reports.

Subcontractors

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. Please sign, date, and return a copy of this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP

Hope Wheeler

Hope Wheeler, CPA
Principal
217-373-3139
Hope.Wheeler@CLAconnect.com

Response:

This letter correctly sets forth the understanding of City of Decatur.

Authorized governance signature: ______________________________

Title: ______________________________

Date: ______________________________

Authorized management signature: ______________________________

Title: ______________________________

Date: ______________________________

CIVIL SERVICE COMMISSION
OPEN SESSION
MINUTES
July 5, 2017

Pursuant to notice the Civil Service Commission of the City of Decatur met in regular session at 12:00 p.m.

PRESENT: CHAIRMAN Robyn McCoy
VICE-CHAIRMAN Jerry Taylor
COMMISSIONER Lori Donley
COMMISSIONER Sheri Hagen
SECRETARY Penny Frank
ADMINISTRATIVE SECRETARY Sherry Beasley
ABSENT: COMMISSIONER Tony Wilkins
PERSONNEL SPECIALIST Melissa Rowcliff

The Minutes of the June 6, 2017 regular meeting were presented. Commissioner Donley moved that the June 6, 2017 regular meeting minutes be approved, seconded by Commissioner Hagen, and upon call of the roll, Commissioners Donley, Taylor, Hagen, and McCoy voted aye. Secretary Frank declared the motion carried.

Commissioner Hagen moved to recess to Closed Session for the purpose of discussing personnel actions, seconded by Commissioner Donley, and upon call of the roll, Commissioners Donley, McCoy, Hagen and Taylor voted aye. Secretary Frank declared the motion carried.

Commissioner Donley moved to recess to Open Session, seconded by Commissioner Hagen, and upon call of the roll, Commissioners Taylor, Donley, Hagen and McCoy voted aye. Secretary Frank declared the motion carried.

Chairman McCoy called for Unfinished Business:

There is none.

Chairman McCoy called for New Business:

Personnel Actions

Commissioner Taylor moved that the appointments, promotion, oral reprimand, leave of absence, civil service status, probationary resignation, resignation, and retirement, be received, placed on file, and approved, seconded by Commissioner Donley, and upon call of the roll, Commissioners, Taylor, Hagen, Donley, and McCoy voted aye. Secretary Frank declared the motion carried.

Authorization Request to Approve Job Announcement & Establish Eligible Register for Maintenance Mechanic I (2017), Commissioner Donley moved that the Authorization Request be received, placed on file, and approved, seconded by Commissioner Hagen, and upon call of the roll, Commissioners Hagen, McCoy, Donley, and Taylor voted aye. Secretary Frank declared the motion carried.

Chairman McCoy called for Other Business:

Secretary Frank thanked Commission Chairman McCoy for serving 5 years on the Civil Service Commission and presented her with a certificate.

There being no other business, Commissioner Hagen moved to adjourn the meeting, seconded by Commissioner Donley, and upon call of the roll, Commissioners Donley, Hagen, Taylor, and McCoy voted aye. Secretary Frank declared the meeting adjourned at 12:20 p.m.

Respectfully Submitted,

Penny Frank

Penny Frank
Secretary

City Clerk

DATE: 9/7/2017

MEMO: 2017-28

TO: Honorable Mayor Julie Moore Wolfe and City Council Members

FROM: Tim Gleason, City Manager
Debbie Bright, City Clerk

SUBJECT: Resolution Approving Reappointment - Civil Service Commission

SUMMARY RECOMMENDATION: Council is asked to pass the proposed Resolution approving the reappointment of Tony Wilkins to the Civil Service Commission.

ATTACHMENTS:

Description	Type
Resolution	Resolution Letter

TO THE COUNCIL OF THE CITY
OF DECATUR, ILLINOIS:

Consent of the Council is hereby requested for the reappointment by the Mayor of the following named as a member of the board or commission set opposite his respective name, to serve a term expiring upon the date set opposite his respective name or until his respective successor is appointed and qualified:

Tony Wilkins	Civil Service Commission	07/20/2018

DATED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

RESOLUTION NO. R2017-_________

RESOLUTION APPROVING REAPPOINTMENT

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That consent of the Council be, and it is hereby, given to the reappointment by the Mayor of the person aforesaid as by said Mayor requested, which said request be, and it is hereby, received, placed on file and approved.

PRESENTED AND ADOPTED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

ATTEST:

____
City Clerk

TO THE COUNCIL OF THE CITY
OF DECATUR, ILLINOIS:

Having received your consent I hereby reappoint the named in the foregoing request by you approved as therein requested.

DATED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

City Clerk

DATE: 9/11/2017

MEMO: 2017-29

TO: Honorable Mayor Julie Moore Wolfe and City Council Members

FROM: Tim Gleason, City Manager
Debbie Bright, City Clerk

SUBJECT: Resolution Approving Reappointment - Decatur Metropolitan Exposition Auditorium and Office Building Authority (Civic Center Board Authority)

SUMMARY RECOMMENDATION: Council is asked to pass the proposed Resolution approving the reappointment of David Freyling to the Decatur Metropolitan Exposition Auditorium and Office Building Authority (Civic Center Board Authority.)

ATTACHMENTS:

Description	Type
Resolution	Resolution Letter

TO THE COUNCIL OF THE CITY
OF DECATUR, ILLINOIS:

Consent of the Council is hereby requested for the appointment by the Mayor of the following named as a member of the board or commission set opposite his respective name, to serve a term expiring upon the date set opposite his respective name or until his respective successor is appointed and qualified:

David Freyling	Decatur Metropolitan Exposition Auditorium and Office Building Authority (Civic Center Board Authority)	10/27/2020

DATED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

RESOLUTION NO. R2017-_________

RESOLUTION APPROVING APPOINTMENT

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That consent of the Council be, and it is hereby, given to the appointment by the Mayor of the person aforesaid as by said Mayor requested, which said request be, and it is hereby, received, placed on file and approved.

