

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

Village of Hoffman Estates

Special

Finance Committee Meeting Agenda

May 31, 2022

7:00 p.m. - Board Room

Village Hall, 1900 Hassell Road, Hoffman Estates, IL 60169

If online, insert URL.

I. Roll Call

NEW BUSINESS

1. Request approval of an ordinance to amend the 2021 Budget as a result of the completed financial audit and to close out the fiscal year.
2. Request authorization of an amendment to the 2020 contract with Automated Logic Chicago, Lisle, IL for scope design changes for NOW Arena HVAC Building Automation System Replacement in an amount not to exceed \$67,963.

II. Adjournment

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: **Amendment to the 2021 Budget Ordinance**

MEETING DATE: **May 31, 2022**

COMMITTEE: **Finance**

FROM: **Rachel Musiala, Director of Finance**

PURPOSE: Request approval of an ordinance to amend the 2021 Budget as a result of the completed financial audit and to close out the fiscal year.

BACKGROUND: It is probable that certain revenue and expenditure accounts will come in either under or over budget during the course of any fiscal year. What is important, however, is to ensure that expenditures do not exceed the budget at the department/fund level.

Several factors can necessitate a budget adjustment. Certain actions taken by the Village Board to approve contracts or expenditures must be realigned with the budget ordinance that serves as the Village's legal spending authority. Also, new programs and purchases obligating budget resources also require an amendment to the budget ordinance. In addition to the above factors, during the course of the annual audit, it becomes necessary to adjust certain revenue and expenditure accounts for events unforeseen at the time the original budget ordinance was adopted.

A final year-end budget adjustment is necessary to reflect these changes. It should be noted that in all cases where expenditure budgets were increased, adequate revenues or unallocated fund equity were available to absorb the adjustment.

DISCUSSION: Throughout the year, Department Directors and the Finance Department monitored the 2021 operating budget and expenditure status reports. While for the most part, the department budgets are within the budgeted amounts, there are items that need adjustment. The final budget adjustment was held until after the annual audit was completed. All of the budget adjustments needed are detailed on the attached budget adjustment request forms. The ordinance is also attached for review.

RECOMMENDATION: Request approval of an ordinance to amend the 2021 Budget as a result of the completed financial audit and to close out the fiscal year.

ATTACHMENTS

ORDINANCE NO. _____ - 2022

VILLAGE OF HOFFMAN ESTATES

**AN ORDINANCE AUTHORIZING
AMENDMENTS TO THE 2021 BUDGET ORDINANCE**

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

Section 1: That pursuant to authority granted by the statutes of the State of Illinois, there is hereby an amendment to the budget ordinance in an amount not in excess of the aggregate of additional revenues or fund reserves available to the Village. The sums of money hereinafter itemized for each of the respective corporate objects specified hereby increase or decrease the amounts included in the original budget ordinance, Ordinance No. 4813-2020 dated December 7, 2020. The appropriate sums shall be received from sources other than the tax levy. The respective sums of money, together with the resulting adjustments and changes in the budget are set out in Section 2 of this Ordinance.

Section 2:

*Village of Hoffman Estates
2021 Budget Amendment*

		<u>Current Budget</u>	<u>Change</u>	<u>Revised Budget</u>
<u>Revenue Budget Revisions</u>				
<i>General Fund</i>				
01000010-3105	Home Rule Sales Tax	3,000,000	1,312,590	4,312,590
01000013-3301	Sales Tax	7,200,000	1,781,000	8,981,000
01000012-3303	Income Tax	4,975,000	1,467,380	6,442,380
01000013-3404	Engineering Fees	300,000	884,170	1,184,170
01000013-3459	GEMT Income	550,000	380,110	930,110
<i>Asset Seizure Fund</i>				
08000014-3503	Federal Seizure Revenues	-	126,500	126,500
08000014-3510	State Seizure Revenues	-	2,580	2,580

08000016-3701	Reimbursements/Recoveries	-	19,190	19,190
08000016-3702	Sale of Equipment	-	8,100	8,100
Fund 08	Decrease to Fund Balance		15,260	
<i>2015A&C GODS</i>				
17000012-3305	Grants Revenues	-	2,999,370	2,999,370
<i>Western Area Traffic Improvement Fund</i>				
32000016-3701	Reimbursements/Recoveries	-	3,640	3,640
<i>Western Area Impact Fee Fund</i>				
35000013-3433	Road Usage Fees	-	170	170
<i>Capital Vehicles & Equipment</i>				
37000017-3805	Loan Proceeds	-	2,000,000	2,000,000
Fund 37	Decrease to Fund Balance		265,000	
<i>Capital Replacement Fund</i>				
38000015-3901	Transfer from General Fund	-	5,000,000	5,000,000
<i>Water & Sewer Fund</i>				
40400016-3724	Contributions of Assets	-	1,432,730	1,432,730
40400013-3425	Water/Sewer Charges	19,973,950	448,020	20,421,970
40400013-3427	Connection Tap on Fees	20,000	46,800	66,800
<i>Stormwater Management Fund</i>				
42000013-3457	Stormwater Utility Fee	535,000	18,530	553,530
Fund 42	Decrease to Fund Balance		9,080	
<i>NOW Arena Operating Fund</i>				
Fund 41	Decrease to Fund Balance		2,066,670	
43000013-3455	Event Income - NOW Arena	3,319,520	449,370	3,768,890
43000013-3456	Premium/Other Income - NOW Arena	198,470	37,090	235,560
<i>Insurance Fund</i>				
46700013-3438	Liability Insurance Charges	748,520	548,700	1,297,220

Police Pension Fund

50000015-3601	Interest Income	600,000	527,750	1,127,750
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Firefighters' Pension Fund

51000015-3601	Interest Income	850,000	724,160	1,574,160
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Barrington/Higgins TIF Fund

63000010-3101	Property Taxes	603,740	151,800	755,540
Fund 63	Decrease to Fund Balance		237,010	

2019 Capital Project Fund

Fund 64	Decrease to Fund Balance		34,400	
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Lakewood Center TIF Fund

67000010-3101	Property Taxes	-	93,790	93,790
67000017-3802	Note Proceeds	-	7,612,450	7,612,450

Higgins/Hassell TIF Fund

72000010-3101	Property Tax Revenue	300,000	140,780	440,780
72000017-3802	Note Proceeds	-	448,430	448,430
Fund 72	Decrease to Fund Balance		81,400	

TOTAL REVENUES	31,374,020
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Expenditure Budget Revisions

	<u>Current Budget</u>	<u>Change</u>	<u>Revised Budget</u>
<i>General Fund</i>			
01101324-4567	Outside Legal Fees	85,000	573,690
01404123-4409	Salt	340,000	104,330
01404523-4411	Gas & Oil	417,750	48,910
01505224-4542	Other Contractual Services	-	64,820
01556524-4542.35	Other Contractual - Emergency Preparedness	-	33,500
01616427-4838	Transfer to Capital Replacement Fund	-	5,000,000

