

**AGENDA**  
**FINANCE COMMITTEE**  
**Village of Hoffman Estates**  
**October 28, 2019**

***Immediately Following Public Health & Safety***

**Members:** Gary Pilafas, Chairperson  
Anna Newell, Vice Chairperson  
Michael Gaeta, Trustee  
Karen Mills, Trustee  
Gary Stanton, Trustee  
Karen Arnet, Trustee  
William McLeod, Mayor

**I. Roll Call**

**II. Approval of Minutes – September 23, 2019  
October 7, 2019 (Special)**

**NEW BUSINESS**

1. Request approval of a Resolution urging the General Assembly to enact public safety pension fund consolidation.
2. Request approval of payment from the developer's portion of the 2017 tax levy year EDA Special Tax Allocation Fund (i) \$5,153,317.00 to Sears, Roebuck and Co., as the developer, and (ii) \$2,000,000.00 to Community Unit School District 300 ("CUSD 300") pursuant to the October 23, 2019 court order of the United States Bankruptcy Court for the Southern District of New York.
3. Request authorization to award a contract to provide snowplowing services at the Sears Centre Arena for the 2019/2020 winter season to Tovar Snow Professionals, East Dundee, IL at unit rates included in the proposal.
4. Request authorization to award the professional financial audit services contract for the Village and the Sears Centre Arena for the 2019 fiscal year to BKD CPA's & Advisors for a cost not to exceed \$66,595, with the option of extending the contract for each of the years 2020, 2021, 2022, and 2023.
5. Request authorization to award a contract for the 2020 Northwest Fourth Fest fireworks display to Melrose Pyrotechnics, Inc., Kingsbury, IN in an amount not to exceed \$40,250.
6. Request authorization to waive formal bidding and purchase nine (9) semi ruggedized laptop computers and accessories to CDS Office Technologies (State of Illinois Master Contract CMS5848520) for use in the Police Department patrol and response vehicles in an amount not to exceed \$36,072.00.

**REPORTS (INFORMATION ONLY)**

1. Finance Department Monthly Report.
2. Information System Department Monthly Report.
3. Sears Centre Monthly Report.

**III. President's Report**

**IV. Other**

**V. Items in Review**

**VI. Adjournment**

*Further details and information can be found in the agenda packet attached hereto and incorporated herein and can also be viewed online at [www.hoffmanestates.org](http://www.hoffmanestates.org) and/or in person in the Village Clerk's office.*

*The Village of Hoffman Estates complies with the Americans with Disabilities Act (ADA). For accessibility assistance, call the ADA Coordinator at 847/882-9100.*

FINANCE COMMITTEE MEETING MINUTES

September 23, 2019

I. Roll call

**Members in Attendance:**

**Trustee Anna Newell, Vice Chairperson  
Trustee Michael Gaeta  
Trustee Mills  
Trustee Gary Stanton  
Trustee Karen Arnet  
Mayor William McLeod**

**Via Telephonic Attendance:**

**Trustee Gary Pilafas, Chairman**

**Management Team Members  
in Attendance:**

**Jim Norris, Village Manager  
Dan O'Malley, Deputy Village Manager  
Art Janura, Corporation Counsel  
Mark Koplin, Asst. Village Mgr.-Dev. Svs.  
Alan Wenderski, Village Engineer  
Ted Bos, Police Chief  
Pat Fortunato, Fire Chief  
Bev Romanoff, Village Clerk  
Rachel Musiala, Finance Director  
Fred Besenhoffer, Director of IS  
Monica Saavedra, Director of HHS  
Joe Nebel, Director of Public Works  
Patti Cross, Asst. Corporation Counsel  
Doug LaSota, Assoc. Corporation Counsel  
Suzanne Ostrovsky, Asst. to Village Mgr.  
Aaron Howe, Mgmt. Asst., Public Works  
Matt Galloway, Administrative Intern  
Kasia Cawley, Asst. Police Chief**

The Finance Committee meeting was called to order at 7:44 p.m.

II. Approval of Minutes

Motion by Trustee Gaeta, seconded by Trustee Arnet, to approve the Finance Committee Meeting minutes of August 19, 2019. Roll call vote taken. All ayes. Motion carried.

**NEW BUSINESS**

1. **Request approval of an agreement with Spectra Partnerships (a.k.a. Front Row Marketing, Philadelphia, PA for sale of contractual rights at the Sears Centre Arena.**

An item summary sheet from Mark Koplin and Ben Gibbs was presented to Committee.

Motion by Trustee Gaeta, seconded by Trustee Mills, to approve an agreement with Spectra Partnerships (a.k.a. Front Row Marketing, Philadelphia, PA, for sale of contractual rights at the Sears Centre Arena. Roll call vote taken. All ayes. Motion carried.

- 2. Request approval of an ordinance amending Chapter 13, Revenue Taxes and Charges, of the Hoffman Estates Municipal Code (Cannabis Retailers' Occupation Tax).**

An item summary sheet from Art Janura was presented to Committee.

Doug LaSota addressed the Committee and reported that the imposition of the proposed tax has no bearing on whether or not the retail sale of cannabis shall be permitted within the Village. The Board retains the authority to prohibit the retail sale of cannabis.

Motion by Trustee Gaeta, seconded by Mayor McLeod, to approve an ordinance amending Chapter 13, Revenue Taxes and Charges, of the Hoffman Estates Municipal Code (Cannabis Retailers' Occupation Tax). Roll call vote taken. Ayes: Trustees Newell, Gaeta, Mills, Stanton, Arnet and Mayor McLeod. Nay: Trustee Pilafas. Motion carried.

- 3. Request authorization to enter into a contract with the purpose of upgrading and migration to the Community Development Software as a Service (Saas) Enterprise application TRACKiT in an amount not to exceed \$211,635.**

An item summary sheet from Fred Besenhoffer was presented to Committee.

Motion by Trustee Gaeta, seconded by Trustee Arnet, to enter into a contract with the purpose of upgrading and migration to the Community Development Software as a Service (Saas) Enterprise application TRACKiT in an amount not to exceed \$211,635. Roll call vote taken. All ayes. Motion carried.

### **REPORTS (INFORMATION ONLY)**

- 1. Finance Department Monthly Report**

The Finance Department Monthly Report was presented to Committee and received and filed.

- 2. Information Systems Department Monthly Report**

The Information Systems Department Monthly Report was presented to Committee and received and filed.

**3. Sears Centre Monthly Report**

The Sears Centre Monthly Report was presented to Committee and received and filed.

Jim Norris reported that the Village has received the funds for the naming rights agreement from Transform in the amount of \$600,000.

**II. President's Report**

**III. Other**

**IV. Items in Review**

**V. Adjournment**

Motion by Trustee Gaeta, seconded by Trustee Arnet, to adjourn the meeting at 7:56 p.m. Roll call vote taken. All ayes. Motion carried.

Minutes submitted by:

\_\_\_\_\_  
Debbie Schoop, Executive Assistant

\_\_\_\_\_  
Date

SPECIAL FINANCE COMMITTEE MEETING MINUTES

October 7, 2019

I. Roll call

**Members in Attendance:**

**Trustee Gary Pilafas, Chairman**  
**Trustee Anna Newell, Vice Chairperson**  
**Trustee Michael Gaeta**  
**Trustee Karen Mills**  
**Trustee Gary Stanton**  
**Trustee Karen Arnet**  
**Mayor William McLeod**

**Management Team Members  
in Attendance:**

**Jim Norris, Village Manager**  
**Art Janura, Corporation Counsel**  
**Dan O'Malley, Deputy Village Manager**  
**Patrick Fortunato, Fire Chief**  
**Tom Mackie, Assistant Fire Chief**  
**Mark Koplín, Asst. Vlg. Mgr.-Dev. Services**  
**Richard Signorella, Cable TV Coordinator**  
**Ted Bos, Police Chief**  
**Kathryn Cawley, Asst. Police Chief**  
**Ken Koop, Risk Manager**  
**Joe Nebel, Director of Public Works**  
**Monica Saavedra, Director HHS**  
**Fred Besenhoffer, Director of IS**  
**Rachel Musiala, Director of Finance**  
**Bev Romanoff, Village Clerk**  
**Patti Cross, Asst. Corporation Counsel**  
**Suzanne Ostrovsky, Asst. to Village Mgr.**  
**Ben Gibbs, Sears Arena GM**  
**Yousuf Ahmed, Levy**

The Special Finance Committee meeting was called to order at 7:02 p.m.

**NEW BUSINESS**

- 1. Request approval of an ordinance providing for the issuance of not to exceed \$10,000,000 General Obligation Bonds, Series 2019 of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, and providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.**

An item summary sheet by Jim Norris, Art Janura and Rachel Musiala was presented to Committee.

Motion by Trustee Gaeta, seconded by Trustee Arnet to approve an ordinance providing for the issuance of not to exceed \$10,000,000 General Obligation Bonds, Series 2019 of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, and providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds. Voice vote taken. All ayes. Motion carried.

**2. Request authorization to enter into a five year pouring rights agreement with Coca-Cola to provide soft drinks at the Sears Centre Arena for \$10,000 per year.**

An item summary sheet by Mark Koplín and Ben Gibbs was presented to Committee.

Motion by Trustee Gaeta, seconded by Trustee Arnet to enter into a five year pouring rights agreement with Coca-Cola to provide soft drinks at the Sears Centre Arena for \$10,000 per year. Voice vote taken. All ayes. Motion carried.

**V. Adjournment**

Motion by Trustee Arnet, seconded by Trustee Gaeta, to adjourn the meeting at 7:07 p.m. Voice vote taken. All ayes. Motion carried.

Minutes submitted by:

\_\_\_\_\_  
Jennifer Djordjevic, Director of Operations &  
Outreach / Office of the Mayor and Board

\_\_\_\_\_  
Date

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Request approval of a Resolution urging the General Assembly to enact public safety pension fund consolidation

**MEETING DATE:** October 28, 2019

**COMMITTEE:** Finance

**FROM:** James Norris/Mark Koplin *M, Z*

**REQUEST:** Request approval of a Resolution urging the General Assembly to enact public safety pension fund consolidation.

**DISCUSSION:** The State of Illinois has been talking about pension reform for many years. There are more than 650 individual pension funds within the State and one discussion point with pension reform has been based on projected increased efficiencies if these pension funds were to be consolidated. This theory is based on the success of the Illinois Municipal Retirement Fund (IMRF) in which all municipalities within the State participate in a combined effort to maximize investment returns, among other benefits.

Just recently, the Pension Feasibility Task Force made recommendations to Governor Pritzker on pension reform. The central components of the report and recommendations include:

- ◆ Mandatory consolidation of the more than 650 Article 3 (police) and Article 4 (firefighter) investment funds into two separate statewide funds (one Article 3 fund and one Article 4 fund), maintaining individual accounts for each community's pension fund and having equal labor-management board governance, using the Illinois Municipal Retirement Fund (IMRF) as a model.
- ◆ Consolidation of all investing, auditing, and actuary services into those two separate statewide funds.
- ◆ Modest restructuring to Tier 2 pension benefits to support active employees.

The Illinois Municipal League not only supports the recommendations but also believes it is necessary to adopt such measures so as to preserve the financial solvency of municipal governments throughout the state.

**FINANCIAL IMPACT:** The Village's Police Pension Fund and Firefighter Pension Fund would be impacted by this consolidation, but it is predicted the impact would be increased investment returns and a more stable pension funding property tax levy for Village taxpayers. This potential solution to this longstanding problem is critical for the State of Illinois as a whole and municipalities state-wide.

**RECOMMENDATION:** Request approval of a Resolution urging the General Assembly to enact public safety pension fund consolidation.

Attachment



VILLAGE OF HOFFMAN ESTATES

**A RESOLUTION URGING THE GENERAL ASSEMBLY TO ENACT PUBLIC SAFETY PENSION FUND CONSOLIDATION**

WHEREAS, the financial burdens imposed by Illinois' downstate public safety pension funds are unsustainable and, if left unaddressed by the General Assembly, will eventually destroy the financial solvency of municipal governments throughout the state; and

WHEREAS, the existence of more than 650 separate public safety pension funds creates duplicative costs, inefficiencies and investment restrictions that result in increasing financial pressure on municipalities and their taxpayers; and

WHEREAS, consolidating these pension funds for investment purposes provides a unique opportunity to achieve cost savings to taxpayers without altering existing benefit levels for current police officers and firefighters; and

WHEREAS, Governor J.B. Pritzker appointed the Illinois Pension Consolidation Feasibility Task Force which has issued its report recommending the consolidation of downstate police and fire pension plan assets for investment purposes, and

WHEREAS, the Illinois Pension Consolidation Feasibility Task Force determined, and the Illinois Municipal League agrees, that if the downstate public safety pension plans were consolidated for investment purposes, administrative costs would be reduced and investment returns would increase substantially; and

WHEREAS, the recommendations of the Task Force are consistent with legislation the Illinois Municipal League has previously proposed; and

WHEREAS, the Illinois Pension Consolidation Feasibility Task Force further stated: "With up to \$1 million a day in lost investment returns to the pension plans, the Task Force recommends there be legislation passed by the General Assembly in the fall of 2019 that will achieve this consolidation."

NOW THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

Section 1: The Village of Hoffman Estates urges the General Assembly to take immediate action to enact public safety pension fund consolidation that reduces municipal pension costs and protects taxpayers without altering benefits for existing employees and retirees.

Section 2: This Resolution shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2019

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills	_____	_____	_____	_____
Trustee Anna Newell	_____	_____	_____	_____
Trustee Gary J. Pilafas	_____	_____	_____	_____
Trustee Gary G. Stanton	_____	_____	_____	_____
Trustee Michael Gaeta	_____	_____	_____	_____
Trustee Karen Arnet	_____	_____	_____	_____
President William D. McLeod	_____	_____	_____	_____

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2019

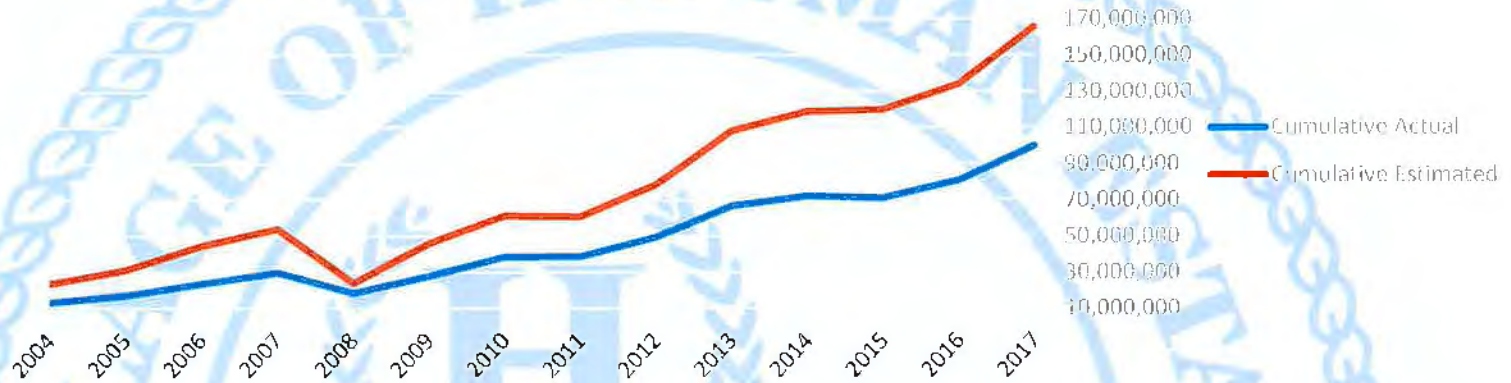
\_\_\_\_\_  
Village President

ATTEST:

\_\_\_\_\_  
Village Clerk

# Village of Hoffman Estates – Public Safety Pensions

Cumulative actual investment income vs. investment income w/IMRF rate of return



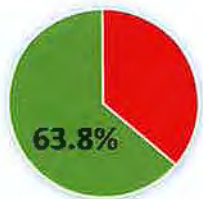
## Hoffman Estates Police Pension Fund



## Hoffman Estates Fire Pension Fund



## 2017 Police Pension Funding Percent



## 2017 Police Pension Funding Percent w/IMRF returns



## 2017 Fire Pension Funding Percent



## 2017 Fire Pension Funding Percent w/IMRF returns



**FINANCE COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** TLY2017 EDA Distribution Declaration  
**MEETING DATE:** October 28, 2019  
**FROM:** Patricia Cross, Assistant Corporation Counsel  
Rachel Musiala, Director of Finance

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**PURPOSE:** Request approval of payment from the developer's portion of the 2017 tax levy year EDA Special Tax Allocation Fund (i) \$5,153,317.00 to Sears, Roebuck and Co, as the developer, and (ii) \$2,000,000.00 to Community Unit School District 300 pursuant to the October 23, 2019 court order of the United States Bankruptcy Court for the Southern District of New York.

**BACKGROUND:** As you are aware, on October 10, 2018 CUSD 300 brought suit against the Village and Sears Holdings Corporation ("Sears") in the Circuit Court of Cook County seeking declaratory, injunctive and other relief arising from Sears alleged failure to comply with certain terms and conditions of the Economic Development Area and Tax Increment Allocation Act ("EDA Act") and the EDA Agreement.

On October 15, 2018, Sears and certain of its affiliates (including Sears, Roebuck and Co.) voluntarily filed for chapter 11 bankruptcy in the United States Bankruptcy Court for the Southern District of New York, staying the CUSD 300 lawsuit.

Various motions were filed by CUSD 300 and Sears in the Bankruptcy Court and on January 11, 2019, the Bankruptcy Court entered a stipulation and order that, among other things, authorized and directed the Village to (i) distribute the 45% portion of the 2017 EDA funds and (ii) continue to hold in the Special Tax Allocation Fund the remaining 55% portion of the 2017 EDA funds pending further order of the Bankruptcy Court or an agreement among the parties. On January 21, 2019, the Village Board approved distribution of the 45% portion in accordance with the January 11, 2019 court order.

After further court proceedings, on May 6, 2019, the Bankruptcy Court entered an order directing the Village to disburse to Sears, Roebuck and Co., 2017 EDA funds in the amount of \$2,508,660.33 then being held in the 2017 tax levy year EDA Special Tax Allocation Fund. The court order further directed the Village to hold and retain pending further order of the Bankruptcy Court the balance of the 2017 EDA Funds in the amount of \$7,153,317.00. This amount represented the balance of the 55% portion that the EDA Act provides shall be paid to the developer (Sears, Roebuck and Co.) of the economic development area.

Following the entry of the May 6, 2019 Bankruptcy Court order, the parties filed in the Circuit Court of Cook County their respective summary judgment

cross-motions as to certain issues. During the pendency of those motions, Sears and CUSD 300 reached an agreement to resolve certain disputes between them, including distribution of the \$7,153,317.00 balance of the 2017 EDA Funds being held by the Village. On October 23, 2019, the Bankruptcy Court entered the attached Amended Stipulation and Order By and Among the Village of Hoffman Estates, the Debtors, and the Community Unit School District 300 Concerning 2017 EDA Funds Held in the Special Tax Allocation Fund.

### **DISCUSSION**

Pursuant to the October 23, 2019 court order the Village is ordered and directed to disburse to Sears, Roebuck and Co., as the developer, 2017 EDA Funds in the amount of \$5,153,317.00 currently held in the 2017 tax levy year EDA Special Tax Allocation Fund. The Village is further ordered and directed to disburse to CUSD 300 2017 EDA Funds in the amount of \$2,000,000.00 currently held in the 2017 tax levy year EDA Special Tax Allocation Fund that were otherwise to be disbursed to Sears, Roebuck and Co. as the developer pursuant to the EDA Act. Most importantly, the order provides that the Village is exculpated from any liability related to the Village's disbursement of the 2017 EDA Funds and the Village's compliance with the court order.

Notwithstanding the resolution of the total distribution of 2017 EDA Funds, CUSD 300's Cook County Circuit Court case shall continue and is set for a status hearing on October 31, 2019.

### **RECOMMENDATION**

Request approval of payment from the developer's portion of the 2017 tax levy year EDA Special Tax Allocation Fund (i) \$5,153,317.00 to Sears, Roebuck and Co, as the developer, and (ii) \$2,000,000.00 to Community Unit School District 300 pursuant to the October 23, 2019 court order of the United States Bankruptcy Court for the Southern District of New York.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:	
	:	<b>Chapter 11</b>
<b>SEARS HOLDINGS CORPORATION, et al.,</b>	:	
	:	<b>Case No. 18-23538 (RDD)</b>
	:	
<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>
-----X		

**AMENDED STIPULATION AND ORDER  
BY AND AMONG THE VILLAGE OF HOFFMAN ESTATES, THE DEBTORS,  
AND THE COMMUNITY UNIT SCHOOL DISTRICT 300 CONCERNING  
2017 EDA FUNDS HELD IN THE SPECIAL TAX ALLOCATION FUND**

WHEREAS, on October 10, 2018, Community Unit School District 300 (the “**School District**”) brought suit against the Village of Hoffman Estates (the “**Village**”) and Sears Holdings Corporation (“**SHC**,” and together with certain of its affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases, collectively, the “**Debtors**”) (each a “**Party**” and collectively, the “**Parties**”) in the Circuit Court of Cook County, State of Illinois

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Rover Brands Business Unit, LLC (f/k/a Sears Brands Business Unit Corporation) (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

(the “**Circuit Court**”), in a matter styled *Community Unit School District 300 v. Village of Hoffman Estates, et al.*, Case No. 2018 CH 12683 (the “**Illinois Action**”), seeking declaratory, injunctive and other relief arising from SHC’s alleged failure to comply with certain terms and conditions of the Economic Development Area and Tax Increment Allocation Act, 20 ILCS 620/1 *et seq.* (the “**EDA Act**”) and an economic development agreement entered into by and between the Village and Sears, Roebuck and Co., as the developer (“**Sears**”) (the “**EDA Agreement**”) under to the EDA Act, pursuant to which the developer (as set forth in the EDA Act) receives annual distributions from the Village’s special tax allocation fund maintained under the EDA Act (the “**Special Tax Allocation Fund**” and the funds therein, the “**EDA Funds**”).

WHEREAS, at the time the School District filed the Illinois Action, the Village was holding EDA Funds consisting of property taxes levied for tax year 2017 that were extended and collected in calendar year 2018 in the Special Tax Allocation Fund (the “**2017 EDA Funds**”), which 2017 EDA Funds — if Sears was compliant with the relevant terms and conditions of the EDA Act and EDA Agreement — were projected to be distributed fifty-five percent (55%) to Sears (the “**55% Portion**”), and forty-five percent (45%) to various taxing districts within the State of Illinois (the “**45% Portion**”) pursuant to the EDA Act and EDA Agreement.

WHEREAS, on October 15, 2018, the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), staying the Illinois Action pursuant to section 362 of the Bankruptcy Code.

WHEREAS, on November 12, 2018, the School District filed its *Motion of Community Unit School District 300 for Relief From the Automatic Stay or, in the Alternative, for Abstention* (ECF No. 652) (the “**Abstention Motion**”), pursuant to which the School District sought the entry of an order granting relief from the automatic stay or the Bankruptcy Court abstaining from hearing matters relating to the Illinois Action.

WHEREAS, on December 17, 2018, the Debtors filed their Objection to the Abstention Motion (ECF No. 1280).

WHEREAS, on January 11, 2019, the Bankruptcy Court entered a stipulation and order (the “**Stipulated Order**”) that, among other things, authorized and directed the Village to (i) distribute the 45% Portion of the 2017 EDA Funds and (ii) continue to hold in the Special Tax Allocation Fund the remaining 55% Portion pending further order of the Bankruptcy Court or an agreement among the Parties (ECF No. 1548).

WHEREAS, following the distribution of the 45% Portion in accordance with the Stipulated Order, on February 28, 2019, the Debtors filed their *Motion to Compel Turnover of Estate Property* (ECF No. 2715) (the “**Turnover Motion**”), seeking turnover of the remaining 55% Portion, or approximately \$9.7 million, which the Village continued to hold in the Special Tax Allocation Fund pursuant to the Stipulated Order.

WHEREAS, the School District objected to the Turnover Motion (ECF No. 2996) and, in the alternative, requested the Bankruptcy Court to abstain from the issues raised therein and allow those issues to be litigated in the Circuit Court in connection with the Illinois Action.

WHEREAS, following a hearing on the Turnover Motion and the Abstention Motion on April 18, 2019, the Bankruptcy Court issued (i) the *Order Granting Community Unit School*

*District 300's Motion for Abstention* (ECF No. 3362) (the “**Abstention Order**”) allowing the Circuit Court to adjudicate the issues raised in the Turnover Motion; and (ii) the *Order Directing Partial Turnover of EDA Funds to Debtors and Reserving the Balance Pending Court Order* (ECF No. 3666) ordering and directing the Village (a) to disburse to Debtor Sears \$2,508,660.33 of the 2017 EDA Funds held in the Special Tax Allocation Fund and (b) to continue to hold in the Special Tax Allocation Fund the balance of the 2017 EDA Funds in the amount of \$7,153,317.

WHEREAS, following entry of the Abstention Order, the Parties filed in the Circuit Court their respective summary judgment cross-motions as to the issues raised in the Turnover Motion.

WHEREAS, the Debtors and the School District have reached an agreement to resolve all of the outstanding litigation concerning the Turnover Motion, the balance of the 2017 EDA Funds held in the Special Tax Allocation Fund by the Village pursuant to the Stipulated Order, and the School District's remaining claims and objections to confirmation of the *Modified Second Amended Joint Chapter 11 Plan of Sears Holdings Corporation and Its Affiliated Debtors* (ECF No. 4476) (as the same may be amended or modified, the “**Plan**”).

**NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED** by and among the Debtors, the Village (solely in respect of paragraphs 3, 5, 6, and 16 through 24 hereof) and the School District, and upon Bankruptcy Court approval it shall hereby be **ORDERED** that:

1. Subject to the terms and conditions of this Stipulation and Order, the School District agrees to:



- i. Release all claims with respect to the 2017 EDA Funds, in whole or in part, whether asserted or not, known or unknown;
- ii. Withdraw with prejudice any complaint, claim, motion, pleading, or other litigation seeking to prevent Sears from receiving the 2017 EDA Funds;
- iii. Dismiss with prejudice all claims seeking a monetary recovery asserted against the Debtors in the Illinois Action and waive its right to recover from the Debtors, their bankruptcy estates, or any Liquidating Trust or Liquidating Trustee, monetary claims with respect to EDA Funds consisting of property taxes levied prior to 2017, provided however, that notwithstanding anything to the contrary in this paragraph 1.iii., the School District shall be entitled to: (a) seek recovery from parties other than the Debtors, their bankruptcy estates, and any Liquidating Trust and Liquidating Trustee, for property taxes levied prior to 2017 and EDA Funds other than the 2017 EDA Funds, notwithstanding whether such third parties may have, as a result, contribution or other claims against the Debtors; (b) seek declaratory relief against the Debtors with respect to their past compliance with the terms and conditions of the EDA Act and the EDA Agreement to the extent necessary in connection with pursuing claims against parties other than the Debtors, their bankruptcy estates, and any Liquidating Trust and Liquidating Trustee so long as any such action is not inconsistent with this Stipulation and Order and does not seek monetary relief including costs against the Debtors; and (c) to the extent necessary to preserve and recover cure claims with respect to property taxes levied prior to 2017, and EDA Funds previously rebated to the Debtors, other than the 2017 EDA Funds, or to the extent necessary to object to any effort to assume, or assume and assign the EDA Agreement, pursuant to section 365 of the Bankruptcy Code;
- iv. Withdraw with prejudice the *Objection of Community Unit School District 300 to Confirmation of the Plan* (ECF No. 4713) and *Supplemental Objection of Community Unit School District 300 to Confirmation of the Plan* (ECF No. 5005) (together with ECF No. 4713, the “**School District’s Plan Objections**”);
- v. Withdraw with prejudice all of its voting ballots submitted as to the Plan, provided that the School District shall be deemed to have opted out of the third party releases set forth in Section 15.9(b) of the Plan;
- vi. Withdraw with prejudice all proofs of claim filed against Sears, SHC, or any other Debtor, except that such withdrawal shall not prejudice or be deemed to constitute a waiver of any claims or rights of the School District to: (a) seek declaratory relief against the Debtors with respect to

their past compliance with the terms and conditions of the EDA Act and the EDA Agreement in connection with pursuing claims against parties other than the Debtors, their bankruptcy estates, and any Liquidating Trust and Liquidating Trustee so long as any such action is not inconsistent with this Stipulation and Order and does not seek monetary relief including costs against the Debtors; and (b) preserve and recover cure claims with respect to property taxes levied prior to 2017, and EDA Funds previously rebated to the Debtors, other than the 2017 EDA Funds, or to object to any effort to assume, or assume and assign the EDA Agreement, pursuant to section 365 of the Bankruptcy Code; and

- vii. Release all rights to recovery against Debtors or their bankruptcy estates, including through a constructive trust, provided however, that notwithstanding anything to the contrary in this paragraph I.vii., the School District shall be entitled to: (a) seek recovery from parties other than the Debtors, their bankruptcy estates, and any Liquidating Trust and Liquidating Trustee for property taxes levied prior to 2017 and EDA Funds other than the 2017 EDA Funds, notwithstanding whether such third parties may have, as a result, contribution or other claims against the Debtors; (b) maintain to the extent necessary claims against the Debtors seeking declaratory relief with respect to the Debtors' compliance with the terms and conditions of the EDA Act and the EDA Agreement in connection with pursuing claims against parties other than the Debtors, their bankruptcy estates, and any Liquidating Trust and Liquidating Trustee so long as any such action is not inconsistent with this Stipulation and Order and does not seek monetary relief including costs against the Debtors; and (c) retain claims with respect to property taxes levied prior to 2017, and EDA Funds previously rebated to the Debtors, other than those related to 2017 EDA Funds, to the extent necessary to preserve and recover cure claims, or to object to any effort to assume, or assume and assign the EDA Agreement, pursuant to section 365 of the Bankruptcy Code.

2. In consideration of the mutual covenants and agreements contained herein and subject to the terms and conditions of this Stipulation and Order, Debtors agree to relinquish any right they may have, in whole or in part, whether asserted or not, known or unknown, with respect to EDA Funds consisting of property taxes levied for tax year 2018 that were extended and collected in calendar year 2019 in the Special Tax Allocation Fund (the "2018 EDA

**Funds**”) and otherwise, if applicable, relinquish any rights, claims or interests to any subsequent years’ EDA Funds.

3. As a result of this Stipulation and Order, and there being no further claims or objections to the distribution of the balance of the 2017 EDA Funds residing in the Special Tax Allocation Fund, the Village is hereby ordered and directed to take all necessary steps to distribute such remaining 2017 EDA Funds in the manner described below:

- a. The Village is ordered and directed to disburse to Sears, as the developer, 2017 EDA Funds in the amount of \$5,153,317.00 currently held in the Special Tax Allocation Fund; and
- b. Simultaneously with the disbursement to Sears, the Village is ordered and directed to disburse to the School District 2017 EDA Funds in the amount of \$2,000,000.00 currently held in the Special Tax Allocation Fund that were otherwise to be disbursed to Sears as the developer pursuant to the EDA Act.

4. The School District is hereby deemed to have withdrawn with prejudice its objection to the Turnover Motion (ECF No. 2996).

5. The Parties hereby acknowledge that this Stipulation and Order fully settles those issues involving the disbursement and the recipients of the 2017 EDA Funds raised in the Turnover Motion (but not any EDA Funds related to other years), and that the payments to Sears and the School District referenced in paragraph 2 above shall fully and completely satisfy the Village’s obligations to disburse the 2017 EDA Funds.

6. Sears, the Village, and the School District shall request withdrawal of their respective motions and cross-motions for summary judgment with respect to the 2017 EDA Funds, which motions are currently pending before the Circuit Court in connection with the Illinois Action, as moot.

7. In light of (i) the Debtors' and the School District's settlement as to distribution of the 2017 EDA Funds; (ii) the School District's release of all monetary claims asserted against the Debtors in the Illinois Action and waiver of its right to recover from the Debtors, their bankruptcy estates, and any Liquidating Trust and Liquidating Trustee claims with respect to EDA Funds consisting of property taxes levied prior to 2017; and (iii) the Debtors' relinquishment of any rights, claims, or interests they may have, in whole or in part, whether asserted or not, known or unknown, with respect to the 2018 EDA Funds or any subsequent years' EDA Funds, Debtors stipulate that they have no further interest in the Illinois Action. Accordingly, upon entry of this Stipulation and Order, the Illinois Action and any other issues or disputes arising from or related to the Debtors' compliance with the terms and conditions of the EDA Act and/or the EDA Agreement shall no longer be subject to the automatic stay under section 362 of the Bankruptcy Code, and shall not be subject to any discharge injunction imposed by the Bankruptcy Code, or any injunction imposed pursuant to any plan of liquidation or reorganization filed by the Debtors or other parties in interest, solely to permit the School District to take actions so long as they are consistent with this Stipulation and Order; provided that, for the avoidance of doubt, the School District shall not seek or enforce any judgment against the Debtors. Further, because any claims by the School District with respect to EDA Funds consisting of property taxes levied prior to 2017 as well as EDA Funds consisting of property taxes levied in 2018 now will proceed as part of the Illinois Action, in the interest of efficiency, until such claims are adjudicated in the Illinois Action, the Court shall defer ruling on the issue of whether the Debtors, or any Liquidating Trust or Liquidating Trustee may assume, or

assume or assign the EDA Agreement pursuant to section 365 of the Bankruptcy Code, and any disputes involving cure claims associated with the EDA Agreement.

8. The School District shall dismiss with prejudice all monetary claims to the extent provided in paragraph 1.iii. of this Stipulation and Order.

9. The School District is hereby deemed to have withdrawn with prejudice the School District's Plan Objections.

10. The School District is hereby deemed to have (i) withdrawn with prejudice all of its voting ballots submitted as to the Plan; and (ii) opted out of the third party releases set forth in Section 15.9(b) of the Plan.

11. The School District is hereby deemed to have withdrawn with prejudice all of the School District's Cure Objections, with the exception of its objections to assumption and assignment of the EDA Agreement (asserted in the School District's Cure Objections, as well as in the *Objection and Reservation of Rights of Community Unit School District 300 to Debtors' Notice of Assumption and Assignment of Executory Contracts* (ECF No. 3783)).

12. The School District is hereby deemed to have withdrawn with prejudice all proofs of claim filed against Sears, SHC, or any other Debtor.

13. The School District is hereby deemed to have released with prejudice all rights to recovery against Debtors or their bankruptcy estates, including through a constructive trust.

14. The Debtors are hereby deemed to have relinquished any right, claim or interest they may have, in whole or in part, whether asserted or not, known or unknown, with respect to the 2018 EDA Funds and any subsequent years' EDA Funds.

15. The School District and the Debtors, on behalf of themselves and their past, present, and future officers, directors, board members, employees, agents, advisors, accountants, attorneys, assignees, and representatives or other entities acting on their behalf or through which they claim a beneficial interest (the “**Releasing Parties**”), hereby mutually release and absolutely and forever discharge each other, as well as their past, present, and future companies, subsidiaries, and affiliates, and their respective present and former officers, directors, shareholders, employees, agents, advisors, accountants, attorneys, assignees, and representatives, of and from any and all claims, demands, damages, debts, liabilities, judgments, accounts, obligations, costs, expenses, actions, and causes of action of every kind and nature whatsoever, whether now known or unknown, asserted or which could have been asserted, suspected or unsuspected, choate or inchoate, which the Releasing Parties now have, own, or hold, or at any time heretofore ever had, owned, or held against any of them from the beginning of the world to the date hereof, which arise out of, relate to, or are based upon Sears’ entitlement to receive 2017 EDA Funds either in whole or in part, including any claims arising under section 362 of the Bankruptcy Code. The language of this paragraph shall apply only as consistent with this Stipulation and Order.

16. Notwithstanding anything herein to the contrary, the Village, and its officers, directors, committee members, employees, agents, advisors, representatives, attorneys and other professionals are hereby exculpated and shall have no liability to the limited extent of any and all claims (as defined in Section 101(5) of the Bankruptcy Code), causes of actions, demands, suits, liabilities, obligations, losses, damages, offsets and/or judgments of any kind or nature, whether known or unknown, contingent or non-contingent, statutory or non-statutory, solely arising from,

out of or in any way related to the Village's compliance with this Stipulation and Order. Notwithstanding anything herein to the contrary, nothing in this Stipulation and Order is intended to waive or release any claims, causes of actions, demands, suits, liabilities, obligations, losses, damages, offsets, arguments, defenses, facts, objections, counterclaims or other rights and positions that the School District, the Village or any other party (other than the Debtors) may have related to the distribution and receipt of the EDA Funds and/or the compliance and/or non-compliance with the EDA Act or EDA Agreement in any year other than as expressly provided herein in respect of the 2017 EDA Funds.