PRESENTED AND ADOPTED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

ATTEST:

____
City Clerk

TO THE COUNCIL OF THE CITY
OF DECATUR, ILLINOIS:

Having received your consent I hereby appoint the named in the foregoing request by you approved as therein requested.

DATED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

City Clerk

DATE: 9/13/2017

MEMO: 2017-30

TO: Honorable Mayor Julie Moore Wolfe and City Council Members

FROM: Tim Gleason, City Manager
Debbie Bright, City Clerk

SUBJECT: Resolution Approving Reappointments - Human Relations Commission

SUMMARY RECOMMENDATION: Council is asked to pass the proposed Resolution approving the reappointments of Verzell Taylor and Derrick Thaxton to the Human Relations Commission.

ATTACHMENTS:

Description	Type
Resolution	Resolution Letter

TO THE COUNCIL OF THE CITY
OF DECATUR, ILLINOIS:

Consent of the Council is hereby requested for the reappointments by the Mayor of the following named as members of the board or commission set opposite their respective names, to serve a term expiring upon the date set opposite their respective names or until their respective successors are appointed and qualified:

Verzell Taylor	Human Relations Commission	08/01/2020
Derrick Thaxton	Human Relations Commission	08/01/2020

DATED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

RESOLUTION NO. R2017-_________

RESOLUTION APPROVING REAPPOINTMENTS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That consent of the Council be, and it is hereby, given to the reappointments by the Mayor of the persons aforesaid as by said Mayor requested, which said request be, and it is hereby, received, placed on file and approved.

PRESENTED AND ADOPTED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

ATTEST:

____
City Clerk

TO THE COUNCIL OF THE CITY
OF DECATUR, ILLINOIS:

Having received your consent I hereby reappoint the named in the foregoing request by you approved as therein requested.

DATED this 18th day of September, 2017.

____
Julie Moore Wolfe, Mayor

Water Production

DATE: 9/12/2017

MEMO: 2017-07

TO: Mayor Julie Moore Wolfe and City Council

FROM: Tim Gleason, City Manager
Richard Marley, P.E., Public Works Director
Keith Alexander, Water Production Manager

SUBJECT:
August Progress Report
Lake Decatur Dredging Basins 1-4 &
Oakley Sedimentation Basin Rehabilitation
City Project 2013-14

BACKGROUND:
Major Work Completed

- Dredging continued in Basin 3.
- Installed the shoreline connections for the new water main under the lake just north of Lost Bridge.
- Began removing the old water main under the lake just north of Lost Bridge.
- Planning continued for the replacement of the water main under the lake just north of the U.S. Route 36 Bridge.

Major Work Planned for the Near Term

- Continue dredging Basin 3.
- Complete the removal of the old water main just north of Lost Bridge.
- Install the new water main just north of Lost Bridge.
- Remove old water main and install new water main just north of the U.S. Route 36 Bridge.

Budget and Schedule

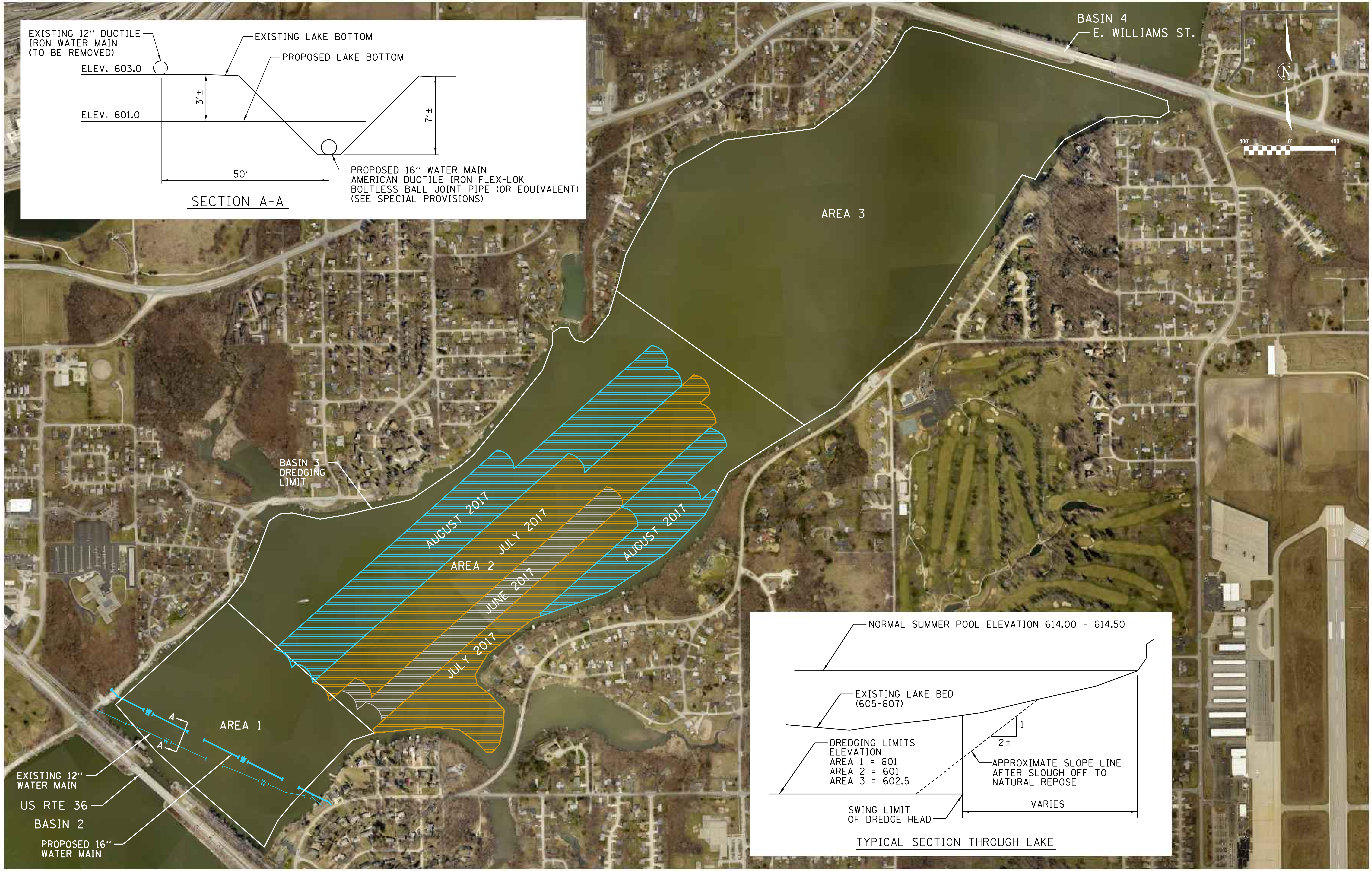
- This month Great Lakes Dredge & Dock (GLDD) dredged 505,484 cubic yards from Basin 3. Since dredging began in November 2014, 8,108,051 cubic yards of material have been dredged providing 39 days of additional water supply.
- The project is 76% complete, on budget and on schedule to be completed by December 31, 2019.