Asset Seizure Fund

08200822-4307	Federal Uniforms	500	14,790	15,290
08200827-4801	Transfer to General	250,000	156,840	406,840

2015A&C GODS

17000027-4841	Transfer to NOW Operating Fund	-	2,999,370	2,999,370
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Western Area Traffic Improvement Fund

32000024-4507	Professional Services	-	3,640	3,640
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Western Area Impact Fee Fund

35000024-4507	Professional Services	-	170	170
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Capital Vehicle & Improvement Fund

37000025-4603	Motor Vehicles	488,580	154,940	643,520
37000025-4612	Fire Apparatus	217,500	1,810,460	2,027,960
37000026-4702	Principal Expense	-	275,600	275,600
37000026-4703	Interest Expense	-	24,000	24,000

Capital Replacement Fund

Fund 38	Increase to Fund Balance		5,000,000	
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Water & Sewer Fund

40406724-4577	Depreciation Expense	-	1,516,310	1,516,310
40407723-4542	Other Contractual Services	-	411,240	411,240

Stormwater Management Fund

42000025-4613	Drainage Improvements	465,000	27,610	492,610
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NOW Arena Operating Fund

41008024-4577	Depreciation Expense	-	2,066,670	2,066,670
43000024-4607.51	Professional Services Finance	255,110	23,050	278,160
43000024-4507.43	Professional Services Marketing	103,590	29,510	133,100
43000024-4507.46	Professional Services Production	35,700	60,720	96,420
43000024-4507.49	Professional Services Food & Bev	317,650	74,200	391,850

43000024-4507.50	Professional Services Overhead	96,820	298,980	395,800
<i>Insurance Fund</i>				
46000024-4551	Liability Insurance	498,520	101,650	600,170
46000024-4552	Liability Insurance Claims	250,000	447,050	697,050
<i>Police Pension Fund</i>				
50000021-4207	Retirement Pensions	6,024,770	433,280	6,458,050
50000021-4209	Separation Benefits	-	63,250	63,250
50000021-4210	Widows Pensions	454,750	21,470	476,220
50000024-4507	Professional Services	17,000	1,290	18,290
50000024-4542	Other Contractual Services	23,570	4,980	28,550
50000024-4574	Trustee Fees	100,000	3,480	103,480
<i>Firefighters' Pension Fund</i>				
51000021-4207	Retirement Pensions	4,721,660	510,100	5,231,760
51000021-4209	Separation Benefits	-	2,340	2,340
51000021-4210	Widows Pensions	591,610	58,590	650,200
51000024-4507	Professional Services	18,000	1,250	19,250
51000024-4574	Trustee Fees	200,000	151,880	351,880
<i>Barrington/Higgins TIF Fund</i>				
63000022-4507	Professional Services	12,500	376,410	388,910
63000024-4542	Other Contractual Services	-	12,400	12,400
<i>2019 Capital Project Fund</i>				
64000023-4542	Other Contractual Services	-	34,400	34,400
<i>Lakewood Center TIF Fund</i>				
67000024-4507	Professional Services	18,500	93,790	112,290
67000025-4610	Other Capital Expenditures	-	7,612,450	7,612,450
<i>Higgins/Hassell TIF Fund</i>				
72000024-4507	Professional Services	3,500	4,680	8,180

72000025-4610	Other Capital Expenditures	-	448,430	448,430
72000026-4702	Principal Expense	-	217,500	217,500

TOTAL EXPENDITURES	31,374,020
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Section 3: That the Village Clerk is hereby authorized to publish this Ordinance in pamphlet form.

Section 4: That this Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS _____ day of _____, 2022

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	_____	_____	_____	_____
Mayor William D. McLeod	_____	_____	_____	_____

APPROVED THIS _____ DAY OF _____, 2022

Village President

ATTEST:

Village Clerk

Published in pamphlet form this _____ day of _____, 2022.

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **General Fund**

FISCAL YEAR: **2021**

DEPARTMENT: **General Government**

PROGRAM:

Increase in Expenditures:

<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
01101324-4567	Outside Legal Fees	\$ 573,690	\$ 85,000	\$ 658,690
01616427-4838	Trsf to Capital Replacment Fund	\$ 5,000,000	\$ -	\$ 5,000,000

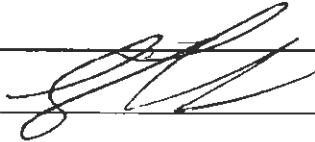
Decrease in Expenditures/Fund Balance or Increase in Revenues:

01000010-3105	Home Rule Sales Tax	\$ 1,312,590	\$ 3,000,000	\$ 4,312,590
01000013-3301	Sales Tax	\$ 1,781,000	\$ 7,200,000	\$ 8,981,000
01000012-3303	Income Tax	\$ 1,467,380	\$ 4,975,000	\$ 6,442,380
01000013-3404	Engineering Fees	\$ 884,170	\$ 300,000	\$ 1,184,170
01000013-3459	GEMT Income	\$ 128,550	\$ 550,000	\$ 678,550

Reasons for Adjustment Request:

Additional use of outside legal services.

Unbudgeted funding for future capital projects.

Approval Requested By: 

Date: 5/23/22

Approved by Department Head: _____

Date: _____

Finance Department Approval: 

Date: 5/24/22

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **General Fund**

FISCAL YEAR: **2021**

DEPARTMENT: **Public Works**

PROGRAM:

Increase in Expenditures:

<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
01404523-4411	Gas & Oil	\$ 48,910	\$ 417,750	\$ 466,660
01404123-4409	Salt	\$ 104,330	\$ 340,000	\$ 444,330

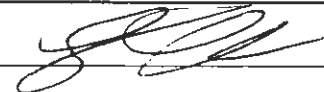
Decrease in Expenditures/Fund Balance or Increase in Revenues:

01000013-3459	GEMT Income	\$ 153,240	\$ 550,000	\$ 703,240

Reasons for Adjustment Request:

Increased cost of gas & oil prices.

Advance purchase of salt to benefit from low costs.

Approval Requested By: 

Date: 5/23/22

Approved by Department Head: _____

Date: _____

Finance Department Approval: Rachel Musial

Date: 5/24/22

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **General Fund**

FISCAL YEAR: **2021**

DEPARTMENT: **Development Services**

PROGRAM:

Increase in Expenditures:


<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
01505224-4542	Other Contractual Services	\$ 64,820	\$ -	\$ 64,820

Decrease in Expenditures/Fund Balance or Increase in Revenues:

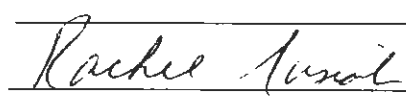
01000013-3459	GEMT Income	\$ 64,820	\$ 550,000	\$ 614,820

Reasons for Adjustment Request:

Additional help of temporary Civil Engineer due to staff shortage.