17. For avoidance of doubt, nothing herein, including the distributions of the 2017 EDA Funds, is intended or shall be construed to be (a) an admission as to the merits of the Turnover Motion or the School District's objection to the Turnover Motion, (b) an admission as to the merits of the Parties' respective motions and cross-motions for summary judgment pending before the Circuit Court in connection with the Illinois Action, or (c) a waiver of any Party's right to assert any facts or contentions relating to compliance and/or non-compliance with the EDA Act or the EDA Agreement.

18. Notwithstanding anything to the contrary, nothing in this Stipulation and Order, including, without limitation, the School District's withdrawal with prejudice of any complaint, claim, motion, pleading, or other litigation seeking to prevent Sears from receiving the 2017 EDA Funds, is intended or shall be construed to (i) waive or release any claims, causes of actions, demands, suits, liabilities, obligations, losses, damages, offsets, arguments, defenses, facts, objections, counterclaims or other rights and positions that the School District, the Village, Transform Holdco LLC, Transform SR Holding Management, LLC, TF Hoffman Estates IL,

LLC, or any other third party may have with respect to the Debtors' compliance with the EDA Act and/or EDA Agreement, disbursements of the 2018 EDA Funds or any subsequent years' EDA Funds, as well as any cure claims that might be asserted arising under, or the Debtors' ability to assume, or assume and assign the EDA Agreement pursuant to section 365 of the Bankruptcy Code, or (ii) constitute any finding or determination as to whether any defaults exist under the EDA Agreement with respect to property taxes levied in tax years prior to 2017. Further, nothing in this Stipulation and Order is intended to or shall be construed to waive or release any claims, causes of actions, demands, suits, liabilities, obligations, losses, damages, offsets, arguments, defenses, facts, objections, counterclaims or other rights and positions of any third-parties, including the Debtors' assignee to the EDA Agreement, as to the impact of the releases negotiated by and among the parties herein. Further, nothing in this Stipulation and Order shall waive, extinguish, or otherwise release the rights, if any, of Debtors' assignee to the EDA Agreement, as applicable, to EDA Funds levied for tax year 2018 or for any subsequent years.

19. In withdrawing with prejudice any complaint, claim, motion, or other litigation seeking to prevent Sears from receiving the 2017 EDA Funds, in dismissing with prejudice all claims against SHC asserted in the Illinois Action, and in releasing all claims to EDA Funds consisting of property taxes levied prior to 2017 to the extent provided herein, the School District will not be deemed to have admitted that, nor will the Court be deemed to have made a finding with respect to: (i) the issue of whether the Village, SHC, or any other Debtor, to the extent relevant, have complied with the terms and conditions of the EDA Act and/or the EDA Agreement; (ii) the issue of whether the School District or other parties have valid cure claims



under section 365 of the Bankruptcy Code; or (iii) whether the Debtors are entitled to assume, or assume and assign the EDA Agreement pursuant to section 365 of the Bankruptcy Code.

20. Each of the undersigned counsel represents that he/she is authorized to execute this Stipulation and Order on behalf of his/her respective clients.

21. This Stipulation and Order may be executed in multiple counterparts, any of which may be transmitted by facsimile, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014, or otherwise, the terms and conditions of this Stipulation and Order shall be immediately effective and enforceable upon approval of the Bankruptcy Court.

23. To the extent there is any inconsistency with the Plan, this Stipulation and Order shall supersede and govern.

24. The Bankruptcy Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Stipulation and Order.

(Signature page follows)

**CONSENTED AND AGREED TO:**

VILLAGE OF HOFFMAN ESTATES

DEBTORS AND DEBTORS IN POSSESSION

By: /s/ Michael Schein  
One of its Attorneys

Michael Schein  
Joshua Dunn  
Vedder Price P.C.  
1633 Broadway, 31st Floor  
New York, New York 10019  
(212) 407-7700 (telephone)  
(212) 407-7799 (facsimile)

By: /s/ Sunny Singh  
One of Their Attorneys

Ray C. Schrock, P.C.  
Jared R. Friedmann  
Sunny Singh  
Jessie B. Mishkin  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
(212) 310-8000 (telephone)  
(212) 310-8007 (facsimile)

COMMUNITY UNIT SCHOOL DISTRICT 300

By: /s/ Kenneth Florey  
One of its Attorneys

Kenneth Florey  
Neal Smith  
Robbins Schwartz, Nicholas, Lifton & Taylor, Ltd.  
631 E. Boughton Road, Suite 200  
Bolingbrook, Illinois 60440  
(630) 929-3639 (telephone)  
(630) 783-3231 (facsimile)

**SO ORDERED THIS**

23rd day of October, 2019  
White Plains, New York

/s/ Robert D. Drain  
THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Request authorization to award a contract to provide snowplowing services at the Sears Centre Arena for the 2019/2020 winter season to Tovar Snow Professionals, East Dundee, IL at unit rates included in the proposal

**MEETING DATE:** October 28, 2019

**COMMITTEE:** Finance

**FROM:** *M.K.* Mark Koplin/Ben Gibbs

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**REQUEST:** Request authorization to award a contract to provide snowplowing services at the Sears Centre Arena for the 2019/2020 winter season to Tovar Snow Professionals, East Dundee, IL at unit rates included in the proposal.

**BACKGROUND:** The current contractor has provided snow removal services at the Sears Centre since 2010 on a year-to-year contract. This past summer, we decided to request proposals from other contractors.

**DISCUSSION:** The proposals received ranged quite substantially for snow removal services. After evaluating five companies and checking references (both municipal and corporate accounts), we determined that Tovar provided the best pricing for the services to be performed.

This will be a one year agreement only.

**RECOMMENDATION:** Request authorization to award a contract to provide snowplowing services at the Sears Centre Arena for the 2019/2020 winter season to Tovar Snow Professionals, East Dundee, IL at unit rates included in the proposal.

Attachment

cc: Curt Hand (Tovar Snow Professionals)



# SERVICE COMMITMENT

Tovar Snow Professionals  
195 Penny Avenue  
East Dundee, IL 60118  
PHONE (877) 249-6401  
FAX (847) 695-0417  
www.tovarsnow.com

## Tovar Snow Professionals

## Snow Removal

**TO:**  
Jim Appio (847) 649-2440  
Sears Centre Arena  
5333 Prairie Stone Parkway  
Hoffman Estates, IL 60192

**REGARDING:**  
Sears Centre Arena  
5333 Prairie Stone Parkway  
Hoffman Estates, IL 60192

**Term of Agreement**  
2019 / 2020 Snow Season  
November 15 - April 15 of each year

1 year  3 years  Perpetual

3% price increase per year.

Payments are due at 30 days from receipt of invoice.

## SERVICES PROVIDED

Service Level: 1" Snowfall  
Areas Covered: Parking Lots  
Services Begin: Service to commence per game plan with Sears Centre representative.

## SERVICES BY REQUEST ONLY

Snow Pile Removal

## PRICING

FULL PLOW:	
Sears Centre Arena:	\$1,957.00
West Lot:	\$998.00
East Lot:	\$910.00
Dock Area:	\$49.00
Relocation:	Hourly Rates

FULL SALT:	
Sears Centre Arena:	\$2,000.00
West Lot:	\$1,020.00
East Lot:	\$930.00
Dock Area:	\$50.00

## AGREEMENT

  
Respectfully Submitted by  
Curt Hand

10/22/19  
Date  
(This quote is valid for current snow season only)

Accepted by

Date

By Signing of this Service Commitment/Contract, you agree with pricing and services above. Additionally, you agree to the Tovar Terms and Conditions Agreement.

**INSTANT COMMUNICATION. INSTANT ACTION. INSTANT RELAXATION.**



11. Indemnification. The Owner shall indemnify, defend and hold harmless the Contractor, its owners, employees and subcontractors from and against any and all claims, damages, costs and expense which Contractor incurs a result of a claim or claims brought by any third party, arising out of any alleged or actual wrongdoing, negligence, breach of contract, or extraordinary weather conditions that is related in any manner whatsoever, to the Premises or the Owner's involvement with the Premises or the Program Services, including but not limited to personal injuries resulting from slip and fall accidents, except to the extent Contractor's negligence or that of its Owners, employees and/or subcontractors is alleged or is determined to have contributed in whole or in part to cause those damages, in which event Contractor shall share proportionately in those claims, damages, costs and expenses.

12. Owner Obligations. (a.) Access to Premises. The Owner will provide Contractor with access to the Premises sufficient to perform the Program Services. (b.) Notification of Incidents on Premises. For any and all actual or alleged incidents resulting in potential or apparent injury or damage, the Owner will notify Contractor promptly and assist in obtaining details and information required by Contractor. The Owner agrees that if the Owner fails to so promptly notify and assist Contractor, the Owner will indemnify, defend and hold harmless Contractor for any and all damages or injuries to persons or property or claims, actions, obligations, liabilities, costs, expenses and fees arising from any such incident.

13. Notices. All notices required or allowed to be given hereunder shall be in writing and delivered via a certified carrier. All such notices shall be deemed to have been duly given when received. All such notices shall be mailed to the address of the party as set forth on the signature page hereof.

14. This contractor and subcontractor shall abide by the requirement of 41 CFR 60-1.4(a), 60-300.5(a) and 6-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. This contractor and subcontractor shall abide by the employee notice requirements set forth in 29 CFR Part 471, Appendix A to Subpart A.

Send Notices and Signed Contract To:

OR

Email Signed Contract To:

Tovar Snow Professionals  
195 Penny Avenue  
East Dundee, IL 60118

[dyager@tovarssnow.com](mailto:dyager@tovarssnow.com)

15. Miscellaneous. (a.) Authority. Any individual who signs this Agreement on behalf of Contractor or the Owner represents, promises and guarantees that such individual is fully authorized to execute this Agreement on behalf of either Contractor or the Owner, as the case may be. In the case of an agent of the Owner, such agent represents, that such agent is fully authorized to execute this Agreement on behalf of the Owner. (b.) Severability. If any provision of this Agreement shall be found to be invalid, inoperative or unenforceable in law or equity, such finding shall not affect the validity of any other provisions of this Agreement, which shall be construed, reformed and enforced to affect the purpose of this Agreement to the fullest extent permitted by law. (c.) Conflict. In the event that any of the terms of this Agreement conflict with the terms of any other agreement entered into between the parties hereto with respect to the provisions of the Program Services, the terms of this Agreement shall govern, unless such other agreement specifically references and modifies the terms of this Agreement. (d.) Other. This Agreement: (i) shall be governed by and construed under the laws of the state in which the property resides in without application of principals of conflicts of law, (ii) shall constitute the entire agreement if the parties with respect to the subject matter hereof, superseding all prior oral and written communications, proposals, negotiations, representations, understandings, courses of dealing, agreements, contracts and the like between the parties in such respect; (iii) may be amended, modified or terminated, and any right under this Agreement may be waived in whole or in part, only by a writing signed by both parties; (iv) contains headings only for convenience, which headings do not form part of, and shall not be used in construction of, the Agreement; and (v) shall bind and inure to the benefit of the parties and their respective legal representatives and assigns.

16. Capacity. This contract is subject to contractor's acceptance at the time the contractor receives the executed contract from the owner. Prices are valid until 10/1 of this year, after that prices may change or capacity may not allow for this contract

IN WITNESS WHEREOF the undersigned parties have executed this Agreement effective as of this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_\_.

The below must be filled out and signed completely

Check One: Owner Agent:  Owner:

(Name of Owner):  
Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Preference to Receiving Invoices: Email  Mail

Billing Address: SEARS CENTRAL ARENA  
5333 PRAIRIE STONE PKWY  
Hoffman Estates, IL 60192

AP Contact: John JANICKI

AP Phone: 847 649 2226

AP Fax: 847 645 0250

AP Email: John.JANICKI@SEARSCENTRAL.COM

Purchase Order #: TBD (yes, needed for INVOICES)

Remit Payments To:

Tovar Snow Professionals  
P.O. Box 6749  
Carol Stream, IL 60197-6749

Please contact [Accounting@tovarssnow.com](mailto:Accounting@tovarssnow.com)  
to pay by ACH or send payments to the address  
shown at the right.

Initials \_\_\_\_\_



## SNOW & ICE MANAGEMENT SERVICES

### TOVAR TERMS AND CONDITIONS AGREEMENT

This Snow and Ice Management Services Agreement (this "Agreement") is hereby made effective between Tovar Snow Professionals, Inc. ("Contractor") and the undersigned owner or owner's agent (collectively the "Owner"). The "Commitment" letter is hereby made part of the overall agreement between the parties that outlines scope of service and rates.

The parties do hereby agree as follows:

1. Services are from the 15th of November through the 15th of April of each season that the contract is signed and selected for. If the Owner requests and the Contractor accepts to perform services outside of the terms or scope, such services of this agreement shall otherwise be governed by the terms and conditions of this Agreement.

2. Scope of Services. During the period of November 15th to April 15th, Contractor shall perform the Snow and Ice Maintenance Program Services as weather conditions, transportation conditions, and conditions of the Premises permit, at the Contractor's sole and absolute discretion to the then-applicable weather conditions. (a.) Obstructions. Contractor is not responsible for plowing or shoveling areas that are blocked by parked cars, locked gates or other obstructions. Contractor will, however, make reasonable efforts to clear between and around any such obstructions. In the event any such Obstruction results in any additional visits being necessary to complete Contractor's duties hereunder, additional fees may be incurred. (b.) Extreme Conditions. Snow accumulations of over eight inches (8") may require use of additional or specialized equipment to remove snow accumulations from the Premises. The Owner agrees to allow Contractor to bring in such equipment as needed to assist in the clearing of such accumulated snow. Because of additional equipment, fees for snow and ice removal during Extreme Conditions may be charged hourly. (c.) Excavation Services. The trucking of snow off of the Premises, the movement of snow within the Premises, or use of loaders to pile snow during snowstorms is excluded from the Program Services. Additional fees for Excavation Services will be charged hourly.

#### 3. Fees.

(a.) Program Services. Owners shall pay Contractor in accordance with the invoicing method set forth for Contractor's performance of the Program Services during the Season based upon the fee schedule in the Commitment section of this agreement. Hourly Services will be invoiced for any work performed outside of scope. (b.) Multiple Visits. In the event of multiple visits to the Premises are required to clear snow accumulations, owner shall pay Contractor the rate set forth for each visit to the Premises. (c.) Gas and Oil Price Escalation. Contractor's proposal is based on the average daily price for diesel gasoline not exceeding \$5.00 per gallon as determined by the Department of Energy ("DOE") National Mid- West Average Price of Diesel. In the event that the price of Fuel for diesel gasoline increases to more than \$5.00 per gallon, the fees set forth shall automatically increase by an additional three percent (3%) going forward until the average drops below \$5.00 per gallon.

4. Weather Data. (a.) Snowfall Totals (regarding seasonal priced contracts.) Snowfall totals will be determined by a Consulting Certified Meteorologist. The information will come from the closest reporting city, within 7 miles of the contracted facility. (b.) Snowfall Totals (regarding per occurrence priced contracts.) Because the amounts of snow can be different in even nearby areas, field personnel are forced to make decisions of service based on conditions on site. These decisions may not always match weather data that which is not available until after services are needed, therefore, services may not always match.

5. Billing. (a.) Invoicing. Contractor will submit invoices to the Owner for Program Services upon completion of any Program Service. Payment on all invoices are due within thirty (30) days of the date of Receipt of the Invoice. Receipt of the invoice shall be defined as the date three days from the date of mailing of the invoice by the Contractor to the Owner. All amounts which remain unpaid sixty (60) days following the Receipt of Invoice shall bear interest at the lesser of fifteen percent (15%) or the maximum rate allowable by law. The Owner agrees that any invoiced amount must be disputed within fifteen (15) days of the date of Receipt of the Invoice (the "Dispute Period") by providing written notice of such dispute to Contractor before the expiration of the Dispute Period. Any right to dispute any such invoiced amount after the expiration of Dispute Period shall be deemed waived. (b.) Payments. We accept company checks, electronic payments (ACH and EFT), and credit cards (Visa, MasterCard and American Express).

6. Termination of Services. (a.) Lack of Payment. If the Owner's account is past due for lack of payment, account is therefore in breach of contract, Contractor may, with 24 hour notice, suspend its obligation to perform Program Services until Contractor receives payment in full of all amounts past due and owing (including interest) from the Owner. (b.) General Cancellation. Either party may, by providing a 30 day written notice or agreed upon timeframe to the other terminate this Agreement in the event of any such termination, the Owner shall remain fully responsible for all amounts otherwise due hereunder. (c.) Termination Fees. During the period of such suspension or following such termination by Contractor, the Owner agrees and understands that Contractor will not be liable for any costs or damages, including but not limited to consequential damages, to the Owner or any other party that may arise from or be related to such a suspension or termination of Program Services. The Owner agrees to pay all and all other costs incurred by Contractor to collect past due amounts and interest there on, and to take any court action, whether in equity or in law, to enforce this agreement. The Owner's fee and indemnification obligations shall survive any termination of this Agreement.

7. Independent Contractor. Contractor shall perform the Program Services as an independent contractor and not as an employee of the Owner.

8. Insurance. Contractor will maintain workers compensation, automotive and general liability insurance in commercially reasonable coverage amounts. Contractor will provide the Owner evidence of such insurance upon request of the Owner.

9. Limitation of Liability. Contractor will exercise reasonable care to avoid damage to pavements, curbs, and landscapes. Only in the case of clear negligence shall Contractor be responsible or liable for: (a.) Damage to landscaping caused by the piling of snow or the spreading of the chemicals. (b.) damage to items that are snow-covered or not visible; (c.) Damage caused by equipment when tree, shrub and sidewalk areas are not reasonably delineated; (d.) personal injuries resulting from slip and fall accidents;

10. Property Damage. Owner agrees to communicate damages timely and to give Contractor the opportunity to repair damages. Contractor agrees to make repairs timely as parts, equipment and weather conditions allows. Notwithstanding anything herein to the contrary, Contractor will have no obligation, and the Owner waives any damages for, any property damages not timely and properly reported.

Initials \_\_\_\_\_

## COMMITTEE AGENDA ITEM VILLAGE OF HOFFMAN ESTATES

**SUBJECT:** Approval of Audit Contract for Fiscal Year 2019  
**MEETING DATE:** October 28, 2019  
**COMMITTEE:** Finance  
**FROM:** Stan Helgerson, Village Treasurer  
 Rachel Musiala, Director of Finance

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**PURPOSE:** Request authorization to award the professional financial audit services contract for the Village and the Sears Centre Arena for the 2019 fiscal year to BKD CPAs & Advisors for a cost not to exceed \$66,595, with the option of extending the contract for each of the years 2020, 2021, 2022, and 2023.

**BACKGROUND:** In 2014, we entered into a five-year contract for auditing services (for fiscal years 2014 through 2018) with Sikich LLP. The FY2018 audit was the final year under the previous contract, and the total cost for the FY2018 audit was \$79,720.

**DISCUSSION:** Requests for proposals were sent out in August. Seven firms submitted proposals and the pricing results were as follows (please note: these prices include all of the services the auditors will be performing, including Village and Arena fieldwork, CAFR preparation, the Single Audit report, and TIF reports):

<u>Firm</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
BKD	\$66,595	\$69,217	\$72,113	\$75,100	\$78,085
Wipfli LLP	\$72,000	\$73,750	\$75,500	\$77,250	\$79,000
Plante Moran	\$74,125	\$76,300	\$78,800	\$81,100	\$83,400
Baker Tilly	\$75,390	\$77,650	\$79,970	\$82,350	\$84,840
RSM	\$77,000	\$79,650	\$82,300	\$84,950	\$87,600
Sikich LLP	\$79,721	\$79,721	\$81,317	\$82,945	\$84,603
Crowe Horwath	\$87,000	\$89,700	\$92,400	\$95,200	\$98,100

The audit team, made up of the Village Treasurer, Finance Director, and Assistant Finance Director, reviewed all of the proposals. Although price is important, the audit team does give weight to other factors such as the number of other Illinois municipal clients and the number of audit hours proposed.

One of the first things the audit team looked at to analyze the proposals was how many audit hours the firm was proposing versus their price to see a price per hour. We look to make sure the auditors are projecting to spend a sufficient amount of time on our audit, and this price per hour reflects the true value we are getting out of the audit that has been proposed. As you can see by the information listed below, it appears BKD is offering the Village the best value:

<u>Firm</u>	<u># Hours</u>	<u>Price/Hour</u>
BKD	715	\$93.14
Wipfli LLP	540	\$133.33
Plante Moran	575	\$128.91
Baker Tilly	735	\$102.57
RSM	585	\$131.62
Sikich LLP	656	\$121.53
Crowe Horwath	650	\$133.85

Based on the preliminary pricing information, the Village Treasurer suggested we interview three firms. During these interviews, questions were asked pertaining to firm and staff qualifications as well as specific audit approaches. The Village Treasurer focused part of his review on the firms' systems for internal control review and risk assessment.

In terms of audit approach, internal control review, risk assessment, and firm expertise, the audit team feels BKD would provide satisfactory auditing services at the lowest cost. We came away from the interviews with a firm belief that BKD had a very in-depth audit approach and would do a thorough review of our internal controls and risk exposure.

Based on this information, as well as information directly from the proposals, a scoring system was applied to each of the firms. Firms were scored based on price, municipal client experience, GFOA award experience, number of audit hours proposed, partner involvement, staff qualifications, level of risk assessment performed, and references, with a maximum score possible of 99. BKD scored the highest of all firms with a score of 93. BKD's favorable pricing, along with their firm experience, audit hours, and staff qualifications should prove beneficial for the Village.

**FINANCIAL IMPACT:** The total price proposed by BKD for the FY2019 audit is \$66,595 which is \$13,125 less than what we paid for our FY2018 audit. \$23,000 of this cost is related to the Arena fieldwork and will be paid for directly by the Arena.



It should be noted that the state-required audit for the EDA Special Tax Allocation Fund will be continue to be conducted by Sikich LLP per Village Resolution 1528-2012.

We have attached the actual proposal from BKD for your review. All other proposals have been put in the Trustee Ante Room.

**RECOMMENDATION:** Request authorization to award the professional financial audit services contract for the Village and the Sears Centre Arena for the 2019 fiscal year to BKD CPAs & Advisors for a cost not to exceed \$66,595, with the option of extending the contract for each of the years 2020, 2021, 2022, and 2023.

ATTACHMENTS

**Analysis of Proposals for  
Auditing Services  
August 30, 2019**

Company	Current Contract	BKD					Plante Moran				
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
Pricing Information:											
CAFR, etc.	39,313	29,195	31,127	33,313	35,567	37,800	38,500	39,600	40,800	42,000	43,200
Single Audit Report	4,732	6,000	6,000	6,000	6,000	6,000	5,400	5,500	5,650	5,800	5,950
Comptroller AFR	840	900	900	900	900	900	400	425	450	475	500
Higgins/Hassell TIF	3,025	2,500	2,500	2,500	2,500	2,500	1,900	1,975	2,100	2,175	2,250
Barrington TIF	3,025	2,500	2,500	2,500	2,500	2,500	1,900	1,975	2,100	2,175	2,250
Roselle TIF	3,025	2,500	2,500	2,500	2,500	2,500	1,900	1,975	2,100	2,175	2,250
Arena	25,760	23,000	23,690	24,400	25,133	25,885	24,125	24,850	25,600	26,300	27,000
<b>TOTAL ANNUAL COST</b>	<b>79,720</b>	<b>66,595</b>	<b>69,217</b>	<b>72,113</b>	<b>75,100</b>	<b>78,085</b>	<b>74,125</b>	<b>76,300</b>	<b>78,800</b>	<b>81,100</b>	<b>83,400</b>
GATA GAGAS Additional Questions/Assistance	2,366 Included	Included					Included				
Cost per audit hour	\$ 121.52	\$ 93.14	\$ 96.81	\$ 100.86	\$ 105.03	\$ 109.21	\$ 128.91	\$ 132.70	\$ 137.04	\$ 141.04	\$ 145.04
Minimum Standards:											
Independent & Licensed	Acceptable	Acceptable					Acceptable				
Number of IL municipal clients		15					1				
Number of above with GFOA Award		9					1				
External Quality Control Review	Acceptable	Acceptable					Acceptable				
Understands objectives & needs	Acceptable	Acceptable					Acceptable				
Office Qualifications:											
Firm size and location	Acceptable	Acceptable					Acceptable				
Can meet time requirements	Acceptable	Acceptable					Acceptable				
Number of Audit Hours	656	715					575				
Number of Partner Audit Hours	60	90					40				
Firm Qualifications & Experience	Acceptable	Acceptable					Acceptable				
Other services offered	Acceptable	Acceptable					Acceptable				
Participation in training	Acceptable	Acceptable					Acceptable				
Data processing capabilities	Acceptable	Acceptable					Acceptable				
Experience with Arenas	Acceptable	Acceptable					Fair				
References	Acceptable	Acceptable					Did not check				
Staff Qualifications:											
(CPA, adequate GPE, experience)											
Partner	Acceptable	Acceptable					Acceptable				
Supervisory/Manager	Acceptable	Acceptable					Acceptable				
Audit Staff	Acceptable	Acceptable					Acceptable				
<b>Total Rating Score</b>		<b>93</b>					<b>71</b>				

**Analysis of Proposals for  
Auditing Services  
August 30, 2019**

Company	Current Contract	Baker Tilly					Sikich LLP				
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
Pricing Information:											
CAFR, etc.	39,313	40,140	41,340	42,580	43,860	45,180	39,314	39,314	40,100	40,902	41,720
Single Audit Report	4,732	4,500	4,640	4,780	4,920	5,070	4,732	4,732	4,827	4,924	5,022
Comptroller AFR	840	750	770	790	810	830	840	840	857	874	891
Higgins/Hassell TIF	3,025	2,000	2,060	2,120	2,180	2,250	3,025	3,025	3,086	3,148	3,211
Barrington TIF	3,025	2,000	2,060	2,120	2,180	2,250	3,025	3,025	3,086	3,148	3,211
Roselle TIF	3,025	2,000	2,060	2,120	2,180	2,250	3,025	3,025	3,086	3,148	3,211
Arena	25,760	24,000	24,720	25,460	26,220	27,010	25,760	25,760	26,275	26,801	27,337
<b>TOTAL ANNUAL COST</b>	<b>79,720</b>	<b>75,390</b>	<b>77,650</b>	<b>79,970</b>	<b>82,350</b>	<b>84,840</b>	<b>79,721</b>	<b>79,721</b>	<b>81,317</b>	<b>82,945</b>	<b>84,603</b>
GATA GAGAS Additional Questions/Assistance	2,366 Included	Included					2,366	2,366	2,414	2,462	2,511
Cost per audit hour	\$ 121.52	\$ 102.57	\$ 105.65	\$ 108.80	\$ 112.04	\$ 115.43	\$ 121.53	\$ 121.53	\$ 123.96	\$ 126.44	\$ 128.97
Minimum Standards:											
Independent & Licensed	Acceptable	Acceptable					Acceptable				
Number of IL municipal clients		34+					200				
Number of above with GFOA Award		24					50				
External Quality Control Review	Acceptable	Acceptable					Acceptable				
Understands objectives & needs	Acceptable	Acceptable					Acceptable				
Office Qualifications:											
Firm size and location	Acceptable	Acceptable					Acceptable				
Can meet time requirements	Acceptable	Acceptable					Acceptable				
Number of Audit Hours	656	735					656				
Number of Partner Audit Hours	60	109					60				
Firm Qualifications & Experience	Acceptable	Acceptable					Acceptable				
Other services offered	Acceptable	Acceptable					Acceptable				
Participation in training	Acceptable	Acceptable					Acceptable				
Data processing capabilities	Acceptable	Acceptable					Acceptable				
Experience with Arenas	Acceptable	Good					Acceptable				
References	Acceptable	Did not check					Did not check				
Staff Qualifications:											
(CPA, adequate CPE, experience)											
Partner	Acceptable	Acceptable					Acceptable				
Supervisory/Manager	Acceptable	Acceptable					Acceptable				
Audit Staff	Acceptable	Acceptable					Acceptable				
<b>Total Rating Score</b>		<b>90</b>					<b>83</b>				

**Analysis of Proposals for  
Auditing Services  
August 30, 2019**

Company	Current Contract	RSM					Wipfli LLP				
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
Pricing Information:											
CAFR, etc.	39,313	40,000	41,500	43,000	44,500	46,000	50,000	51,000	52,000	53,000	54,000
Single Audit Report	4,732	5,000	5,150	5,300	5,450	5,600	7,500	7,750	8,000	8,250	8,500
Comptroller AFR	840	500	500	500	500	500	1,000	1,000	1,000	1,000	1,000
Higgins/Hassell TIF	3,025	2,500	2,600	2,700	2,800	2,900	500	500	500	500	500
Barrington TIF	3,025	2,500	2,600	2,700	2,800	2,900	500	500	500	500	500
Roselle TIF	3,025	2,500	2,600	2,700	2,800	2,900	500	500	500	500	500
Arena	25,760	24,000	24,700	25,400	26,100	26,800	12,000	12,500	13,000	13,500	14,000
<b>TOTAL ANNUAL COST</b>	<b>79,720</b>	<b>77,000</b>	<b>79,650</b>	<b>82,300</b>	<b>84,950</b>	<b>87,600</b>	<b>72,000</b>	<b>73,750</b>	<b>75,500</b>	<b>77,250</b>	<b>79,000</b>
GATA GAGAS Additional Questions/Assistance	2,366 Included	Included					Included				
Cost per audit hour	\$ 121.52	\$ 131.62	\$ 136.15	\$ 140.68	\$ 145.21	\$ 149.74	\$ 133.33	\$ 136.57	\$ 139.81	\$ 143.06	\$ 146.30
Minimum Standards:											
Independent & Licensed	Acceptable	Acceptable					Acceptable				
Number of IL municipal clients		23+					13				
Number of above with GFOA Award		11					5				
External Quality Control Review	Acceptable	Acceptable					Acceptable				
Understands objectives & needs	Acceptable	Acceptable					Acceptable				
Office Qualifications:											
Firm size and location	Acceptable	Acceptable					Acceptable				
Can meet time requirements	Acceptable	Acceptable					Acceptable				
Number of Audit Hours	656	585					540				
Number of Partner Audit Hours	60	45					40				
Firm Qualifications & Experience	Acceptable	Acceptable					Acceptable				
Other services offered	Acceptable	Acceptable					Acceptable				
Participation in training	Acceptable	Acceptable					Poor				
Data processing capabilities	Acceptable	Acceptable					Acceptable				
Experience with Arenas	Acceptable	Acceptable					Acceptable				
References	Acceptable	Did not check					Did not check				
Staff Qualifications:											
(CPA, adequate CPE, experience)											
Partner	Acceptable	Acceptable					Acceptable				
Supervisory/Manager	Acceptable	Acceptable					Acceptable				
Audit Staff	Acceptable	Acceptable					Acceptable				
<b>Total Rating Score</b>		<b>78</b>					<b>72</b>				

**Analysis of Proposals for  
Auditing Services  
August 30, 2019**

Company	Current	Crowe Horwath				
	Contract	Year 1	Year 2	Year 3	Year 4	Year 5
Pricing Information:						
CAFR, etc.	39,313	58,000	59,800	61,600	63,500	65,500
Single Audit Report	4,732	4,800	4,900	5,000	5,100	5,200
Comptroller AFR	840	1,000	1,000	1,000	1,000	1,000
Higgins/Hassell TIF	3,025	2,500	2,600	2,700	2,800	2,900
Barrington TIF	3,025	2,500	2,600	2,700	2,800	2,900
Roselle TIF	3,025	2,500	2,600	2,700	2,800	2,900
Arena	25,760	15,700	16,200	16,700	17,200	17,700
<b>TQTAL ANNUAL COST</b>	<b>79,720</b>	<b>87,000</b>	<b>89,700</b>	<b>92,400</b>	<b>95,200</b>	<b>98,100</b>
GATA GAGAS Additional Questions/Assistance	2,366 Included	Included				
Cost per audit hour	\$ 121.52	\$ 133.85	\$ 138.00	\$ 142.15	\$ 146.46	\$ 150.92
Minimum Standards:						
Independent & Licensed	Acceptable	Acceptable				
Number of IL municipal clients		10				
Number of above with GFOA Award		5				
External Quality Control Review	Acceptable	Acceptable				
Understands objectives & needs	Acceptable	Acceptable				
Office Qualifications:						
Firm size and location	Acceptable	Acceptable				
Can meet time requirements	Acceptable	Acceptable				
Number of Audit Hours	656	650				
Number of Partner Audit Hours	60	80				
Firm Qualifications & Experience	Acceptable	Acceptable				
Other services offered	Acceptable	Acceptable				
Participation in training	Acceptable	Acceptable				
Data processing capabilities	Acceptable	Acceptable				
Experience with Arenas	Acceptable	Acceptable				
References	Acceptable	Did not check				
Staff Qualifications:						
(CPA, adequate CPE, experience)						
Partner	Acceptable	Acceptable				
Supervisory/Manager	Acceptable	Acceptable				
Audit Staff	Acceptable	Acceptable				
<b>Total Rating Score</b>		<b>80</b>				



**Dedicated Advisors with  
Governmental Accounting  
& Consulting Experience**

**Village of Hoffman Estates**

**BKD**  
CPAs & Advisors



August 30, 2019

Ms. Rachel Musiala  
Director of Finance  
Village of Hoffman Estates  
1900 Hassell Road  
Hoffman Estates, IL 60169

Dear Ms. Musiala:

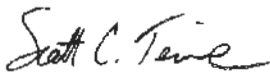
The public sector accounting environment is continually shifting, making your evaluation of CPA and advisory firms a pivotal one. The next auditor for the Village of Hoffman Estates (Hoffman Estates) should possess significant experience serving the governmental sector, including familiarity with tax increment financing districts, multi-purpose arenas and implementing new accounting standards. In addition, an open and proactive service approach—both during the audit and throughout the year—is a pertinent consideration, as continued communication goes hand in hand with an efficient audit. Perhaps most important, though, is knowledge of the specific nuances of public engagements as they relate to Illinois municipalities. You can find these traits, along with the necessary insight to provide you with a fresh perspective, in BKD CPAs & Advisors. We're ready to show Hoffman Estates how our governmental accounting and consulting expertise can help you move forward with confidence.

Providing personal attention and frequent communication to our clients is what drives us—and delivering value beyond the basic service approach is among our top priorities. Consider the following key benefits BKD offers:

- ▶ Public sector experience locally and across the country
- ▶ Guidance for your Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program submission
- ▶ A tailored transition plan that offers a fresh look at your financials

We believe our proposal will help you select our firm for timely, efficient and objective services delivered by experienced professionals. We will call you soon to answer questions you may have about this proposal, or you may reach us at 630.282.9500 or by email at the addresses provided below.

Sincerely,



Scott C. Termine, CPA  
Partner  
stermine@bkd.com



John F. Cutrera, CPA  
Director  
jcutrera@bkd.com

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## Executive Summary

Reductions in state grants and federal funding are leaving many governmental entities scrambling to balance budgets without compromising their ability to serve citizens, while the frequency of pronouncements from GASB continues to add more layers of complexity to accounting requirements. Without a trusted advisor to help Village of Hoffman Estates (Hoffman Estates) evaluate your financial operations, it's easy to lose sight of your overall performance. BKD CPAs & Advisors works with approximately 500 governmental clients nationwide, including municipalities, counties, federal and state agencies, public utilities, airports and transportation authorities, which means we've seen many of the challenges similar entities face. Our advisors can help Hoffman Estates address the numerous financial considerations of governmental entities, including economic development activities and resource management, as well as performance management, budgeting and debt administration.

You can expect the following from working with BKD:

- ▶ A smooth transition process focused on limiting disruption to your operations
- ▶ Cost-effective professional services to help you reflect sound fiscal stewardship and withstand scrutiny from bond investors, granting agencies and the public
- ▶ A team of professionals experienced with GASB standards, tax increment financing and Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) submission
- ▶ Firmwide resources with experience in a variety of areas, including arenas and venues, construction audits, tax increment financing districts and cybersecurity

There's a difference between an accountant and a trusted advisor. As accountants, we're ready to complete your requested services per the deadlines outlined in your RFP. That isn't enough, though—we believe there's more we can offer Hoffman Estates. As trusted advisors, we want to share pertinent industry and regulatory updates that may directly affect your bottom line throughout the year and recommend solutions for challenges yet to be seen. This proactive methodology is a hallmark of our unmatched client service standards and what Hoffman Estates can and should expect from us.

### Solutions for Hoffman Estates

Hoffman Estates has requested information and a fee quote for a Financial Statement Audit in Accordance with *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), if necessary.