- The current balance of the $500,000 dredging contingency allowance for alterations, cancellations, extension, deductions and extra work is unchanged at $89,407.

Attached is a map showing monthly dredging progress in Basin 3. The old and new water main locations are also shown.

ATTACHMENTS:

Description	Type
August 2017 Dredging Progress Basin 3	Backup Material



FILE NAME = $FILEL$

USER NAME = $USER$	DESIGNED -	REVISED -	
	DRAWN - RLK	REVISED -	
PLOT SCALE = $SCALE$	CHECKED -	REVISED -	
PLOT DATE = $DATE$	DATE - 9/5/2017	REVISED -	

CHASTAIN & ASSOCIATES LLC
CONSULTING ENGINEERS

DECATUR (217) 422-8544
CHICAGO (773) 714-0050
ROCKFORD (815) 489-0050
184-001397

BASIN 3 DREDGING PROGRESS EXHIBIT
LAKE DECATUR DREDGING OF BASINS 1-4

SCALE: | SHEET NO. OF SHEETS | STA. TO STA.

MUNICIPALITY	COUNTY	TOTAL SHEETS	SHEET NO.
CITY OF DECATUR	MACON		
HLC PROJECT 6067			
ILLINOIS FED. AID PROJECT			

Progress Report to City of Decatur

Period Covered: March – August 2017

This report summarizes activities and progress during this period under the agreement between the Agricultural Watershed Institute (AWI) and the City of Decatur for financial support of watershed research, on-farm demonstrations, and educational activities.

Sediment and nutrient reduction / TMDL implementation:

The **Total Maximum Daily Load (TMDL) implementation plans** completed by AWI for the Big Creek/Long Creek watershed located east of Decatur in Macon County and the Big Ditch watershed near Rantoul in Champaign County continue to guide activities by AWI and partners to reduce sediment and nutrient loads impacting Lake Decatur.

AWI continues to work with Macon County SWCD, NRCS, and other partners to implement the USDA **Regional Conservation Partnership Program (RCPP)** project to provide federal funding for on-farm conservation practices. AWI participates in recruiting partners and identifying sites for BMPs including **bioreactors, saturated buffers, and drainage water management systems**. During this reporting period, Tim McMahon of AWI continued sampling a **bioreactor** and began sampling a **drainage water management** system. He delivers samples to Decatur Sanitary District and Decatur Water Department labs for nitrate testing. Dr. Greg McIsaac of AWI manages monitoring and analyzes lab results. During this period, we arranged for a U of I team led by Dr. Laura Christianson to begin sampling the DWM site, including groundwater sampling to help assess performance.

Photo: Megan Baskerville, Macon Co. SWCD; Tim McMahon, AWI; and property owner Al Boyd look over plans for drainage water management at the Boyd farm.

During this reporting period, AWI prepared and submitted a Section 319 grant application to Illinois EPA for on-farm demonstrations of **harvestable saturated hillslopes** at three sites in the Lake Decatur watershed. This innovative concept is included in the Big/Long Creek TMDL Implementation Plan prepared by AWI. A similar application submitted last year was not funded. The new application incorporates feedback received from IEPA.

Water resources planning and management:

As ongoing activities during this period, AWI staff participated in meetings and other activities of various watershed stakeholder groups including:

- The Heart of the Sangamon Ecosystem Partnership (Steve John and Tim McMahon)
- Oakley Township Sediment Basin Advisory Committee (Tim)
- Macon County Community Environmental Council (CEC) board (Steve)
- Friends of Lincoln Trail Homestead State Park (Steve)
- Green Lands Blue Waters steering committee and Watershed Initiative committee (Steve)
- The Sangamon River Alliance core group (Steve)
- A group of agriculture-related organizations called "Alphabet Soup" (Steve and Tim)

AWI continues to manage prairie establishment for the City's **Corley landfill "mud-to-parks" project.** Prairie grasses and forbs were planted in 2015 and were dormant over the winter. During this period, Tim provided weed control assistance for removal of teasel (an invasive weed) along the borders of the prairie planting.

Steve serves on a steering committee formed by the Metropolitan Water Reclamation District of Greater Chicago (MWRD) to explore creation of an Illinois **Environmental Utility** to reduce nutrient and sediment loss. MWRD recently led creation of a new organization called ***Current*** to identify and fund innovations in water resource management. During this period, Steve and Greg participated in a *Current* workshop in Chicago and submitted research ideas for consideration.