Approval Requested By:  Date: 5/23/22

Approved by Department Head: _____ Date: _____

Finance Department Approval:  Date: 5/24/22

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **General Fund**

FISCAL YEAR: **2021**

DEPARTMENT: **Health & Human Services**

PROGRAM:

Increase in Expenditures:

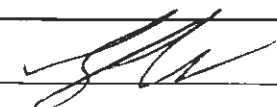
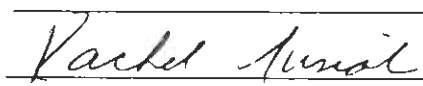
<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
01556524-4542.35	Other Contractual - Emergency	\$ 33,500	\$ -	\$ 33,500

Decrease in Expenditures/Fund Balance or Increase in Revenues:

01000013-3459	GEMT Income	\$ 33,500	\$ 550,000	\$ 583,500

Reasons for Adjustment Request:

Unexpected expenses related to census due to grant opportunity offered by Cook County.

Approval Requested By: <u></u>	Date: <u>5/23/22</u>
Approved by Department Head: _____	Date: _____
Finance Department Approval: <u></u>	Date: <u>5/24/22</u>

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Asset Seizure Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
08200827-4801	Transfer to General Fund	\$ 156,840	\$ 250,000	\$ 406,840
08200822-4307	Federal Uniforms	\$ 14,790	\$ 500	\$ 15,290

Decrease in Expenditures/Fund Balance or Increase in Revenues:

08000014-3503	Federal Seizure Revenues	\$ 126,500	\$ -	\$ 126,500
08000014-3510	State Seizure Revenues	\$ 2,580	\$ -	\$ 2,580
08000016-3701	Reimbursements/Recoveries	\$ 19,190	\$ -	\$ 19,190
08000016-3702	Sale of Equipment	\$ 8,100	\$ -	\$ 8,100
Fund 08	Decrease to Fund Balance	\$ (15,260)		

Reasons for Adjustment Request:

We are not allowed to anticipate asset seizure funding, therefore we do not budget for it.

Approval Requested By: 

Date: 5/23/22

Approved by Department Head: _____

Date: _____

Finance Department Approval: 

Date: 5/24/22

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **2015A&C G.O.D.S.**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

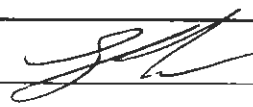

<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
17000027-4841	Transfer to NOW Operating Fund	\$ 2,999,370	\$ -	\$ 2,999,370

Decrease in Expenditures/Fund Balance or Increase in Revenues:

17000012-3305	Grant Revenues	\$ 2,999,370	\$ -	\$ 2,999,370

Reasons for Adjustment Request:

SBA SVO funds used for debt payments; reimburse Arena for their portion previously paid in 2020 during COVID.

Approval Requested By: <u></u>	Date: <u>5/23/22</u>
Approved by Department Head: _____	Date: _____
Finance Department Approval: <u></u>	Date: <u>5/24/22</u>

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Western Area Traffic Improvement Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:


<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
32000024-4507	Professional Services	\$ 3,640	\$ -	\$ 3,640

Decrease in Expenditures/Fund Balance or Increase in Revenues:

32000016-3701	Reimbursements/Recoveries	\$ 3,640	\$ -	\$ 3,640

Reasons for Adjustment Request:

Reimbursement for engineering services of the Quiet Zone Recertification process through Federal Railroad Administration

Approval Requested By: <u></u>	Date: <u>5/23/22</u>
Approved by Department Head: _____	Date: _____
Finance Department Approval: <u>Rachel Arnold</u>	Date: <u>5/24/22</u>

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Western Area Impact Fee Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

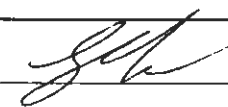
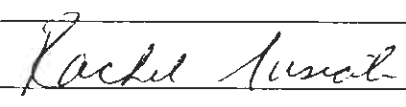
<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
35000024-4507	Professional Services	\$ 170	\$ -	\$ 170

Decrease in Expenditures/Fund Balance or Increase in Revenues:

35000013-3433	Road Usage Fees	\$ 170	\$ -	\$ 170

Reasons for Adjustment Request:

Funding for required publication of impact fee financial statements

Approval Requested By: <u></u>	Date: <u>5/23/22</u>
Approved by Department Head: _____	Date: _____
Finance Department Approval: <u></u>	Date: <u>5/24/22</u>

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Capital Vehicle & Equipment Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

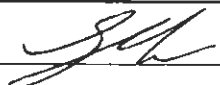
<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
37000025-4603	Motor Vehicles	\$ 154,940	\$ 488,580	\$ 643,520
37000025-4612	Fire Apparatus	\$ 1,810,460	\$ 217,500	\$ 2,027,960
37000026-4702	Principal Expense	\$ 275,600	\$ -	\$ 275,600
37000026-4703	Interest Expense	\$ 24,000	\$ -	\$ 24,000

Decrease in Expenditures/Fund Balance or Increase in Revenues:

37000017-3805	Loan Proceeds	\$ 2,000,000	\$ -	\$ 2,000,000
Fund 37	Decrease to Fund Balance	\$ (265,000)		

Reasons for Adjustment Request:

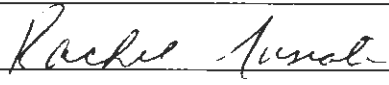
Funding for the purchase of capital including fire ladder truck, fire ambulance, fleet vehicles, and fire rapid response unit.

Approval Requested By: 

Date: 5/23/22

Approved by Department Head: _____

Date: _____

Finance Department Approval: 

Date: 5/24/22

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Capital Replacement Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:


<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
Fund 38	Increase to Fund Balance	\$ 5,000,000	\$ -	\$ 5,000,000

Decrease in Expenditures/Fund Balance or Increase in Revenues:

38000015-3901	Transfer from General Fund	\$ 5,000,000	\$ -	\$ 5,000,000

Reasons for Adjustment Request:

Unbudgeted funding for future capital projects.

Approval Requested By: <u></u>	Date: <u>5/23/22</u>
Approved by Department Head: _____	Date: _____
Finance Department Approval: <u>Rachel Resch</u>	Date: <u>5/24/22</u>

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Water & Sewer Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
40406724-4577	Depreciation Expense	\$ 1,516,310	\$ -	\$ 1,516,310
40407723-4542	Other Contractual Services	\$ 411,240	\$ -	\$ 411,240

Decrease in Expenditures/Fund Balance or Increase in Revenues:

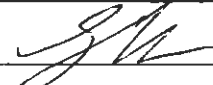
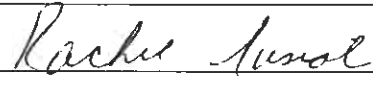
40400016-3724	Contributions of Assets	\$ 1,432,730	\$ -	\$ 1,432,730
40400013-3425	Water/Sewer Charges	\$ 448,020	\$ 19,973,950	\$ 20,421,970
40400013-3427	Connection Tap on Fees	\$ 46,800	\$ 20,000	\$ 66,800

Reasons for Adjustment Request:

Depreciation expense is not initially budgeted for due to the fact it does not affect cash. This amount offsets Fund Reserves (Invested in Capital Assets, net of Debt).