#### PERSPECTIVE

"When the Village of New Lenox selected BKD CPAs & Advisors as its new audit provider they quickly helped us overcome concerns of changing from the firm we had used for over 25 years."

"The BKD audit approach brought a fresh perspective, and focused on realistic, reasonable and purposeful testing, looking at areas of importance. The engagement partner also provided assistance on new GASB pronouncements and assisted us with reporting requirements."

**Kimberly Auchstetter**  
Finance Director/Treasurer  
Village of New Lenox, Illinois

Please see the Specific Audit Approach section beginning on page 19 for a detailed explanation of our audit service approach.

## Why Choose BKD

### Delivering Value

Monitoring expenditures and receiving exceptional value for your investments is important, but informed consumers understand value is more than just about price. Value from a professional CPA and advisory firm is about the quality of the work and the merit of the advice. Expect BKD's work to be accurate and insightful. We stand behind it. Our Public Company Accounting Oversight Board (PCAOB) inspections and American Institute of CPAs (AICPA) peer reviews demonstrate the firm's record of excellence.

As evidenced by our inclusion in the **INSIDE Public Accounting** Best of the Best Firms list for the last eight years, we also offer long-term consistency, exceptional performance and a national network of support and resources. BKD is large enough to help Hoffman Estates address a variety of financial issues. At the same time, we pride ourselves on hard work and low overhead, which keep our fees competitive. With our reputation, size, service and experience, you can consider us a good value.



### Commitment to Serving the Public Sector

As part of our commitment to remaining at the forefront of the public sector, leaders across our national governmental practice created the BKD Public Sector Center of Excellence. This group of professionals, which includes your proposed engagement team partner, meets regularly to discuss important developments, legislative updates and challenges affecting governmental entities similar to Hoffman Estates.

In addition, our public sector involvement has enabled us to establish connections with numerous regulatory, accounting and auditing organizations, including:

- ▶ AICPA Governmental Audit Quality Center, as a member
- ▶ Government Finance Officers Association (GFOA) Governmental Accounting Standards Board (GASB)
- ▶ Illinois Government Finance Officers Association (IGFOA)
- ▶ Illinois CPA Society Government Content Advisory Group
- ▶ Illinois CPA Society Government Report Review Committee
- ▶ Office of Management and Budget (OMB)
- ▶ U.S. Government Accountability Office



We look forward to communicating best practices and forward-looking strategies to help Hoffman Estates thoughtfully consider the areas important to fulfilling your fiduciary responsibilities.

## Extensive Experience with the CAFR Program

Participating in the GFOA CAFR Program can help enhance the credibility of a municipality's financial statements, particularly with rating agencies. This also is key to increasing constituent and user confidence in Hoffman Estates' fiscal management practices and overall financial condition. As a current participant in the CAFR Program, BKD can assist you. Hundreds of our clients participate in this program annually, which means we have the practical knowledge and expertise necessary to guide you through the process. Numerous BKD professionals also serve on the GFOA's Special Review Committee, including two members of your proposed engagement team, providing us with firsthand insight into what GFOA reviewers are looking for when assessing the required reports.

In addition, with the short window for completing annual audits to meet the GFOA's established deadlines, we understand timely and accurate professional services are critical in retaining your certificate. A core standard of BKD's unmatched client service philosophy is Responsive Reliability, which guides our service process from initial planning to issuing our final report. You can expect our reports and communication to be timely and in advance of GFOA's deadlines.

## BKD LeaseVision: Assistance with GASB 87 Implementation

GASB Statement No. 87 (GASB 87), *Leases* is a significant consideration for many entities in the public sector. While we understand from the bidder's conference that the Village's current lease volume is low, this new rule is intended to provide clarity for users of financial statements, and it brings a host of considerations for both lessors and lessees. BKD LeaseVision can help.

Through our work with hundreds of public sector entities nationwide, BKD has gained significant experience helping our clients implement complex GASB standards, including GASB 87. Our approach to assisting clients with this standard includes the following:

- ▶ Creating a detailed implementation roadmap to provide a step-by-step process to follow with relevant guidance along the way
  - Beyond the nuts and bolts of the necessary lease calculations, this roadmap can help address issues such as system requirements, changes to internal controls, required note disclosures and communications to external users
- ▶ Using an Excel-based tool to assist with contract analyses, lessor/lessee calculations and amortization schedules
- ▶ Using artificial intelligence (AI)-based tools to extract key lease terms and help facilitate a more efficient analysis of hundreds of contracts, potentially capturing important clauses that could be missed by relying only on manual review

## SUPPORT

"BKD just completed the first year audit engagement with the City. The transitional year went extremely smooth. BKD's staff did an excellent job working with our staff during the transition. During the engagement, BKD provided knowledgeable support and guidance. The audit was completed on schedule, and BKD always completed their deliverables on time."

**Allen Herink**  
City Comptroller  
City of Omaha, Nebraska

BKD also stands ready to deliver a fourth prong to our solution, if needed. If there is any concern about whether all contracts for which GASB 87 is applicable have been identified, we can employ our extensive data mining resources and proprietary tools to search your financial activity for potential leases. We would be happy to discuss our tools with you in more depth at your convenience.

## A Smooth Transition

Changing firms can be a daunting task, but it doesn't have to be. A smooth transition is not only possible—it should be expected. Our BKD Smooth Transition™ process places emphasis on quickly becoming familiar with your organization and team.

We will develop a tailored transition plan that meets your timing expectations while offering a fresh look at your financials. Our team will work with your current firm to transfer important financial data quickly and securely. As a result, potential concerns can be identified and resolved in advance.

**BKD** SMOOTH  
TRANSITION™

## Thought Leadership

BKD advisors are serious about reinforcing their positions as thought leaders in the industries they serve. To help keep you informed about emerging issues in your industry, as well as changes in regulations and accounting and tax methods, we provide **BKD Thoughtware®** webinars, seminars, tailored training sessions, podcasts and articles. Many of these are eligible for continuing professional education (CPE) credit. Recent topics and presentations include:

- ▶ Implementing GASB 87: What You Need to Know
- ▶ Accounting for Fiduciary Activities: GASB 84
- ▶ From Cloudy to Clear: Introducing BKD LeaseVision for GASB

We encourage you to view these and a wide array of other resources available on [bkd.com](http://bkd.com).

500+

We offer more than 500 articles, videos, webinars & presentations annually.

## Unmatched Client Service

You want trusted advisors who will deliver exceptional client service, focus on your needs and take the time to address your unique challenges. BKD understands. We take our commitment so seriously, we penned five standards of unmatched client service and supporting guidelines in **The BKD Experience: Unmatched Client Service**, a book that articulates the firm's philosophy and sets expectations for serving clients. Our five standards are:

### Integrity First

We work hard to do what is right for you. You can rely on us to tell you what you need to hear.

### True Expertise

From BKD, you can expect trained, capable staff and a high level of supervision by partners and experienced personnel.

### Professional Demeanor

You can depend on prepared and attentive advisors to help meet your needs and provide new ideas.

### Responsive Reliability

Accurate and thorough work combined with timely delivery is what you require. At BKD, we do not want it any other way.

### Principled Innovation

We want you to succeed. For Hoffman Estates, that means looking for new ideas to streamline a process, better document work, train your staff and improve your effectiveness.

You can count on BKD's commitment to our five standards of unmatched client service:



Integrity First



True Expertise



Professional Demeanor



Responsive Reliability



Principled Innovation

## RFP Response

For your convenience, we have structured our proposal according to the requirements in your RFP. We believe our proposal will demonstrate our qualifications to serve Hoffman Estates.

**INFORMATION CONTAINED IN BKD'S RFP RESPONSE, WHICH IT ASSERTS AS CONFIDENTIAL, IS EITHER BUSINESS AND/OR PROPRIETARY TRADE SECRET INFORMATION NOT SUBJECT TO DISCLOSURE AS SET FORTH IN THE STATE OF ILLINOIS FREEDOM OF INFORMATION ACT. SUCH CONFIDENTIAL INFORMATION HAS INDEPENDENT ECONOMIC VALUE TO BKD, IS NOT REASONABLY ASCERTAINABLE BY THIRD PARTIES AND IS THE SUBJECT OF REASONABLE EFFORTS BY BKD TO MAINTAIN ITS SECRECY AND/OR CONFIDENTIALITY. SUCH INFORMATION IN THIS PROPOSAL SHALL BE DESIGNATED WITH AN ASTERISK (\*).**

### Independence & Licensing

**The firm should provide an affirmative statement that it is independent of the Village of Hoffman Estates as defined by the generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards*.**

BKD is independent with respect to Hoffman Estates as defined by the Code of Professional Conduct of the AICPA and the United States Government Accountability Office's *Government Auditing Standards*. We are not aware of any relationship that would impair our independence.

**An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Illinois.**

BKD is properly licensed to practice public accounting in the state of Illinois. All key professionals who would be assigned to your engagement are properly registered/licensed to practice in the state of Illinois or able to practice in the state due to mobility laws, without the requirement to obtain an individual Illinois license.

### Firm Qualifications & Experience

**The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and on a part-time basis.**

### Firm Size

BKD is one of the largest CPA and advisory firms in the United States. As of June 2019, we have 40 offices located in 18 states. Our approximately 2,700 CPAs, advisors and dedicated staff serve clients in all 50 states and clients with operations in more than 40 countries.

## COMMITMENT

"Park Ridge experienced significant staffing change due to a unique combination of retirements and resignations. This departure also resulted in the loss of institutional knowledge as all accounting staff departed. The BKD team was a life-line – they helped guide us as we dug into and fine-tuned our procedures and internal controls. They are a valuable resource and have helped us improve the way Park Ridge approaches its operations. I can't speak highly enough of our engagement partner and his crew."

**Andrea Lamberg**  
Finance Director  
City of Park Ridge, Illinois

## Governmental Audit Staff Size

BKD has approximately 130 professionals who spend more than 50 percent of their billable hours providing audit services to governmental entities.

## Location

Hoffman Estates' requested services will primarily be provided by our Oakbrook Terrace office.

BKD CPAs & Advisors  
1901 South Meyers Road | Suite 500  
Oakbrook Terrace, IL 60181

## Number & Nature of Staff

We anticipate providing one partner, one director, one senior manager, one senior associate and two associates on a full-time basis and two partners (one concurring reviewer and one arena resource) and one director (Uniform Guidance Specialist) on a part-time basis to complete Hoffman Estates' audit.

**The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.**

BKD is committed to providing quality audit services to our clients. We submit our work to external reviewers who challenge our approach and findings. We are proud of the findings from these reviews, which indicate our process works. Our report contained a rating of "Pass," which is the best peer review rating available under the current peer review standards. A copy of our most recent AICPA peer review report is included in the Appendix. Our peer review included inspection of engagements performed under *Government Auditing Standards*.

## Staff Qualifications & Experience

**Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in the State of Illinois. Provide information on the government auditing experience of each person, including information on relevant continuing professional education (received and given, if applicable) for the past three (3) years and membership in professional organizations relevant to the performance of this audit.**

The most critical factor in providing high-quality service is choosing your engagement team. We take team selection seriously and have the appropriate team of advisors to meet your needs over the term of the engagement. As previously stated, all key professionals who would be assigned to your engagement are properly registered/licensed to practice in the State of Illinois or able to practice in the state due to mobility laws, without the requirement to obtain an individual Illinois license.

## RESPONSIVENESS

"While BKD maintains its independence, we can utilize their firmwide resources to help in other areas. For example, BKD helped advise us on establishing an ethics hotline, provided guidance on tax related issues and conducted single audit training for our project managers to give them a better understanding of the accounting requirements and how critical it is to provide accurate information."

"BKD has been the best accounting firm I have used—helpful, reliable and responsive. They are terrific at facilitating a schedule that allows our audit to be completed within the established timelines and commitments."

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### Cherie Sanchez

Accounting Manager  
City of Westminster, Colorado

## Engagement Team Organizational Chart



## Engagement Team Experience



**Scott C. Termine, CPA**  
Partner

Scott has over 23 years of public accounting experience, providing accounting, audit and consulting services to governmental and not-for-profit entities. This includes municipalities, state agencies, counties, park districts, transit agencies and other units of local government. As part of these engagements, he has assisted in preparing numerous comprehensive annual financial reports (CAFR).

He has managed audits of federal funds received from numerous agencies. He also has experience providing agreed-upon procedures relating to various areas, including internal control design for governmental agencies. In addition to providing audit and attest services to a variety of governmental entities, Scott also has worked with his clients on projects involving internal control documentation and review, cost allocation, chart of accounts redesign and accounting department restructuring/outsourcing.

Scott is licensed to practice public accounting in the State of Illinois. He is a member of the BKD Public Sector Center of Excellence, the American Institute of CPAs and Illinois CPA Society (ICPAS). He also is a member of the Illinois Government Finance Officers Association (IGFOA) and serves on their Technical Accounting Review Committee (TARC). In addition, he is a member of the Special Review Committee (SRC) for the GFOA Certificate of Achievement for Excellence in Financial Reporting program.

He is a frequent presenter at association conferences and seminars, as well as to boards. He serves as a trustee for Joliet Montessori School and is the treasurer/chair of the school's finance committee.

He is a graduate of University of Illinois at Chicago, with a B.S. degree in accounting.

As of August 2019, Scott has received approximately 151 hours of CPE in the last three years.





**Christopher J. Telli, CPA, CIA®**  
Partner

Chris is the firm's North Region industry leader for BKD National Public Sector Group and is a member of the firm's Not-for-Profit, Higher Education & Public Sector Committee. He has more than 18 years of experience in accounting and auditing, including three years as an internal auditor for a large not-for-profit organization. Chris assists governmental entities with audit, compliance and general business consulting and works with a variety of governmental entities, including municipalities, state agencies, airports, school districts, higher education institutions and public authorities.

He routinely writes and speaks on a variety of governmental and not-for-profit accounting, audit and compliance issues and has served as an instructor for BKD internal seminars and trainings. He serves on the BKD Public Sector Center of Excellence, an internal committee of governmental leaders from across the firm who deliberate a variety of issues important to governments, and has served on both peer review and internal inspection teams.

Chris is a member of the American Institute of CPAs, Colorado Society of CPAs (COCPA), Government Finance Officers Association of the United States and Canada (GFOA), Association of Government Accountants, The Institute of Internal Auditors and Association of Certified Fraud Examiners, Inc. He is a current board member of the COCPA, a former co-chair of the Governmental Issues Forum and previously served on the planning committee for the society's Governmental Conference. Chris also is currently an advisor to the GFOA Committee on Accounting, Auditing, and Financial Reporting.

He is active in the community and serves as board chair for the American Red Cross of Southeastern Colorado.

Chris is a *summa cum laude* graduate of Regis University, Colorado Springs, Colorado, with a B.S. degree in accounting, and the University of Colorado, Colorado Springs, with an M.B.A. degree in finance. He also holds the Certified Internal Auditor® (CIA®) designation.

Chris is a licensed CPA and is a member of the American Institute of CPAs, Government Finance Officers Association, the Colorado Government Finance Officers Association, the Association of Governmental Accountants (AGA) and the Association of Certified Fraud Examiners. He also is a member and is active with the Colorado Society of CPAs (COCPA), where he formerly co-chaired the Governmental Issues Forum and currently sits on the Planning Committee for COCPA's Governmental Conference.

He serves as treasurer for the American Red Cross Pikes Peak Chapter and on the finance council of the Colorado Springs Regional Business Alliance (formerly The Greater Colorado Springs Chamber of Commerce).

As of August 2019, Chris has received approximately 199.5 hours of CPE in the last three years.



**Andrew A. Rinzel, CPA**  
Partner

Andy, a member of BKD National Public Sector Group, provides financial statement audit and attest services, as well as various financial and advisory projects involving forecasts, budgeting, internal control matters and grant compliance. During his 17 years of experience, Andy has spent significant time assisting governmental and exempt entities with complex transactions and challenges.

He is one of the firm's leading professionals for engagements subject to Single Audit requirements, including compliance enhancement projects and internal control design. He is a regular presenter on grant topics including compliance matters and internal control matters.

Andy is a member of the American Institute of CPAs, Indiana CPA Society, Accelerate Indiana Municipalities (Aim) and Government Finance Officers Association of the United States and Canada. He also serves on the finance committee for Notre Dame Ace Academies (formerly Mother Theodore Catholic Academies) as well as the finance council and audit committee of the Archdiocese of Indianapolis.

He is a 2001 graduate of the Kelley School of Business, Indiana University, Bloomington, with a B.S. degree in accounting.

Andy is a member of the American Institute of CPAs and the Indiana CPA Society. He also serves on the finance committees for Mother Theodore Catholic Academies and the Ruth Lilly Health Education Center. Andy also is a member of Airports Council International-North America and the American Association of Airport Internal Auditors.

As of August 2019, Andy has received approximately 175.5 hours of CPE in the last three years.



**John F. Cutrera, CPA**  
Director

John has more than 14 years of public accounting experience with governmental and not-for-profit entities, providing audit and consulting services such as financial statement audits and reviews. He has worked with a variety of entities, including municipalities, counties, villages, school districts, universities, water commission districts, foundations, food banks and social services organizations.

He has helped plan and manage Single Audits for various engagements, including housing, social services programs and highway planning and construction grants for governmental clients as well as agreed-upon procedures.

John is a member of the American Institute of CPAs, Illinois CPA Society (ICPAS) and Illinois Government Finance Officers Association (IGFOA). He serves on the ICPAS Governmental Report Review Committee. In addition, he is a member of the Special Review Committee (SRC) for the GFOA Certificate of Achievement for Excellence in Financial Reporting program.

He has presented a variety of topics for internal trainings and IGFOA.

John is a 2004 graduate of Dominican University, River Forest, Illinois, with a B.S. degree in accounting, and a 2009 graduate with an M.B.A. degree in general management.

As of August 2019, John has received approximately 169.5 hours of CPE in the last three years.



**Kimberly J. Marshall, CPA**  
Director

Kimberly has more than 15 years of audit and accounting experience, focusing on the governmental and not-for-profit industries. She has worked with a variety of entities, including municipalities, universities, community colleges, villages, school districts, tollway authorities, water commission districts, foundations, food banks, social services organizations and mortgage companies.

She has helped plan and manage Single Audits for student financial aid and other education department programs, social service programs and highway planning and construction grants for governmental clients, as well as agreed-upon procedures. She also has provided accounting, financial reporting, financial statement audit and Single Audit services for not-for-profits, including foundations, food banks and social services organizations.

She has presented on a variety of topics for internal trainings, Illinois CPA Society and Associated Colleges of Illinois.

Kimberly is a member of the American Institute of CPAs, Illinois CPA Society and Illinois Government Finance Officers Association.

She is a 2003 graduate of Benedictine University, Lisle, Illinois, with a B.B.A. degree in accounting.

As of August 2019, Kimberly has received approximately 125.5 hours of CPE in the last three years.



**Marvin G. Salaysay, CPA, CIA®**  
Senior Manager

Marvin has more than 13 years of public accounting experience with governmental, not-for-profit and private entities, providing audit and consulting services, such as financial statement audits and financial statement reviews. He has worked with a variety of entities, including municipalities, state agencies, colleges, foundations, not-for-profit organizations, associations, labor unions and pension and benefit plans.

He has helped plan, manage and execute Single Audits for various engagements, including United States Agency for International Development grants and social services programs for not-for-profit and governmental clients, as well as agreed-upon procedures.

Marvin is a member of the American Institute of CPAs and Illinois CPA Society and holds the Certified Internal Auditor® (CIA®) certification from The Institute of Internal Auditors®.

He is a 2003 graduate of Philippine School of Business Administration, Manila, with a B.S. degree in accounting and a 2006 graduate with an M.B.A. degree in general business management.

As of August 2019, Marvin has received approximately 158.5 hours of CPE in the last three years.



**Megan I. Munjanattu, CPA**  
Senior Associate

Megan is a member of BKD's Chicago audit team and provides accounting, financial reporting and audit services to clients in the public sector, as well as in not-for-profit and health care.

Megan is a 2017 graduate of Loyola University, Chicago, with a B.B.A. degree in accounting.

As of August 2019, Megan has received approximately 225.2 hours of CPE in the last three years.

## Additional Resources



**H. Bryan Callahan, CPA, CFF, CFE, CVA**  
Partner

Bryan is a member of BKD's Forensics & Valuation Services (FVS) division and leads BKD's Big Data & Analytics practice. He focuses on providing litigation consulting, fraud investigation and forensic accounting services and has extensive experience in litigation support and forensic services, including calculations of breach of contract damages, lost business value, intellectual property claims, securities litigation, shareholder disputes, post-acquisition disputes, construction claims, lost future earnings, misappropriation of assets, fidelity bond claims and fraudulent financial reporting.

He has performed litigation and investigation services for companies in a variety of industries, including multiple Fortune 500 companies. He has testified as an expert witness both in court and through depositions. Bryan also has served as a neutral party in numerous post-acquisition, business valuation, and business interruption disputes.

Bryan has experience with data analysis software for forensic data mining and continuous auditing. He also works with counsel on e-discovery and computer forensic engagements using a wide array of forensic imaging and analysis tools.

Prior to joining BKD, he worked in corporate forecasting, planning and analysis for a \$370 million private equity-owned biotechnology company, where he led the companywide annual operating plan, forecasting and reporting processes. He also was responsible for external and board financial materials, decision support and competitive analysis. Before that, he worked as an auditor at an international accounting firm.

In addition to being a CPA, Bryan holds the Certified in Financial Forensics (CFF) certification from the American Institute of CPAs (AICPA) and is a Certified Valuation Analyst (CVA) and Certified Fraud Examiner (CFE). He participates in more than 60 hours of continuing education each year and has attended numerous valuation, litigation services, damages and fraud courses offered by AICPA and Association of Certified Fraud Examiners.

Bryan is a *summa cum laude* graduate of Valparaiso University, Indiana, with a B.S. degree in accounting and management.



**Rex A. Johnson, CISSP, CISA, CIPT, PMP®, QSA**  
Director

Rex has more than 25 years of IT, business and leadership experience. His areas of specialty include cybersecurity, data privacy, IT governance, project and program management, enterprise risk management, security management and operations, internal and external audit, regulatory compliance and controls assurance. He has served as a trusted advisor for executive management and a liaison between IT, internal audit and the external auditors. He has led teams that help clients address security risks and develop long-term, sustainable solutions.

Prior to joining BKD, he held positions with an international accounting firm and recently led the global cybersecurity practice for a large technology and consulting firm. In this role, Rex provided services to clients in the health care, financial services, not-for-profit, education, telecommunications, retail and manufacturing industries.

Rex is a frequent speaker on cybersecurity and IT risk for several professional organizations. He previously served as adjunct faculty at the University of Maryland and the Defense Information School for the U.S. Department of Defense (DoD).

He is a Certified Information Systems Security Professional (CISSP), Certified Information Systems Auditor (CISA) and Certified Information Privacy Technologist (CIPT), Project Management Professional (PMP) and Payment Card Industry Professional (PCIP™). He also is a member of The International Information System Security Certification Consortium (ISC)<sup>2</sup>, Information Systems Audit and Control Association (ISACA®), the International Association of Privacy Professionals (IAPP) and the Project Management Institute, Inc. (PMI).

Rex is a graduate of the University of Kansas with a B.A. degree in journalism and an M.B.A. with an IT concentration. He also is a retired US Army Lieutenant Colonel and graduated from the DoD Command and General Staff College, as well as the National Defense University.



**Courtney C. Reikofski**  
Senior Managing Consultant

Courtney is a member of BKD's Enterprise Risk Solutions division. She has more than 10 years of combined experience in a range of industries, including government, manufacturing, mining, oil and gas, telecommunications, retail, alternative energy and education. Her experience includes construction audits, internal audits, financial statement audits and Sarbanes-Oxley consulting, including international exposure.

She has significant experience providing process consulting services such as risk assessments, internal control identification, control testing and process improvement. She also has experience with vendor audits, construction audits, control compliance review and data analytics, which includes auditing SAP, NetSuite, JDEdwards, Hagen, Dynamics and ADP systems.

Courtney is a member of The Institute of Internal Auditors.

She is a 2007 graduate of University of Denver, Colorado, with a B.S.B.A. degree in finance and a minor in accounting.

**1:6**

Our partner-to-staff ratio is lower than the average found in other large national firms.

## Continuing Professional Education

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

BKD offers an internal industry update seminar for managers through partners, as well as a seminar for our in-charge level employees. These seminars include auditing and accounting issues that are specific to governmental and not-for-profit clients, including *Government Auditing Standards*, Single Audits and accounting standards for government financial reporting. BKD professionals also receive additional training from external sources.

## Recognized Learning & Development

For the sixth consecutive year, BKD has been ranked among **Training** magazine's Training Top 125. We also have received **Chief Learning Officer** magazine's LearningElite award since 2016, including a Gold-level recognition for 2018. These programs rank an organization's excellence in employer-sponsored training and recognize outstanding outcomes in learning and development.



**Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Village of Hoffman Estates. However, in either case, the Village of Hoffman Estates retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.**

In the event we are required to make a change to any key personnel assigned to your engagement, we will discuss this with you to explain the circumstances and proposed change. Your lead engagement partner, Scott Termine, or office managing partner will be coordinating personnel changes. We generally do not remove key personnel from an audit once it has begun, but occasionally, employee turnover or other events beyond our control require such a change. If a personnel change is required, we are confident we can provide a qualified replacement to complete your audit with limited interruption.

We understand engagement team members, consultants and firm specialists mentioned in our response to this RFP can only be changed with the prior express written permission of Hoffman Estates, which retains the right to approve or reject replacements.

## Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last three years that are similar to the engagement described in this request for proposal (minimum of five references). Also, indicate those municipalities that achieved the Certificate of Achievement for Excellence in Financial Reporting award while your firm was engaged as their auditors. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Specifically identify those engagements at which the managers and other supervisors who will be assigned to the Hoffman Estates engagement have worked.

### References\*

Our clients are our best ambassadors, and we encourage you to contact them about their satisfaction with our services. The following clients have consented to discussing BKD's services and service delivery with you at your convenience.

#### Village of Downers Grove, IL

Ms. Carol Hogan  
Assistant Finance Director  
630.434.5929  
Scope of work: Financial statement, TIF and Uniform Guidance Audits  
CAFR: Yes  
Start and end dates: 12/31/16 to present  
Engagement partner/manager: Scott Termine/John Cutrera  
Total hours: 415

#### City of Park Ridge, IL

Ms. Andrea Lamberg  
Finance Director  
847.318.5214  
Scope of work: Financial statement, TIF and Uniform Guidance Audits  
CAFR: Yes  
Start and end dates: 4/30/12 to present  
Engagement partner/manager: John Cutrera/Marvin Salaysay  
Total hours: 425

#### Village of New Lenox, IL

Ms. Kimberly Auchstetter  
Finance Director/Treasurer  
815.462.6411  
Scope of work: Financial statement audit  
CAFR: Yes  
Start and end dates: 4/30/17 audit through present  
Engagement partner/manager: Scott Termine/John Cutrera/Marvin Salaysay  
Total hours: 350

## GUIDANCE

"BKD has been a great resource for the City of Lincoln in accomplishing our financial reporting goals. They have provided us with prompt and sound technical and accounting guidance throughout our affiliation. The BKD audit teams have always been professional, friendly and accessible."

#### Peggy Tharnish

City Controller  
City of Lincoln, Nebraska

**Village of Mundelein**

Mr. Doug Haywood  
Finance Director  
847.949.3211  
Scope of work: Financial statement and TIF audits  
CAFR: Yes  
Start and end dates: 4/30/14 to present  
Engagement partner/manager: John Cutrera/Marvin Salaysay  
Total hours: 300

**Village of Orland Park**

Ms. Annmarie Marnpe  
Finance Director  
708.403.6199  
Scope of work: Financial Statement Audit and TIF audits  
CAFR: Yes  
Start and end dates: 12/31/18 to present  
Engagement partner/manager: Scott Termine/Marvin Salaysay  
Total hours: 525 hours

**Representative List of Clients\***

BKD is proud to work with governmental clients in Illinois, including:

Bloom Township  
Brookfield-North Riverside Water Commission  
Chicago Heights Park District  
City of Hickory Hills, IL  
City of Highwood, IL  
City of Oakbrook Terrace, IL^  
City of Park Ridge, IL^  
Decatur Public Schools  
DuPage Mayors and Managers Conference  
DuPage Township  
Forest Preserve District of DuPage County^  
Glenside Public Library District  
Illinois Gaming Board  
Indian Trails Public Library District  
Metropolitan Mayors Caucus  
Mt. Zion Community Unit School District  
Northern Illinois University related organizations:  
Northern Illinois Research Foundation  
Northern Illinois University Alumni Association  
Northern Illinois University Foundation  
Oakbrook Terrace, City Police Pension Fund  
State Universities Retirement System of Illinois  
Teachers Retirement System of Illinois



University of Illinois Chicago Dept. of Athletics

University of Illinois related organizations:

Illinois Ventures

PrairieLand Energy

Research Park

UI Singapore Research

Wolcott Wood & Taylor

Village of Bloomingdale, IL<sup>^</sup>

Village of Bolingbrook, IL

Village of Bradley, IL

Village of Burr Ridge, IL<sup>^</sup>

Village of Chicago Ridge

Village of Downers Grove, IL<sup>^</sup>

Village of Hainesville, IL

Village of Mundelein, IL<sup>^</sup>

Village of New Lenox, IL<sup>^</sup>

Village of Orland Park, IL<sup>^</sup>

Village of River Forest, IL<sup>^</sup>

<sup>^</sup>Denotes client who earned recognition under the GFOA CAFR Program

## Sample Arena and Convention Center Projects\*

In addition to our references and representative list of clients for our Chicagoland office, we have included information regarding BKD's work with convention centers. Please see below for highlights of BKD's work with the Capital Improvement Board (CIB) of Managers of Marion County, Indiana, which oversees the operations of the Indiana Convention Center, Lucas Oil stadium, Bankers Life Fieldhouse and Victory Field in Indianapolis, Indiana.

- ▶ **Project:** Approximately \$300 million expansion of the Indiana Convention Center (Convention Center Expansion Project)
  - **Services Provided:** Accounting assistance; internal control consulting and audits of construction costs in connection with the annual audit of the CIB
  - **Financing Structure:** Lease appropriation bonds and related capital lease obligation
- ▶ **Project:** Approximately \$800 million stadium (Lucas Oil Stadium)
  - **Services Provided:** Accounting assistance; internal control consulting and audits of construction costs in connection with the annual audit of the CIB
  - **Financing Structure:** Lease appropriation bonds and related capital lease obligation; contributions from the CIB and the Indianapolis Colts
- ▶ **Project:** Approximately \$250 million arena facility (Bankers Life Fieldhouse)
  - **Services Provided:** Compilation of a forecast to support the plan of financing; agreed-upon procedures; accounting assistance and audits of construction costs in connection with the annual audit of the CIB
  - **Financing Structure:** Excise taxes, lease rental revenue bonds and related capital lease obligation
- ▶ **Project:** Approximately \$25 million, 13,000-seat professional baseball (AAA) facility (Victory Field)

- Services Provided: Accounting assistance; internal control consulting and audits of construction costs in connection with the annual audit of the CIB
- Financing Structure: Excise taxes, lease rental revenue bonds and related capital lease obligation

## Specific Audit Approach

### Financial Statement Audit In Accordance with *Government Auditing Standards* & the Uniform Guidance

#### What is an Audit?

Auditing standards set the technical requirements for our process, culminating with the expression of our opinion on the presentation of your financial statements. Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### What is an Audit Experience?

While auditor selection should start with evaluating technical competence, it also should extend to your expectations for a service experience. Your audit experience includes how your engagement is managed, how you and your team are treated, the quality and timeliness of communication you receive and your confidence in the results and guidance you receive. We want you to consider our philosophy around independence, integrity and quality, along with our commitment to unmatched client service and the strength of your proposed engagement team.

#### The BKD Differences That Matter

<b>People</b>	Our people are key components of what differentiates a BKD audit. Through intentional training and our firm culture, our teams integrate a commitment to quality with an appreciation for client needs and expectations. We also bring relevant industry experience, which means you will not be required to train our staff.
<b>Leadership</b>	The engagement executive managing your audit will maintain a high level of involvement with Hoffman Estates by delegating appropriate tasks to other audit team members as needed while remaining engaged with you and the audit team. Our engagement executives are on site and participate in the supervision and delivery of your audit.
<b>Communication</b>	Challenging matters or simple misunderstandings can arise, and they shouldn't be ignored. While our responsibility is to issue an appropriate opinion on your financial statements, it is important for us to help keep your team informed of issues as they occur and recommend the appropriate solution. Our philosophy is to be courteous and professional, communicate timely and make reasonable requests. We are committed to treating you and your team with openness, candor and respect.
<b>Technology</b>	Technology plays a growing role in our audit as we adopt new tools to enhance our effectiveness and efficiency. We have invested heavily in improving dynamic workflows and increasing our audit data analytics capabilities. Though we use traditional tools such as Excel, we also delve deeper into analytic tools with TeamMate Analytics and ACL, unstructured data with Kira and artificial intelligence and trend analysis with MindBridge. These technologies, combined with our secure portal, help improve our results, enhance your experience and increase the insight we can provide.

## Onboarding & Project Management

Your BKD audit experience starts as soon as you select us. Our priorities include building rapport with your team, developing a deeper understanding of your operations and collaborating with you on the design and expectations of our service relationship. These efforts are part of the BKD Smooth Transition™ approach. The proposal process has provided us with the basics of your organization, but learning more will help us serve you better.

If not already completed, we will finish the details of client acceptance to confirm what we have learned and verify confidential information not already obtained, such as litigation history or other sensitive matters.

We will address various elements of project management with you, including how you will use BKDconnect Client Sites, our secure portal, to exchange and track information, the key dates of our processes and refinements to the details discussed in this proposal. We will schedule the professionals outlined in this proposal and coordinate with your team on details, such as timing of visits to your locations and discussions with your leadership.

**BKD** connect { Client Sites

## Executing the Audit

Once we have established our overall process and communication plans with you, the detailed work can begin. Key elements of that work include:

### Risk Assessment

We will identify and assess risks of material misstatement in your financial statements, including those from potential fraud. Our work is supported by building a strong understanding of your business environment through documents you provide and by gathering information through interviews and tests for significant transaction cycles.

### Audit Design

Based on risks identified, we will design an audit approach specific to your organization. This tailoring takes into consideration the uniqueness of your operations, the design of internal controls you have implemented and the nature of financial statement amounts and disclosures. We consider whether matters are truly important (materiality), as well as obtain input about concerns from management/the board of trustees/finance committee to design the tests we will perform.

### Gathering Evidence

Once the plan is complete, we will execute the audit through a combination of on- and off-site work performed in accordance with the agreed-upon timeline.

### Reviewing the Work

Critical to our process is a review of the team's work by our engagement executive, as well as a quality review by another executive who is independent from the detailed work. The quality review is designed to improve our deliverable by providing a fresh perspective and reinforcing quality.

### Sharing Our Results

We base our audit opinion on the evidence gathered and then communicate our findings. Professional standards drive the content of our opinion and the required communication about any deficiencies and other items we may identify during the audit. Beyond these requirements, we share results formally through our letters and

presentations to management/the board of trustees/finance committee, as well as opportunities for improvement through conversations during the audit process.

## Compliance Audit in Accordance with the Uniform Guidance, if necessary

BKD performs hundreds of Single Audits annually, focusing on two objectives: first, an audit of your financial statements and reporting on the Schedule of Expenditures of Federal Awards (SEFA) in accordance with *Government Auditing Standards*, and second, a compliance audit for federal awards expended during the fiscal year in accordance with the Uniform Guidance.

Approximately one-third of our not-for-profit and governmental clients receive federal funding. Our extensive experience with compliance testing in accordance with OMB requirements can help provide Hoffman Estates with a Single Audit performed properly and submitted on time.

### Our Approach

During our audit procedures of federal award programs, we do not simply look for findings to report. We look for opportunities to advise you of more efficient ways to comply with federal regulations to reduce the risks of sanctions or reduced funding. BKD has developed contacts at federal agencies and has been able to work cooperatively with these agencies to help clients resolve or avoid issues.

Entities subject to the Uniform Guidance and *Government Auditing Standards* will benefit from BKD's specially designed audit programs, checklists and database of federal audit programs.

Identification and testing of your federal programs will be performed primarily during interim fieldwork, which will typically be performed before your fiscal year-end. We have found this to be the most efficient manner in which to perform our audit services when the additional Uniform Guidance requirements are present.

### Training Requirements for Single Audit Staff

Hoffman Estates can have confidence in BKD auditors' experience in testing federal funding subject to the Uniform Guidance. As previously mentioned, our audit professionals are required to receive at least 120 hours of CPE every three years, and for auditors involved with audits performed under *Government Auditing Standards*, this education includes the hours required to comply with *Government Auditing Standards Yellow Book* guidance. Staff members attend a series of core audit and accounting courses over the first four years of their careers. Staff subsequently receive additional training on accounting and auditing for the not-for-profit and governmental environment.