AWI collaborates with U of I scientists on current projects or proposals to enhance water quality and ecological performance in the Lake Decatur watershed. Project activity this period included:

- **Multifunctional Perennial Cropping Systems (MPCs) for introducing local food and biomass production for small farmers in the Upper Sangamon River Watershed –** USDA grant, Project Director Dr. Sarah Taylor Lovell, UIUC Dept. of Crop Sciences. AWI worked with Dr. Lovell and students to install and staff an agroforestry plot and exhibit at the Farm Progress Show. See details below.
- **Intensively Managed Landscapes Critical Zone Observatory –** National Science Foundation (NSF) grant, Lead Principal Investigator Dr. Praveen Kumar, UIUC Dept. of Civil and Environmental Engineering. Greg and Steve participated in the 2-day annual meeting of the IML CZO science team in July and gave a presentation on "Perennial Cropping Systems and Critical Zone Functions" that addressed multiple benefits.
- In early 2017, AWI participated in a team led by engineering professor Dr Ximing Cai to prepare a proposal for NSF's **Innovations at the Nexus of Food, Energy, and Water Systems** (INFEWS) program. The City of Decatur, Sanitary District of Decatur, and Tate & Lyle provided letters of collaboration. During this reporting period, we were notified that the proposal, **Advancing FEW [food-energy-water] system resilience in Corn Belt watersheds using integrated technology-environment-economics modeling of nutrient cycling**, was accepted. Steve and Greg are working on project start-up tasks. The Sangamon watershed is the main site to study innovative approaches to reduce and recover nutrients in agricultural watersheds and grain processing facilities. The project period will run for four years. AWI will assist in scenario development and modeling, outreach and education, and coordination of stakeholder engagement.

Perennial biomass crops for renewable energy, forage, and water quality:

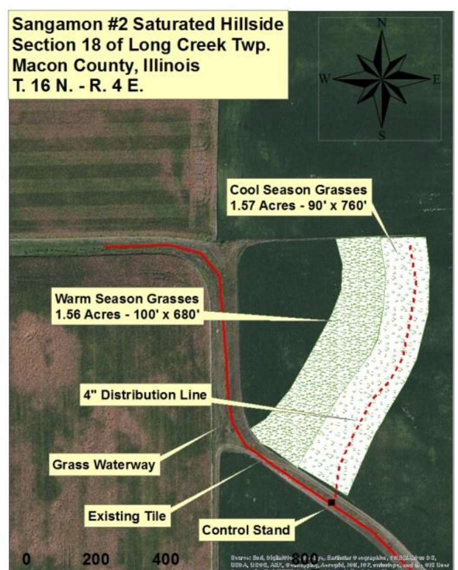
A major focus of AWI activity continues to be on our Local Bioenergy Initiative. City funding is applied to work in, or directly benefitting, the Lake Decatur watershed. Initiative goals are: (1) Establish the Lake Decatur watershed as a showcase for R&D on perennial biomass crops to enhance water quality; (2) Advance learning networks in Illinois and the Midwest on perennial biomass crops for watershed enhancement; and (3) Promote economic development related to perennial biomass supply chains, markets, and enterprises.

Activities related to perennial biomass and watershed management during this period include:

- As a member of the **Green Lands Blue Waters** (GLBW) steering committee and Watershed Initiative core group, Steve participated in conference calls and began organizing the Biomass breakout session for 2017 GLBW conference to be held at University of Wisconsin-Madison in November.
- Steve also serves on the **Midwest Conservation Biomass Alliance** (MCBA) steering committee. During this period, he participated in MCBA conference calls and provided input as MCBA took initial steps toward incorporation as a nonprofit organization.
- The IEPA Section 319 proposal (pending) and the NSF INFEWS proposal (approved) mentioned above are related to AWI's ongoing work on biomass and water quality.
- In March, AWI organized and hosted a workshop on biomass crops and water quality.
- This growing season, Tim again worked with farmer David Brix to arrange baling grasses at the Caterpillar—AWI Prairie for Bioenergy plots for use as warm season forage.
- Participated in calls and meetings related to market development for Kernza, a perennial wheat variety developed by The Land Institute.

During this period, AWI ramped up **efforts to organize a multi-state Perennial Biomass Initiative** with GLBW. Steve spoke about water quality and other benefits of perennial crops with numerous organizations and groups. This is a partial list of these presentations and meetings:

- Met in Washington DC with USEPA, National Farmers Union, Union of Concerned Scientists, etc.
- Spoke about soybean history and lessons for the future to Master Gardeners at the Staley Museum and to the general public at Rock Springs.
- Science Entrepreneurship series talk at Millikin University on market development for perennials.
- Facilitated biomass breakout sessions at Alphabet Soup meetings in Decatur and Springfield.
- With Dr. Madhu Khanna, UIUC, spoke about perennial crops at Chicago meeting of the Coalition on Agricultural Greenhouse Gases.
- Met with several nonprofits in Chicago to discuss the proposed Perennial Biomass Initiative.



This proposed harvestable saturated hillslope is included in AWI's Section 319 application, described above.

- With Dr. Greg McIsaac, spoke about perennial crops at the IML CZO annual meeting. (See above.)
- Met with met with Millikin's Center for Entrepreneurship and local business leaders to begin work on a student marketing project and biomass market development.

The meetings with Millikin and business leaders and organizational meetings for the proposed Perennial Biomass Initiative are intended to develop a biomass market leading to significant farmer adoption of perennial crops in the coming years. Current projects and pending proposals (INFEWS and MPCs projects and Section 319 application) provide opportunities to study synergies between perennial crops and water quality improvement and advance AWI's goal of making the Lake Decatur watershed a national showcase for perennial crops grown to produce both agricultural goods and environmental benefits.