Payments for water meters and contractual services for the water meter replacement program for the Performance Contract.

Funded with bond proceeds.

Approval Requested By: <u></u>	Date: <u>5/23/22</u>
Approved by Department Head: _____	Date: _____
Finance Department Approval: <u></u>	Date: <u>5/24/22</u>

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Stormwater Management Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

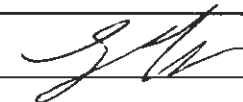
<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
42000025-4613	Drainage Improvements	\$ 27,610	\$ 465,000	\$ 492,610

Decrease in Expenditures/Fund Balance or Increase in Revenues:

42000013-3457	Stormwater Utility Fee	\$ 18,530	\$ 535,000	\$ 553,530
Fund 42	Decrease to Fund Balance	\$ (9,080)		

Reasons for Adjustment Request:

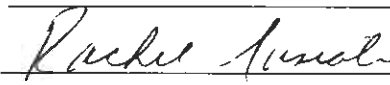
Arizona Blvd storm sewer engineering began in late 2021.

Approval Requested By: 

Date: 5/23/22

Approved by Department Head: _____

Date: _____

Finance Department Approval: 

Date: 5/24/22

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **NOW Arena Operating Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
41008024-4577	Depreciation Expense	\$ 2,066,670	\$ -	\$ 2,066,670
43000024-4607.51	Professional Services Finance	\$ 23,050	\$ 255,110	\$ 278,160
43000024-4507.43	Professional Services Marketin	\$ 29,510	\$ 103,590	\$ 133,100
43000024-4507.46	Professional Services Productio	\$ 60,720	\$ 35,700	\$ 96,420
43000024-4507.49	Professional Services Food & B	\$ 74,200	\$ 317,650	\$ 391,850
43000024-4507.50	Professional Services Overhead	\$ 298,980	\$ 96,820	\$ 395,800

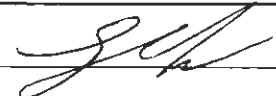
Decrease in Expenditures/Fund Balance or Increase in Revenues:

Fund 41	Decrease to Fund Reserves	\$ (2,066,670)		
43000013-3455	Event Income - NOW Arena	\$ 449,370	\$ 3,319,520	\$ 3,768,890
43000013-3456	Premium/Other Income - NOW	\$ 37,090	\$ 198,470	\$ 235,560

Reasons for Adjustment Request:

Depreciation expense is not initially budgeted for due to the fact it does not affect cash. This amount offsets Fund Reserves (Invested in Capital Assets, net of Debt).

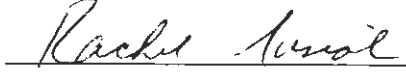
More events happened at the Arena than initially planned, so additional costs incurred; which are offset by event revenues.

Approval Requested By: 

Date: 5/23/22

Approved by Department Head: _____

Date: _____

Finance Department Approval: 

Date: 5/24/22

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Insurance Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

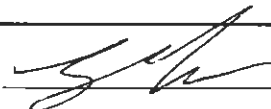
<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
46000024-4551	Liability Insurance	\$ 101,650	\$ 498,520	\$ 600,170
46000024-4552	Liability Insurance Claims	\$ 447,050	\$ 250,000	\$ 697,050

Decrease in Expenditures/Fund Balance or Increase in Revenues:

46700013-3438	Liability Insurance Charges	\$ 548,700	\$ 748,520	\$ 1,297,220

Reasons for Adjustment Request:

Larger liability insurance claims than expected

Approval Requested By: 

Date: 5/23/22

Approved by Department Head: _____

Date: _____

Finance Department Approval: 

Date: 5/24/22

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Police Pension Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

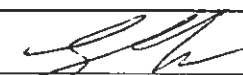
<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
50000021-4207	Retirement Pensions	\$ 433,280	\$ 6,024,770	\$ 6,458,050
5000021-4209	Separation Benefits	\$ 63,250	\$ -	\$ 63,250
50000021-4210	Widows Pensions	\$ 21,470	\$ 454,750	\$ 476,220
50000024-4507	Professional Services	\$ 1,290	\$ 17,000	\$ 18,290
50000024-4542	Other Contractual Services	\$ 4,980	\$ 23,570	\$ 28,550
50000024-4574	Trustee Fees	\$ 3,480	\$ 100,000	\$ 103,480

Decrease in Expenditures/Fund Balance or Increase in Revenues:

50000015-3601	Interest Income	\$ 527,750	\$ 600,000	\$ 1,127,750

Reasons for Adjustment Request:

Additional pensions and contribution refunds/transfers in 2021 that were not known at the time of the budget.

Approval Requested By: 

Date: 5/23/22

Approved by Department Head: _____

Date: _____

Finance Department Approval: Rachel Fusco

Date: 5/24/22

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Fire Pension Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

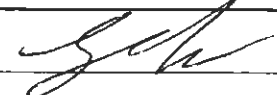
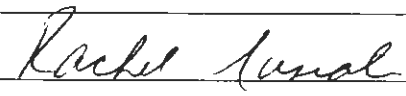
<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
51000021-4207	Retirement Pensions	\$ 510,100	\$ 4,721,660	\$ 5,231,760
51000021-4209	Separation Benefits	\$ 2,340	\$ -	\$ 2,340
51000021-4210	Widows Pensions	\$ 58,590	\$ 591,610	\$ 650,200
51000024-4507	Professional Services	\$ 1,250	\$ 18,000	\$ 19,250
51000024-4574	Trustee Fees	\$ 151,880	\$ 200,000	\$ 351,880

Decrease in Expenditures/Fund Balance or Increase in Revenues:

51000015-3601	Interest Income	\$ 724,160	\$ 850,000	\$ 1,574,160

Reasons for Adjustment Request:

Additional pensions in 2021 that were not known at the time of the budget.

Approval Requested By: <u></u>	Date: <u>5/23/22</u>
Approved by Department Head: _____	Date: _____
Finance Department Approval: <u></u>	Date: <u>5/24/22</u>

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **2019 Capital Project Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
64000023-4542	Other Contractual Services	\$ 34,400	\$ -	\$ 34,400

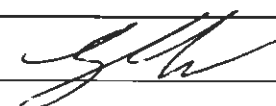
Decrease in Expenditures/Fund Balance or Increase in Revenues:

Fund 64	Decrease to Fund Balance	\$ (34,400)		

Reasons for Adjustment Request:

Payments for street light replacement programs related to Performance Contract.

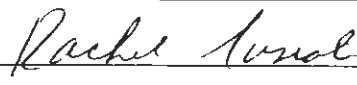
Funded by bond proceeds.

Approval Requested By: 

Date: 5/23/22

Approved by Department Head: _____

Date: _____

Finance Department Approval: 

Date: 5/24/22

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Lakewood Center TIF Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
67000024-4507	Professional Services	\$ 93,790	\$ 18,500	\$ 112,290
67000025-4610	Other Capital Expenditures	\$ 7,612,450	\$ -	\$ 7,612,450

Decrease in Expenditures/Fund Balance or Increase in Revenues:

67000010-3101	Property Taxes	\$ 93,790	\$ -	\$ 93,790
67000017-3802	Note Proceeds	\$ 7,612,450	\$ -	\$ 7,612,450

Reasons for Adjustment Request:

Issuance of TIF note payment.