## Broad Audit Risk Considerations

Some risk considerations apply across nearly all of our audits. We pay particular attention to the following items:

### Significant Accounting Estimates

Nearly all financial statements have significant estimates in amounts and disclosures, even when not readily apparent. Estimates may include amounts ultimately collectible from third parties, expected losses or costs occurring at a specific amount and time, etc.

We will gather information supporting management's estimates and challenge key assumptions used to develop these amounts. We also will test estimates on available data and historical trends and document our conclusions on the reasonableness of recorded amounts.

### Risk of Management Override of Controls

When considering fraud, auditing standards require evaluating the risk that management could override existing controls. We will perform interviews of selected individuals, apply an element of unpredictability in our testing and brainstorm as a team to evaluate risks and possible actions based on our observations. We also will perform

journal entry testing, review estimates for bias and significant changes and consider the business rationale for significant unusual transactions.

## Procedures & Risks Specific to the Public Sector

Audit procedures can vary, but they often include traditional observation, sampling and testing combined with more advanced deployment of technology for trend analysis, summarization of documents and assessment of large data sets.

Our work with hundreds of clients in the public sector means our advisors are very familiar with entities similar to Hoffman Estates. While no two audits are the same, certain activities are common to governmental entities. Specific risk areas for Hoffman Estates are likely to include:

### Investments

This is a significant audit area due to the risks associated with the proper and timely valuation of investments. We employ a variety of audit procedures in this area, including the use of third-party confirmations, obtaining an understanding of management's assessment of fair values, fair market value testing to published sources and obtaining SOC 1 reports. In addition, we evaluate the disclosure requirements and help determine the adequacy of completeness and accuracy of the disclosures.

### Accounts Receivable & Deferred Inflows of Resources & Unearned Revenue

These areas are often a significant risk due to the subjective nature of Hoffman Estates' estimate for the allowance for doubtful accounts and the proper recognition of revenue for funds that report using the modified accrual basis of accounting and the current financial resources measurement focus that is consistent with Hoffman Estates' policy. We will test the cutoff of various revenue sources, such as taxes, government grants and customer utility accounts, and review the revenue journal both before and after year-end. We may confirm significant accounts receivable, as well as a sample of others to test both existence and proper classification, if considered necessary. In addition, we will test deferred inflows of resources by reviewing subsequent collections and perform various analytical procedures to test both completeness and proper classification of the balances, consistent with Hoffman Estates' policy of recognizing revenue on the modified accrual basis of accounting.

### Capital Assets

We will audit the capital asset rollforward activity of each opinion unit, focusing on significant additions and disposals during the year. Current-year additions will be tested to appropriate supporting documentation. A review of repair and maintenance accounts will be performed to help identify whether material additions have been capitalized. New lease agreements will be reviewed to identify whether they have been accounted for properly. Depreciation expense also will be tested for reasonableness, and certain analytical procedures will be performed on the capital outlay line items for governmental funds associated with the conversion to government-wide reporting.

### Long-Term Debt

This is typically a risk due to the presence of one or more significant debt covenants. We review the associated debt documents to help gain an understanding of the flow of funds prescribed for any pledged revenues. We review the covenants and obtain evidence through inquiry and other means, including the recalculation of any financial covenants, to support the conclusion that all covenants have been met and all debt service payments have been made timely. We also will confirm the annual payment activity and ending balances of certain bonds, notes and leases payable with trustees. In the case of any refunded debt in the year being audited, we will recalculate the accounting gain or loss by reviewing trustee statements and bond documents to test for proper classification and footnote disclosures. We also will inquire about your policy on reviewing each bond and note for applicable IRS arbitrage requirements, prepare a list of bonds and notes subject to IRS arbitrage requirements

and the most recent arbitrage calculation prepared for each bond and challenge the calculation performed to test for completeness and obligations of Hoffman Estates.

### Net Position/Fund Balances

Procedures we perform in this area include vouching (or cross-indexing to work performed in other areas) of significant increases and decreases to net position, recalculation of net investment in capital assets for enterprise funds and government-wide activities, review of documentation supporting the establishment and classifications of new accounts and testing of various nonspendable, restricted, committed and assigned fund balance accounts based on supporting documentation of donor and grantor agreements, enabling legislation, formal actions of the Village Board, such as ordinances and resolutions and other formal policies.

### Revenue Recognition

Professional standards include a rebuttable presumption that for each audit, there is a risk of material misstatement due to fraud relating to improper revenue recognition. Our approach is to gain an understanding of the revenue recognition criteria and policies and then perform a variety of inquiry, analytical and substantive audit procedures to confirm our understanding.

### Uniform Guidance Testing

We will discuss with management and review the preliminary SEFA as of an interim date to determine the likely major programs for testing. We will conduct the majority of our testing prior to year-end and will share our results with you prior to final fieldwork. During final fieldwork, we will assess whether there are any additional major programs that would require testing and conclude our compliance and internal control procedures related to OMB's Uniform Guidance expenditures in agreement with the conclusion of the audit of the financial statements.

### Utility Receivables & Unbilled Revenues

We will use several methods to audit your receivables and the estimate of unbilled revenues, including using look-back reports, reviewing historical collection methods and assessing of the aging and payor mix of your accounts receivable detail. We will analytically review key ratios such as days in accounts receivable and charge-off rates compared to industry averages and prior year results to help us reach our audit conclusions. We will work with your team before year-end on the allowance to see that we understand your methodologies and conclusions. Finally, we use data analysis software to test subsequent billings and receipts and the accuracy of revenue cutoff to help validate the year-end accounts receivable balance and any unbilled revenue amounts.

### Pensions & Other Post-Employment Benefit Obligations

Due to the subjective nature of the estimation processes associated with determining the estimated Other Post-Employment Benefit (OPEB) obligations liability, we will obtain and test the specific actuarial calculations for the OPEB liability. First, we will evaluate the professional qualifications and reputation of the actuary. We will read the actuarial reports to obtain an understanding of the methods and assumptions employed and evaluate the cost method used and the significant assumptions underlying the actuarial calculations. Select testing of the underlying data used in the calculation will be performed. We will evaluate the valuation, cost and amortization methods for consistency. The other significant underlying assumptions such as discount rates, rates of return and medical cost trends will be compared with independent external studies of assumptions by such noted organizations as Milliman Medical Index, SEI Pension Accounting Research Series and the Towers Watson annual health care trend survey.

### GASB Issues New Lease Standard

As previously mentioned, with the upcoming GASB Statement No. 87, *Leases* (GASB 87), the way leases are handled in public sector accounting is about to change. While this new rule is intended to provide clarity for users of financial statements, it brings a host of considerations for both lessors and lessees. Governmental entities will

be allowed to transition using the facts and circumstances in place at the time of adoption, rather than retroactive to the time each lease was begun. GASB 87 is effective for financial statements for fiscal years beginning after December 15, 2019; however, earlier application is encouraged.



The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. Proposers will be required to provide the following information on their audit approach:

a. Proposed timing of the engagement.

Engagement Phase	Timing	Team Members
Pre-audit planning meeting	Late November	Partner/Director/Senior Manager/Senior Associate
Planning & Interim Procedures, including Predecessor Auditor Procedures	Complete by December 31	Entire team
Testing Procedures (Fieldwork)	Early to mid-March	Entire team
Draft reports provided to Village	By May 15	Partner/Director/Senior Manager
Audit briefing to the Treasurer and Director of Finance prior to final draft determination	As requested	Partner/Director/Senior Manager
Final reports provided to Village	By June 15	Partner/Director/Senior Manager
Presentation to Village Board	As requested	Partner/Senior Manager

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

Proposed Audit Segmentation	Estimated Hours	Staff Level
Risk assessment procedures, including meetings with officials & staff, preliminary analytics, review minutes & design of audit procedures based on assessed risks	45	All Professionals
Document & evaluate internal controls	50	Manager & Associate
Substantive procedures & analytical review techniques	378	All Professionals
Draft CAFR & other reports	100	All Professionals
Single Audit testing	65	Manager & Associate
Supervision, review & technical assistance	65	Partner/Manager
Client conferences & meetings to review audit reports	10	Partner, Director & Manager
Presentation to governance & management advisory comments	2	All Professionals

### c. Sample size and the extent to which statistical sampling is to be used in the engagement.

Although it is not possible to set absolute rules for identifying sample sizes, we apply our professional judgment in identifying the appropriate sample size. The objective is to test the population to obtain reasonable confidence that the test objectives have been met. Sample sizes are controlled by the following considerations:

- ▶ Tolerable error (precision) – as the expected monetary conclusion becomes more critical, sample size should increase to tighten the range of the extrapolated estimate
- ▶ Significance of the account to the financial statements – as the significance increases, sample size should increase
- ▶ Assessment of internal control risk – as assessed risk is reduced, sample size for substantive tests should decrease
- ▶ Extent of other substantive audit procedures related to same audit objective (tests of detail, as well as analytical review) – as the extent of other procedures increase, sample size should decrease
- ▶ Frequency and magnitude of expected errors – as the frequency and magnitude of expected errors increase, sample size should increase
- ▶ The size of the population to be sampled and whether a sample is appropriate

We anticipate using certain data extraction tools, such as ACL, in selecting and testing samples or complete populations, where appropriate. These effective tools allow us to efficiently test larger amounts of data.

### d. Extent of use of EDP software in the engagement.

## Enhancing an Audit with Technology

BKD is a leading firm in working with the development of the AICPA's Dynamic Audit Solution Initiative that focuses on the audit of the future. We believe technology should do more than just execute an audit, which is why we're continuing to invest in significant technological enhancements. Our aim is to make the service process smoother and improve the client experience. We're going beyond simply adapting to an electronic environment—we're deploying tools that harness data analytics, artificial intelligence and powerful benchmarking solutions, all while emphasizing the importance of security and confidentiality.

### Unstructured Data Analysis

Kira is a data analysis platform that can help accelerate data organization and improve our ability to identify issues when assessing a large volume of documents. Beyond optical character recognition, Kira allows us to quickly and effectively process contracts, leases, debt agreements and other documents to extract relevant information to address disclosures and risk areas sooner.

### Data Analytics

Our data analytics capabilities continue to expand. While common platforms such as Excel provide some level of data query and investigation, we train our personnel on more advanced tools. Tools such as TeamMate Analytics and ACL help us ingest and normalize various types of reports you might provide and perform sophisticated analysis on the resulting data. We are piloting the use of artificial intelligence through MindBridge, an even more advanced application that allows us to upload multiple years of general ledger and subledger (receivable and payable) data. Using these tools, we can run analytics on 100 percent of Hoffman Estates' transaction detail to detect potential anomalies and patterns that indicate risk.

## Direct Data Ingestion

In 2019, we began our first pilot using tools such as Audit Accelerator, powered by Validis, to directly connect to client systems and securely extract a copy of the general ledger and other accounting records. This allows us to have the data for more sophisticated analysis and saves you substantial time in creating general ledger and trial balance reports, as well as reducing other document requests that can be derived from that data, such as aging details and invoice records. Direct data ingestion is a growing technology space, but the vast variety of systems that clients use can create some limitations. Current tools are compatible with a handful of major accounting applications, and we can evaluate whether our tools would be a good fit for Hoffman Estates.

## Improving Business Process Workflows

While our industry-tailored forms have been an important differentiator in our practice thus far, we're now moving to more sophisticated and dynamic checklists and workflows. We believe this new approach will increase efficiency and improve the data gathering experience for all parties. This evolution is enabling greater use of electronic signatures for contracts and will be integral to improved data sharing and transparency between BKD and our clients.

## BKDconnect Client Sites

We view project management as having multiple elements, with communication, timeliness and facilitating efficient exchanging of information among the most key. BKDconnect Client Sites is an innovative client portal designed to help address the challenges financial engagements present and conveniently connect you with our advisors.

BKDconnect Client Sites can make it easier to:

- ▶ View and manage information about your engagement or project
- ▶ Share documents and files with your BKD advisors and project teams
- ▶ Organize documents and files for retrieval
- ▶ Assign tasks to your team and receive requests for information from BKD
- ▶ Track the progress of tasks toward completion
- ▶ Access our award-winning, industry-specific articles, webinars, videos and more

### **e. Type and extent of analytical procedures to be used in the engagement.**

Analytical procedures involve auditing a material assertion or account balance by investigating its relationship to an expectation such as other accounts, historical trends or other related measures. BKD recognizes that stronger analytical procedures can help reduce or eliminate other substantive procedures that are usually more time consuming. We would typically consider:

- ▶ Ratio analysis – comparing relationships among account balances, ratios, nonfinancial data, budgets or industry averages
- ▶ Reasonableness tests – using financial and/or nonfinancial data to develop an expectation of an account balance

Successfully using analytical procedures requires auditors to ask the questions:

- ▶ What is the risk of material misstatement?
- ▶ How would we find those misstatements?

- ▶ Have I gathered enough audit evidence?

When analytical procedures provide sufficient evidence, other substantive audit procedures should not be necessary. If analytical procedures are not sufficient, some combination of analytical and substantive procedures is likely to be the preferred approach.

**f. Approach to be taken to gain and document an understanding of the Village of Hoffman Estates' internal control structure.**

Understanding your operations and the design of your controls helps create an effective and efficient audit process. When performing our first audit, this effort is more substantial. There are several data sources we intend to use, including your prior auditor.

Our first objective is to identify those resources that might advance our understanding without extra effort on your part. If you have documentation of your organizational structure, control environment (including technology) and the controls you have in place, along with any testing of those controls, we can often just read and supplement that information as needed. Even when clients have effective controls, their documentation is often limited, so additional effort may be required. When starting with limited documentation, we will:

- ▶ Perform a risk assessment using your financial statements to identify the relevant areas for documenting our understanding and related testing. While we want to have an understanding of your operations, it isn't necessary for us to document every control, particularly when a control is not related to a significant audit area.
- ▶ Ask you to complete industry-specific questionnaires that summarize your control structure. You might complete these forms directly or we may interview you to guide the process, or some combination of both. This process includes understanding your information system and related controls.
- ▶ Identify who performs or can perform control activities. We can use industry-based assignment of duties forms to capture those assignments.
- ▶ Assess and/or identify key controls you have in place for significant areas of risk. We will look for gaps in your design and potential overlapping assignments of duties that could or should be segregated.
- ▶ Perform limited tests of design effectiveness of control activities. These tests will help us evaluate whether our documentation matches the activities occurring.
- ▶ Consider extended tests of controls. In some cases, your information may be so complex or voluminous that extended control testing is needed to rely on your control and reduce other substantive testing in our audit.
- ▶ Summarize recommendations for your consideration. For minor deficiencies or suggestions, we may discuss changes during our audit. For others, including significant deficiencies or material weaknesses, we will prepare written recommendations for your consideration.
- ▶ In periods following our first audit, the majority of our understanding and documentation will be complete. Going forward, we focus on changes that have occurred and continue performing tests of design effectiveness or expanded testing to evaluate whether control design has remained the same.

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

Identification of applicable laws and regulations will begin with an inquiry of Hoffman Estates as to your understanding of applicable laws and regulations. In addition, our reviews of various documents, indentures, agreements, etc., will be designed to encompass known laws and regulations within the scope of the audit. We are experienced in auditing municipalities in the state of Illinois and are familiar with the laws and regulatory environment in which you operate.

## Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Village of Hoffman Estates.

## Communication of Potential Audit Problems

While we do not anticipate significant audit problems, we understand the importance of good channels of communication with key engagement team members to facilitate the discussion of issues that may arise. Once we commence final fieldwork, we would ask for management's participation in weekly progress meetings that would facilitate such communication and allow for timely identification and response to problems that may be encountered.

## Our Expectations of Your Staff

In working with similar clients, we have developed efficient approaches that aim to avoid wasted effort. Your participation helps control costs, reduce unnecessary disruptions and meet deadlines.

We need your team to maintain records in good condition, provide the necessary schedules and cooperate with our audit team. Most clients routinely prepare these records and schedules during their normal monthly or annual closing process.

Specific assistance from your personnel may include:

- ▶ Preparing a complete and accurate general ledger trial balance by account, to which very few adjustments are needed
- ▶ Preparing accurate audit schedules to support all significant balance sheet and certain other accounts
- ▶ Responding to auditor inquiries
- ▶ Preparing confirmation and other letters
- ▶ Pulling selected invoices and other documents from files
- ▶ Helping to resolve any differences or exceptions noted
- ▶ Completing documentation of internal controls
- ▶ Completing financial statements and footnote information

We will provide a list of the needed schedules well in advance of any deadlines, as well as spreadsheet templates for many of these schedules. We also will meet with your staff, as needed, to help them clearly understand what we need.

## Total All-Inclusive Maximum Price

**Attachment A must be completed and signed. Attachment A's price should specify all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price is to include all direct and indirect costs including all out-of-pocket expenses. The Village of Hoffman Estates will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.**

BKD knows our clients do not like fee surprises. Neither do we. Our goal is to be candid and timely, and we want to answer your questions about fees upfront. We determine our fees by evaluating a number of variables—the complexity of the work, the project's scope, the time we will spend and the level of professional staff needed.

We will waive an administrative fee of 4 percent to cover items such as copies, postage and other delivery charges, supplies, technology-related costs, such as computer processing, software licensing, research and library databases, and similar expense items. Our fees may increase if our duties or responsibilities change because of new rules, regulations and accounting or auditing standards. We will consult with you should this happen.

Our estimate of fees does not include any time that may be required to address a restatement of the previously audited financial statements. Accordingly, any such work will be billed based on our standard hourly rates.

ATTACHMENT A

**AUDITING SERVICES RFP RESPONSE  
FORM**

Firm: BKD, LLP

Firm Contact/Project Manager: Scott C. Termine

Address: 1901 South Meyers Road, Suite 500  
Oakbrook Terrace, IL 60181

Telephone and fax numbers: 630.282.9500 / 630.282.9495

Signature of Authorized agent: 

Print name and position of Authorized Agent: Scott C. Termine, partner

Date of proposal submission: 8/30/19

**FEE STRUCTURE: (if more space is needed, please attach a separate worksheet)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
CAFR, etc. <sup>1</sup>	<u>\$ 29,195</u>	<u>\$ 31,127</u>	<u>\$ 33,313</u>	<u>\$ 35,567</u>	<u>\$ 37,800</u>
Arena Fieldwork	<u>23,000</u>	<u>23,690</u>	<u>24,400</u>	<u>25,133</u>	<u>25,885</u>
Single Audit	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
Comptroller AFR	<u>900</u>	<u>900</u>	<u>900</u>	<u>900</u>	<u>900</u>
Barrington TIF	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
Roselle TIF	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
Higgins/Hassell TIF	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
<b>Total</b>	<b><u>\$ 66,595</u></b>	<b><u>\$ 69,217</u></b>	<b><u>\$ 72,113</u></b>	<b><u>\$ 75,100</u></b>	<b><u>\$ 78,085</u></b>
Fees for additional accounting-related questions through- out the year	<u>\$ **</u>	<u>\$ **</u>	<u>\$ **</u>	<u>\$ **</u>	<u>\$ **</u>

**\*\* Routine questions during the year are included in our fees. If unique situations are encountered that will require significant research and/or further discussion, we will provide an estimate before incurring any time to arrive at a mutually agreeable price for the additional work.**

<sup>1</sup>Audit Fieldwork, CAFR including all supplies, Management Letter, and GFOA Certificate Response

## Rates by Partner, Specialist, Supervisory & Staff Level Times Hours Anticipated for Each

The cost schedule should include a schedule of professional fees and expenses broken into the above categories, if appropriate.

Staff Level	Hours	Hourly Rate
Partner/Director	90	\$155
Senior Manager/Manager	130	\$117
Senior Associate II/Senior Associate	221	\$95
Associate	274	\$60
<b>Total</b>	<b>715</b>	

The hourly rates reflected above were used in arriving at the proposed fees that we have provided in the fee schedule requested by the Village (as Attachment A) of the RFP document. The above rates have been significantly discounted from our standard rates to reflect our desire to establish a long-term, mutually beneficial relationship between the Village and BKD.

Historically, BKD has seen professional fee increases of 3 to 5 percent annually. If there are significant changes in your operations or changes in accounting or auditing standards, we will meet with you to discuss how these changes will affect your fees.

## Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's proposal. Interim billings shall cover a period of not less than one calendar month.

Our pricing for this engagement and our fee structure is based upon the expectation our invoices will be paid promptly. We will issue monthly progress billings during the course of our engagement and payment of our invoices is due upon receipt. Interest will be charged on any unpaid balance after 45 days at the rate of 10 percent per annum.



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**“ Unmatched client service isn’t  
just a slogan at BKD; it’s the  
backbone of our culture. ”**

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**Theodore D. Dickman, CPA**  
Chief Executive Officer | BKD

# APPENDIX

# AICPA Peer Review Letter



**Peer Review Program**  
Administered by the National Peer Review Committee

American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

October 26, 2017

Theodore Dickman  
BKD, LLP  
201 N Illinois St Ste 700  
Indianapolis, IN 46204 4224

Dear Theodore Dickman:

It is my pleasure to notify you that on October 26, 2017, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is November 30, 2020. This is the date by which all review documents should be completed and submitted to the administering entity.

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

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

Sincerely,

Michael Fawley  
Chair - National PRC  
nprc@aicpa.org 919-402-4503  
National Peer Review Committee

CC: Candace Wright, L Bennett

Firm Number: 900010002800

Review Number: 552103

# BKD Peer Review Report



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809  
225-922-4600 Phone – 225-922-4611 Fax – [pncpa.com](http://pncpa.com)

Postlethwaite & Netterville and Associates, L.L.C.

## Report on the Firm's System of Quality Control

To the Partners of  
BKD, LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended May 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

### Firm's Responsibility

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

### Peer Reviewer's Responsibility

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

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under Single Audit Act, audits of employee benefit plans, audits performed under FDICIA, an audit of carrying broker-dealers, and examinations of service organizations [SOC 1 and SOC 2 engagements]

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

### Opinion

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

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
October 6, 2017

ILLUSTRATIVE ENGAGEMENT LETTER

DATE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide to [client name].

**ENGAGEMENT OBJECTIVES AND SCOPE**

We will audit the basic financial statements of \_\_\_\_\_ as of and for the year [period] ended \_\_\_\_\_, \_\_\_\_\_, and the related notes to the financial statements.

Our audit will be conducted with the objectives of:

- Expressing an opinion on the financial statements
- Issuing a report on your compliance based on the audit of your financial statements.
- Issuing a report on your internal control over financial reporting based on the audit of your financial statements.
- Expressing an opinion on your compliance, in all material respects, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that are applicable to each of your major federal award programs.
- Issuing a report on your internal control over compliance based on the audit of your compliance with the types of compliance requirements that are applicable to each of your major federal award programs.
- Issuing a report on your schedule of expenditures of federal awards.

**OUR RESPONSIBILITIES**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards require that we plan and perform:

- The audit of the financial statements to obtain reasonable rather than absolute assurance

about whether the financial statements are free of material misstatement, whether caused by fraud or error.

- The audit of compliance with the types of compliance requirements described in the OMB Compliance Supplement applicable to each major federal award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal award program occurred.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance having a direct and material effect may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Also, in the future, procedures could become inadequate because of changes in conditions or deterioration in design or operation. Two or more people may also circumvent controls, or management may override the system.

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

[Name of engagement executive] is responsible for supervising the engagement and authorizing the signing of the report or reports.

We will issue a written report upon completion of our audit of \_\_\_\_\_'s financial statements. Our report will be addressed to the [board of directors] of \_\_\_\_\_. You are responsible to distribute our reports to other officials who have legal oversight authority or those responsible for acting on audit findings and recommendations, and to others authorized to receive such reports. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph(s), or withdraw from the engagement. If we discover conditions that may prohibit us from issuing a standard report, we will notify you as well. In such circumstances, further arrangements may be necessary to continue our engagement.

We will also express an opinion on whether [*describe supplementary information*] (“supplementary information”) is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **YOUR RESPONSIBILITIES**

Our audit will be conducted on the basis that [*management OR, where appropriate, management and those charged with governance*] acknowledge[s] and understand[s] that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying and ensuring compliance with the laws, regulations, contracts and grants applicable to your activities (including your federal award programs);<sup>(B)</sup> and
4. To provide us with:
  - a. Access to all information of which [*management*] is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
  - b. Additional information that we may request from [*management*] for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from [*management OR, where appropriate, management and those charged with governance*] written confirmation acknowledging certain responsibilities outlined in this engagement letter and confirming:

- The availability of this information
- Certain representations made during the audits for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud 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

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon

procedures or other engagements that satisfy relevant legal, regulatory or contractual requirements or fully meet other reasonable user needs.

With regard to supplementary information:

- Management is responsible for its preparation in accordance with applicable criteria
- Management will provide certain written representations regarding the supplementary information at the conclusion of our engagement
- Management will include our report on this supplementary information in any document that contains this supplementary information and indicates we have reported on the supplementary information
- Management will make the supplementary information readily available to intended users if it is not presented with the audited financial statements

### **OTHER SERVICES**

#### **Electronic Submission**

We will also complete the auditee portion of the Form SF-SAC (Data Collection Form) through the Federal Audit Clearinghouse. We will not make the submission on your behalf. You will review a draft(s) of the submission prior to transmission and agree that you are solely responsible for approving the final draft for transmission as well as for the auditee submission and certification.

We will provide you with the following nonattest services:

- *Preparing a draft of the financial statements and related notes*
- *Preparing a draft of the supplementary information, including the schedule of expenditures of federal awards*

In addition, we may perform other services for you not covered by this engagement letter. You agree to assume full responsibility for the substantive outcomes of the services described above and for any other services that we may provide, including any findings that may result. You also acknowledge that those services are adequate for your purposes and that you will establish and monitor the performance of those services to ensure that they meet management's objectives. Any and all decisions involving management responsibilities related to those services will be made by you, and you accept full responsibility for such decisions. We understand that you will designate a management-level individual to be responsible and accountable for overseeing the performance of those services, and that you will have determined this individual is qualified to conduct such oversight.

### **ENGAGEMENT FEES**

The fee for our services will be \$\_\_\_\_\_.

Assistance from your personnel is expected to include:

- Preparing audit schedules to support all significant balance sheet and certain other accounts



- Responding to auditor inquiries
- Preparing confirmation and other letters
- Pulling selected invoices and other documents from files
- Helping to resolve any differences or exceptions noted

We will provide you with a detailed list of assistance and schedules required and the date such assistance and schedules are to be provided before the audit begins. All schedules should be provided in electronic form unless indicated otherwise.

Our timely completion of the audit depends on your timely and accurate schedule and analyses preparation and on the availability of your personnel to provide other assistance. If there are inaccuracies or delays in preparing this material, or if we experience other assistance difficulties that add a significant amount of time to our work, our fees will increase.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. We will issue progress billings during the course of our engagement, and payment of our invoices is due upon receipt. Interest will be charged on any unpaid balance after 30 days at the rate of 10% per annum, or as allowed by law at the earliest date thereafter, and highest applicable rate if less than 10%.

Our engagement fee does not include any time for post-engagement consultation with your personnel or third parties, consent letters and related procedures for the use of our reports in offering documents, inquiries from regulators or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

Our fees may also increase if our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards.

Our estimate of fees does not include any time that may be required to address a restatement of the previous audited financial statements. Accordingly, any such work will be billed based on our standard quoted hourly rates.

If our invoices for this or any other engagement you may have with BKD are not paid within 30 days, we may suspend or terminate our services for this or any other engagement. In the event our work is suspended or terminated as a result of nonpayment, you agree we will not be responsible for any consequences to you.

#### **IMPLEMENTATION OF NEW LEASES STANDARD**

Governmental Accounting Standards Board Statement No. 87, *Leases*, is effective for reporting periods beginning after December 15, 2019. Early application is encouraged.

Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Assistance and additional time as a result of the adoption of the Statement are not included within our standard

engagement fees. Our fees as a result of the adoption of the Statement will be based on time expended and will vary based on the level of assistance and procedures required, which may include but are not limited to:

- Assisting the entity with the evaluation of its current controls and policies for leases and recommended enhancements needed to implement the Statement
- Evaluating and documenting new and revised controls and policies for leases under the Statement
- Assisting the entity with the information gathering necessary to implement the Statement
- Assisting the entity with the evaluation of its current method for calculating and recognizing lease payments
- Assisting the entity with documenting changes from the previous method needed to implement the Statement
- Assistance with drafting of the required disclosures

The time it will take to perform the above assistance and our additional audit procedures relating to the adoption of the Statement, and any time to assist you with the adoption, may be minimized to the extent your personnel will be available to provide timely and accurate documentation and information as requested by BKD.

#### **OTHER ENGAGEMENT MATTERS AND LIMITATIONS**

BKD is not acting as your municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, BKD is not recommending any action to you and does not owe you a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. You should discuss such information or communications with any and all internal or external advisors and experts you deem appropriate before acting on any such information or material provided by BKD.

Our workpapers and documentation retained in any form of media for this engagement are the property of BKD. We can be compelled to provide information under legal process. In addition, we may be requested by regulatory or enforcement bodies to make certain workpapers available to them pursuant to authority granted by law or regulation. You agree that we have no legal responsibility to you in the event we provide such documents or information.

You agree to indemnify and hold harmless BKD and its personnel from any claims, liabilities, costs and expenses relating to our services under this agreement attributable to false or incomplete representations by management, except to the extent determined to have resulted from the intentional or deliberate misconduct of BKD personnel.

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

Either of us may terminate these services at any time. Both of us must agree, in writing, to any future modifications or extensions. If services are terminated, you agree to pay us for time expended to date. In addition, you will be billed travel costs and fees for services from other professionals, if any, as well as an administrative fee of 4% to cover items such as copies, postage and other delivery charges, supplies, technology-related costs such as computer processing, software licensing, research and library databases and similar expense items.

If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on heirs, successors and assigns of you and BKD.

We may from time to time utilize third-party service providers, *e.g.*, domestic software processors or legal counsel, or disclose confidential information about you to third-party service providers in serving your account. We remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information. In the event we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider.

In exchange, you agree that your financial information will be available to BKD and iLumen and its customers on a continuing basis for possible inclusion in anonymous, aggregated benchmarking analyses, provided your identity cannot be determined from such disclosure.

We will not audit, review, compile or otherwise provide any assurance on the Benchmarking Reports provided to you. Such information is restricted to your use only and may not be shared with third parties including lenders, vendors or customers. We are not responsible for the accuracy and completeness of the information and are not responsible to investigate or verify it.

You agree to assume full responsibility for maintaining your original data and records and that BKD has no responsibility to maintain this information. You agree you will not rely on BKD to provide hosting, electronic security or backup services, *e.g.*, business continuity or disaster recovery services, to you unless separately engaged to do so. You understand that your access to data, records and information from BKD's servers, *i.e.*, BKDconnect, can be terminated at any time and you will not rely on using this to host your data and records.

We will, at our discretion or upon your request, deliver financial or other confidential information to you electronically via email or other mechanism. You recognize and accept the risk involved, particularly in email delivery as the internet is not necessarily a secure medium of communication as messages can be intercepted and read by those determined to do so.

You agree you will not modify these documents for internal use or for distribution to third parties. You also understand that we may on occasion send you documents marked as draft and understand that those are for your review purpose only, should not be distributed in any way and should be destroyed as soon as possible.

The entity may wish to include our report on these financial statements in an exempt offering document. The entity agrees that the aforementioned auditor's report, or reference to our firm, will not be included in any such offering document without notifying us. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in the exempt offering document, will be a separate engagement.

Any exempt offering document issued by the entity with which we are not involved will clearly indicate that we are not involved by including a disclosure such as, "BKD, 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. BKD, LLP, also has not performed any procedures relating to this offering document."

You agree to notify us if you desire to place these financial statements or our report thereon along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site. You recognize that we have no responsibility as auditors to review information contained in electronic sites.

Any time you intend to reference our firm name in any manner in any published materials, including on an electronic site, you agree to provide us with draft materials for our review and approval before publishing or posting such information.

BKD is a registered limited liability partnership under Missouri law. Under applicable professional standards, partners of BKD, LLP have the same responsibilities as do partners in a general accounting and consulting partnership with respect to conformance by themselves and other professionals in BKD with their professional and ethical obligations. However, unlike the partners in a general partnership, the partners in a registered limited liability partnership do not have individual civil liability, directly or indirectly, including by way of indemnification, contribution, assessment or otherwise, for any debts, obligations or liabilities of or chargeable to the registered limited liability partnership or each other, whether arising in tort, contract or otherwise.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our most recent peer review report accompanies this letter.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities. If the signed copy you return to us is in electronic form, you agree that such copy shall be legally treated as a "duplicate original" of this agreement.

**BKD, LLP**

Must be signed by a partner

Acknowledged and agreed to on behalf of

\_\_\_\_\_  
*[Client Name]*

BY \_\_\_\_\_  
*[Name and Title - Member of Those Charged with Governance]*

DATE \_\_\_\_\_

BY \_\_\_\_\_  
*[Name and Title - Member of Management]*

DATE \_\_\_\_\_

## Exceptions to Terms & Conditions

Upon being selected as the successful bidder, in conformity with the Village's RFP, BKD understands the parties will negotiate the terms and conditions contained in the post-award contract. We are required upon acceptance of the engagement to communicate the actual scope and terms of the engagement in a separate letter to be signed by the Village and BKD. The letter, prepared in accordance with auditing standards, shall become a part of the contract between the Village and BKD. As BKD has successfully resolved similar agreements with numerous municipalities, BKD is confident the parties can successfully negotiate mutually acceptable terms and conditions. BKD sincerely appreciates the Village's consideration and understanding.

## BKD Firm Profile

BKD CPAs & Advisors can help individuals and businesses realize their goals. Our dedicated professionals offer solutions for clients in all 50 states and internationally. BKD and its subsidiaries provide a variety of services, combining the insight and ideas of multiple disciplines in a wide range of industries.

### About BKD



#### Unmatched Client Service

You want industry expertise delivered by someone who speaks your language and understands your issues. Someone who can help you solve problems with a formula that's equal parts integrity, innovation, excellence and passion. BKD understands. We're so committed to providing unmatched client service that we wrote a book about it—**The BKD Experience: Unmatched Client Service**.



#### International Solutions

BKD is one of the largest North American members of Praxity, AISBL\*, a global alliance of independent firms serving clients in approximately 100 countries. We offer multinational clients a gateway to the global marketplace with services delivered by alliance firms committed to the highest standards required in international business.



#### Professional Affiliations

BKD is a member of the American Institute of CPAs and its three quality centers: Center for Audit Quality, Employee Benefit Plan Audit Quality Center and Governmental Audit Quality Center.

BKD is registered with the Public Company Accounting Oversight Board, which is required to serve as an independent auditor of public companies. BKD audits approximately 80 U.S. Securities and Exchange Commission registrants, including approximately 35 benefit plans.



#### Mission Statement

The mission of BKD is to always strive for excellence in providing services to clients, create rewarding career opportunities and maintain sound professional, business and financial standards.



#### Quick Facts

- Clients: Individuals and private and publicly traded businesses in the health care, manufacturing, distribution, financial services, construction and real estate industries, as well as not-for-profit and governmental entities
- Total Personnel: Approximately 2,710
- Partners & Principals: Approximately 300
- Net Revenues: \$609 million
- Fiscal Year-End: May 31
- Founded: 1923
- Locations: 38 offices serving clients in all 50 states and internationally

\*Praxity, AISBL is a global alliance of independent firms. Organised as an international not-for-profit entity under Belgium law, Praxity has its executive office in Epsom. Praxity - Global Alliance Limited is a not-for-profit company registered in England and Wales, limited by guarantee, and has its registered office in England. As an Alliance, Praxity does not practice the profession of public accountancy or provide audit, tax, consulting or other professional services of any type to third parties. The Alliance does not constitute a joint venture, partnership or network between participating firms. Because the Alliance firms are independent, Praxity does not guarantee the services or the quality of services provided by participating firms.