Shared Learning Program:

- **Farm Progress Show**

AWI managed and organized perennial crop plots and exhibits at the 2017 Farm Progress Show, as we have at every Show in Decatur since 2007. This year's co-sponsors were the U of I Crop Sciences Department, Green Flame Energy, Chip Energy, and the Savanna Institute. An exciting addition this year was an agroforestry plot and exhibit with a variety of food-producing trees and shrubs. Dr. Sarah Taylor Lovell, U of I, and her students worked with AWI to install the plot; she has an ongoing research project funded by USDA (see above) to demonstrate agroforestry systems on small farms in the Upper Sangamon watershed. AWI is a collaborator on that project.

Eric Rund, Green Flame Energy, speaks to attendees about Miscanthus and the new U of I biomass boiler.

Ron Revord, U of I Ph.D. student, in front of the new agroforestry plot featuring food trees and shrubs.

- **Sangamon Watershed Celebration**

During this period, Steve met several times with the core group of the new Sangamon River Alliance and a subcommittee that is planning the 2017 Sangamon Watershed Celebration. This annual event is designed to bring urban and rural people together for a positive day of education, local food, and community-building featuring watershed-related speakers, exhibits, and music. The 2017 Watershed Celebration will be held on November 4 at Richland Community College.

City Clerk

DATE: 9/13/2017

MEMO: 2017-10

TO: Mayor Julie Moore Wolfe
City Council Members

FROM: Tim Gleason, City Manager

SUBJECT: August 2017 Monthly Reports

ATTACHMENTS:

Description	Type
City Clerk	Cover Memo
Development Services	Cover Memo
Fire	Cover Memo
Human Resources	Cover Memo
Police	Cover Memo
Public Works	Cover Memo

City Clerk's Office

August 2017 Month End Report

- Attended and prepared minutes for two City Council meetings.
- Processed and issued 1 new liquor licenses and 3 Temporary Liquor License.
- Received and processed 18 Freedom of Information requests.
- Destroyed approximately 390 boxes of City documents (approved to be destroyed by the State of Illinois Archivist.)

DEVELOPMENT SERVICES
AUGUST MONTHLY REPORT

BUILDING INSPECTIONS - During the month of July 2017 we issued a total of 100 permits with a total work value of $1,025,893. Of those we had three commercial permits, all interior remodels with a total work value of $253,452.

Monthly Summary
08/01/2017 – 08/31/2017

PERMIT TYPE	# ISSUED	WORK VALUE
Building	27	$2,623,947.00
Demolition	9	41,590.00
Electrical	23	36,605.00
Mechanical	23	122,176.00
Other	10	37,998.00
Plumbing	23	46,996.00
Sign	6	39,696.00
Tent	2	3,337.00
TOTAL	**123**	**$2,952,345.00**

PLANNING AND ZONING – Part of the process of economic development and community redevelopment involves site plan reviews for compliance with local development laws and ordinances. As you know, the city has regulations designed both to beautify the community as part of development (landscaping, signage, etc.) but also to protect both users of a particular development (parking, lighting, etc.) and adjacent land owners (drainage, buffer yard size requirements) Last month the planning and zoning division in conjunction with other city departments reviewed 10 submittals which included 4 site plans and 6 subdivision plats. Additionally, the division reviewed and facilitated 3 zoning cases that will be heard by City Council at the September 5, 2017 meeting.

NEIGHBORHOOD SERVICES

- Staff continued to prepare special reports for loans that are serviced in the Neighborhood Outreach Division.
- Staff continued to qualify homeowners for the Residential Rehabilitation program.
- Staff continued to prepare Environmentals for Residential Rehab, infrastructure projects and potential replacement projects.
- Staff submitted CAPER report and Action Plan to HUD.
- Staff participate in several HUD webinars, tutorials, conference calls and trainings.

- Planning and Outreach staff helped to host this year's NNO event which was held on August 1st in Hess Park.
- Staff continued to work with HUD staff on outstanding issues: expenditures, 70% low mod benefit, and conflict of interest.
- Staff continues to work with the Public Works Department on CDBG sidewalks, siren replacement and 70% replacement project.
- Staff continued work with DCDF about education training rehab program.
- Staff met with Habitat for Humanity about the possibility of becoming a CHDO
- Staff continued annual rental monitoring on outstanding projects.
- Met with Millikin about possibly contracting for assistance with Chronic Homeless project
- Construction Project Manager prepared work write-ups with estimates for the CDBG and HOME Rehab Programs.
- Staff attended CONO's monthly meeting.
- Staff continues to have discussions or contact with potential CHDO's.
- Staff participated in Continuum of Care Review meetings and homeless consortium meetings.
- Staff attended the Citizen's Award, sponsored by the Macon County States Attorney's office.
- Staff attended Idea Accelerator Workshop to learn about the Mayor's Challenge program
- Staff participated in ongoing meetings with partners about Bed bugs and how they are affecting residents and the community.
- Staff attended ribbon cutting for Unique Creations
- Staff held a Contractor Lead meeting to discuss new lead regulations for rehabilitation
- Staff developed an Honorary Bench program, where residents can purchase a bench in honor of someone. These will have plaques and can be located throughout the city.
- Staff updated certification packages to contractors interested in bidding on federal rehab projects.
- Staff attended Homeless Continuum Governing board meeting with other local agency partners.
- Staff is working with DMCOC as a board member. Staff will also participate on the search committee in selecting a new Executive Director for the agency.
- Staff went to court about a HASC violation.