Reimburse the Village of staff time & costs associated with the TIF.

Approval Requested By: <u></u>	Date: <u>5/23/22</u>
Approved by Department Head: _____	Date: _____
Finance Department Approval: <u></u>	Date: <u>5/24/22</u>

**VILLAGE OF HOFFMAN ESTATES
REQUEST FORM FOR BUDGET ADJUSTMENTS**

FUND: **Higgins/Hassell TIF Fund**

FISCAL YEAR: **2021**

DEPARTMENT:

PROGRAM:

Increase in Expenditures:

<i>Account No.</i>	<i>Account Title</i>	<i>Amount</i>	<i>Current Annual Budget</i>	<i>Annual Budget After Adjustment</i>
72000024-4507	Professional Services	\$ 46,800	\$ 3,500	\$ 50,300
72000025-4610	Other Capital Expenditures	\$ 448,430	\$ -	\$ 448,430
72000026-4702	Principal Expense	\$ 217,500	\$ -	\$ 217,500

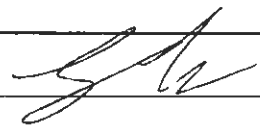
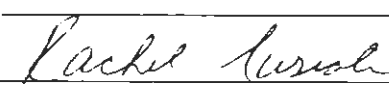
Decrease in Expenditures/Fund Balance or Increase in Revenues:

72000010-3101	Property Tax Revenue	\$ 140,780	\$ 300,000	\$ 440,780
72000017-3802	Note Proceeds	\$ 448,430	\$ -	\$ 448,430
Fund 72	Decrease to Fund Balance	\$ (81,400)		

Reasons for Adjustment Request:

Payment of Village and Developer distributions per TIF agreement.

Increase of TIF note payment.

Approval Requested By: <u></u>	Date: <u>5/23/22</u>
Approved by Department Head: _____	Date: _____
Finance Department Approval: <u></u>	Date: <u>5/24/22</u>

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: Request authorization of an amendment to the 2020 contract with Automated Logic Chicago, Lisle, IL for scope design changes for the NOW Arena HVAC Building Automation System Replacement in an amount not to exceed \$67,963.

MEETING DATE: May 31, 2022

COMMITTEE: Finance Committee

FROM: Paul Petrenko, Superintendent of Facilities and Arena Maintenance
Ben Gibbs, NOW Arena GM
Daniel P. O'Malley, Deputy Village Manager/ Owner's Representative

PURPOSE: Request an amendment to the 2020 contract with Automated Logic Chicago for the Building Automation System Replacement scope design changes for the arena.

BACKGROUND: In February 2020, the Village Board approved the building automation system replacement of the obsolete controls system at the NOW Arena with the BACnet open protocol system currently used throughout the rest of the Village buildings. The replacement controls system scope of work was based on the existing HVAC equipment in the facility. The engineering and design phase of the work had just begun when the Covid-19 pandemic caused a shutdown of the project.

DISCUSSION: Due to the length of time that this project was delayed, the Village is now replacing the arena's HVAC equipment as it is approaching end of useful life. Both projects are starting at the same time; however, there are consequential changes to the original scope of the building controls system contract. This required a significant modification on the original design of controls, conduit, wiring and integration due to the new equipment.

There were several other design changes that require revisions to the original scope of work. The replacement kitchen make-up air unit integration is more comprehensive than that outlined in the original scope; three (3) new stand-alone exhaust fan units were

DISCUSSION (continued):

installed on the arena dome to improve air evacuation and must now be integrated for proper air balance; and a Variable Air Volume (VAV) damper unit was discovered that was not on the original as-built drawings and must be replaced and programmed.

FINANCIAL IMPACT:

The Village, with the assistance of Automated Logic Chicago, applied for and received an incentive from the ComEd Energy Efficiency Program in the amount of \$29,400 to originally help fund this project. This incentive has now increased to \$35,280 (from \$0.10/sf to \$0.12/sf).

The original project was funded from the General Fund. After the COVID pandemic shut down the project, the Village applied for and received grant funding from the Shuttered Venue Operators Grant (SVOG) program. These grant funds are available and eligible to fund this change order.

RECOMMENDATION:

Request authorization of an amendment to the 2020 contract with Automated Logic Chicago, Lisle, IL for scope design changes for NOW Arena HVAC Building Automation System Replacement in an amount not to exceed \$67,963.

BUILDING AUTOMATION SYSTEM PROPOSAL

Village of Hoffman Estates – NOW Arena Retrofit – CO1



Prepared For: Village of Hoffman Estates

Attn: Paul Petrenko

Project Info: NOW Arena Retrofit

Date: 5/5/2022

Prepared By: Jeff Schuurman | *Account Executive*

M: 630-280-5351

jeffrey.schuurman@carrier.com

Terms: This proposal is subject to the attached TERMS AND CONDITIONS OF SALE AUTOMATED LOGIC CONTRACTING SERVICES, INC. dated January 2021

Project Description:

Automated Logic is pleased to provide this proposal for revisions to (BAS) controls scope for Village of Hoffman Estates – NOW Arena BAS retrofit – CO1 per the scope listed below. Automated Logic will provide all necessary hardware, software, project management, engineering, programming, graphics, installation, point-to-point, startup/checkout, training, and warranty for a complete, turnkey system.

Project Cost

NOW Arena – Change Order Proposal **\$ 67,963**

Scope of Work

NOW Arena – Scope Design Changes with New BACnet RTUs **\$49,879**

(6) Roof Level RTU Sub Panels [Located in RTU 1, 2, 3, 4, 5 & 6]:

- Integrate to NEW Engineered Air Roof Top Units via BACnet.
 - BACnet – MSTP integration
 - BACnet cards to be furnished and installed by others.
 - RTU sequence of operations to be accomplished by unit factory controls. ALC to write to factory BACnet card for selection of various operation modes
- Relocate OAT sensor.
- Demo existing controls and disconnect piping for demolition.
- Disconnect control piping from each RTU. Disconnect control wiring from source prior to existing unit removal.
- Reconnect control piping and add new rigid piping as needed to each RTU control panel where BACnet card is located.

(6) Packaged Carrier RTUs:

- Integrate to NEW Carrier Roof Top Units via BACnet.
 - BACnet – MSTP integration
 - BACnet cards to be furnished and installed by others.
 - RTU sequence of operations to be accomplished by unit factory controls. ALC to write to factory BACnet card for general points (i.e. Occupancy mode, set points, etc.)
- Demo existing controls and disconnect piping for demolition.
- Disconnect control piping from each RTU. Disconnect control wiring from source prior to existing unit removal.
- Add new rigid piping as needed to each RTU control panel where BACnet card is located.