### BKD Services

- Audit & Assurance
- Tax
- Business Succession Planning
- Employee Benefit Plans
- Forensics & Valuation Consulting
- Information Technology
- Risk Management
- State, Local & International Tax
- Wealth Management
- And More

## Facing Risk with Confidence

When choosing an audit, tax or other professional services provider, your decision may partly depend on whether a prospective firm has the resources to go beyond your current needs. At BKD CPAs & Advisors, we're committed to consistently expanding and enhancing our services, technology and expertise so we can help our clients with their most pressing concerns, even as those concerns change daily. Beyond our proposed services, BKD's Risk Advisory Services division can help with an extensive range of risk consulting resources, including:

- **Data Analytics Consulting** – From identifying important trends and opportunities for operational improvements to reducing risk and preventing fraud, our experienced data analysts can help you get more value from your data.
- **BKD WhiteHat Services** – This monthly subscription offers access to a suite of cybersecurity services, including cyber awareness training, penetration and social engineering testing, a confidential fraud hotline and other risk management tools.
- **DEFCON CYBER™** – This risk assessment tool delivers a weekly report, which includes a cybersecurity score to help measure risk and cyber preparedness, as well as steps you can take to help address these risks and strengthen security.
- **Construction Audit** – An effective construction audit is designed to function as a cost management tool by helping to prevent overcharges, contract noncompliance, conflicting charges and other issues common to construction projects.
- **Enterprise Risk Management (ERM)** – ERM consulting can help you review existing risk management activities, develop a unified vision to enhance these activities and more effectively integrate risk management into your culture and daily operations.
- **Forensics & Valuation Services (FVS)** – BKD's FVS professionals can help clients with fraud prevention, detection, response and recovery. With services including IntegraReport™, our anonymous fraud reporting hotline, data analyses and assessments to help identify fraud, as well as investigations, litigation support and expert testimony, we have the tools and expertise needed to help clients address fraud concerns from beginning to end.



**PRIDE VALUES****WHAT'S IMPORTANT TO YOU?**

The role of trust in business can't be oversold. But a trusted advisor is more than someone you lean on for professional expertise. At BKD, we believe being an advisor who's earned your trust is as much about character as it is know-how. These are the traits we share.

**A PASSION FOR HELPING, LEARNING AND IMPROVING**

Our dedication and enthusiasm for making tomorrow better than today can help you make informed decisions to improve business and financial outcomes.

**RESPECT FOR EACH OTHER AND THOSE WE SERVE**

Our respect for diversity can provide a variety of skills and talents to meet your needs. By respecting the lessons of our legacy and yours, we can help you build on the opportunities that arise from inevitable change.

**INTEGRITY TO DO THE RIGHT THING—NO MATTER WHAT**

Our trustworthiness and objectivity can help you make smart business decisions. A trusted advisor tells you what you need to know, not just what you want to hear.

**DISCIPLINE TO GET IT RIGHT THE FIRST TIME**

Our well-established procedures and low-risk approach can help resolve issues and advance your goals. We're dedicated to getting the job done without cutting corners.

**A NO-HOLDS-BARRED STANDARD OF EXCELLENCE**

Our ambition and knowledge, along with our commitment to lifelong learning and improving our technical and analytical skills, will consistently surpass your expectations.

This combination of qualities represents what we strive for every day when helping your organization move forward with confidence.

Everyone needs a trusted advisor.  
Who's yours?

**BKD**  
CPAs & Advisors

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** 2020 Northwest Fourth-Fest Fireworks Display Contract

**MEETING DATE:** October 28, 2019

**COMMITTEE:** Finance

**FROM:** 4<sup>th</sup> of July Commission

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**PURPOSE:** To provide a recommendation from the 4th of July Commission to award the 2020 fireworks display contract.

**BACKGROUND:** In the past, the Commission has bid the July 4<sup>th</sup> fireworks display every three (3) years, which includes optional contract extensions of those services. In 2015, the fireworks display contract was bid and a contract awarded to Melrose Pyrotechnics for the 2016 festival. That contract was then extended and awarded again for the past three (3) festivals.

**DISCUSSION:** The 4<sup>th</sup> of July Commission reviewed this matter at their September Commission meeting and is recommending an additional one-year contract extension with Melrose Pyrotechnics for the fireworks display for the 2020 festival. Accordingly, attached is a contract from Melrose for that purpose. The proposed contract totals \$40,250 and provides a similar show specification as last year's program with no cost increase.

**FINANCIAL IMPACT:** The FY20 4<sup>th</sup> of July budget proposes funds to cover this expense. As with past contracts, the Village has the ability to decrease the contract amount.

**RECOMMENDATION:** The 4<sup>th</sup> of July Commission has reviewed this contract and recommends that the 2020 fireworks display contract be extended an additional year and awarded to Melrose Pyrotechnics, Kingsbury, IN, in an amount not to exceed \$40,250 for the fireworks display at the Northwest Fourth-Fest in accordance with the attached contract.

# MELROSE PYROTECHNICS, INC.

## AGREEMENT

This contract entered into this 9<sup>th</sup> Day of August AD 2019 by and between MELROSE PYROTECHNICS, INC. of Kingsbury, Indiana and Village of Hoffman Estates (CUSTOMER) of City Hoffman Estates State Illinois.

WITNESSETH: Melrose Pyrotechnics, Inc. for and in consideration of the terms hereinafter mentioned, agrees to furnish to the Customer One (1) Fireworks Display(s) as per agreement made and accepted and made a part hereof, including the services of our Operator to take charge of and fire display under the supervision and direction of the Customer, said display to be given on the evening of July 4, 2020 Customer Initial \_\_\_\_\_, weather permitting, it being understood that should inclement weather prevent the giving of this display on the date mentioned herein the parties shall agree to a mutually convenient alternate date, within six (6) months of the original display date. If the show is rescheduled prior to our truck leaving the facility, Customer shall remit to Melrose Pyrotechnics, Inc. an additional 15% of the total contract price for additional expenses in presenting the display on an alternate date. If the show is rescheduled after our trucks leave the facility, Customer shall remit to Melrose Pyrotechnics, Inc. an additional 40% of the total contract price for additional expenses incurred. The determination to cancel the show because of inclement or unsafe weather conditions shall rest within the sole discretion of Melrose Pyrotechnics, Inc. In the event the Customer does not choose to reschedule another date or cannot agree to a mutually convenient date, Melrose Pyrotechnics, Inc. shall be entitled to 50% of the contract price for costs, damages and expenses. If the fireworks exhibition is canceled by Customer prior to the display, Customer shall be responsible for and shall pay to Melrose Pyrotechnics, Inc. on demand, all Melrose Pyrotechnics Inc.'s out of pocket expenses incurred in preparation for the show including, but not limited to, material purchases, preparation and design costs, licenses and employee charges.

MELROSE PYROTECHNICS, INC. agrees to furnish all necessary fireworks display materials and personnel for a fireworks display in accordance with the program approved by the parties. Quantities and varieties of products in the program are approximate. After final design, exact specifications will be supplied upon request. Should this display require any Union related costs; their fees are not included in this agreement.

It is further agreed and understood that the CUSTOMER is to pay MELROSE PYROTECHNICS, INC. the sum of Forty Thousand Two Hundred Fifty Dollars and 00/100 (\$40,250.00). A service fee of 1 ½ % per month shall be added, if account is not paid within 30 days of the show date. Should the Village not receive funding in the amount of \$20,000 from its Northwest Fourth-Fest partners for the 2020 fireworks display by May 31, 2020, the Village shall have the option to reduce the fireworks display contract to \$15,000.

MELROSE PYROTECHNICS, INC. will obtain Public Liability and Property Damage and Workers Compensation Insurance. All those entities/individuals who are listed on the certificate of insurance will be deemed an additional insured on our liability policy.

CUSTOMER will timely secure and provide the following items:

- (a) Sufficient area for the display, including a minimum spectator set back of 420 feet at all points from the discharge area.
- (b) Funds for all permits, licenses, and approvals as required by local, state and federal laws for fireworks display.
- (c) Protection of the display area by roping-off or similar facility.
- (d) Adequate police protection to prevent spectators from entering display area.
- (e) Search of the fallout area at first light following a nighttime display.

It is further agreed and mutually understood that nothing in this contract shall be construed or interpreted to mean a partnership, both parties being hereto responsible for their separate and individual debts and obligations and neither party shall be responsible for any agreements not stipulated in this contract. Customer agrees to pay any and all collection costs, including reasonable attorney's fees and court costs incurred by Melrose Pyrotechnics, Inc. in the collection or attempted collections of any amount due under this agreement and invoice.

The parties hereto do mutually and severally guarantee terms, conditions, and payments of this contract, these articles to be binding upon the parties, themselves, their heirs, executors, administrators, successors and assigns.

MELROSE PYROTECHNICS, INC.

By Wynn Cramer

Date Signed: August 9, 2019

**Wynn Cramer - Event Producer**

P.O. Box 302, 1 Kingsbury Industrial Park  
Kingsbury, IN 46345  
(800) 771-7976

CUSTOMER

By \_\_\_\_\_  
(a duly authorized agent, who represents his/her has full authority to bind the customer)

Date Signed \_\_\_\_\_  
(PLEASE TYPE OR PRINT)

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_



**Village of Hoffman Estates  
Attachment A  
2020 Fireworks Display  
Program Description**

<b>\$40,250.00</b>
<b>Shell Summary</b>
2,740 – 1” – 1 ½” Aerial Display Shells
348 – 2” Aerial Display Shells
490 – 2 ½” Aerial Display Shells
603 – 3” Aerial Display Shells
184 – 4” Aerial Display Shells
151 5” Aerial Display Shells
51 – 6” Aerial Display Shells

Melrose Pyrotechnics

1 Kingsbury Industrial Park  
P.O. Box 302  
Kingsbury, IN 46345

T 219-393-5522 800-771-7976  
F 219-393-5710 800-775-7976

[melrosepyro.com](http://melrosepyro.com)

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

- SUBJECT:** Request authorization to waive formal bidding and purchase nine (9) semi ruggedized laptop computers and accessories to CDS Office Technologies (State of Illinois Master Contract CMS5848520) for use in the Police Department patrol and response vehicles in an amount not to exceed \$36,072.00.
- MEETING DATE:** October 28, 2019
- COMMITTEE:** Finance Committee
- FROM:** Fred Besenhoffer, Director of Information Systems
- PURPOSE:** The 2019 budget contains funding to continue our replacement program of the ruggedized laptop computers in the Police Department squad cars.
- BACKGROUND:** The Village has continues to annually replace a portion of the ruggedized laptop computers in our Police Department squad cars.
- DISCUSSION:** CDS Office Technologies is Panasonic's Platinum partner for the northern Illinois area and offers us the lowest pricing available. This replacement cycle represents some of the last remaining CF 31 units being replaced with the CF 54. The CF 54 is slimmer, lighter and offers a wider screen than the CF 31. The units include a Gloved Multi Touch Screen, a 256 GB Solid State Hard drive, contactless smartcard reader and an integrated 4G LTE Multi Carrier cell device. These units are sturdy enough to stand up to the rigorous demands of use in an emergency vehicle environment. They are configured specifically for Public Safety use and are not available through the general retail channels and we will be replacing nine of the units in the Police Department. These units will be entered into our four year replacement cycle which is consistent with the four year warranties each unit receives.

**FINANCIAL IMPACT:** The chart below illustrates the funding and expenditure summary for 2019 in this project and shows that it will come in under budget.

<b>Account # 47008625-4602</b>		
<b>Budgeted Amount: \$45,000.00</b>		
Panasonic Toughbook CF 54	9 *\$2,755.00	\$24,795.00
Extended Warranty, 1 year	9 * \$316.00	\$2844.00
Havis Laptop Screen Support	9 * \$53.00	\$477.00
Havis CF 54 Docking Station	9 * \$784.00	\$7056.00
Cell/GPS Antenna	9 * \$100.00	\$900.00
<b>TOTAL</b>		<b>\$36,072.00</b>

**RECOMMENDATION:** Request authorization to waive formal bidding and purchase nine (9) semi ruggedized laptop computers and accessories to CDS Office Technologies (State of Illinois Master Contract CMS5848520) for use in the Police Department patrol and response vehicles in an amount not to exceed \$36,072.00.



**CDS Office Technologies**  
 1271 HAMILTON PARKWAY  
 Itasca, Illinois 60143  
 United States  
 (P) 630-625-4519  
 (F) 630-305-9876

Quotation (Open)	
<b>Date</b>	Sep 06, 2019 01:28 PM CDT
<b>Modified Date</b>	Sep 13, 2019 02:47 PM CDT
<b>Doc #</b>	482960 - rev 1 of 1
<b>Description</b>	9 x CF-54J2-06VM & docks
<b>SalesRep</b>	Gottlieb, Mark (P) 630-625-4519 (F) 630-305-9876
<b>Customer Contact</b>	Besenhoffer, Fred (P) 847-882-9100 Fred.Besenhoffer@Hoffmanestates.org

**Customer**  
 Hoffman Estates Police  
 Department (21104)  
 Besenhoffer, Fred  
 411 W Higgins Rd  
 Hoffman Estates, IL 60169  
 United States  
 (P) 847-781-2848

**Bill To**  
 Village of Hoffman Estates  
 Accounts, Payable  
 1900 Hassell Rd.  
 Hoffman Estates, IL 60169  
 United States

**Ship To**  
 Village of Hoffman Estates  
 Fred Besenhoffer, Village  
 Hall  
 1900 Hassell Rd.  
 Hoffman Estates, IL 60169  
 United States  
 Fred.Besenhoffer@Hoffmanestates.org

**Customer PO:**

**Terms:**  
 Net 30

**Ship Via:**  
 UPS Ground

**Special Instructions:**

**Carrier Account #:**

#	Description	Part #	Qty	Unit Price	Total
<b>State of Illinois Master Contract CMS5848520</b>					
<b>Panasonic Toughbook CF-54 - Semi-Rugged</b>					
1	Panasonic - Toughbook CF-54 Public Sector Specific - Elite RFID, Win10 Pro, Intel Core i5-7300U 2.60GHz, vPro, 14.0" FHD, Gloved Multi Touch, 256GB SSD, 8GB, Intel WiFi a/b/g/n/ac, TPM 2.0, Bluetooth, 4G LTE-Advanced Multi Carrier (EM7455), Dual Pass (Ch1:dGPS/Ch2:WWAN), dGPS <b>Note:</b> Contactless Smartcard, Emissive Backlit Keyboard, No DVD Drive, Webcam, Toughbook Preferred, 3 Year Public Sector Toughbook Service Bundle	CF-54J2-06VM	9	\$2,755.00	\$24,795.00
2	Panasonic Public Sector Service Package Extended service agreement - parts and labor - 1 year (4th year) - must be purchased in conjunction with PS bundle base unit	CF-SVCPSY4	9	\$316.00	\$2,844.00
<b>Docks &amp; Antennas</b>					
3	Havis - CF-54 Docking Station Toughbook Certified Docking Station for Panasonic Toughbook CF-54 Laptop with Power Supply and dual antenna pass through connection	CF-H-PAN-422-2-P	9	\$784.00	\$7,056.00
4	Havis - Laptop Screen Support For DS-PAN-420 Series Docking Stations (left hand side)	DS-DA-417	9	\$53.00	\$477.00
5	Antennas Plus Cell/GPS Antenna Black - TNC Connectors - Threaded Bolt Mount	AP-CG-Q-S11-BL	9	\$100.00	\$900.00

**Subtotal: \$36,072.00**  
 Tax (0.000%): \$0.00  
 Shipping: \$0.00



**Total: \$36,072.00**

CDS Office Technologies disclaims any responsibility for product information and products described on this site. Some product information may be confusing without additional explanation. All product information, including prices, features, and availability, is subject to change without notice. Applicable taxes & shipping may be added to the final order. All returns must be accompanied by original invoice and authorized RMA number within 30 days of invoice date and are subject to a 15% restocking fee. Due to manufacturer's restrictions, Panasonic items are not eligible for return. Late fees may apply to payments past 30 days from invoice date. Please contact your sales representative if you have any questions.

# QUOTE CONFIRMATION



DEAR FRED BESENHOFFER,

Thank you for considering CDW•G for your computing needs. The details of your quote are below. [Click here](#) to convert your quote to an order.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
KZCK468	10/16/2019	KZCK468	0334905	\$37,962.36

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
<a href="#">Panasonic Toughbook CF-54 14" Core i5-7300U 8GB 256GB Win 10 Pro</a> Mfg. Part#: CF-54J2-18VM UNSPSC: 43211503 Contract: MARKET	9	5357246	\$3,047.45	\$27,427.05
<a href="#">Panasonic Public Sector Service Package extended service agreement - 1 year</a> Mfg. Part#: CF-SVCPSY4 UNSPSC: 81112307 Electronic distribution - NO MEDIA Contract: MARKET	9	4225632	\$309.89	\$2,789.01
<a href="#">Havis DS-DA-417 notebook screen stiffener</a> Mfg. Part#: DS-DA-417 UNSPSC: 43211612 Electronic distribution - NO MEDIA Contract: MARKET	9	3812368	\$48.83	\$439.47
<a href="#">Havis DS-PAN-422-2 - docking station - VGA</a> Mfg. Part#: DS-PAN-422-2 UNSPSC: 43211602 Contract: MARKET	9	3698230	\$816.87	\$7,351.83

PURCHASER BILLING INFO	SUBTOTAL
<b>Billing Address:</b> VILLAGE OF HOFFMAN ESTATES FINANCE DEPARTMENT 1900 HASSELL RD HOFFMAN ESTATES, IL 60169-6302 <b>Phone:</b> (847) 882-9100 <b>Payment Terms:</b> Net 30 Days-Govt State/Local	\$37,962.36
	<b>SHIPPING</b>
	\$0.00
	<b>SALES TAX</b>
	\$0.00
	<b>GRAND TOTAL</b>
	<b>\$37,962.36</b>
DELIVER TO	Please remit payments to:
<b>Shipping Address:</b> VILLAGE OF HOFFMAN ESTATES FINANCE DEPARTMENT 1900 HASSELL RD HOFFMAN ESTATES, IL 60169-6302 <b>Phone:</b> (847) 882-9100 <b>Shipping Method:</b> DROP SHIP-GROUND	CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515



Allison Davis

(877) 626-4806

alldav@cdwg.com

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at <http://www.cdw.com/content/terms-conditions/product-sales.aspx>  
For more information, contact a CDW account manager.

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Southern Computer Warehouse  
 1395 S. Marietta Parkway | Building 300-106  
 Marietta, GA 30067  
 (P) 877-468-6729  
 (F) 770-579-8937  
 SCW.com

Quote # 100206770 - Panasonic Toughbook 54 w/ Accessories  
 Cust #: VH4493 ( Village of Hoffman Estates IL )  
 Quote Date: Oct 2, 2019

<b>Sold to:</b>	<b>Ship to:</b>
Fred Besenhoffer Village of Hoffman Estates 1900 Hassell Hoffman Estates, Illinois, 60169 T: 847-781-4877 Fred.Besenhoffer@hoffmanestates.org	Fred Besenhoffer Village of Hoffman Estates 1900 Hassell Hoffman Estates, Illinois, 60169 T: 847-781-4877 Fred.Besenhoffer@hoffmanestates.org
	<b>Shipping Method: Free Shipping</b>

Notes: Good afternoon Fred! Here is the quote you requested. Please let me know if you have any questions, or if anything else comes up that I can help with. . . Thanks, . Travis

#	Products	SKU	Price	Qty	Subtotal
1	Panasonic Toughbook 54 CF-54F5-01VM 14" Notebook - Intel Core i5 (6th Gen) i5-6300U Dual-core (2 Core) 2.40 GHz - 8 GB DDR3L SDRAM - 256 GB SSD - Windows 10 Pro - DVD-Writer - Bluetooth - Gigabit Ethernet - Network (RJ-45) - HDMI - 3 x USB 3.0 Ports This item is special order and ships directly from the manufacturer. Please allow 6-8 weeks for delivery.	PAN-CF-54F5-01VM	\$2,997.81	9	\$26,980.29
2	Panasonic Public Sector Service Package - Extended service agreement - parts and labor - 1 year (4th year) - must be purchased in conjunction with PS bundle base unit	PAN-CF-SVCP5Y4	\$298.70	9	\$2,888.30
3	First Mobile Technologies - Cell/LTE/GPS antenna, black, TNC/TNC	FMO-AP-CG-Q-S11-B L	\$127.04	9	\$1,143.36
4	Havis DS-PAN-420 Docking Station - for Notebook - Proprietary - 2 x USB Ports - 2 x USB 3.0 - Network (RJ-45) - HDMI - VGA - Docking	HVI-DS-PAN-422-2	\$868.26	9	\$7,814.34
5	Havis Vehicle Mount for Docking Station, Notebook - Black	HVI-DS-DA-417	\$55.30	9	\$497.70

Subtotal:	\$39,123.99
Tax:	\$0.00
Grand Total (Incl. Tax):	\$39,123.99

Thank you for your order. We value your business and will continue to provide you excellent service in addition to our comprehensive product line. All returns must be authorized and clearly marked with a valid RMA number. Returns are subject to restock fees when applicable.

Quotes are valid for 30-days unless otherwise noted.

Due to the volatile trade conditions between the US and China, prices are fluctuating daily as tariffs are imposed.  
Thank you for the opportunity!  
Travis Dilg  
E: [travis.dilg@scw.com](mailto:travis.dilg@scw.com)  
P: 877-468-6729 Ext 286



# HOFFMAN ESTATES

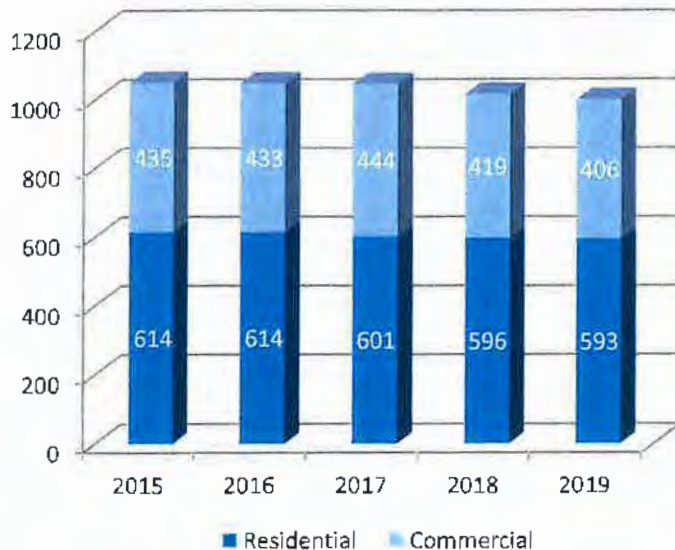
GROWING TO GREATNESS

## DEPARTMENT OF FINANCE MONTHLY REPORT SEPTEMBER 2019

### Water Billing

A total of 14,786 residential water bills were mailed on September 1st for July's water consumption. Average consumption was 4,952 gallons, resulting in an average residential water bill of \$66.58. Total consumption for all customers was 134 million gallons, with 73 million gallons attributable to residential consumption. When compared to the September 2018 billing, residential consumption increased by 4.3%.

**Total Water Consumption  
Year-To-Date Comparison  
Month of September**

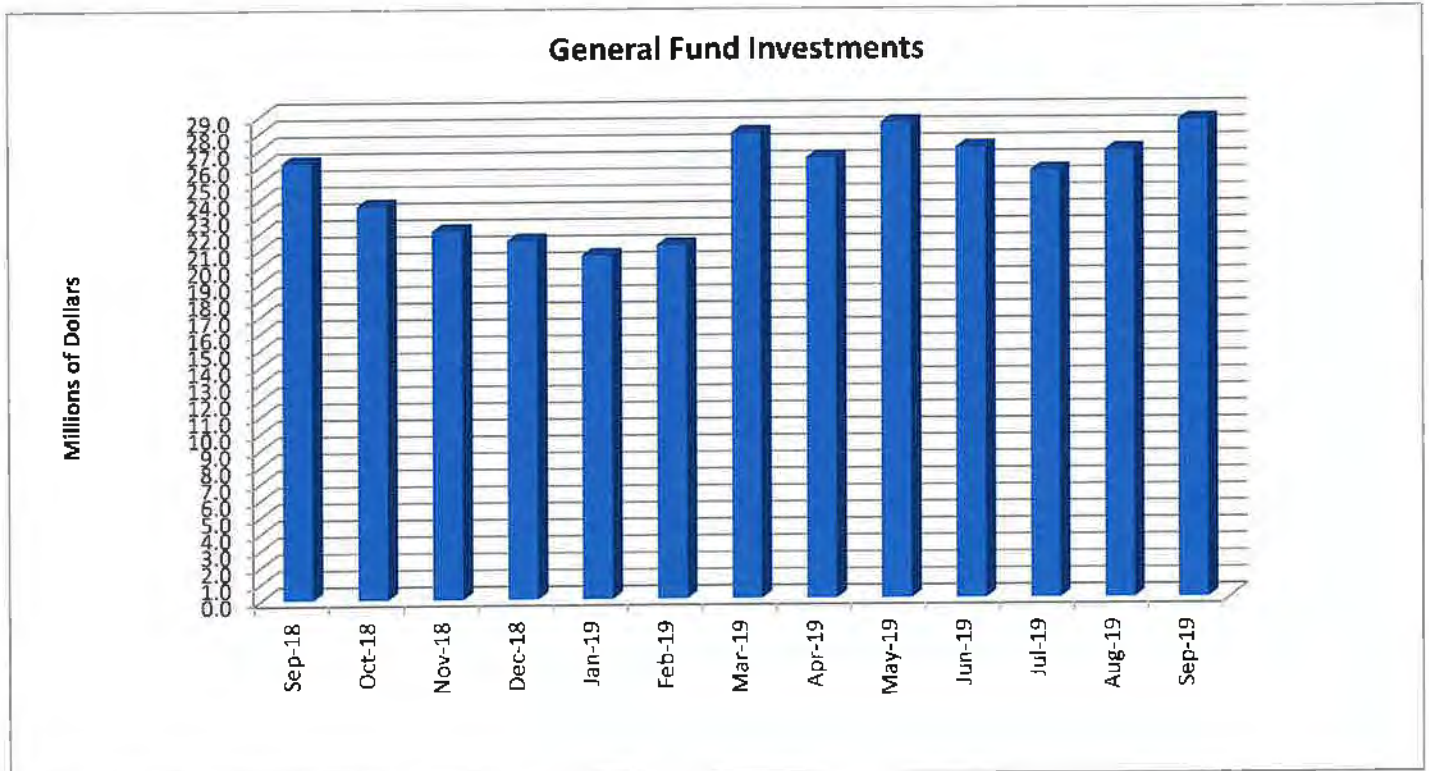
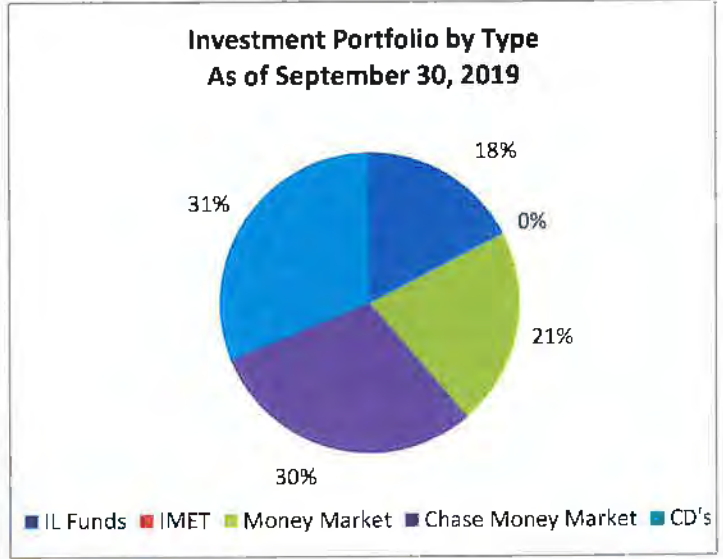
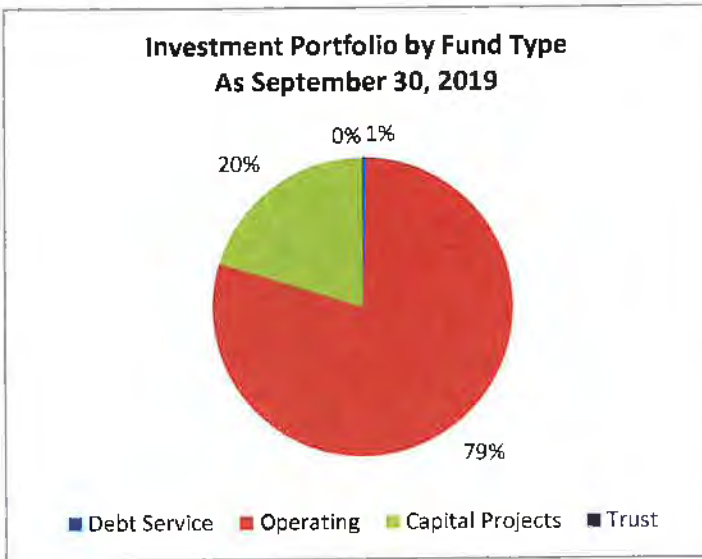


**Total Water Consumption  
Month of September**



## Village Investments

As of September, 2019, the Village's investment portfolio (not including pension trust funds) totaled \$69.0 million. Of this amount, \$54.7 million pertained to the various operating funds. As can be seen in the following graphs, the remaining \$14.3 million is related to debt service, capital projects and trust funds.



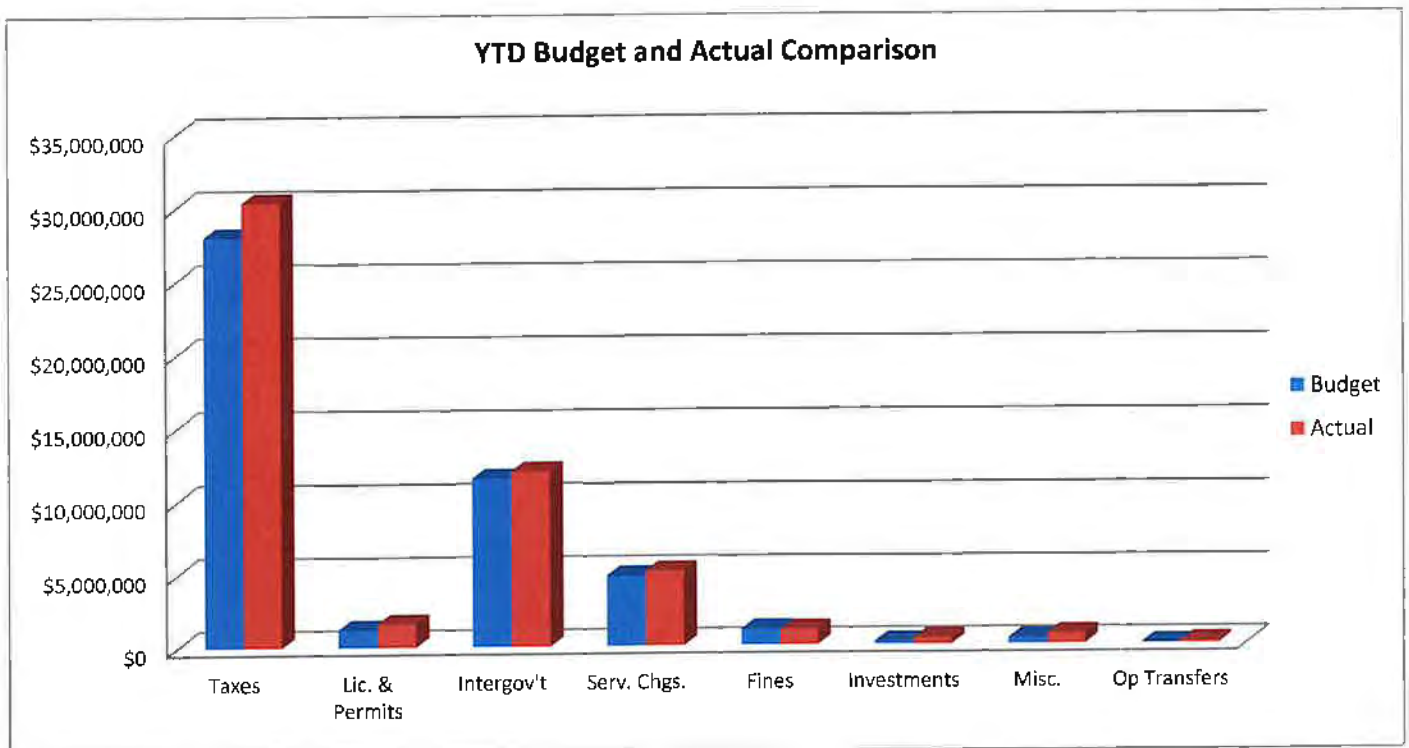
## Operating Funds

### General Fund

For the month of September, General Fund revenues totaled \$2,915,754 and expenditures totaled \$3,701,178 resulting in a deficit of \$785,424.

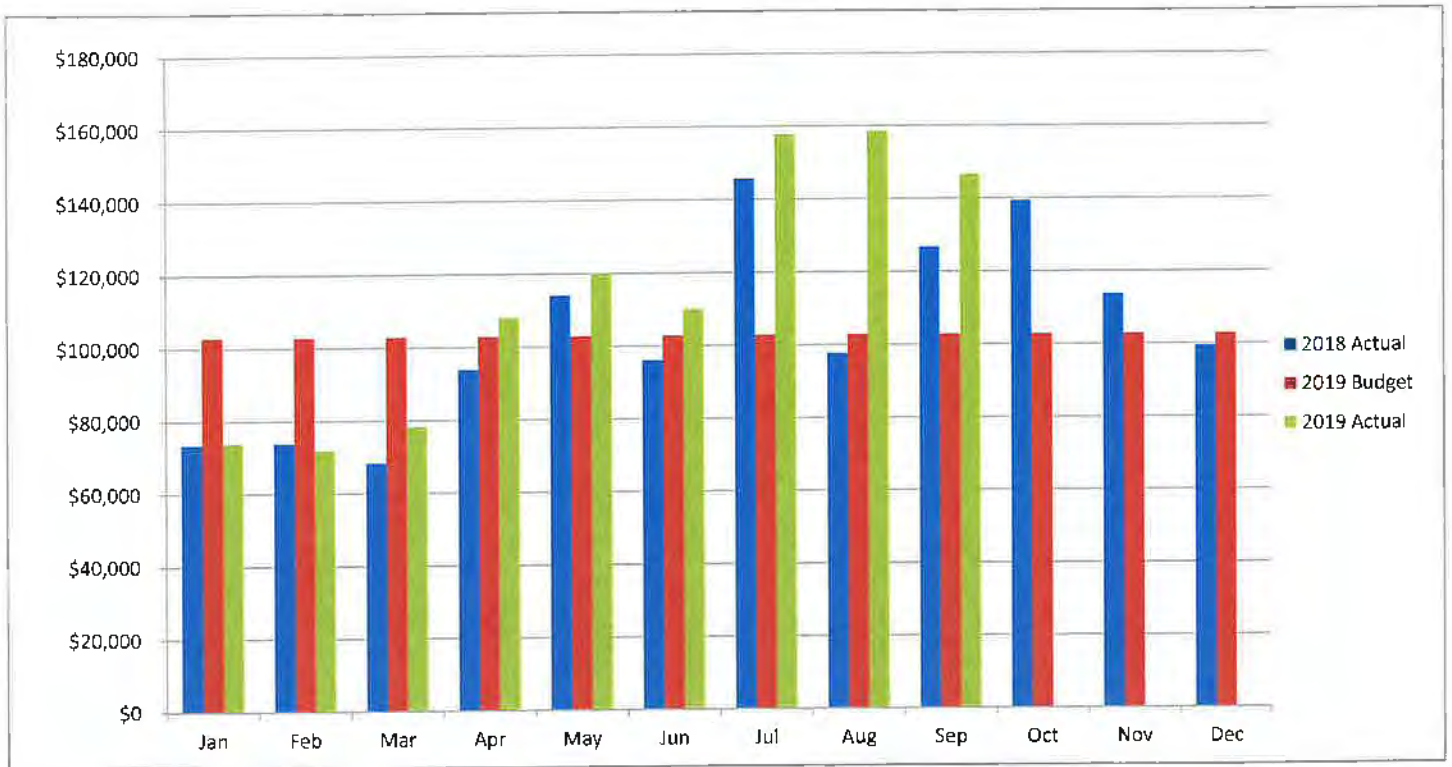
**Revenues:** September year-to-date figures are detailed in the table below. Licenses and permits are over budget because of increased permit activity. Fines and Forfeits are under budget because ticket revenue is not performing as expected. Investment income is over budget due to increased investment activity and higher interest rates being realized. Most miscellaneous revenues are not received on a monthly basis.