DECATUR FIRE DEPARTMENT
MEMORANDUM
17-09

September 8, 2017

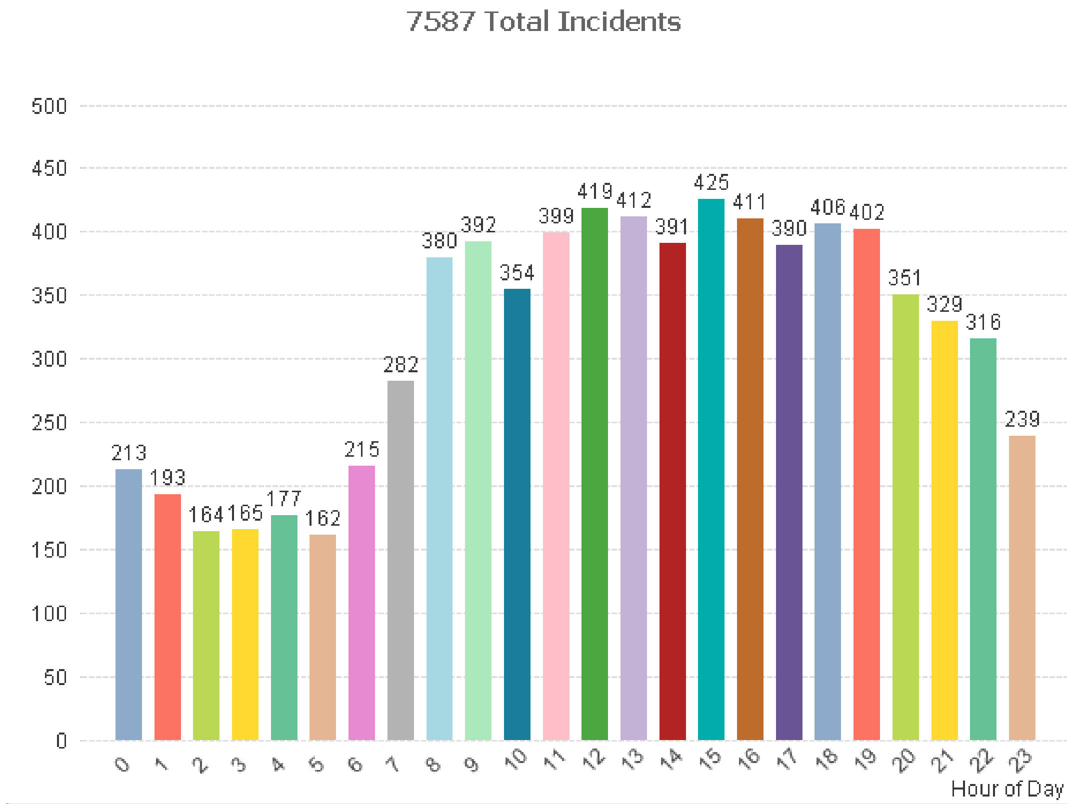
TO: Tim Gleason, City Manager

FROM: Jeffrey S. Abbott, Fire Chief

RE: Monthly Report – August 2017

The fire department responded to 922 alarms in August. We have responded to 7,587 alarms so far this year. Training this month focused on specialized rescue for water emergencies and patient retrieval on slopes. Training for water emergencies was done at Lake Decatur and consisted of members being trained in the proper use of the department's rescue boat. The training for patient retrieval concentrated on removing a patient from a ravine or ditch. Members trained on packaging a patient in a stokes basket and rigging rope retrieval system to move the patient to a higher elevation.

The fire department supported two major events this month with equipment and personnel. The Decatur Celebration, and a bike rally at the beginning of the month was supported by hiring back a two-man squad to answer EMS calls in Engine 3's territory. This allowed Engine 3 to be a dedicated response at the bike rally. A staff chief was also on duty to assist with multiple responses. The Farm Progress show was supported with an Engine Company on site the three days before for preparation, three days of the show, and the day after the show for break down. During the three days of the show, a medical tent was staffed with an Incident Commander and two response teams.


7587 Total Incidents
500
450
400
350
300
250
200
150
100
50
0
213
193
164
165
177
162
215
282
380
392
354
399
419
412
391
425
411
390
406
402
351
329
316
239
0
1
2
3
4
5
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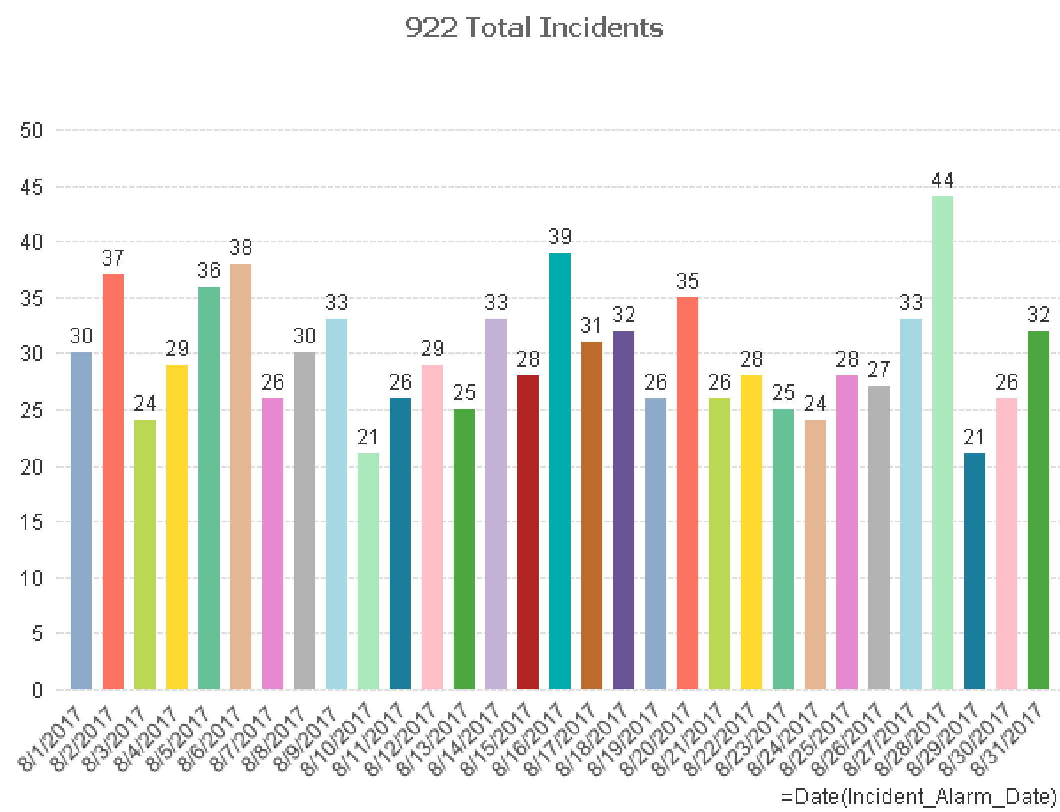
22
23
Hour of Day