- Pull new communication wiring to each RTU for BACnet integration from engineering office panel.
- For each RTU, install the following loose shipped parts (provided by mechanical contractor):
 - Return air temperature
 - Outside air humidity
 - Discharge air temperature

(1) Kitchen Make-Up Air Unit:

- Integrate to NEW Make-Up Air Unit via BACnet.
 - BACnet – MSTP integration
 - BACnet cards to be furnished and installed by others.
 - Sequences of operations by others. ALC to program sequence provided by others.
- Demo existing controls on existing MAU prior to unit demolition.
- Pull new communication wiring from MAU panel for BACnet integration.
- For the MAU, install the following loose shipped parts (provided by mechanical contractor):
 - Space temperature sensor
 - **Note:** Assuming existing location and wiring to be reused and is in working condition
 - Discharge air temperature sensor

Revised Control Design and Control Drawing

- Engineering labor associated with updated control design and control drawings for changes listed above
- Adds (32) hours of engineering time

Labor / Material Rate Increases:

- 3% year over year labor increase (Labor rate delta only) - **\$11,882**
 - Original project labor budgeted and booked in 2019. Added costs for increase in labor rates to 2022
 - Project Management
 - Field Technician
 - Electrical Labor
 - *Engineering rate increases NOT included due to engineering being completed in 2020.*
- Material cost increase (Material cost delta only) – **\$3,581**
 - Original project material budgeted and booked in 2019. Added costs for increase in material costs in 2021

Material Credit:

- Material no longer needed due to design changes listed above – **\$(7,640) Credit**

NOW Arena – Additional Equipment / Software Adds

(3) Stand-Alone Exhaust Fans..... **\$4,144**

- Add Exhaust Fans to Cat Walk Panel.
- The following points will be added to the system:
 - Start / Stop
 - Status
 - VFD Speed
 - Pressure Sensor

Additional VAV Box..... **\$1,822**

- Furnish and install new Automated Logic controller to replace existing controller.
- Replace existing space temperature sensors w/ ZS-Pro sensor
- Add new discharge air temperature sensor

WebCTRL Advanced Security Option Package..... **\$ 4,295**

- Install WebCTRL Advanced Security software
- Security add-on can be applied to existing Village WebCTRL 7.0 license.
- Benefits of Advanced Security Add-on:
 - Allows for location dependent operator access.
 - Can require operator(s) to provide explanation for specified changes made to the system.
 - Can also prompt operator(s) verification prior to accepting system changes.
 - Additional sites can be added at later dates.
- The following sites are included:
 - NOW Arena

Front End Software, Workstation, & Network:

- Provide web-based Automated Logic WebCTRL Graphical User Interface (GUI) software. Provide all programming, database configuration, and graphics for the GUI. Verify proper operation of system inputs and output. Integrate to Village enterprise server.

Project Cost

NOW Arena – Change Order Proposal **\$ 67,963**



Scope Clarifications & Exclusions

Clarifications:

- **Controller lead times are currently 12-16 weeks from the date of order. Please consider this if this project moves forward.**
- This proposal is valid for 60 days from the above date.
- Interface*: Provide an integration to the factory provided controls. It is the unit manufacturer's responsibility to ensure the controls are operating per the sequence of operation prior to the start of the integration. The manufacturer must make available all points required for proper BAS control and monitoring via the single point integration interface.
- Any control valves, dampers, thermowells, flow meters, air flow monitors, and pressure taps listed above will be provided to the mechanical contractor for installation.
- Provide all necessary low voltage control wiring per local installation code with Union Electricians.
- Provide a (1) year warranty for the ALC furnished material and BAS.
- This proposal is based on labor during normal business hours.
- This proposal is based on the attached contract terms.
- Construction Prevailing Wage Notice – Automated Logic does not employ laborers or mechanics subject to the prevailing wage requirements of the Davis-Bacon Act and similar state statutes. Automated Logic's job functions include design, programming, engineering, and verification of computerized automation systems, control modules and end devices, and performance of software modification. Any work to install equipment is performed by other companies in the construction and installation business. If applicable, Automated Logic will flow all construction prevailing wage requirements down to its subcontractors performing covered labor.

Exclusions:

- Liability for existing controls and equipment to remain.
- Anything outside the above scope of work.
- Manufacturer-Provided Controls for Packaged Units described above.
- Field control/power wiring for Manufacturer-provided controls unless noted above (Boilers, Chillers, VFDs, etc.)
- Furnish and installation of communication cards for third party equipment and/or devices
- Startup and commissioning of third-party controls and/or equipment
- Third party commissioning assistance unless mentioned above
- Variable Frequency Drives (VFD) or Variable Speed Drives (VSD) and installation of them unless otherwise noted
- Power Wiring (120v)
- Fire dampers, smoke dampers, combination fire/smoke dampers, or any associated actuators/interlock wiring.
- Cutting, patching, painting, demolition work, roofing work, hoisting charges, or access doors
- Fiscal responsibility for consequential & liquidated damages.
- Permits, fees, or performance and/or payment bonds.
- Testing & Balancing.
- Premium time.

BUILDING AUTOMATION SYSTEM PROPOSAL



Thank you for your consideration of Automated Logic for this project. We look forward to working with you and your team on this unique opportunity. Please feel free to contact me anytime with questions or for any clarifications or scope modifications.

Sincerely,

Jeff Schuurman

Jeff Schuurman

Account Executive

Automated Logic Contracting Services

Mobile: 630-280-5351

jeffrey.schuurman@carrier.com

www.automatedlogic.com

PROCEED AS INDICATED:

AUTOMATED LOGIC

CUSTOMER:

Name

Customer Name

Signature Date

Signature Date

Title

Title

BUILDING AUTOMATION SYSTEM PROPOSAL



TERMS AND CONDITIONS OF SALE | AUTOMATED LOGIC CONTRACTING SERVICES, INC.

JANUARY 2021

1. PAYMENT AND TAXES – Payment shall be made net 30 days from date of invoice. Automated Logic reserves the right to require cash payment or other alternative method of payment prior to shipment or completion of work if Automated Logic determines, in its sole discretion, that Customer or Customer's assignee's financial condition at any time does not justify continuance of the net 30 days payment term. In addition to the price, the Customer shall pay Automated Logic any taxes or government charges arising from this Agreement. If Customer claims any such taxes do not apply to transactions covered by this Agreement, Customer shall provide Automated Logic with acceptable tax exemption certificates. Payment for service agreements shall be due and payable in advance of services being rendered.