REVENUES	YEAR-TO-DATE		VARIANCE
	BUDGET	ACTUAL	
Taxes	\$ 27,984,533	\$ 30,330,626	8.4%
Licenses & Permits	1,209,375	1,608,231	33.0%
Intergovernmental	11,493,976	11,968,848	4.1%
Charges for Services	4,826,544	5,147,592	6.7%
Fines & Forfeits	1,092,450	1,053,462	-3.6%
Investments	211,458	449,600	112.6%
Miscellaneous	417,450	726,393	74.0%
Operating Transfers	51,675	166,944	223.1%
<b>TOTAL</b>	<b>\$ 47,287,461</b>	<b>\$ 51,451,696</b>	<b>8.8%</b>



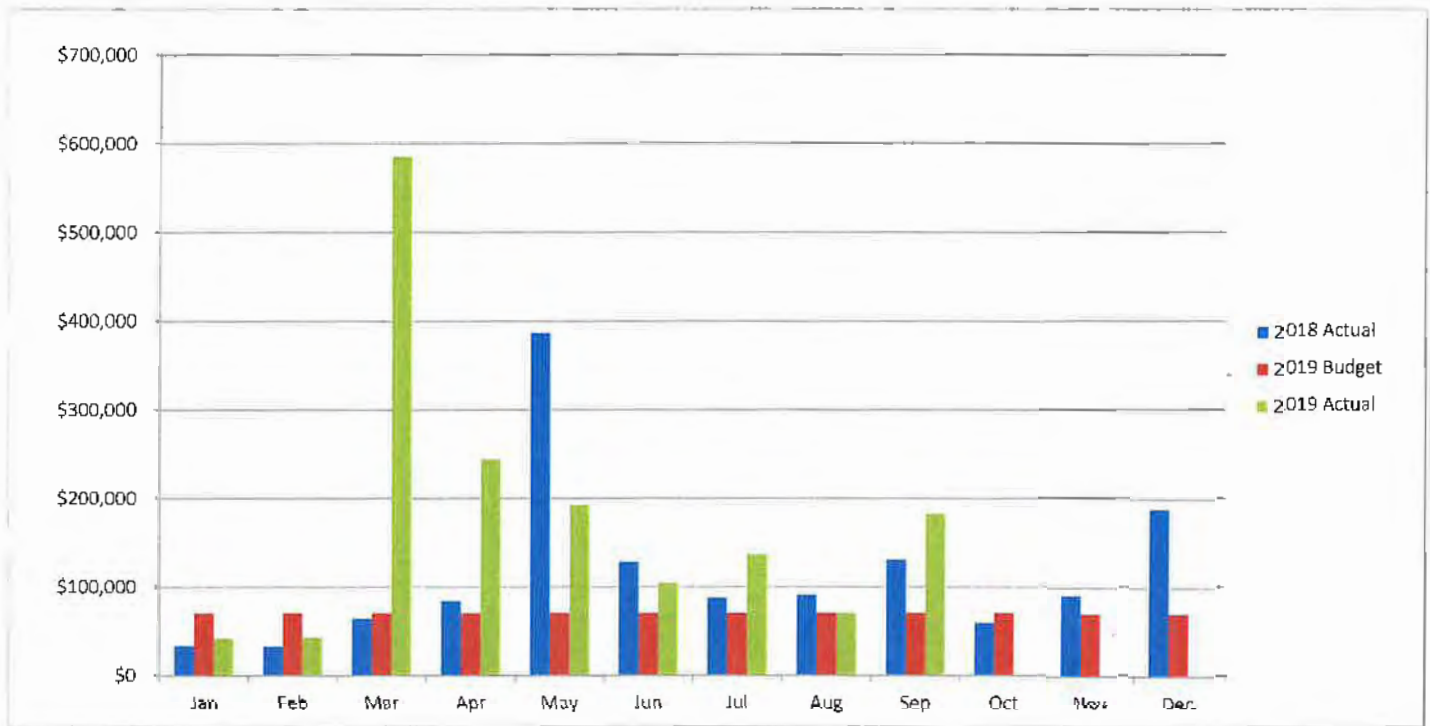


## Hotel Tax



<u>Month Received</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>Cumulative Variance 2019 Actual vs. Budget</u>
Jan	\$ 73,426	\$ 102,917	\$ 73,861	\$ (29,056)
Feb	73,833	102,917	71,935	(60,037)
Mar	68,427	102,917	78,416	(84,538)
Apr	93,845	102,917	108,026	(79,429)
May	114,055	102,917	120,207	(62,138)
Jun	96,120	102,917	110,051	(55,004)
Jul	145,737	102,917	157,865	(56)
Aug	97,633	102,917	158,661	55,689
Sep	126,735	102,917	146,721	99,493
Oct	139,436	102,917		
Nov	113,644	102,917		
Dec	99,472	102,917		
<b>YTD Totals</b>	<b><u>\$ 1,242,363</u></b>	<b><u>\$ 1,235,000</u></b>	<b><u>\$ 1,025,743</u></b>	

## Real Estate Transfer Tax



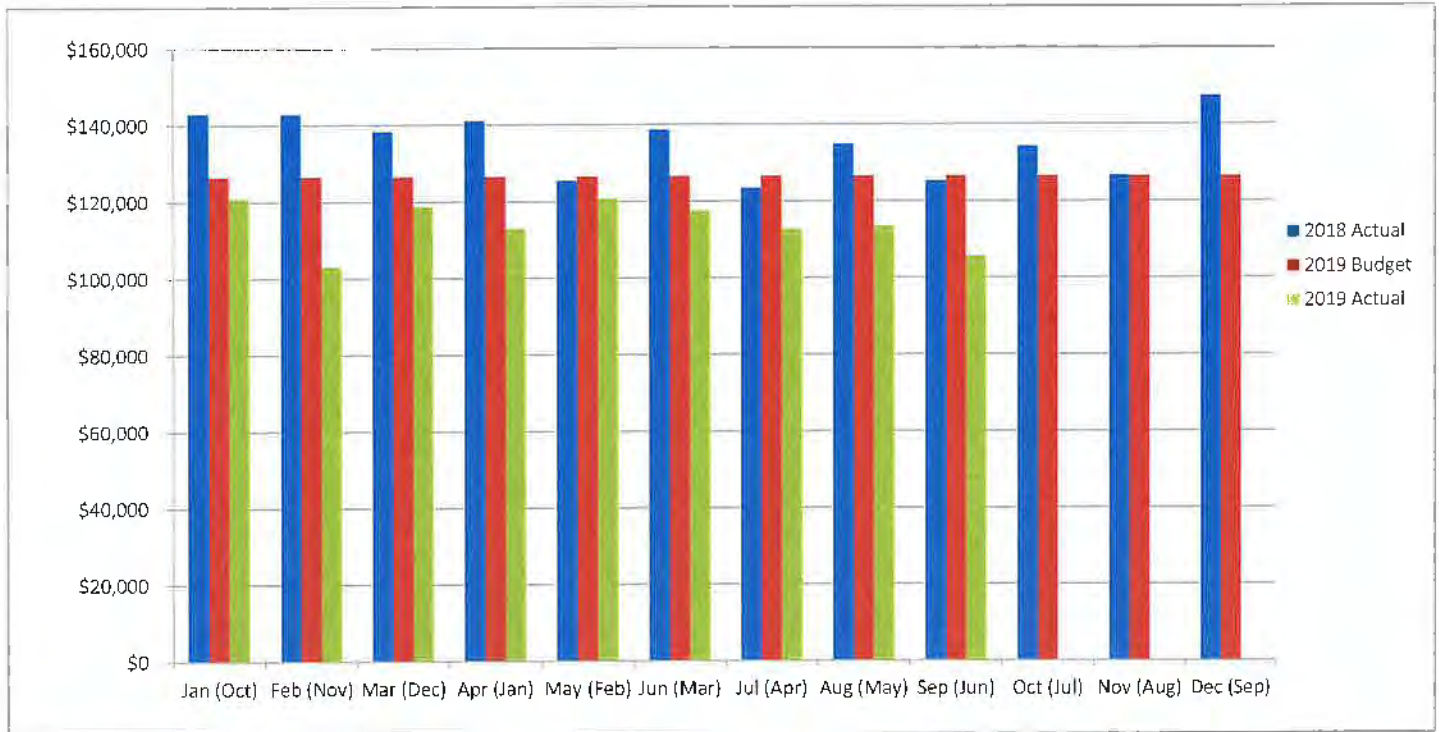
<u>Month Received</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>Cumulative Variance 2019 Actual vs. Budget</u>
Jan	\$ 33,669	\$ 70,833	\$ 42,133	\$ (28,700)
Feb	33,215	70,833	43,229	(56,305)
Mar	64,943	70,833	585,748	458,610
Apr	84,196	70,833	244,290	632,067
May	386,938	70,833	192,702	753,935
Jun	128,366	70,833	104,977	788,079
Jul	87,683	70,833	137,205	854,451
Aug	91,143	70,833	70,674	854,291
Sep	130,898	70,833	183,226	966,684
Oct	59,570	70,833		
Nov	91,474	70,833		
Dec	189,210	70,833		
<b>YTD Totals</b>	<b><u>\$ 1,381,305</u></b>	<b><u>\$ 850,000</u></b>	<b><u>\$ 1,604,184</u></b>	

## Home Rule Sales Tax



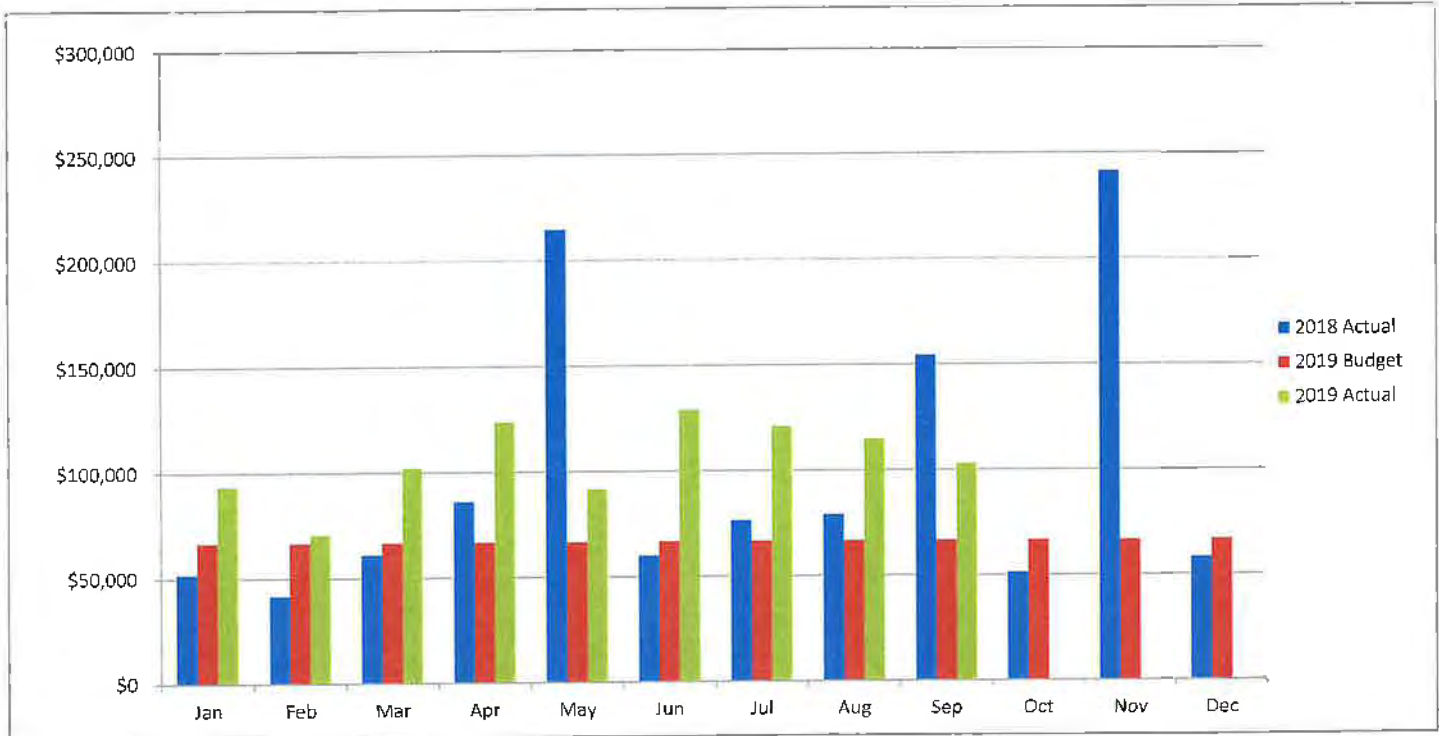
<b>Month Received (Liability Period)</b>	<b>2018 Actual</b>	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>Cumulative Variance 2019 Actual vs. Budget</b>
Jan (Nov)	\$ 313,635	\$ 316,667	\$ 295,761	\$ (20,906)
Feb (Dec)	316,042	316,667	275,771	(61,801)
Mar (Jan)	415,305	316,667	371,809	(6,659)
Apr (Feb)	287,678	316,667	258,175	(65,151)
May (Mar)	274,533	316,667	242,128	(139,689)
Jun (Apr)	313,381	316,667	268,309	(188,047)
Jul (May)	300,246	316,667	251,842	(252,872)
Aug (Jun)	311,996	316,667	181,980	(387,558)
Sep (Jul)	339,100	316,667	397,447	(306,778)
Oct (Aug)	261,779	316,667		
Nov (Sep)	331,367	316,667		
Dec (Oct)	316,550	316,667		
<b>YTD Totals</b>	<b>\$ 3,781,611</b>	<b>\$ 3,800,000</b>	<b>\$ 2,543,222</b>	

## Telecommunications Tax



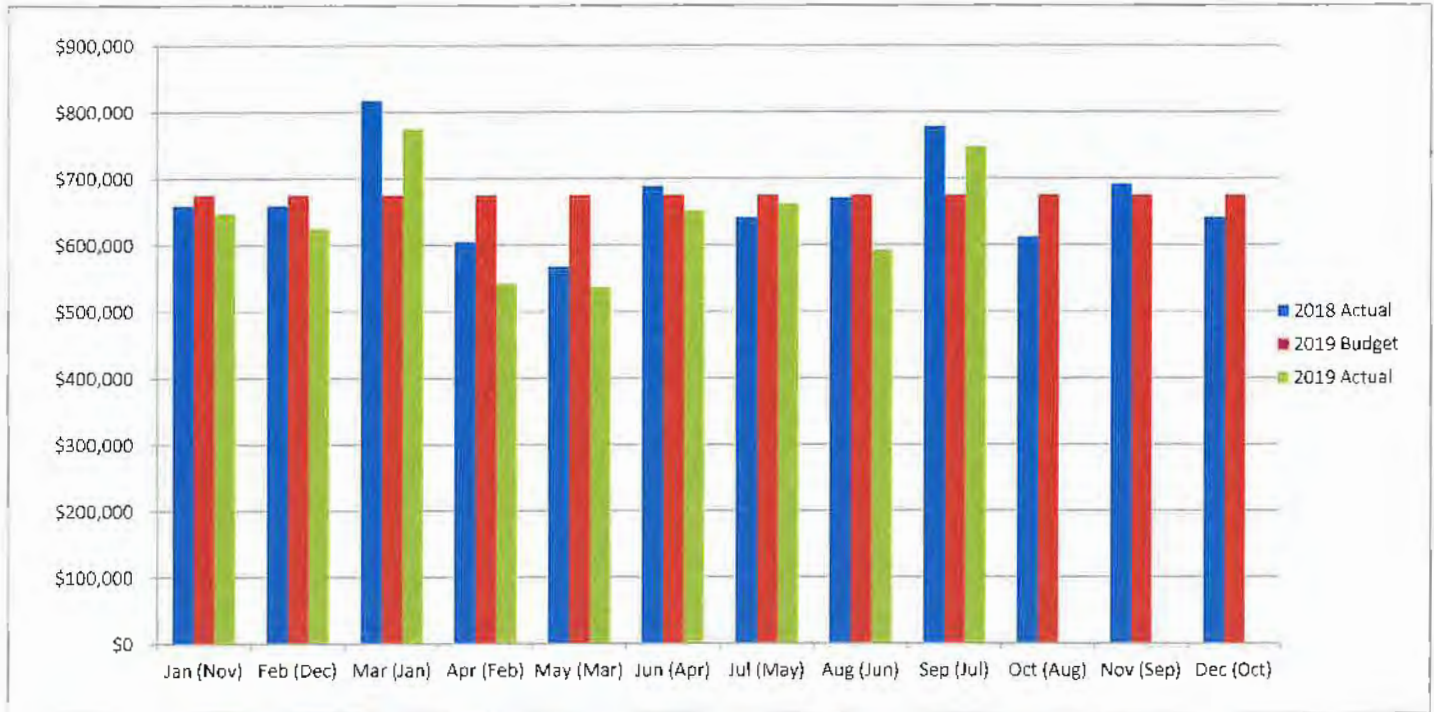
<u>Month Received (Liability Period)</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>Cumulative Variance 2019 Actual vs. Budget</u>
Jan (Oct)	\$ 143,036	\$ 126,500	\$ 120,844	\$ (5,656)
Feb (Nov)	142,880	126,500	103,168	(28,988)
Mar (Dec)	138,304	126,500	118,778	(36,710)
Apr (Jan)	141,076	126,500	113,000	(50,210)
May (Feb)	125,439	126,500	120,765	(55,945)
Jun (Mar)	138,619	126,500	117,606	(64,839)
Jul (Apr)	123,374	126,500	112,703	(78,636)
Aug (May)	134,787	126,500	113,530	(91,606)
Sep (Jun)	125,192	126,500	105,673	(112,433)
Oct (Jul)	134,173	126,500		
Nov (Aug)	126,705	126,500		
Dec (Sep)	147,478	126,500		
<b>YTD Totals</b>	<b>\$ 1,621,062</b>	<b>\$ 1,518,000</b>	<b>\$ 1,026,067</b>	

## Building Permits



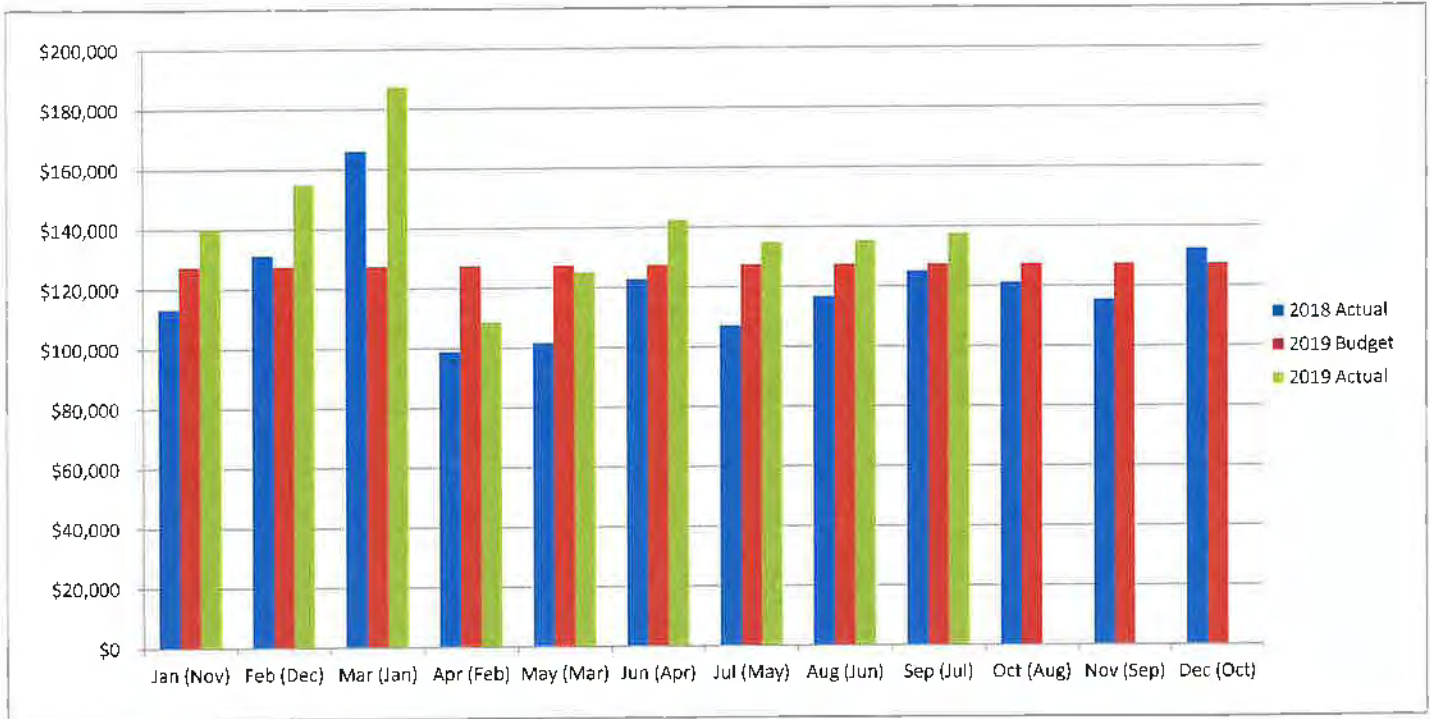
<u>Month Received</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>Cumulative Variance 2019 Actual vs. Budget</u>
Jan	\$ 51,874	\$ 66,667	\$ 93,549	\$ 26,882
Feb	41,660	66,667	70,614	30,830
Mar	61,020	66,667	102,100	66,263
Apr	85,963	66,667	123,746	123,342
May	214,601	66,667	91,619	148,295
Jun	60,036	66,667	128,955	210,583
Jul	76,387	66,667	120,998	264,914
Aug	78,987	66,667	114,734	312,982
Sep	154,270	66,667	102,934	349,249
Oct	51,320	66,667	-	-
Nov	241,375	66,667	-	-
Dec	57,994	66,667	-	-
<b>YTD Totals</b>	<b>\$ 1,175,488</b>	<b>\$ 800,000</b>	<b>\$ 949,249</b>	

## State Sales Tax



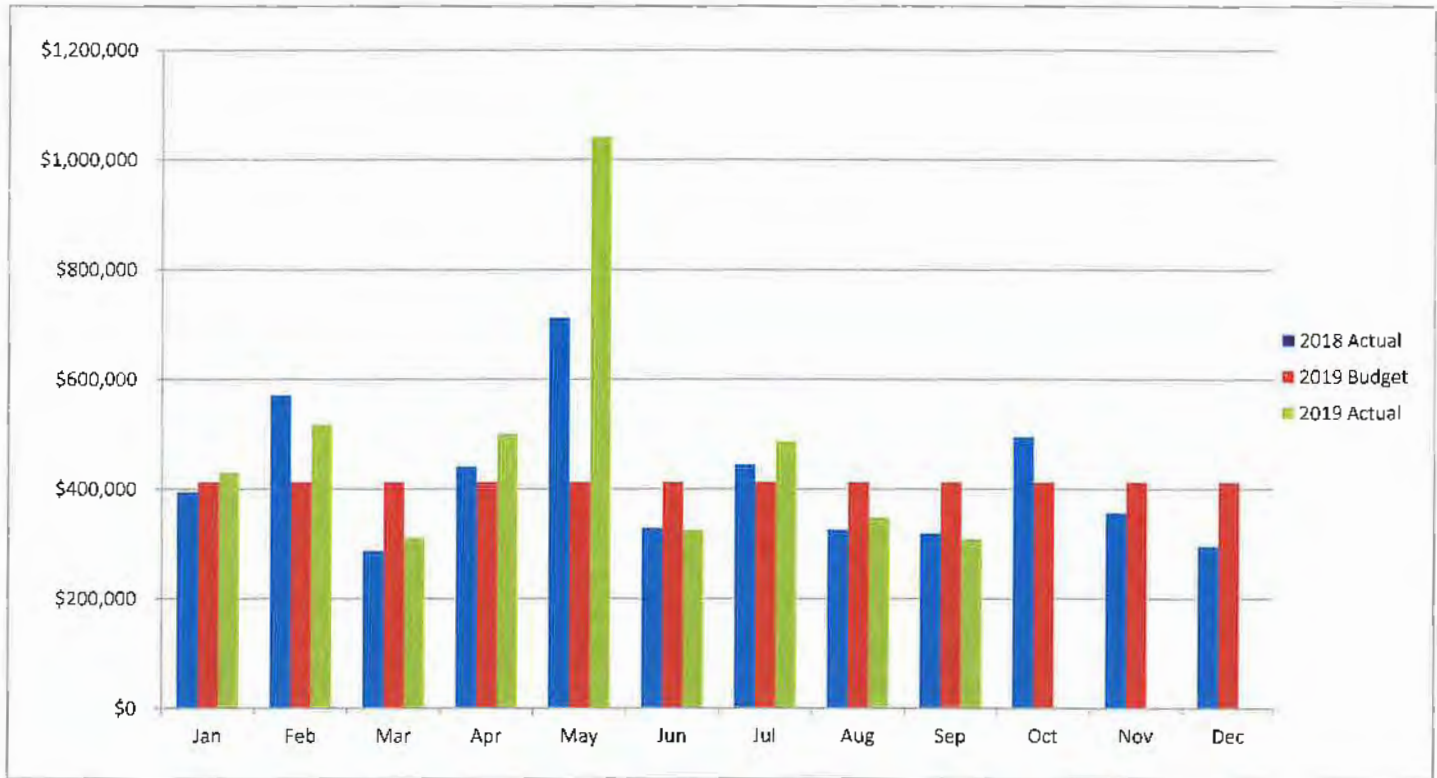
<u>Month Received (Liability Period)</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>Cumulative Variance 2019 Actual vs. Budget</u>
Jan (Nov)	\$ 659,220	\$ 675,000	\$ 647,708	\$ (27,292)
Feb (Dec)	659,346	675,000	624,801	(77,491)
Mar (Jan)	817,105	675,000	774,929	22,438
Apr (Feb)	604,906	675,000	542,297	(110,265)
May (Mar)	567,845	675,000	536,850	(248,415)
Jun (Apr)	688,018	675,000	651,634	(271,781)
Jul (May)	641,453	675,000	662,407	(284,374)
Aug (Jun)	670,995	675,000	592,425	(366,949)
Sep (Jul)	778,220	675,000	748,503	(293,446)
Oct (Aug)	611,782	675,000		
Nov (Sep)	691,562	675,000		
Dec (Oct)	641,917	675,000		
<b>YTD Totals</b>	<u>\$ 8,032,166</u>	<u>\$ 8,100,000</u>	<u>\$ 5,781,554</u>	

## Local Use Tax



<u>Month Received (Liability Period)</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>Cumulative Variance 2019 Actual vs. Budget</u>
Jan (Nov)	\$ 113,343	\$ 127,500	\$ 140,169	\$ 12,669
Feb (Dec)	131,295	127,500	155,093	40,262
Mar (Jan)	166,066	127,500	187,546	100,308
Apr (Feb)	98,851	127,500	108,793	81,601
May (Mar)	101,658	127,500	125,331	79,432
Jun (Apr)	122,767	127,500	142,480	94,412
Jul (May)	107,147	127,500	134,859	101,771
Aug (Jun)	116,836	127,500	135,442	109,713
Sep (Jul)	125,126	127,500	137,690	119,903
Oct (Aug)	121,382	127,500		
Nov (Sep)	115,439	127,500		
Dec (Oct)	132,426	127,500		
<b>YTD Totals</b>	<b>\$ 1,452,333</b>	<b>\$ 1,530,000</b>	<b>\$ 1,267,403</b>	

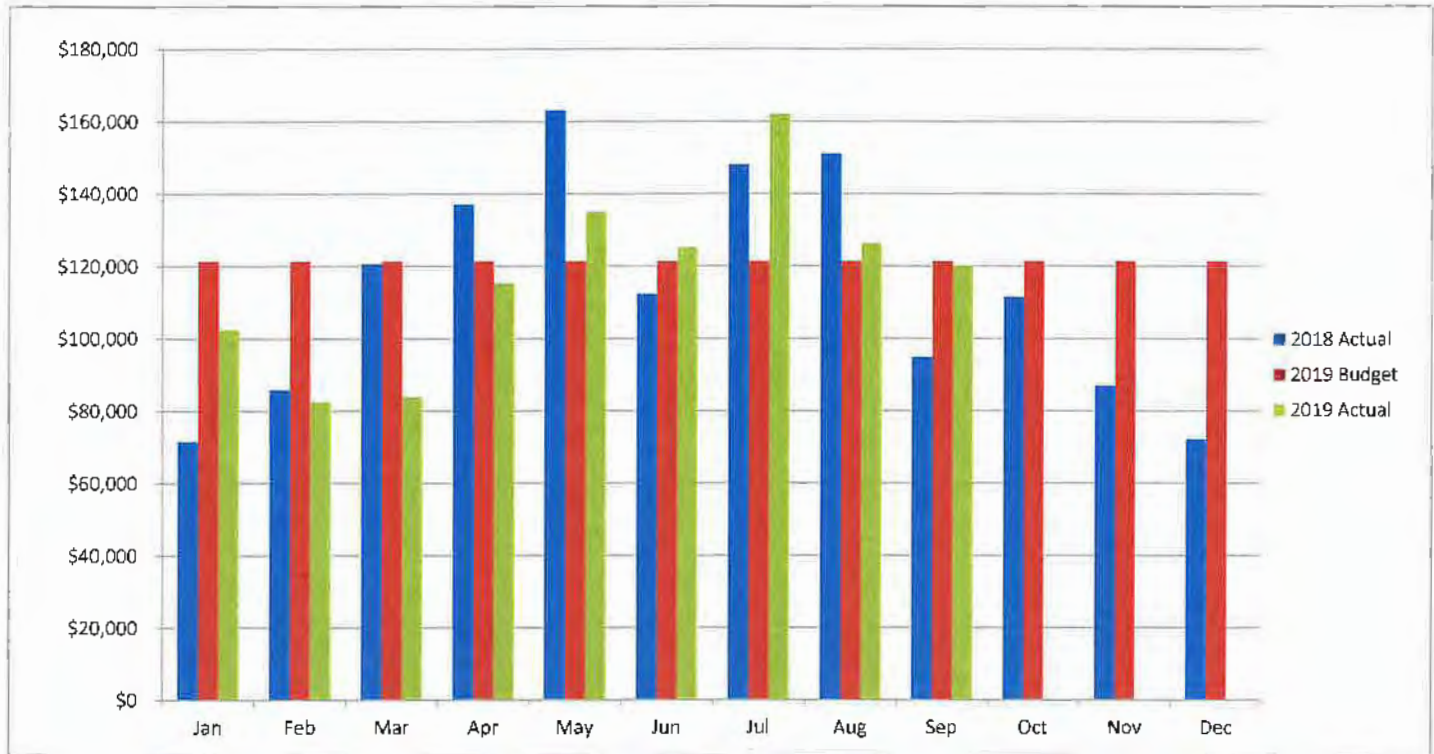
## Income Tax



2017-2018			2018-2019				Cumulative Variance 2019 Actual vs. Budget
Month Received	Liab Pd	2018 Actual	Month Received	2019 Budget	Liab Pd	2019 Actual	
Jan	Dec-17	\$ 394,357	Jan	\$ 412,500	Dec-18	\$ 430,566	\$ 18,066
Feb	Jan-18	570,829	Feb	412,500	Jan-19	518,005	123,571
Mar	Feb-18	286,970	Mar	412,500	Jan-19	311,906	22,977
Apr	Mar-18	440,655	Apr	412,500	Jan-19	500,986	111,463
May	Apr-18	711,744	May	412,500	Feb-19	1,042,123	741,086
Jun	May-18	328,799	Jun	412,500	Feb-19	325,451	654,037
Jul	Jun-18	444,568	Jul	412,500	Mar-19	486,704	728,241
Aug	Jul-18	326,342	Aug	412,500	Mar-19	348,884	664,625
Sep	Aug-18	318,497	Sep	412,500	Mar-19	308,780	560,905
Oct	Sep-18	495,002	Oct	412,500	Apr-19		
Nov	Oct-18	356,515	Nov	412,500	Apr-19		
Dec	Nov-18	295,502	Dec	412,500	May-19		
<b>YTD Totals</b>		<u><u>\$ 4,969,780</u></u>		<u><u>\$ 4,950,000</u></u>		<u><u>\$ 4,273,405</u></u>	



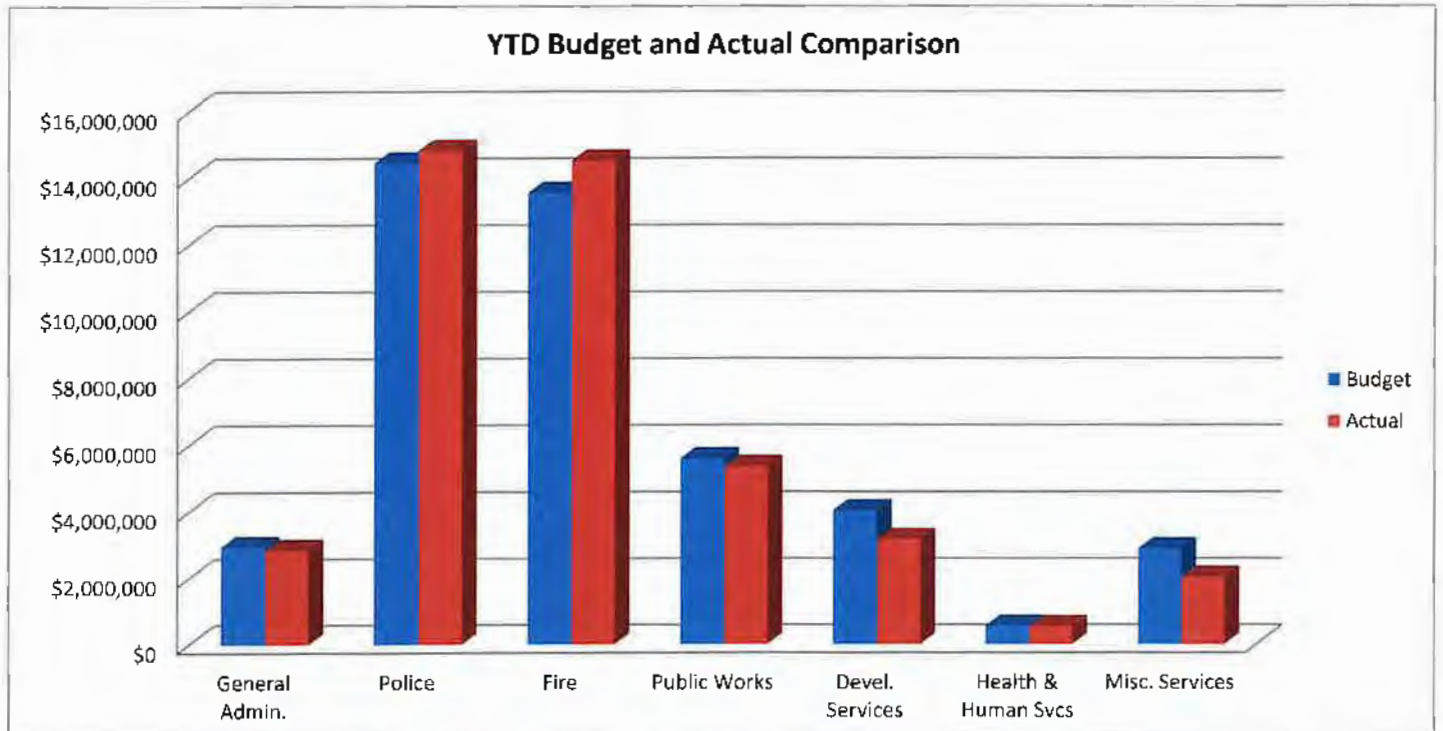
## Fines



<u>Month Received</u>	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>Cumulative Variance 2019 Actual vs. Budget</u>
Jan	\$ 71,631	\$ 121,383	\$ 102,529	\$ (18,854)
Feb	85,889	121,383	82,643	(57,595)
Mar	120,617	121,383	84,003	(94,975)
Apr	137,043	121,383	115,421	(100,937)
May	163,094	121,383	135,100	(87,221)
Jun	112,383	121,383	125,188	(83,416)
Jul	148,104	121,383	162,077	(42,722)
Aug	151,117	121,383	126,391	(37,715)
Sep	94,939	121,383	120,110	(38,988)
Oct	111,532	121,383		
Nov	86,923	121,383		
Dec	72,167	121,383		
<b>YTD Totals</b>	<b>\$ 1,355,439</b>	<b>\$ 1,456,600</b>	<b>\$ 1,053,462</b>	

**Expenditures:** General Fund expenditures in September were \$1,212,466 below the budgeted figure of \$4,913,644. The summary of year-to-date actuals versus budgeted expenditures shown below reflect mostly positive variances for the Village departments for the year. Police and Fire are over budget due to their pension contribution expenses, which are directly tied to the Village's receipt of property taxes. When property taxes are received, the pension contribution expense (transfer of property tax revenue to the Pension Funds) occurs.