922 Total Incidents
50
45
40
35
30
25
20
15
10
5
0
30
37
24
29
36
38
26
30
33
21
26
29
25
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28
27
33
44
21
26
32
8/1/2017
8/2/2017
8/3/2017
8/4/2017
8/5/2017
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8/25/2017
8/26/2017
8/27/2017
8/28/2017
8/29/2017
8/30/2017
8/31/2017
=Date(Incident_Alarm_Date)

During the month of August, the Fire Prevention Bureau was called out 5 times for fire investigations. Three (3) were determined to be of accidental cause; 1 was incendiary; and 1 the cause was undetermined. The month was very busy for plan reviews as we reviewed 18 submitted plans. The month was average pertaining to key box installations or removals as we totaled 29. Smoke detector installs was slightly higher last month in that we installed 7 alarms. We are currently working with the Red Cross on a smoke alarm campaign for the City, however, our project has been placed on a momentary pause due to the 2 hurricane relief efforts the Red Cross is currently active in. We completed 12 inspections last month and we also tested 3 private hydrants for a homeowners' association. The month began with National Night Out that involved an Engine Company, three inspectors, Fire Chief, and the two Deputy Chiefs. The fire prevention 22' bounce slide was a big hit with the kids. We wrapped up August with doing tent and building checks prior to the Farm Progress Show event.

HUMAN RESOURCES DEPARTMENT
Monthly Report of Priorities and Projects
Fiscal Year 2017
August 2017

Human Resources Division

This month, Human Resources Department staff accomplished the following:

- Attended monthly Civil Service Commission and Human Relations Commission meetings;
- Attended monthly SHRM meeting;
- Facilitated filling the positions of Crew Chief, Fire Fighter (3), Library Assistant, Account Clerk II, and Service Worker
- Facilitated filling the promotional positions of Crew Chief and;
- Conducted exit interviews for departing employees

DECATUR ILLINOIS POLICE DEPARTMENT

TO: Mayor Julie Moore-Wolfe
City Council Members
City Manager Tim Gleason

FROM: James E. Getz Jr, Chief of Police

RE: August 2017 Monthly Report

STAFFING

Sworn Police Officer Staffing

The Decatur Police Department has 161 authorized sworn police positions. At end of August 2017 staffing was at 151. Current staffing for the Decatur Police Department is as follows:

Position	Authorized	Funded	Current
Police Chief	1	1	1
Deputy Chief	3	3	3
Police Lieutenant	4	4	4
Police Sergeant	17	17	17
Police Patrol Officer	136	131	126
TOTAL	161	156	151

Civilian-Non Sworn Police Staffing: 9

Position	Authorized	Funded	Current
Administrative Secretary	1	1	1
Senior Crime Analyst	1	1	1
Crime Analyst	1	1	1
Sr. Clerk Typist	2	2	1
Records Supervisor	1	1	1
Parking Enforcement	2	2	2
Part-time FOIA Officer	2	2	2
Total	10	10	9

System Administrator, Duane Richards works out of the Police Department but is staffed under MIS.

Emergency Communications/Dispatch Staffing

Position	Authorized	Funded	Current
Communications Center Mgr	1	1	1
Supervisor	3	2	2
ECS Level III	24	20	19
Total	28	23	22

The communications center manager is projecting 116 (4- hour) slots of overtime in September 2017.

PATROL DIVISION

Function	Month	YTD
Community Meetings	5	41
Directed Patrols	47	362
Active Problem Oriented Policing Projects	2	2
Completed Problem Oriented Policing Projects	0	0
Parking Citations	69	723
Criminal Arrests	447	3569
Felony Drug Arrests	28	182
Firearms Seized	6	79
Traffic Citations	649	5057
Field Interviews	62	758
Written Warnings	314	2909
Calls for Service/CAD incidents	5057	38416
Unlawful use of Motor Vehicle tows	138	1117
Driving Under the Influence Arrests (DUI)	37	234
DUI involving accidents	17	76
Fatal Accidents	1	7
Traffic Accidents	218	1804
Accidents with Personal Injury	33	314
City Ordinances Arrests	65	495

CRIMINAL INVESTIGATIONS DIVISION

Street Crimes: Drug Seizures for the month:

Drug	Amount	YTD Seizure	Street Value
Cannabis	16 grams	92,062 grams @ $10-gram	$920,620
Cocaine-Powder	14 grams	521 grams @ $100-gram	$52,100
Cocaine-Crack	0 grams	230 grams @ $100-gram	$23,000
Heroin	71 grams	238 grams @ $300-gram	$71,400
Ecstasy	504 hits	504 @ 20 hit	$ 10,080
Meth	0 grams	563 grams @ 100-gram	$56,300
K-2/Pills:	4	54	
Search Warrants: 1		YTD: 24	

US Currency Seized: $33,561	YTD: $269,592
Firearms seized: 1	YTD: 24
Vehicles seized: 1	YTD: 3
Interdiction Drug Arrests: 5	YTD: 59
Interdiction Wanted Persons Arrests: 1	YTD: 8
Interdiction Currency Seizure: $33,561	YTD: $171,670

Criminal Investigations (Adult & Juvenile Detectives):

New cases assigned: 191	YTD: 1402
Cases closed/resolved:113	YTD: 733
Criminal Arrests: 71	YTD: 424
Homicides: 1	YTD: 3
Infant Death Investigations: 1	YTD: 3
Suicide Detective Investigations: 0	YTD: 3
Missing person Investigations: 11	YTD: 47
Computer forensic Exams: 4	YTD: 34
Sex Offenders Registered: 67	YTD: 538

A Detective has been assigned to the US Marshals Service Task Force, with a yearly review between the US Marshals Service and Decatur Police Administration to ensure effectiveness. This partnership allows for quicker apprehension of fugitives within the Decatur/ Macon County region and also allows for more government resources in the pursuit of major fugitives.