2. SCOPE OF WORK/EXCLUSIONS – Repair to building construction, plastering, patching and painting are excluded. Customer agrees to provide Automated Logic with required field utilities (electricity, toilets, drinking water, receiving dock, project hoist, elevator service, etc.) without charge. Automated Logic agrees to keep the job site clean of debris arising out of its own operations. Customer shall not back charge Automated Logic for any costs or expenses without Automated Logic's written consent. Unless specifically noted in the statement of the scope of work or services undertaken by Automated Logic under this Agreement, Automated Logic's obligations under this agreement expressly exclude any work or service of any nature associated or connected with the identification, abatement, clean up, control, removal, or disposal of environment hazards or dangerous substances, to include but not be limited to asbestos or PCBs, discovered in or on the premises. Any language or provision of the Agreement elsewhere contained which may authorize or empower the Customer to change, modify, or alter the scope of work or services to be performed by Automated Logic shall not operate to compel Automated Logic to perform any work relating to Hazards without Automated Logic's express written consent. Services performed at customer's direction outside of the scope of this Agreement will be billed at our scheduled rates.

3. EXTRAS – Work and material in addition to or different from that stated herein, and changes in drawings, specifications or time of performance, shall be considered as extras, and shall entitle Automated Logic to an adjustment in the contract price and the delivery schedule.

4. EMERGENCY SERVICE WORK – If emergency service is performed at Customer's request and inspection does not reveal any defects for which Automated Logic is liable under this Agreement, Customer shall pay for such work at Automated Logic's prevailing time and material rate.

5. SHIPMENT/PARTIAL SHIPMENT/RETURNS – All product shipments shall be F.C.A. shipping point (Incoterms 2010), freight prepaid and allowed to the job site. Shipment dates quoted are approximate. Automated Logic does not guarantee a particular date for shipment or delivery. Automated Logic shall have the right to ship any portion of equipment, goods or other materials included in this Agreement and invoice Customer for such partial shipment. No goods will be accepted for return without prior written authorization. Returned goods may be subject to a restocking charge. Special order and non-stock items cannot be returned.

6. DELAYS – Automated Logic shall not be liable for any delay in the performance of the work resulting from or attributed to acts or circumstances beyond Automated Logic's control, including, but not limited to, acts of God or of the public, acts of government, acts of terrorism, fire, floods, epidemics, freight embargoes, unusually severe weather, riots, strikes or labor disputes, conditions of the premises, acts or omissions of the Customer, Owner or other contractors, or delays caused by suppliers or subcontractors ("Force Majeure Event(s)"). In the event Automated Logic is delayed in manufacturing, shipping, delivery or any other performance under this Agreement by a Force Majeure Event and without the fault or negligence of Automated Logic, Automated Logic agrees to notify Customer in writing as soon as practicable of the causes of such delay, and Automated Logic shall further be entitled to an extension of the time equivalent to the duration of any such delay and a reasonable time in which to recover from said delay to resume performance. In the event any materials or equipment to be provided by Automated Logic under this Agreement becomes permanently unavailable as a result of a Force Majeure Event, Automated Logic shall be excused from furnishing said materials or equipment.

7. WARRANTY – Automated Logic warrants to Customer that the Work performed by Automated Logic hereunder will comply in all material respects with the attached Scope of Work or Statement of Services and will be free from material defects in workmanship. Automated Logic warrants that all equipment manufactured by Automated Logic Corporation and all Automated Logic equipment, parts or components supplied hereunder will be free from defects in material and workmanship. Automated Logic shall at its option repair or replace, F.C.A. point of sale (Incoterms 2010), any equipment, part or component sold by Automated Logic and determined to be defective within one (1) year from the date Customer has beneficial use. Automated Logic does not warrant products not manufactured by Automated Logic, but it does pass on to Customer any available manufacturer's warranty for such products. Automated Logic warrants that all services provided by Automated Logic hereunder shall be performed in a workmanlike manner. In the event any such service is determined to be defective within ninety (90) days of completion of that service, Automated Logic shall at its option re-perform or issue a credit for such service. Automated Logic's obligations as set forth herein shall be Customer's exclusive remedy. Automated Logic shall not be responsible for labor charges for removal or reinstallation of defective equipment, parts or components, for charges for transportation, handling and shipping, or for repairs or replacement of such equipment, parts or components required as a consequence of faulty installation when not installed by Automated Logic, misapplication, vandalism, abuse, exposure to chemicals, improper servicing, unauthorized alteration or improper operation by persons other than Automated Logic. **THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

Customer's use of any software provided under this Agreement is licensed (if applicable) and governed by the applicable end user license agreement.

8. WORKING HOURS – All services performed under this Agreement, including major repairs, are to be provided during Automated Logic's normal working hours unless otherwise agreed in writing.

9. CHANGE ORDERS/ADDITIONAL WORK – Automated Logic will not perform additional work until such time as Automated Logic receives a change order, duly executed by each party, setting forth the scope and an agreed upon price for the additional work, as well as any appropriate adjustments to the delivery schedule. Additional work and/or materials supplied under any change order shall be subject to the terms of this Agreement.

10. CUSTOMER RESPONSIBILITIES – Customer shall: provide safe and reasonable access to the job site and equipment being serviced; provide a safe work environment; keep areas adjacent to equipment free of extraneous material; move any stock, fixtures, walls, partitions, ceilings, enclosures or such other property as may be necessary to perform the specified work; promptly notify Automated Logic of any unusual operating conditions; operate any equipment supplied hereunder properly and in accordance with instructions; and identify and label any asbestos containing material that may be present. The Customer will provide, in writing, prior to the start of a job, a signed statement regarding the absence or presence of asbestos for any job where the building or the equipment to be serviced is older than 1981. Should this document state that no asbestos is present, the Customer will also provide in writing the method used to determine the absence of asbestos. If online service via modem is being provided, the Customer shall provide and maintain, at Customer's cost, a voice grade dial-up telephone line or internet connection installed in a mutually agreed upon location.

11. LIMITATION OF LIABILITY – Under no circumstances shall Automated Logic be liable for any direct, incidental, special or consequential damages, including loss of revenue, loss of use of equipment or facilities, loss of data, or economic damages howsoever arising. Automated Logic shall be liable for damage to property, other than equipment provided under this Agreement, and to persons, to the extent that Automated Logic's negligent acts or omissions directly contributed to such injury or property damage. To the extent permitted by law, Automated Logic's aggregate liability for any reason, whether in contract, tort (including negligence) or otherwise, will be limited to the value of the payments received by Automated Logic under this Agreement. The aggregate liability shall not limit the liability of Automated Logic for any injury to, or death of a person, caused by its gross negligence.

12. CUSTOMER TERMINATION FOR DEFAULT – Customer shall have the right to terminate this Agreement for Automated Logic's default provided Automated Logic fails to cure such default within thirty (30) days after having been given prior written notice of the default. Upon early termination or expiration of this Agreement, Automated Logic shall have free access to enter Customer locations to disconnect and remove any and all Automated Logic-owned parts, tools and personal property. Additionally, Customer agrees to pay Automated Logic for all incurred but unamortized service costs performed by Automated Logic including overhead and a reasonable profit.

13. AUTOMATED LOGIC TERMINATION – Automated Logic reserves the right to discontinue its service or performance under this Agreement any time payments have not been made as agreed or if alterations,

additions or repairs are made to equipment during the term of this Agreement by others without prior agreement between Customer and Automated Logic. Should Customer fail to make payment in accordance with the terms of this Agreement and such failure continues without cure for a period of five (5) days following Customer's receipt of written notice of such payment default, Automated Logic may terminate this Agreement without liability.