EXPENDITURES	YEAR-TO-DATE	YEAR-TO-DATE	VARIANCE
	BUDGET	ACTUAL	
Legislative	\$ 276,720	\$ 273,370	1.2%
Administration	486,330	494,497	-1.7%
Legal	395,520	348,135	12.0%
Finance	811,568	827,038	-1.9%
Village Clerk	161,753	158,181	2.2%
HRM	406,493	369,757	9.0%
Communications	187,425	186,486	0.5%
Cable TV	158,640	145,032	8.6%
Emergency Operations	59,235	54,414	8.1%
Police	14,448,660	14,821,714	-2.6%
Fire	13,550,062	14,518,735	-7.1%
Public Works	5,586,810	5,356,093	4.1%
Development Services	4,027,238	3,167,110	21.4%
H&HS	553,238	541,756	2.1%
Miscellaneous	2,881,851	2,023,849	29.8%
<b>TOTAL</b>	<b>\$ 43,991,540</b>	<b>\$ 43,286,166</b>	<b>1.6%</b>



## Department News

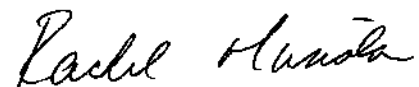
During the month of September, the following training sessions were attended by Finance staff:

- Attended the IGFOA annual conference. Session topics included GASB updates, Ethics, Accounting for TIFs, National GFOA update, Planning and responding to an active shooter/violent incident, Legislative updates, and Fundamentals of Winning (Finance Director, Assistant Director, Fiscal Operations Manager, & Accountant II).

Also during the month, Finance staff participated in the following events and planning meetings:

- Participated in the HELP (High-Level Excess Liability Pool) quarterly member meeting (Finance Director).
- Attended the Platzkonzert Festival to oversee the financial operations (Finance Director and Accountant) Also, attended Platzkonzert planning meetings to oversee the financial operations of the annual Platzkonzert Festival (Finance Director).
- Worked on five-year water rate study (Finance Director and Assistant Director).
- Performed audit interview for potential candidates (Village Treasurer, Finance Director, and Assistant Director).
- Attended Higgins/Old Sutton Joint Review Board meeting (Finance Director).
- Attended various IGFOA Professional Education Committee planning meetings related to IGFOA conference (Finance Director).
- Attended special Fire Pension Board meeting (Village Treasurer and Finance Director).
- Attended the 4<sup>th</sup> of July Commission monthly planning meeting (Water Billing Supervisor).

Respectfully Submitted,



Rachel Musiala

**MONTHLY REPORT STATISTICS**

**September-19**

	<u>Sep-19</u>	<u>YTD Sep-19</u>	<u>Sep-18</u>	<u>YTD Sep-18</u>	<u>% Inc / Dec</u>	
					<u>Month</u>	<u>Year</u>
<b><u>Credit Card Transactions</u></b>						
Finance and Code Front Counter						
Number	488	4,334	492	4,909	-0.8%	-11.7%
Amount	\$ 68,028	577,578	\$ 65,827	774,727	3.3%	-25.4%
Internet Sales						
Number	2,184	19,258	1,826	22,840	19.6%	-15.7%
Amount	\$ 316,371	2,234,644	\$ 197,627	2,163,074	60.1%	3.3%
Total						
Number	2,672	23,592	2,318	27,749	15.3%	-15.0%
Amount	\$ 384,399	2,812,222	\$ 263,454	\$ 2,937,802	45.9%	-4.3%
Credit Card Company Fees						
General Fund	\$ 169	478	\$ 256	17,799	-34.0%	-97.3%
Municipal Waste Fund	-	-	167	6,073	-100.0%	-100.0%
Water Fund	3,464	23,809	2,406	55,426	44.0%	-57.0%
Total Fees	\$ 3,633	\$ 24,287	\$ 2,829	\$ 79,298	28.4%	-69.4%
<b><u>Accounts Receivable</u></b>						
Invoices Mailed						
Number	49	1,336	51	669	-3.9%	99.7%
Amount	\$ 77,283	1,874,089	\$ 96,951	1,749,219	-20.3%	7.1%
Invoices Paid						
Number	77	535	63	639	22.2%	-16.3%
Amount	\$ 783,627	1,683,932	\$ 73,921	1,488,864	960.1%	13.1%
Reminders Sent						
Number	15	90	24	166	-37.5%	-45.8%
Amount	\$ 18,885	51,905	\$ 11,859	294,216	59.2%	-82.4%
<b><u>Accounts Payable</u></b>						
Checks Issued						
Number	287	3,208	332	2,934	-13.6%	9.3%
Amount	\$ 1,393,032	21,709,909	\$ 1,626,639	15,825,632	-14.4%	37.2%
Manual Checks Issued						
Number	24	269	28	275	-14.3%	-2.2%
As % of Total Checks	8.36%	8.39%	8.43%	9.37%	-0.8%	-10.5%
Amount	\$ 38,051	8,972,108	\$ 40,985	2,571,526	-7.2%	248.9%
As % of Total Checks	2.73%	41.33%	2.52%	16.25%	8.4%	154.3%
<b><u>Utility Billing</u></b>						
New Utility Accounts	138	1,280	129	1,441	7.0%	-11.2%
Bills Mailed / Active Accounts	15,715	141,195	15,645	140,450	0.4%	0.5%
Final Bills Mailed	138	1,280	129	1,441	7.0%	-11.2%
Shut-Off Notices	1,517	13,001	1,294	12,583	17.2%	3.3%
Actual Shut-Offs	93	943	112	959	-17.0%	-1.7%
Total Billings	\$ 2,174,159	16,942,403	\$ 2,055,159	16,530,606	5.8%	2.5%
Direct Debit (ACH) Program						
New Accounts	20	370	21	265	-4.8%	39.6%
Total Accounts	4,108	34,589	2,693	24,241	52.5%	42.7%
As % of Active Accounts	26.14%	24.50%	17.21%	17.26%	8.9%	41.9%
Water Payments Received in Current Month						
Total Bills Mailed	15,715	141,195	15,645	140,450	0.4%	0.5%
ACH Payments	4,108	34,589	2,693	24,241	52.5%	42.7%
ACH Payments-% of Total Bills	26.14%	24.50%	17.21%	17.26%	51.9%	41.9%
On-line Payments (Internet Sales)	1,901	16,013	1,806	20,148	5.3%	-20.5%
On-line Payments-% of Total Bills	12.10%	11.34%	11.54%	14.35%	4.8%	-20.9%
Over-the-phone Payments	514	4,967	654	9,242	-21.4%	-46.3%
Over-the-phone Payments-% of Total Bills	3.27%	3.52%	4.18%	6.58%	-21.8%	-46.5%
Mail-in Payments	9,182	83,615	9,773	83,831	-6.0%	-0.3%
Mail-in Payments-% of Total Bills	58.43%	59.22%	62.47%	59.69%	-6.5%	-0.8%

**WATER BILLING ANALYSIS**  
**September 30, 2019**

**Residential Billings**  
**Average Monthly Consumption/Customer**

<u>Month Billed</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
September	5,068	4,951	4,782
October	4,474	5,003	4,379
November	4,330	4,375	4,147
December	4,214	4,198	4,170
January	4,897	4,538	4,403
February	4,177	4,486	4,480
March	3,914	3,845	3,916
April	4,242	4,206	4,227
May	4,257	4,213	4,051
June	4,595	4,633	4,326
July	5,214	4,505	4,395
August	4,965	5,439	5,438
September	4,951	4,782	4,952
13 Month Average -	4,561	4,552	4,436
% Change -	-1.9%	-0.2%	-2.5%

**Total Water Customers**

**Average Bill**

<u>Customer Type</u>	<u>Total Water Customers</u>			<u>Customer Type</u>	<u>Average Bill</u>		
	<u>Sep-18</u>	<u>Sep-19</u>	<u>% Change</u>		<u>Sep-18</u>	<u>Sep-19</u>	<u>% Change</u>
Residential	14,721	14,786	0.4%	Residential	\$ 61.85	\$ 66.58	7.6%
Commercial	924	929	0.5%				
<b>Total</b>	<b>15,645</b>	<b>15,715</b>	<b>0.4%</b>				

**Total Consumption - All Customers (000,000's)**

	<u>Month-To-Date</u>				<u>Year-To-Date</u>		
	<u>Sep-18</u>	<u>Sep-19</u>	<u>% Change</u>		<u>Sep-18</u>	<u>Sep-19</u>	<u>% Change</u>
Residential	70	73	4.1%	Residential	596	593	-0.5%
Commercial	60	61	1.6%	Commercial	419	406	-3.1%
	130	134	3.1%		1,015	999	-1.6%

**STATEMENT OF INVESTMENTS-VILLAGE**  
As of September 30, 2019

<b>Fund</b>	<b>Investment Date</b>	<b>Maturity Date</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Maturity Value</b>	<b>Rate of Interest</b>
<b><u>General Fund</u></b>						
Illinois Funds - General	09/30/86		8,184,366.96			2.136
Illinois Funds - Veterans Memorial	05/01/92		309.95			2.136
IMET Convenience Fund	10/20/05		2,835.98			2.130
Citibank SDA	11/07/08		2,379,964.54			1.500
Chase Money Market	03/06/18		5,623,008.54			1.490
CD with PMA	08/22/13		12,398,058.94	12,398,058.94	12,667,618.47	0.375
			<u>28,588,544.91</u>			
<b><u>Motor Fuel Tax</u></b>						
Illinois Funds	09/30/86		110,293.13			2.136
<b><u>Asset Seizure - Federal</u></b>						
Illinois Funds	06/09/99		4,324.22			2.136
<b><u>Asset Seizure - State</u></b>						
Illinois Funds	11/30/98		55,375.57			2.136
<b><u>Asset Seizure - BATTLE</u></b>						
Illinois Funds	07/10/08		152.16			2.136
<b><u>Municipal Waste System</u></b>						
Illinois Funds	08/31/98		7,873.41			2.136
<b><u>2005A G.O. Debt Serv.</u></b>						
Illinois Funds	11/30/04		306,529.48			2.136
<b><u>Central Road Corridor Improv.</u></b>						
Illinois Funds	12/15/88		9,679.59			2.136
Citibank SDA	11/07/08		3,755.74			1.500
			<u>13,435.33</u>			
<b><u>Hoffman Blvd Bridge Maintenance</u></b>						
Illinois Funds	07/01/98		11,112.96			2.136
CD with PMA	08/22/13		245,500.00	245,500.00	249,949.27	0.375
Citibank SDA	02/10/11		8,378.63			1.500
			<u>264,991.59</u>			
<b><u>Western Corridor</u></b>						
Illinois Funds	06/30/01		38,091.05			2.136
CD with PMA	08/22/13		2,913,700.00	2,913,700.00	2,980,110.95	0.375
Citibank SDA	01/07/09		668,934.12			1.500
			<u>3,620,725.17</u>			

**STATEMENT OF INVESTMENTS-VILLAGE**

As of September 30, 2019

<b>Fund</b>	<b>Investment Date</b>	<b>Maturity Date</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Maturity Value</b>	<b>Rate of Interest</b>
<b><u>EDA Series 1991 Project</u></b>						
Illinois Funds	08/22/91		1,063,240.00			2.136
Citibank SDA	02/10/11		<u>240,004.99</u>			-
			1,303,244.99			
<b><u>Road Improvement</u></b>						
Illinois Funds	01/01/15		1,875,304.48			
Chase Money Market CD with PMA	03/06/18		1,021,730.93			1.490
Citibank SDA	03/09/17		<u>241,360.53</u>	241,360.53	247,700.55	1.500
			3,793,933.97			
<b><u>Capital Improvements</u></b>						
Illinois Funds	12/31/96		1,239.10			2.136
Citibank SDA	01/07/09		<u>246,918.46</u>			1.500
			248,157.56			
<b><u>Capital Vehicle &amp; Equipment</u></b>						
Illinois Funds	12/31/96		23,162.79			2.136
Citibank SDA	01/07/09		<u>70,810.88</u>			1.500
			93,973.67			
<b><u>Capital Replacement</u></b>						
Illinois Funds	02/01/98		3,273.20			2.136
Citibank SDA	11/07/08		<u>326,385.44</u>			1.500
			329,658.64			
<b><u>Water and Sewer</u></b>						
Illinois Funds	09/30/86		10,123.41			2.136
Citibank SDA	11/07/08		262,584.93			1.500
Chase Money Market CD with PMA	03/06/18		<u>3,715,726.24</u>			1.490
			467,513.04	467,513.04	479,996.18	
			4,455,947.62			
<b><u>Water and Sewer-2017 Bond Projects</u></b>						
Citibank SDA	09/13/17		1,741,805.58			1.500
CD with PMA	09/13/17		<u>2,517,630.00</u>	2,517,630.00	2,577,124.80	
			4,259,435.58			
<b><u>Sears Operating</u></b>						
Illinois Funds			2,541.48			
Citibank SDA			<u>197,309.68</u>	246,600.00	252,045.19	
			446,451.16			

**STATEMENT OF INVESTMENTS-VILLAGE**  
As of September 30, 2019

<b>Fund</b>	<b>Investment Date</b>	<b>Maturity Date</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Maturity Value</b>	<b>Rate of Interest</b>
<b><u>Insurance</u></b>						
Illinois Funds	11/10/87		16,239.54			2.136
Citibank SDA	11/07/08		371,273.11			1.500
CD with PMA	08/22/13		1,949,542.12	1,949,542.12	1,994,756.36	0.375
			<u>2,337,054.77</u>			
<b><u>Information Systems</u></b>						
Illinois Funds	02/01/98		80,110.76			2.136
Citibank SDA	11/07/08		114,714.49			
CD with PMA			482,721.06	482,721.06	495,401.10	
			<u>677,546.31</u>			
<b><u>EDA Special Tax Alloc.</u></b>						
Citibank SDA	11/07/08		7,302,023.11			
Chase Money Market	03/14/19		10,406,666.55			
			<u>17,708,689.66</u>			
<b><u>Roselle Road TIF</u></b>						
Illinois Funds	09/30/03		7,521.87			2.136
Citibank SDA	11/07/08		114,252.25			1.500
			<u>121,774.12</u>			
<b><u>Barr./Higgins TIF</u></b>						
Illinois Funds	08/26/91		212,146.32			2.136
<b>Total Investments</b>			<u>\$ 68,960,259.34</u>			
<b>Total Invested Per Institution</b>					<b>Percent Invested</b>	
Illinois Funds			12,023,011.43		17.43	
IMET Convenience Fund			2,835.98		0.00	
Chase Money Market			20,767,132.26		30.11	
CD with PMA			21,462,625.69		31.12	
Citibank at PMA			14,704,653.98		21.32	
			<u>\$68,960,259.34</u>		100.00	
<b>Total Invested Per Institution Excluding all Trust and EDA Funds</b>					<b>Percent Invested</b>	
Illinois Funds			10,959,771.43		21.94	
IMET			2,835.98		0.01	
Chase Money Market			10,360,465.71		20.74	
CD with PMA			21,462,625.69		42.97	
Citibank at PMA			7,162,625.88		14.34	
			<u>\$49,948,324.69</u>		100.00	



**STATEMENT OF INVESTMENTS-VILLAGE**

**As of September 30, 2019**

<b>Fund</b>	<b>Investment Date</b>	<b>Maturity Date</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Maturity Value</b>	<b>Rate of Interest</b>
<b>Total Invested Per Fund</b>						
Total Investments - Operating Funds				\$54,726,173.36		
Total Investments - Debt Service Funds				\$306,529.48		
Total Investments - Trust Funds				\$0.00		
Total Investments - Capital Projects Funds				\$13,927,556.50		
Total Investments - All Funds				<u>\$68,960,259.34</u>		

**PMA CERTIFICATE OF DEPOSITS**

**September 30, 2019**

	Settlement	Maturity	Cost	Interest Rate
<b>GENERAL FUND</b>				
Citibank	11/01/18	10/31/19	3,135,182.65	2.050%
Associated Bank, NA (N)	03/07/19	12/02/19	245,500.00	2.430%
Bank OZK	03/07/19	12/02/19	245,500.00	2.464%
Brookline Bank	03/07/19	12/02/19	245,400.00	2.472%
Farmers Exchange Bank	03/07/19	12/02/19	245,400.00	2.497%
First Internet Bank of Indiana	03/07/19	12/02/19	245,500.00	2.423%
Bank 7 (CDARS)	03/21/19	03/19/20	2,310,476.29	2.634%
Granite Community Bank/First NB of Cold Spring	06/25/19	06/24/20	244,800.00	2.100%
Financial Federal Bank	06/25/19	06/24/20	244,400.00	2.250%
Bank 7	06/25/19	06/24/20	244,200.00	2.327%
Premier Bank	06/25/19	06/24/20	244,400.00	2.249%
Servisfirst Bank	06/25/19	06/24/20	22,200.00	2.330%
Pacific Western Bank	07/25/19	04/20/20	246,200.00	2.070%
First National Bank/The First, NA	07/25/19	04/20/20	246,400.00	1.960%
East Boston Savings Bank	07/25/19	04/20/20	246,400.00	1.940%
Southside Bank	07/25/19	04/20/20	246,500.00	1.910%
Great Midwest Bank	07/25/19	04/20/20	246,500.00	1.890%
Merrick Bank	07/25/19	04/20/20	246,500.00	1.880%
Crystal Lake B&TC, NA - Wintrust	07/25/19	04/20/20	246,600.00	1.840%
Hinsdale B&TC, NA - Wintrust	07/25/19	04/20/20	246,600.00	1.840%
Village Bank & Trust - Wintrust	07/25/19	04/20/20	246,600.00	1.840%
Wheaton Bank & Trust - Wintrust	07/25/19	04/20/20	246,600.00	1.840%
Wintrust Bank	07/25/19	04/20/20	246,600.00	1.840%
Veritex Community Bank/Green Bank	07/25/19	04/20/20	246,600.00	1.840%
Bank of China, NY	08/01/19	07/30/20	1,767,000.00	2.220%
<b>GENERAL FUND TOTALS:</b>			<b>\$ 12,398,058.94</b>	
<b>HOFFMAN BLVD BRIDGE FUND</b>				
Orrstown Bank	03/07/19	12/02/19	245,500.00	2.450%
<b>HOFFMAN BLVD BRIDGE TOTALS:</b>			<b>\$ 245,500.00</b>	
<b>WESTERN CORRIDOR FUND</b>				
Preferred Bank	03/07/19	12/02/19	245,400.00	2.472%
TBK BANK, SSB/The National Bank	03/07/19	12/02/19	245,600.00	2.400%
Bank of China	05/21/19	05/21/20	243,400.00	2.638%
Modernn Bank, National Association	05/21/19	05/21/20	244,100.00	2.370%
Rockford B&TC	05/21/19	05/21/20	244,000.00	2.393%
Texas Capital Bank	05/21/19	05/21/20	243,900.00	2.433%
Servisfirst Bank	06/25/19	06/24/20	222,000.00	2.330%
Allegiance Bank Texas	06/25/19	06/24/20	244,400.00	2.239%
Newbank, NA	06/25/19	06/24/20	244,200.00	2.339%
Sonabank	06/25/19	06/24/20	243,500.00	2.589%
Bank of China, NY	08/01/19	07/30/20	493,200.00	2.220%
<b>WESTERN CORRIDOR TOTALS:</b>			<b>\$ 2,913,700.00</b>	
<b>ROAD IMPROVEMENT FUND</b>				
Bank 7 (CDARS)	03/21/19	03/19/20	241,360.53	2.634%
<b>ROAD IMPROVEMENT TOTALS:</b>			<b>\$ 241,360.53</b>	

**PMA CERTIFICATE OF DEPOSITS**  
**September 30, 2019**

	Settlement	Maturity	Cost	Interest Rate
<b>WATER &amp; SEWER FUND</b>				
Citibank	11/01/18	10/31/19	467,513.04	2.050%
<b>WATER &amp; SEWER TOTALS:</b>			<b>\$ 467,513.04</b>	
<b>SEARS CENTRE FUND</b>				
Bank of China, NY	08/01/19	07/30/20	246,600.00	2.220%
<b>SEARS CENTRE TOTALS:</b>			<b>\$ 246,600.00</b>	
<b>INSURANCE FUND</b>				
Third Coast Bank, SSB	03/07/19	12/02/19	245,600.00	2.414%
Western Alliance Bank/Torrey Pines Bank	03/07/19	12/02/19	245,300.00	2.523%
Bank 7 (CDARS)	03/21/19	03/19/20	965,442.12	2.634%
Bank of China, NY	08/01/19	07/30/20	493,200.00	2.220%
<b>INSURANCE TOTALS</b>			<b>\$ 1,949,542.12</b>	
<b>INFORMATION SYSTEM FUND</b>				
Bank 7 (CDARS)	03/21/19	03/19/20	482,721.06	2.634%
<b>INFORMATION SYSTEM TOTALS:</b>			<b>\$ 482,721.06</b>	
<b>2017 BOND PROCEEDS FUND</b>				
CIBC Bank USA/ Private Bank-MI	09/13/17	12/02/19	240,700.00	1.675%
United Bank	09/13/17	12/02/19	876,930.00	1.362%
Associated Bank, NA - C	04/01/19	12/16/19	1,400,000.00	2.420%
<b>2017 BOND PROCEEDS TOTALS:</b>			<b>\$ 2,517,630.00</b>	
			<b>TOTAL: \$</b>	<b>21,462,626</b>

**OPERATING REPORT SUMMARY**

**REVENUES**

**September 30, 2019**

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>% ACTUAL TO BUDGET</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
General Fund							
Property Taxes	50,000	2,322	16,214,510	16,026,807	16,364,510	97.9%	
Hotel Tax	102,917	146,721	926,250	1,025,742	1,235,000	83.1%	
Real Estate Transfer Tax	70,833	183,226	637,500	1,604,183	850,000	188.7%	
Home Rule Sales Tax	316,667	397,447	2,850,000	2,543,223	3,800,000	66.9%	
Telecommunications Tax	126,500	105,673	1,138,500	1,026,067	1,518,000	67.6%	
Property Tax - Fire	283,565	726	2,552,085	3,308,435	3,402,780	97.2%	
Property Tax - Police	318,173	821	2,863,553	3,717,321	3,818,070	97.4%	
Other Taxes	98,994	81,904	802,135	1,078,848	1,187,930	90.8%	
Total Taxes	1,367,648	918,839	27,984,533	30,330,626	32,176,290	94.3%	
Business Licenses	10,000	13,515	330,000	366,238	340,000	107.7%	
Liquor Licenses	-	4,880	262,500	290,403	262,500	110.6%	
Building Permits	69,667	102,934	606,000	949,247	836,000	113.5%	
Other Licenses & Permits	1,208	312	10,875	2,343	14,500	16.2%	
Total Licenses & Permits	80,875	121,641	1,209,375	1,608,231	1,453,000	110.7%	
Sales Tax	675,000	748,503	6,075,000	5,781,555	8,100,000	71.4%	
Local Use Tax	127,500	137,690	1,147,500	1,267,403	1,530,000	82.8%	
State Income Tax	429,042	308,780	3,745,583	4,273,405	5,148,500	83.0%	
Replacement Tax	20,058	128	180,525	234,600	240,700	97.5%	
Other Intergovernmental	38,374	744	345,368	411,886	460,490	89.4%	
Total Intergovernmental	1,289,974	1,195,846	11,493,976	11,968,848	15,479,690	77.3%	
Engineering Fees	16,667	24,249	150,000	65,503	200,000	32.8%	
Ambulance Fees	131,375	87,165	1,166,917	1,237,830	1,576,500	78.5%	
Police Hireback	35,417	42,287	318,750	339,481	425,000	79.9%	
Lease Payments	63,163	70,806	568,463	546,273	757,950	72.1%	
Cable TV Fees	-	-	640,000	589,077	840,000	70.1%	
4th of July Proceeds	-	-	137,415	137,415	83,900	163.8%	
Employee Payments	100,000	131,227	900,000	1,080,747	1,200,000	90.1%	
Hireback - Arena	15,875	14,547	142,875	213,667	190,500	112.2%	
Rental Inspection Fees	-	2,200	150,000	246,973	300,000	82.3%	
Other Charges for Services	72,458	73,108	652,125	690,627	869,500	79.4%	
Total Charges for Services	434,954	445,589	4,826,544	5,147,592	6,443,350	79.9%	
Court Fines-County	16,667	11,558	150,000	98,139	200,000	49.1%	
Ticket Fines-Village	37,550	25,776	337,950	298,682	450,600	66.3%	
Overweight Truck Fines	500	740	4,500	5,140	6,000	85.7%	
Red Light Camera Revenue	56,667	80,237	510,000	481,505	680,000	70.8%	
Local Debt Recovery	10,000	1,800	90,000	169,995	120,000	141.7%	
Total Fines & Forfeits	121,383	120,110	1,092,450	1,053,462	1,456,600	72.3%	
Total Investment Earnings	32,813	47,591	211,458	449,600	393,750	114.2%	
Reimburse/Recoveries	22,500	2,867	202,500	358,672	270,000	132.8%	
S.Barrington Fuel Reimbursement	2,500	2,935	22,500	27,190	30,000	90.6%	
Shaumburg Twn Fuel Reimbursement	-	3,735	-	31,138	-	N/A	
Tollway Payments	833	1,000	7,500	11,000	10,000	110.0%	
Other Miscellaneous	20,550	41,515	184,950	298,393	246,600	121.0%	
Total Miscellaneous	46,383	52,052	417,450	726,393	556,600	130.5%	
Total Operating Transfers In	5,742	14,085	51,675	166,944	68,900	242.3%	
<b>Total General Fund</b>	<b>3,379,773</b>	<b>2,915,754</b>	<b>47,287,461</b>	<b>51,451,696</b>	<b>58,028,180</b>	<b>88.7%</b>	<b>75.0%</b>

**OPERATING REPORT SUMMARY  
REVENUES**

**September 30, 2019**

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>% ACTUAL TO BUDGET</u>	<u>BENCH- MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
<b>Water &amp; Sewer Fund</b>							
Water Sales	1,570,942	1,840,457	14,138,475	14,092,703	18,851,300	74.8%	
Connection Fees	4,167	14,312	37,500	85,314	50,000	170.6%	
Cross Connection Fees	3,167	3,203	28,500	28,987	38,000	76.3%	
Penalties	6,667	12,114	60,000	95,168	80,000	119.0%	
Investment Earnings	5,104	14,935	21,875	116,594	61,250	190.4%	
Other Revenue Sources	9,292	13,103	83,625	105,355	111,500	94.5%	
Capital Projects	-	-	-	23,549	4,452,500	0.5%	
<b>Total Water Fund</b>	<b>1,599,338</b>	<b>1,898,124</b>	<b>14,369,975</b>	<b>14,547,670</b>	<b>23,644,550</b>	<b>61.5%</b>	<b>75.0%</b>
<b>Motor Fuel Tax Fund</b>	113,208	172,724	1,018,875	1,036,287	1,358,500	76.3%	
Community Dev Block Grant Fund	21,958	-	197,625	21,458	263,500	8.1%	
Asset Seizure Fund	63	2,074	563	631,338	750	84178.4%	
Municipal Waste System Fund	245,296	299,757	2,207,663	2,261,725	2,943,550	76.8%	
Sears Centre Operating Fund	283,468	255,009	2,551,215	2,526,376	3,401,620	74.3%	
Sears Centre Activity Fund	706,733	1,085,516	6,360,600	6,163,005	8,480,800	72.7%	
Stormwater Management	51,333	51,819	462,000	466,549	616,000	75.7%	
Insurance Fund	145,246	114,393	1,307,213	1,273,623	1,742,950	73.1%	
Roselle Road TIF	16,750	523	150,750	233,769	201,000	116.3%	
Barrington/Higgins TIF	50,478	495	454,305	632,401	605,740	104.4%	
Higgins/Hassell TIF	8,253	175	74,280	369,785	99,040	373.4%	
Information Systems	156,849	156,426	1,411,643	1,427,637	1,882,190	75.8%	
<b>Total Spec Rev &amp; Int Svc. Fund</b>	<b>1,799,637</b>	<b>2,138,911</b>	<b>16,196,730</b>	<b>17,043,952</b>	<b>21,595,640</b>	<b>78.9%</b>	
<b>TOTAL OPERATING FUNDS</b>	<b>6,778,747</b>	<b>6,952,789</b>	<b>77,854,166</b>	<b>83,043,319</b>	<b>103,268,370</b>	<b>80.4%</b>	<b>75.0%</b>
<b>Sears EDA Gen Account</b>	-	-	-	2,508,660	-	N/A	
2015A & C G.O. Debt Service	951	951	1,420,796	1,420,796	3,452,500	41.2%	
2015B G.O. Debt Service	-	-	17,375	17,375	124,300	0.0%	
2016 G.O. Debt Service	206	206	427,218	427,218	435,800	0.0%	
2017A & B G.O. Debt Service	-	-	54,875	54,875	180,750	0.0%	
2018 G.O. Debt Service	12,844	12,844	1,748,963	1,748,963	2,748,700	0.0%	
<b>TOTAL DEBT SERV. FUNDS</b>	<b>14,000</b>	<b>14,000</b>	<b>3,669,227</b>	<b>6,177,888</b>	<b>6,942,050</b>	<b>89.0%</b>	<b>75.0%</b>
Central Rd. Corridor Fund	6,333	38	57,000	434	76,000	0.6%	
Hoffman Blvd Bridge Maintenance	167	522	1,500	4,602	2,000	230.1%	
Western Corridor Fund	833	13,509	7,500	124,010	10,000	1240.1%	
Traffic Improvement Fund	33	-	300	-	400	0.0%	
Prairie Stone Capital Fund	833	7,387	7,500	947,562	10,000	9475.6%	
Central Area Rd. Impr. Imp. Fee	-	59	-	599	-	0.0%	
Western Area Traffic Impr.	-	12	-	121	-	N/A	
Western Area Traffic Impr. Impact Fee	-	26	-	229	-	0.0%	
Capital Improvements Fund	179,346	53,344	1,541,196	1,389,453	2,152,150	64.6%	
Capital Vehicle & Equipment Fund	166,593	107,034	1,238,728	1,358,202	1,999,110	67.9%	
Capital Replacement Fund	667	402	6,000	7,124	8,000	89.0%	
Road Improvement Fund	533,939	494,396	4,805,453	4,238,804	6,407,270	66.2%	
<b>TOTAL CAP. PROJECT FUNDS</b>	<b>888,744</b>	<b>676,728</b>	<b>7,665,177</b>	<b>8,071,139</b>	<b>10,664,930</b>	<b>75.7%</b>	<b>75.0%</b>
Police Pension Fund	463,623	(1,522,888)	4,172,603	10,007,849	5,563,470	179.9%	
Fire Pension Fund	464,432	(352,231)	4,179,885	15,006,282	5,573,180	269.3%	
<b>TOTAL TRUST FUNDS</b>	<b>928,054</b>	<b>(1,875,119)</b>	<b>8,352,488</b>	<b>25,014,131</b>	<b>11,136,650</b>	<b>224.6%</b>	<b>75.0%</b>
<b>TOTAL ALL FUNDS</b>	<b>8,609,545</b>	<b>5,768,398</b>	<b>97,541,058</b>	<b>122,306,476</b>	<b>132,012,000</b>	<b>92.6%</b>	<b>75.0%</b>

**OPERATING REPORT SUMMARY**  
**EXPENDITURES**  
**September 30, 2019**

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>%</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
General Fund							
General Admin.							
Legislative	30,747	29,891	276,720	273,370	368,960	74.1%	
Administration	54,037	47,383	486,330	494,497	648,440	76.3%	
Legal	43,947	21,939	395,520	348,135	527,360	66.0%	
Finance	90,174	102,786	811,568	827,038	1,082,090	76.4%	
Village Clerk	17,973	16,988	161,753	158,181	215,670	73.3%	
Human Resource Mgmt	45,166	37,544	406,493	369,757	541,990	68.2%	
Communications	20,825	19,230	187,425	186,486	249,900	74.6%	
Cable TV	17,627	11,281	158,640	145,032	211,520	68.6%	
Emergency Operations	6,582	5,351	59,235	54,414	78,980	68.9%	
Total General Admin.	327,076	292,395	2,943,683	2,856,909	3,924,910	72.8%	75.0%
Police Department							
Administration	132,708	113,352	1,194,375	1,235,291	1,592,500	77.6%	
Juvenile Investigations	47,303	31,327	425,723	434,308	567,630	76.5%	
Tactical	83,468	52,905	751,208	764,638	1,001,610	76.3%	
Patrol and Response	917,851	585,090	8,260,658	8,498,866	11,014,210	77.2%	
Traffic	105,900	85,964	953,100	829,542	1,270,800	65.3%	
Investigations	118,001	83,892	1,062,008	1,124,029	1,416,010	79.4%	
Community Relations	1,131	2,498	10,178	7,202	13,570	53.1%	
Communications	62,676	117,357	564,083	586,784	752,110	78.0%	
Canine	15,771	10,857	141,938	144,298	189,250	76.2%	
Special Services	16,565	22,795	149,085	327,612	198,780	164.8%	
Records	26,442	20,675	237,975	220,329	317,300	69.4%	
Administrative Services	77,593	75,382	698,333	648,814	931,110	69.7%	
Total Police	1,605,407	1,202,094	14,448,660	14,821,714	19,264,880	76.9%	75.0%
Fire Department							
Administration	90,808	76,805	817,275	815,629	1,089,700	74.8%	
Public Education	3,984	12,647	35,858	37,662	47,810	78.8%	
Suppression	713,429	520,760	6,405,404	6,907,787	8,561,150	80.7%	
Emer. Med. Serv.	645,781	467,469	5,812,028	6,293,713	7,749,370	81.2%	
Prevention	49,703	30,435	447,323	433,392	596,430	72.7%	
Fire Stations	3,575	6,437	32,175	30,552	42,900	71.2%	
Total Fire	1,507,280	1,114,552	13,550,062	14,518,735	18,087,360	80.3%	75.0%
Public Works Department							
Administration	29,725	28,279	267,525	261,171	356,700	73.2%	
Snow/Ice Control	153,459	75,520	1,381,133	1,485,086	1,841,510	80.6%	
Pavement Maintenance	43,301	36,797	389,708	317,738	519,610	61.1%	
Forestry	95,268	91,303	857,408	755,981	1,143,210	66.1%	
Facilities	96,371	87,213	867,338	816,519	1,156,450	70.6%	
Fleet Services	107,473	129,783	967,253	910,316	1,289,670	70.6%	
F.A.S.T.	16,266	17,955	146,393	142,232	195,190	72.9%	
Storm Sewers	13,466	16,942	121,193	120,199	161,590	74.4%	
Traffic Control	65,429	55,436	588,863	546,853	785,150	69.6%	
Total Public Works	620,757	539,227	5,586,810	5,356,093	7,449,080	71.9%	75.0%

**OPERATING REPORT SUMMARY**  
**EXPENDITURES**  
**September 30, 2019**

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>%</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
Development Services							
Administration	33,897	31,436	303,270	309,132	404,360	76.4%	
Planning	45,850	35,769	412,650	348,678	550,200	63.4%	
Code Enforcement	123,715	113,282	1,113,435	1,085,785	1,484,580	73.1%	
Transportation & Engineering	117,665	108,289	1,058,985	1,076,605	1,411,980	76.2%	
Economic Development	126,544	36,133	1,138,898	346,910	1,518,530	22.8%	
<b>Total Development Services</b>	<b>447,471</b>	<b>324,909</b>	<b>4,027,238</b>	<b>3,167,110</b>	<b>5,369,650</b>	<b>59.0%</b>	<b>75.0%</b>
Health & Human Services	61,471	63,397	553,238	541,756	737,650	73.4%	75.0%
Miscellaneous							
4th of July	-	-	93,659	93,659	121,500	77.1%	
Police & Fire Comm.	8,706	2,232	78,353	13,189	104,470	12.6%	
Misc. Boards & Comm.	21,558	42,266	194,018	158,769	258,690	61.4%	
Misc. Public Improvements	313,920	120,107	2,515,822	1,758,232	3,767,040	46.7%	
<b>Total Miscellaneous</b>	<b>344,183</b>	<b>164,605</b>	<b>2,881,851</b>	<b>2,023,849</b>	<b>4,251,700</b>	<b>47.6%</b>	<b>75.0%</b>
<b>Total General Fund</b>	<b>4,913,644</b>	<b>3,701,178</b>	<b>43,991,540</b>	<b>43,286,166</b>	<b>59,085,230</b>	<b>73.3%</b>	<b>75.0%</b>
Water & Sewer Fund							
Water Department	1,106,695	1,171,744	9,936,193	9,798,258	13,280,340	73.8%	
Sewer Department	183,646	169,306	1,652,813	1,592,372	2,203,750	72.3%	
Billing Division	70,617	68,194	635,550	616,161	847,400	72.7%	
Capital Projects Division	-	-	107,778	107,778	3,035,680	3.6%	
2015 Bond Capital Projects	-	-	137,025	137,025	424,800	32.3%	
2017 Bond Capital Projects	83,693	83,693	1,081,208	1,081,208	2,507,120	43.1%	
2018 Bond Capital Projects	-	-	-	-	247,640	0.0%	
<b>Total Water &amp; Sewer</b>	<b>1,444,651</b>	<b>1,492,936</b>	<b>13,550,566</b>	<b>13,456,620</b>	<b>22,546,730</b>	<b>59.7%</b>	<b>75.0%</b>
Motor Fuel Tax	121,358	121,358	1,144,125	1,144,125	2,135,000	53.6%	
Community Dev. Block Grant Fund	-	-	29,899	29,899	263,500	11.3%	
Asset Seizure Fund	15,252	17,296	137,265	198,460	183,020	108.4%	
Municipal Waste System	256,567	256,355	2,309,100	2,104,597	3,078,800	68.4%	
Sears Centre Operating Fund	295,626	41,147	2,660,633	982,333	3,547,510	27.7%	
Sears Centre Activity Fund	708,733	1,023,880	6,360,600	6,141,963	8,480,800	72.4%	
Stormwater Management	61,254	159,001	551,288	491,712	735,050	66.9%	
Insurance	145,748	187,948	1,311,735	1,806,802	1,748,980	103.3%	
Information Systems	169,349	55,256	1,524,143	1,203,027	2,032,190	59.2%	
Roselle Road TIF	76,273	1,750	686,453	5,704	915,270	0.6%	
Barrington/Higgins TIF	50,478	-	454,305	557,371	605,740	0.0%	
Higgins/Hassell TIF	432	-	3,885	4,026	5,180	77.7%	
<b>TOTAL OPERATING FUNDS</b>	<b>8,257,365</b>	<b>7,058,104</b>	<b>74,715,535</b>	<b>71,412,806</b>	<b>105,363,000</b>	<b>67.8%</b>	<b>75.0%</b>
Sears EDA General Account	-	-	-	2,508,660	-	N/A	
2015A G.O. Debt Service	-	-	814,231	814,231	3,453,520	23.6%	
2015 G.O. Debt Service	-	-	17,375	17,375	124,300	14.0%	
2016 G.O. Debt Service	-	-	168,375	168,375	436,300	38.8%	
2017A & B G.O. Debt Service	-	-	54,875	54,875	180,750	30.4%	
2018 G.O. Debt Service	-	-	-	689,100	2,748,700	0.0%	
<b>TOTAL DEBT SERV. FUNDS</b>	<b>-</b>	<b>-</b>	<b>1,054,856</b>	<b>4,252,616</b>	<b>6,943,570</b>	<b>61.2%</b>	<b>75.0%</b>

**OPERATING REPORT SUMMARY**  
**EXPENDITURES**  
**September 30, 2019**

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>%</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
Central Road Corridor Improvement	6,250	-	56,250	-	75,000	0.0%	
Western Corridor Fund	-	4,583	-	41,247	55,000	75.0%	
Hoffman Blvd Bridge Maintenance	-	-	-	35,460	-	N/A	
Prairie Stone Capital Fund	66,875	1,667	601,875	100,903	802,500	12.6%	
Capital Improvements Fund	191,750	134,917	1,652,833	1,236,928	2,301,000	53.8%	
Capital Vehicle & Equipment Fund	181,051	58,495	1,368,853	468,298	2,172,610	21.6%	
Capital Replacement Fund	25,000	25,000	225,000	225,000	300,000	75.0%	
Road Improvement Fund	561,023	570,030	5,049,203	2,289,636	6,732,270	34.0%	
<b>TOTAL CAP. PROJECT FUNDS</b>	<b>1,031,948</b>	<b>794,692</b>	<b>8,954,014</b>	<b>4,397,471</b>	<b>12,438,380</b>	<b>35.4%</b>	<b>75.0%</b>
Police Pension Fund	521,315	552,888	4,691,835	5,140,753	6,255,780	82.2%	
Fire Pension Fund	475,513	496,026	4,279,620	4,422,518	5,706,160	77.5%	
<b>TOTAL TRUST FUNDS</b>	<b>996,828</b>	<b>1,048,914</b>	<b>8,971,455</b>	<b>9,563,271</b>	<b>11,961,940</b>	<b>79.9%</b>	<b>75.0%</b>
<b>TOTAL ALL FUNDS</b>	<b>10,286,141</b>	<b>8,901,710</b>	<b>93,695,859</b>	<b>89,626,164</b>	<b>136,706,890</b>	<b>65.6%</b>	<b>75.0%</b>





# 2019 SEPTEMBER MONTHLY REPORT

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### **September Synopsis**

- Preparation and set up of EAC for Open Enrollment was nearly completed by the end of September. All open CentralSquare Support issues were resolved and testing and modifications were made to the Benefit Groups and descriptors to make the application as user-friendly as possible.
- The Board approval for our upgrade to Community Development (TRAKIT) was given and we took the first steps towards the implementation planning.
- With the approval of the Smart Metering project, we moved along the paperwork to install the necessary CentralSquare software to do Mass Meter changes and the new reading file required for implementation. We also provided several data files to Siemens for their use in planning the project.
- After the Cognos Analytics 11 training we participated in, we contacted our CentralSquare Project Manager to report that the environment is not robust enough to support the application and that it will need to be corrected before we can do any further testing and development.