Fugitive Arrests: 26	YTD fugitive arrests: 242

Freedom of Information (FOIA)

The Professional Standards Unit received 259 Freedom of Information Act requests for the month; 1,942 total requests YTD in 2017.

Public Works Department
Monthly Activity Report
August 2017

Engineering:

<u>7th Ward Sewer Rehabilitation:</u> Bids were opened for this project in December, 2016, and approved by Council on January 17, 2017. Lining began on April 24. Lining work is nearly 90% complete with lining completed from Fairview Park to the Sanitary District's combined sewer overflow on West Sunset.

<u>McKinley Avenue Sewer Rehabilitation:</u> This project was approximately 50% designed by BGM & Associates (now Chastain & Associates) in 2015-16. The condition is considerably worse than originally estimated in the master plan that was completed 5 years ago. An engineering agreement was approved by Council on August 7, 2017, to complete the design for this project and potentially let bids in 2018.

<u>2017 *State* MFT Street Improvement Projects:</u> Bids were opened on this project on April 10 with bids approved by Council on April 17. The sole street was Mound Road which was paved in May. This project is completed and approved by IDOT.

<u>2017 *City* MFT Street Improvement Project:</u> Bids were opened on this project on April 6 with Council approval on April 17. Work began on May 1. Streets in Windsor Village, north of Mound Road, were paved and work continues on East Main at 22nd Street and Olive at Edward. The concrete portion of the project is focused on Melwood Ct with the old concrete street being completely replaced. The project should be completed in September.

<u>Nelson Park Neighborhood Storm Drainage Improvements:</u> This project was designed by Blank, Wesselink, Cook & Associates. The project is funded through a low interest loan from the IEPA. Bids were opened on March 30, 2017, and approved by Council on April 17. The IEPA has approved the loan and the project. Work began May 30, 2017. Work is progressing through Nelson Park. Completion is expected in late 2018.

2017 Water Main Replacement Project: This was designed by City staff and bids were opened on February 21. Council approved a contract with Burdick Plumbing and Heating on March 6. Work began in April in the Turner Drive area and have been completed there. Work is now progressing in the Garman Park area off of Ravina Park Road.

Sewer Televising: 15,726 feet of sewers were televised. 11 special inspections / investigations were performed.

Contract Sewer Cleaning: 561 feet of sanitary sewers were cleaned under contract.

MUNICIPAL SERVICES MONTHLY DATA 08/01/17 – 08/27/17

TASKS	QUANTITY	MANHOURS	OTHER INFO
Street Sweeping	563.4 miles	283.5 hours	
Potholes Patched	537 each	N/A	
72 Hour Cleanups	54 each	N/A	
Sanitary Sewer Derooting	5,344 lin. ft.	129 hrs.	
Sanitary Sewer Cleaning	16,970 lin. ft.	289 hrs.	

Water Production Division
Department of Public Works
Monthly Report
August 2017

Lake Decatur Dam Emergency Response Plan: Hanson Professional Services has completed the final draft of the plan. Due to the City's recent staff reorganization, the final draft is being revised accordingly.

Lake Decatur Dredging Basins 1 through 4: Dredging continued in Basin 3. Since Great Lakes Dredge & Dock began dredging in November 2014, a total of 8,108,051 cubic yards of sediment has been removed from the lake, which is 76% of the contract amount, or 39 days of additional water supply.

Lake Decatur Landscape Maintenance: Sky's the Limit Tree Service completed work around the intersection of Country Club Road and Cantrell Street. The hill side between Lake Shore Drive and the Nelson Park harbor was completed in June.

Lake Services: Staff continued facility maintenance and mowing operations. Due to the start of the fall college semester, Lake Patrol evening and overnight shifts ended. Five barges of rip rap were delivered to lake front property owners.

South Water Treatment Plant East Clarifiers to Claricones Conversion: Crawford, Murphy & Tilly (CMT) has completed 99.9% of the engineering and bid specifications. For comparison purposes, Black & Veatch began work to update the estimated cost to significantly rehabilitate the existing clarifiers.

South Water Treatment Plant Security Cameras: Bodine Communications and City staff completed installing additional cameras and associated equipment near the Lake Office. The rest of this project was completed in June.

Water Administration: Staff prepared the 2018 proposed operations budget, participated in a Labor Management meeting, a Sangamon River Alliance meeting and a Water Supply Managers panel discussion on water quality at the Farm Progress Show.

Water Production: Due to less than normal rainfall, Lake Decatur was maintained at an average of 94% full, which is typical in late summer. 627.45 million gallons of potable water were pumped to customers which was 0.98% less than August 2016. Several significant water facilities maintenance tasks were completed. Work continued on the South Water Treatment Plant Risk Management Plan and two treatment plant permits: 1) a wastewater discharge permit renewal was approved by the Sanitary District of Decatur, and 2) an IEPA NPDES point source discharge permit renewal application was submitted.

For questions regarding these items contact Keith Alexander, Water Production Manager, at 424-2863 or kalexander@decaturil.gov.

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