14. CLAIMS / ALC EMPLOYEES – Any lawsuits arising from the performance or nonperformance of this Agreement, whether based upon contract, negligence, strict liability or otherwise, shall be brought within one (1) year from the date the claim arose. The Customer acknowledges that Automated Logic's employees are valuable assets to Automated Logic. During the Term of this Agreement or one hundred eighty (180) days from the effective date, whichever is greater, if Customer hires an Automated Logic employee who worked at the Customer's facility at any time, the Customer agrees to 1) pay Automated Logic an amount equal to twelve (12) months' salary for such employee, and 2) reimburse Automated Logic for all costs associated with any training Automated Logic provided to such employee.

15. GOVERNMENT PROCUREMENTS –

(a) COMMERCIAL ITEMS – The components, equipment and services provided by Automated Logic under this Agreement are "commercial items" as defined in Section 2.101 of the Federal Acquisition Regulations ("FAR"), and the prices of such components, equipment and services are based on Automated Logic's commercial pricing policies and practices (which do not consider any special requirements of U.S. Government cost principles, FAR Part 31, or any similar procurement regulations). As such, Automated Logic will not agree to provide or certify cost or pricing data, nor will Automated Logic agree to comply with the Cost Accounting Standards (CAS). In addition, no government procurement regulations, such as FARs or DFARs, shall apply to this Agreement except those regulations expressly accepted in writing by Automated Logic.

(b) WHERE AUTOMATED LOGIC IS SUBCONTRACTOR – Where Automated Logic is subcontractor, Automated Logic is agreeing to perform a private subcontract for the sale of a commercial item on a fixed-price basis to Customer (a private entity) and as such there shall be no Federal Acquisition Regulations (FARs), DFARS, CFRs, or any other government procurement regulations of any kind which apply to this Agreement, except those regulations expressly accepted in writing by Automated Logic. In addition, Automated Logic will not agree to provide or certify cost or pricing data nor will Automated Logic agree to comply with the Cost Accounting Standards (CAS). Automated Logic refers to FAR 52.244-6, "Subcontracts for Commercial Items and Commercial Components."

16. HAZARDOUS MATERIALS – If Automated Logic encounters any asbestos or other hazardous material while performing this Agreement, Automated Logic may suspend its work and remove its employees from the project, until such material and any hazards associated with it are abated. The time for Automated Logic's performance shall be extended accordingly, and Automated Logic shall be compensated for the delay.

17. OCCUPATIONAL SAFETY AND HEALTH – Automated Logic and Customer agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of, the Occupational Safety and Health Act ("OSHA") relating in any way to the performance of work under this Agreement, the project or the job site.

18. ENTIRE AGREEMENT, ASSIGNMENT and MODIFICATION – This Agreement contains the complete and exclusive statement of the agreement between Automated Logic and Customer and supersedes all previous or contemporaneous, oral or written, statements. Customer may assign this Agreement only with Automated Logic's prior written consent. No change, modification, amendment or waiver of any of the terms or conditions of this Agreement shall be binding upon the parties unless made in writing and duly executed by both parties hereto.

19. CUSTOMER CONSENT – Customer consents and agrees that Automated Logic may, from time to time, publicize Automated Logic related projects with Customer, including the value of such projects, in all forms and media for advertising, trade, and any other lawful purposes.

20. FOR WORK BEING PERFORMED IN CALIFORNIA – Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

21. INTELLECTUAL PROPERTY – Notwithstanding anything to the contrary stated herein, Automated Logic retains ownership of its intellectual property and no license to Automated Logic's intellectual property is granted except as necessary for Customer to use any deliverables and/or services provided hereunder.

22. ANTI-DISCRIMINATION POLICY – The ALC Fostering a Respectful and Safe Work Environment policy is incorporated into these terms via this link: [ALC Anti-Discrimination Policy - Our Commitment](#)

23. DATA PRIVACY – Each party will comply with applicable data privacy laws governing personal information collected and processed under this Agreement.

24. REMOTE MONITORING

(a) DATA RIGHTS – Customer hereby grants and agrees to grant to Automated Logic a worldwide, non-exclusive, non-terminable, irrevocable, perpetual, paid-up, royalty free license to any Source Data, with the right to sub-license to its affiliates and suppliers for (i) Automated Logic's performance of services pursuant to this Agreement, (ii) the improvement of Automated Logic services, and Automated Logic's Analytics Platform; (iii) improving product performance, operation, reliability, and maintainability; (iv) to create, compile, and/or use datasets and/or statistics for the purposes of benchmarking, development of best practices, product improvement; (v) the provision of services to third parties, (vi) research, statistical, and marketing purposes, and/or (vii) in support of Automated Logic agreements.

Source Data – shall mean data that is produced directly from a system, or device and received at a collection point or a central server (e.g. a Automated Logic's database, data lake, or third party cloud service).

Analytics Platform – shall mean server algorithms or web interface systems used to (i) interpret, convert, manipulate, or calculate data, (ii) perform data processing, and/or (iii) the delivery of data to Automated Logic, affiliates or suppliers of Automated Logic, and/or Customer.

(b) RETURN OF DATA – Customer understands and acknowledges that Automated Logic will collect Source Data that will be stored on and/or transmitted to Automated Logic's servers and to suppliers or affiliates that are contracted by Automated Logic and used to transmit, process, extract or store such Source Data for purposes of Automated Logic's performance of the service in accordance with this Agreement. Once such data and information has been stored and/or transmitted to Automated Logic's servers, Customer agrees that such data and information shall become part of Automated Logic's database and therefore subject to the license terms under section 23(a).

(c) DATA DELIVERY – During the term of the Agreement Customer shall (i) make reasonable efforts to ensure that the hardware remains powered on, (ii) avoid intentional action to impede, block or throttle collection and transmission of Source Data by Automated Logic, and (iii) avoid intentional action to disable, turn off, or remove the data collection hardware or software without Automated Logic's express written consent, which consent shall not be unreasonably withheld.

(d) DATA SAFEGUARDS – ALC processes personal data as described in our privacy notice at Carrier.com. The parties will comply with applicable data privacy laws governing personal data processed in connection with this Agreement, including the California Consumer Privacy Act (CCPA) and the European General Data Protection Regulation (GDPR), and take all reasonable commercial and legal steps to protect personal data. If ALC provides Carrier with personal data, Dealer will ensure that it has the legal right to do so, including notifying the individuals whose personal data it provides to ALC. If a party collects or processes personal data from California residents under this Agreement, such party is a "Service Provider" under the CCPA, and will not sell or exchange such personal data for anything of value.

(e) DATA PRIVACY – Each party will comply with applicable data privacy laws governing personal information collected and processed under this Agreement. ALC processes personal data as described in our privacy notices at <https://www.automatedlogic.com/>.