### **CentralSquare/GovQA Support Cases**

- The images used in Cognos reports were not displaying in the new Cognos Analytics 11 environment and we worked with support to resolve the issue. We will need to check each report before going live.
- Obtained Employee Timesheet references to contact regarding our planned project to implement this application.
- Reported issues found during Analytics 11 training to our Project Manager for resolution. The issues are not yet resolved.
- The project specifications for the install of the Neptune Version 4 Reading Interface File was sent to CentralSquare to get the project moving. We will need to test the Mass Meter file upload and then create a Neptune reading file from that data.
- Provided CentralSquare with SQL script to update the deadline date to 12/09/2019 for rental inspections in Business Licensing.
- Closed case related to Open Enrollment and the ability for an employee to enter in percentage amounts for 457 Plans.
- Open and closed case to fix a citation where the citation detail was updated with payment information.
- Open and closed cases to add two new ASO employees.

- Open and closed case to have CentralSquare refresh FinancePLUS training databases with 8/31 data.

## Work Orders

- Worked with Human Resources to show how to enter dependents and the benefits they are enrolled in for Open Enrollment and then checked the entry for accuracy and completeness.
- Tested several Analytics 11 reports to determine if the images were working. They weren't and Support had to fix the path in the new environment.
- Created several Cognos Reports to extract data for Siemens to use in analyzing our data for the Smart Meter implementation.
- Passed along the latest guidance from CentralSquare regarding the Federal Withholding changes coming in 2020.
- Assisted Finance Department staff with Citation batches that were created incorrectly.
- Created SQL script to update RRL License Deadline date.
- Ran GP Late Penalties
- Reviewed request to add a Rental Location, Location was incorrectly entered on Rental application and we identified correct address which was already in the system.
- Added locations for Fire Admin
- Added several locations for Front Counter.
- Spent several hours testing the Open Enrollment application including the 457 Plans with the percentage option, notifying CentralSquare of any additional issues.
- Notified CentralSquare of issues related to Leave Request Sort Order.
- Notified CentralSquare of issues not being able to cancel leave requests prior to approval or through Review Request option.
- Research issue with Citation not showing paid in the Citation Detail tab – sent case to CentralSquare and they ran a SQL update.
- Research issue with Citations not appearing in the 2nd Notice Penalty Letters, reminded user of the process to save the supplemental field information.
- Added new citation codes per Development Services.
- Reviewed and identified request for new Building Permit Fee, the fee was already in the system.
- Ran Pet Licensing renewals and updated letters.
- Gave all Public Works purchasing defaults so user could see all requisitions when doing a search.
- Assisted Public Works employee in changing default from Chrome to IE.
- Set up the Stage, Training and Production Environment for open enrollment.
- Worked through issue related to UB Payments being posted twice on 7/3.
- Assisted user with GovQA password reset.

- Assisted user with question on how to reopen a PO and identify the person who approves that change order.
- Gave access to a PW employee to enter in Requisitions.
- Gave access to a Development Service employee to enter in Requisitions.
- Assisted Finance Department in identifying that FD employee was set up correctly for PO/Reqs and that user was not going to right place.
- Corrected several Police Department Tow Citations reports in terms of the images and some wording.
- A Development Services Requisition was entered without the approval table being set up and as a result, could not be turned into a Purchase Order. Worked with Finance Department staff to determine how to correct the issue.

## **Administration**

- Prepared monthly report.
- Processed Payroll for department employees on 9/9 and 9/23/2019.

## *Training*

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- Participated in Analytics (Cognos 11) Training with CentralSquare.

## *Meetings*

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- Biweekly meeting with IS Director on September 30, 2019.
- Attended a meeting with Gladstone and the Finance Department to show how we use FinancePLUS.
- Monthly Staff Meeting.
- Conference call with CentralSquare to finalize the Community Development paperwork needed to approve and implement the project.
- Had several conference calls with CentralSquare to discuss open enrollment and leave request cases.
- Met with Fire Admin to discuss Lock Box permits.
- Attended two GovQA webinars.

## Geographic Information System Review

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### September Synopsis

- *Ongoing Projects:*
  - Parcels Airdrie Estates parcels were found to be inaccurate, likely due to the site not being developed. This particular plat was found to be missing, so the Planning Department's copy was scanned for future reference. The plat dimensions matched those of the County's GIS, so County GIS was used as a guide to re-digitize our parcel layer. PINs were updated where necessary and will be passed on to business analysts.
  - Buildings Amber Meadows subdivision building footprints were digitized and attributed for 53 lots. This subdivision will be re-visited next summer to digitize any newly constructed homes.
- *Various Projects:*
  - Incident Analysis An Incident webmap was drafted for use by non-GIS staff in the event of an emergency. The map allows users to draw a point, line or area and select a buffer distance. Then the map will create downloadable tables listing Village infrastructure within the defined incident buffer. We currently have all underground utilities available to analyze. The map can be configured to include any GIS data (schools, buildings, street lights, etc) within the incident buffer. It's very simple to use (no GIS background necessary) and can quickly provide a picture of potentially affected infrastructure in an emergency situation.
  - Annexation History Began drafting a map to coincide with the Village's 60<sup>th</sup> anniversary year. This **Time Aware** webmap will reveal how the Village has grown since 1959 via annexations. The map can be played in order or a time bar can be operated manually by the user to see specific years. We're now looking into adding pdfs to the annex areas. This will allow users to click on any annexed area and see the actual historic plat. This will be a great way to engage residents using GIS, but will also serve as a template for future maps to incorporate attachments for Village employee use.

### Work Orders

- Webmap Request: create incident analysis map (GIS)
- Map Request: utilities for Street Recon (multiple sites) (DS-TE)
- Map Request: utilities at multiple sites for LTS (DS-TE)
- Map Request: utilities at Higgins for HBK (DS-TE)
- Map Request: utilities for fiber at Plote & Adessa for Fullerton (DS-TE)
- Map Request: utilities for fiber for Fullerton (PW)

- Map Request: utilities along Shoe Factory Rd for HBK (DS-TE)
- Data Request: digitized 53 Amber Meadows homes (GIS)
- Data Request: re-digitize Airdrie Estates (GIS)
- Data Request: LUCA closeout forms (GIS)
- Data Request: utilities at Salem and Jones for Civiltech (DS-TE)
- Data Request: municipal boundary shapefile (NWCDs)

## **Administration**

- Large itinerary print for Station 23
- Village Annexation webmap inquiries
- Airdrie Estates missing plat inquiries with Clerk, scanned Planning Dept. copy
- Closeout LUCA forms and accompanying Amber Meadows site visit
- 60<sup>th</sup> Anniversary and Celtic Fest poster printing

## *Training*

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- Attaching files to Features in ArcGIS for Desktop (9/21)

## *Meetings*

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- GIS-IS Biweekly (9/30)
- GIS Update w/ S. Diatte (9/27)

### **Project Activities**

#### **Project – Panasonic Arbitrator Upgrade**

- I.S. Staff along with ASO staff continues to work towards replacing the physical components of the Arbitrator system. Majority of the physical work is done by Ultra Strobe and I.S. Staff is tasked with the software and system configuration.

#### **Project – Desktop Replacements**

- I.S. Staff continues to work on replacing old desktop computers. The identified computers are past their warranty period and need to be replaced. During the month of September I.S. Staff finished replacing all identified computers thus finishing the project for this year.

#### **Project – Lithonia Lighting System**

- I.S. Staff assisted representatives from Public Works department on reconfiguring and setup of the three Lithonia panes.

#### **Project – NIU Offsite Storage**

- I.S. Staff and NIU successfully completed the final configurations and the storage is now available for use. At the moment the I.S. Staff will be using the NIU storage primarily for offloading backup jobs.

### **Security and Other Updates**

- I.S. Staff continues monitor and update Windows Servers with patches, updates and other security installations.
- I.S. Staff continues to update and monitor anti-virus system to ensure at most reliability and safety.
- I.S. Staff continues to monitor and adjust if necessary all of our backup jobs.
- I.S. Staff updated and reorganized our network documentation in order to reflect new changes.
- I.S. Staff updated and reconfigured WSUS server.

## Meetings

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- I.S. Staff attended CAD meeting in NWCD.
- I.S. Staff attended IT meeting in NWCD.
- I.S. Staff attended Chamber of Commerce Outing.
- I.S. Staff meet to discuss options on fiber connections to SCA and Village Green.

## Training

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- I.S. Staff performed new user orientation for our ten new employees.
- Justin Roach attended three day Veeam training.

## Technical Support, Hardware & Software Activities

- Applied necessary software updates as needed.
- I.S. Staff deployed new spam and phishing campaign to all Village employees. This campaign and training started on September 4<sup>th</sup>.
- 189 help desk requests were opened during the month of September.
- 178 help desk requests were closed during the month of September.
- Self Service Password Resets or Account Unlocks: 13
- Email passwords reset: 7
- SunGard passwords reset: 0
- Voicemail passwords reset: 1
- User accounts unlocked: 3
- Active Directory Password Resets: 8

## Director Summary

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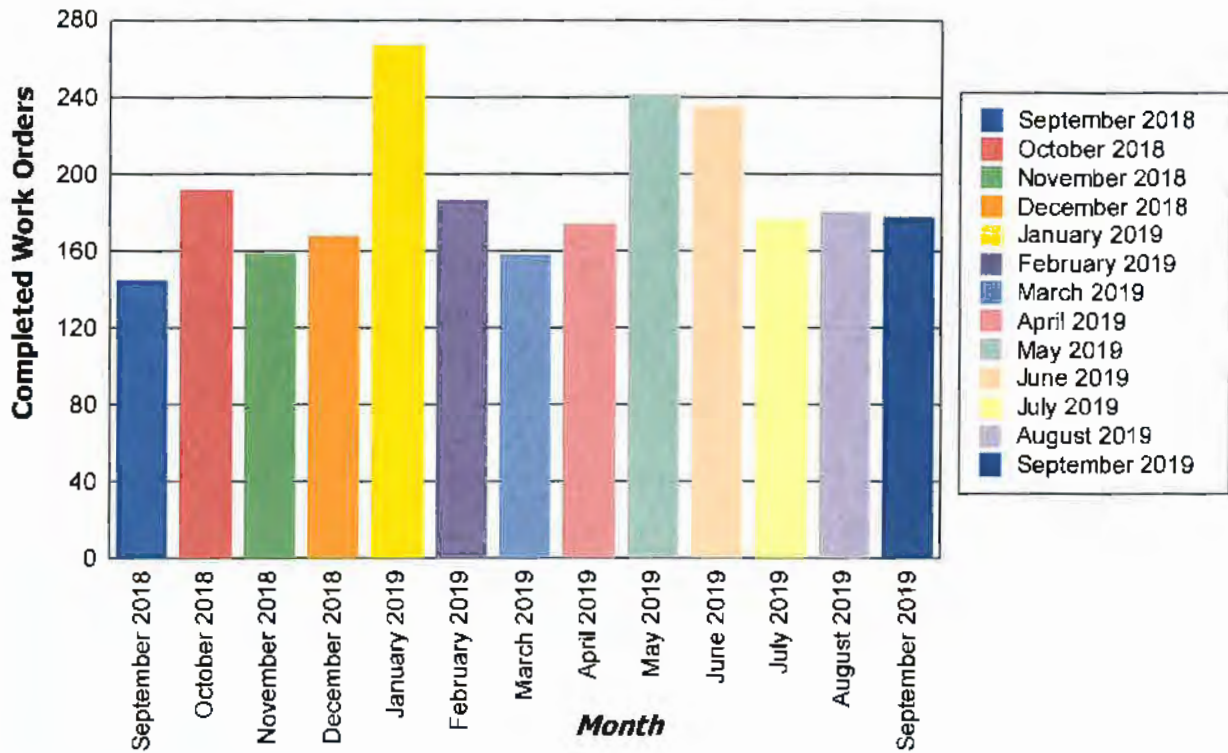
- I.S. Staff deployed new spam and phishing campaign to all Village employees. This campaign and training started on August 1<sup>st</sup>.
- Quarterly ETAC meeting
- Met with NIU technical staff and NIU representatives meet with representatives to discuss the cloud storage project.
- Monthly MS-ISAC/EI-ISAC conference call.



- EMCT meeting.
- Conducted bi-weekly meetings with the leads of each of the I.S. Departments divisions
  - Project progress
  - Division Goals Review
- Monthly meeting with the Manager's office.
- Bi Weekly Management team and Committee agenda meetings.

## Total Work Orders by Priority by Month

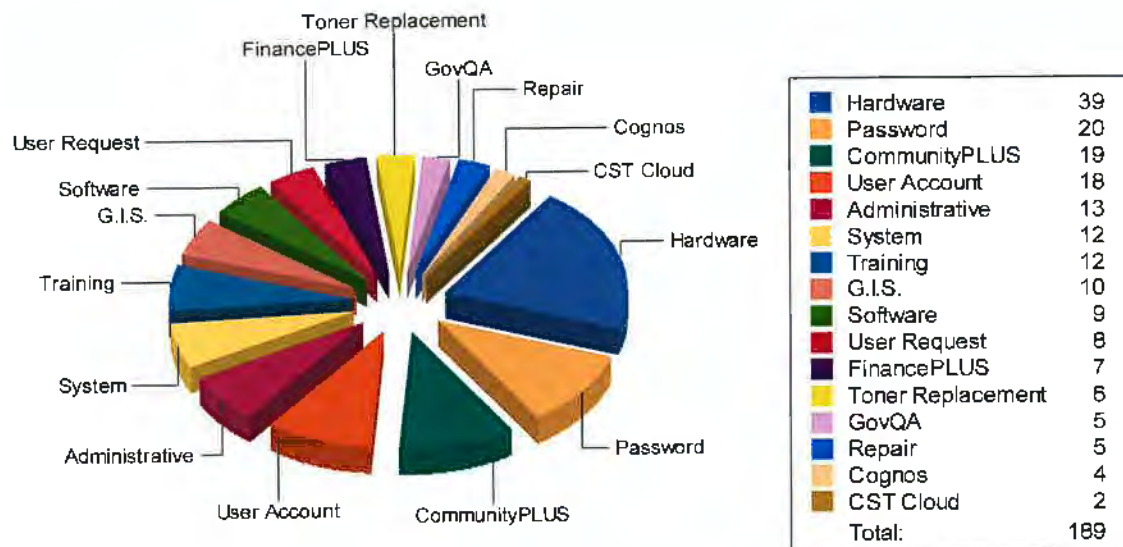
Month	September
1 - Normal	128
2 - High	4
3 - Urgent	5
Project	33
Scheduled Event	12
Vendor intervention required	7
<b>Total for Month</b>	<b>189</b>



## Completed Work Orders by Location

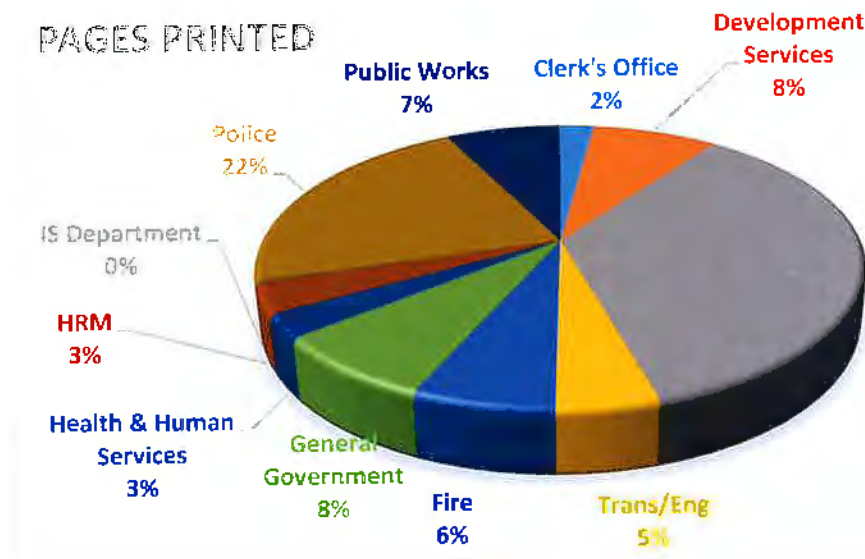


## Work Order Trends by Type

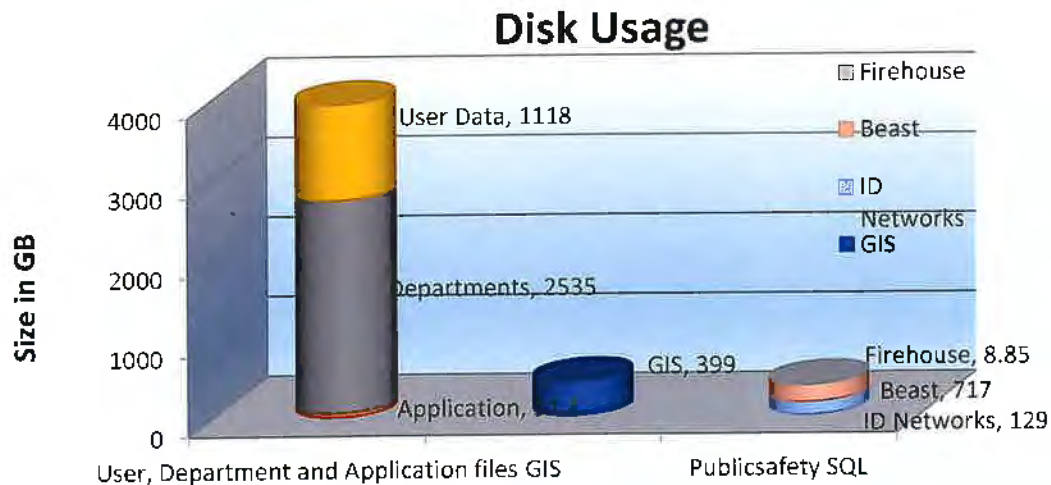


## Printer Usage Report

In the month of September there were 53861 pages printed across the village. The following graph breaks down printer usage by department.



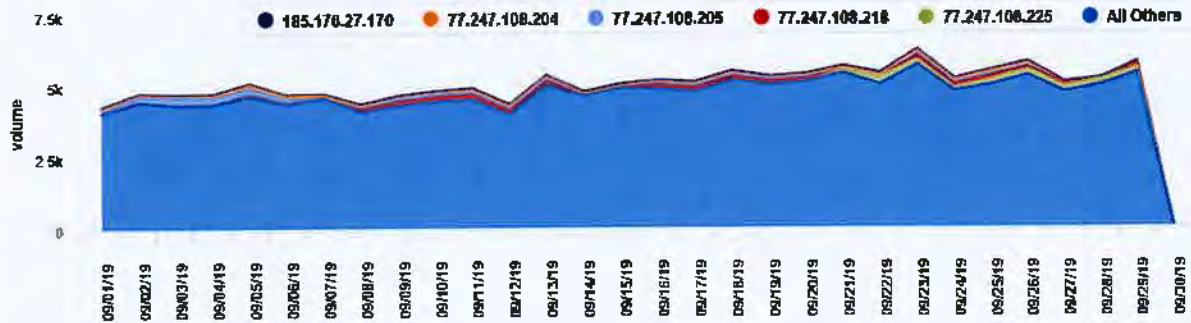
## System and Data Functions



# Sentinel IPS Attack Report

External parties attacked the Village network 147540 times during the month of September

Attack Volume with 5 Most Active IP Addresses



# Phishing Security Test Report

08/25/2019 - 10/02/2019

## Campaign: Monthly Test

Identify from category: Banking and Finance, Social Media, College IT, Government, Online Services, Business, Online Utilities

Groups: All users

### Statistics

1.8%	331	331	4	1	0	1	0
Phish-prone Percentage	Recipients	Deliveries	Clicks	Attachment Opened	Data Entered	Other Failures	Bounces

Phish-prone Percentage is calculated from the total number of phishing test failures divided by the number of emails delivered.

### Clicks by day

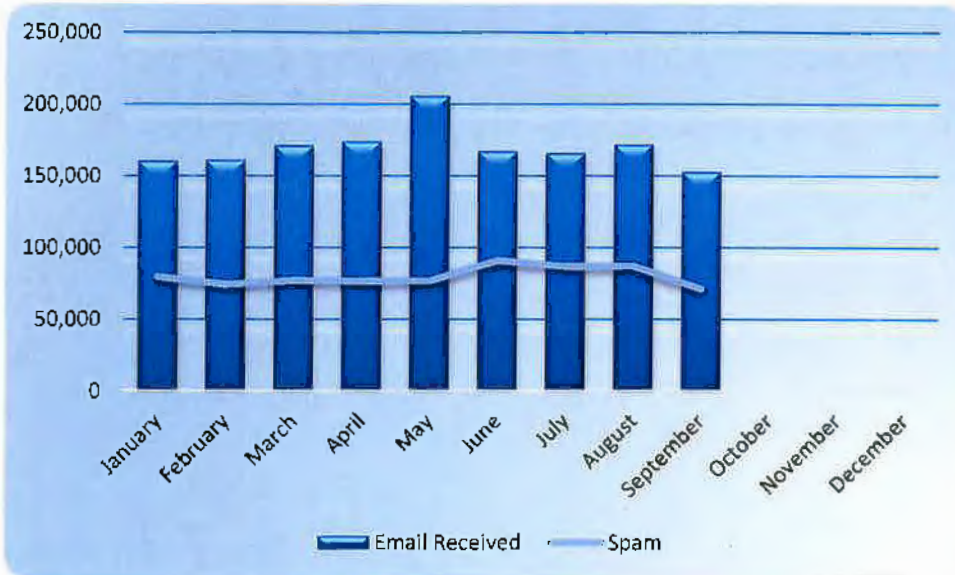


### Phishing Email Sent

Phishing email was sent to 331 recipients. Each recipient received a different email. Go to this Phishing Security Test's [users](#) page to see which user received which email.

## Email Spam Report

Month	Email Received	Spam	Percent Spam
January	160,097	79,625	50%
February	160,829	74,276	46%
March	170,853	76,876	45%
April	173,671	76,461	44%
May	205,359	76,643	37%
June	166,712	90,812	54%
July	165,373	86,770	52%
August	171,595	86,918	51%
September	152,526	71,112	47%
October			0%
November			0%
December			0%
<b>Total</b>	<b>1,527,015</b>	<b>719,493</b>	<b>47%</b>



Fred Besenhoffer, Director of Information Systems

# VILLAGE OF HOFFMAN ESTATES

## Memo

**TO:** Finance Committee  
**FROM:** Mark Koplin, Assistant Village Manager-Development Services  
**RE:** **OWNER'S REPRESENTATIVE MONTHLY REPORT  
OCTOBER 2019**  
**DATE:** October 25, 2019

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1. The Ticketmaster agreement for ticketing services was approved at the October 7, Village Board meeting.
2. The Coca Cola pouring rights beverage agreement was approved at the October 7, Finance Committee.
3. Attended the 2019 Platzkonzert.
4. The Front Row Marketing/Spectra partnerships agreement for arena sponsorships was approved at the October 7, Village Board meeting.
5. A contract for 2019/2020 snow removal services will be presented at the October Finance Committee. Staff is also working with Public Works on recommendations for snow removal equipment for smaller snowfalls to save money.
6. Coordination with Public Works regarding the new western area storage building to be sited on the Sears Centre property.
7. Monitoring the Sears Holdings situation as it relates to the naming rights.
8. Working with SCA and Levy staff on a closeout of the 2019 Beer Garden.
9. Meeting and follow-up with School District U-46 regarding graduations.
10. Discussions with Levy regarding potential I.T. upgrades.
11. Follow-up to the Spring Awakening Music Festival, including parking lot damage.
12. Coordination with Facilities, Public Works Department, and SCA Building Engineer on ongoing maintenance of building systems.



13. Review of monthly financial reports and staffing/operational costs.
14. Conducted weekly meetings with Ben Gibbs to discuss bookings, holds, operational items, and event coordination.
15. Review of 2020 CIP and budget.



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Mark Koplin  
Assistant Village Manager  
Department of Development Services

Attachments

MAK/kr

cc: J. Norris  
Ben Gibbs (Spectra)

**Sears Centre Arena**  
**General Manager Update**  
 Oct 2019

Event Highlights	Notes
Oct 4 - India Show Oct 5 - Celtic Fest Oct 15 - Ascend Event	
Finance Department	
General	Arena finished Sept. financials. Ahead of budget by \$257,897
Monthly Financial Statement	Building Event Revenue YTD: \$1,765,527
	Building Sponsor/Other Revenue YTD: \$200,549
	Building Expenses YTD: \$2,070,292
	Building Income YTD: (\$106,216) vs. YTD Budget (\$364,113)
Operations Department	
General	Event Prep Windy City Bulls season as well as completing off season repairs and maintenance.
Positions to Fill	Ops Coordinator position (will not be filled at this time)
Third Party Providers	N/A
Village Support	Exterior doors for loading dock are purchased and will be installed prior to winter
Events Department	
General	N/A
Positions to Fill	Event Manager
Marketing Department	
General	Marketing Paw Patrol, November beer fest and upcoming Bulls season
Positions to Fill	N/A
Group Sales Department	
General	Group sales will be handled by a third party company.
Box Office Department	
General	Prepping for Ticketmaster transition
Food & Beverage Department	
General	Prepping for upcoming Windy City Bulls season, and transition from Pepsi to Coke
Premium Seating Department	
General	NA
Positions to Fill	NA
Sponsorship Department	
General	Concentrating on unsold categories including insurance, hospitals and liquor
Monthly Financial Statement	Corporate Sales: \$100,538
	Suites Sales: \$71,878
General	
Capital Improvements/Repairs	Generator replacement

# sears Centre Arena

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## Event Announcement

**What:** **KEN KRAFT MIDLANDS WRESTLING CHAMPIONSHIPS**

**When:**

EVENT SPACE				
Date	Start (incl. Load In)	End (incl. Load Out)	Event Space Description	Event Start Time(s)
12/27/19 (FRI)	7:00AM	5:00PM	ARENA	LOAD IN
12/28/19 (SAT)	7:00AM	5:00PM	ARENA	LOAD IN
12/29/19 (SUN)	6:00AM	11:59PM	ARENA	STAFF ARRIVES: 6:00AM DOORS: 8:30AM; 6:00PM EVENT START: 9:30AM; 7:00PM EVENT END: 5:00PM; 11:00PM BUILDING CLEAR: 11:30PM
12/30/19 (MON)	8:00am	11:59PM	ARENA	STAFF ARRIVES: 8:00AM DOORS: 11:00AM; 6:00PM EVENT START: 12:00PM; 7:00PM EVENT END: 4:00PM; 9:30PM BUILDING CLEAR: 10:00PM

**Where:** Sears Centre Arena

**Tickets:**

Ticketed:

ALL-SESSION THRU 11/30: \$103, ADULT - \$93, YOUTH AGE 2-12  
 ALL-SESSION AFTER 11/30: \$123, ADULT - \$113, YOUTH AGE 2-12  
 SESSION 1 & 2 ONLY - \$32, ADULT - \$27, YOUTH AGE 2-12  
 SESSION 3 ONLY - \$35, ADULT - \$32, YOUTH AGE 2-12  
 SESSION 4 ONLY - \$37, ADULT - \$34, YOUTH AGE 2-12  
 DAY 1 PASSES SESSIONS 1 & 2: \$53; DAY 2 PASSES SESSIONS 3 & 4: \$58

**On Sale:**

**Public Onsale: Friday, September 27 @ 12:00pm**

**Marketing:**

Website & Marquee

**Parking:**

TBA

**Levy:**

Concessions

**SCA Event Mgr:**

TBA

**Event Contact:**

**Tim Cysewski**  
 Director of Ken Kraft Midlands  
 Phone: 847-491-4799  
 Email: [wrestling@northwestern.edu](mailto:wrestling@northwestern.edu)

**Notes:**

All-session tickets get one ticket for each session. Day passes get one ticket for each session on specific days.

**Comps:**

Yes

**ACCOUNTING USE ONLY:** \_\_\_ Royalties Calculation \_\_\_ E-time Coding \_\_\_ Event Coding Sheet

# sears **Centre Arena**

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## Event Announcement

**What:** *HOT WHEELS MONSTER TRUCKS LIVE*

**When:**

EVENT SPACE				
Date	Start (incl. Load In)	End (incl. Load Out)	Event Space Description	Event Start Time(s)
2/13/20 (Thursday)	8:00AM	11:59PM	UPPER DOCK LOT	CRUSH CAR PREP
2/15/20 (Saturday)	8:00AM	11:59PM	Arena	Doors: 10:00AM Event Start: 12:30PM Event End: 3:30PM
2/15/20 (Saturday)	8:00AM	11:59PM	Arena	Doors: 5:00PM Event Start: 7:30PM Event End: 9:30PM
2/16/20 (Sunday)	8:00AM	12:30AM (2/17/20)	Arena	Doors: 11:00AM Event Start: 1:30PM Event End: 3:30PM Load out end: 11:59AM

**Where:** Sears Centre Arena

**Tickets:** Ticketed:  
PL1 - \$44      PL2 - \$39      PL3 - \$29      Youth Age 12 & Under - \$10

**Presale:** *Tuesday, October 22, 10:00am-Thursday, October 24, 10:00pm.*  
**Promo Code:** *GOBIG*

**On Sale:** *Friday, October 25, 10:00AM*

**Marketing:** Website & Marquee

**Parking:** \$10

**Levy:** Concessions

**SCA Event Mgr:** TBD

**Event Contact:** **Rupal Gor**  
Hot Wheels Monster Trucks Live  
[rupalgorconsulting@gmail.com](mailto:rupalgorconsulting@gmail.com)  
(913)486-2641  
[www.hotwheelsmonstertruckslive.com](http://www.hotwheelsmonstertruckslive.com)

**Notes:** Discounts TBD. Two shows Saturday, one on Sunday.

**Comps:** No – GM approval only.

**ACCOUNTING USE ONLY:** \_\_\_ Royalties Calculation \_\_\_ E-time Coding \_\_\_ Event Coding Sheet 7.5 Tax%

# sears Centre Arena

POWERED BY SHOP YOUR WAY®

## Event Announcement

**What:** *ELEVATION NIGHTS 2020 TOUR*

**When:**

EVENT SPACE				
Date	Start (incl. Load In)	End (incl. Load Out)	Event Space Description	Event Start Time(s)
SAT MAY 30	8:00AM	3:00AM 5/31/20	Arena	LOAD IN: 8:00AM DOORS: 6:00pm EVENT START: 7:00pm EVENT END: 10:00pm Building Clear: 11:00pm Load Out Complete: 3:00am (5/31/20)

**Where:** Sears Centre Arena

**Tickets:** Ticketed:  
DELUXE1 – \$83.50, DELUXE2 – \$58.50,  
PL3 – \$43.50, PL4 - \$33.50, PL5 - \$26.50

**On Sale:** *Public Presale: October 24 @ 10am – 10pm. Password: ELEVATION*  
*Public Onsale: Friday, October 25 @ 10:00am*

**Marketing:** Website & Marquee

**Parking:** \$20

**Levy:** Concessions

**SCA Event Mgr:** TBD

**Event Contact:** Premier Productions [www.PremierProductions.com](http://www.PremierProductions.com)  
Melody Hennessee - [melody@premierproductions.com](mailto:melody@premierproductions.com) - 336-306-8554  
Marketing Coordinator  
Rachel Parker - [rachelp@premierproductions.com](mailto:rachelp@premierproductions.com) - 256-737-7565  
Ticketing Coordinator

**Notes:** Christian concert/Worship event featuring Steven Furtick. Deluxe tickets include early doors @ 5:00pm and Q&A at 5:30pm

**Comps:** No – GM Approval Only

ACCOUNTING USE ONLY: \_\_\_ Royalties Calculation \_\_\_ E-time Coding \_\_\_ Event Coding Sheet 7.5 Tax%