

AGENDA
FINANCE COMMITTEE
Village of Hoffman Estates
December 13, 2010

Immediately following Transportation & Road Improvements

Members: Karen Mills, Chairperson
Jacquelyn Green, Vice Chairperson
Anna Newell, Trustee
Ray Kincaid, Trustee
Gary Pilafas, Trustee
Gary Stanton, Trustee
William McLeod, Mayor

I. Roll Call

II. Approval of Minutes – November 22, 2010

NEW BUSINESS

1. Discussion regarding the recommendation for property and casualty and worker's compensation excess insurance brokerage services and 2011 excess insurance coverage.
2. Request authorization to declare \$5,102,408.47 as surplus funds within the EDA Special Tax Allocation Fund, and direct the Treasurer to remit said funds to the appropriate taxing districts.
3. Request authorization to award a contract for installation of a new phone system and a five year maintenance program at the Sears Centre Arena to CCC Technologies of Elk Grove Village, Illinois in an amount not to exceed \$40,518.00.
4. Request authorization to establish Police hire back rates for the period January 1 through December 31, 2011 and Fire hire back rates for the period January 1 through June 30, 2011 due to a scheduled CBA increase taking place on July 1, 2011.
5. Request acceptance of Information Systems Department Monthly Report for the months of October and November.
6. Request acceptance of Sears Centre Monthly Report.

III. President's Report

IV. Other

V. Items in Review

VI. Adjournment

**FINANCE
COMMITTEE MEETING MINUTES**

November 22, 2010

I. Roll Call

Members in Attendance:

**Karen Mills, Chairperson
Jacquelyn Green, Vice Chairperson
Trustee Anna Newell**

**Other Corporate Authorities
in Attendance:**

**Trustee Cary Collins
Village President William McLeod**

**Management Team Members
in Attendance:**

**Jim Norris, Village Manager
Arthur Janura, Corporation Counsel
Dan O'Malley, Deputy Village Manager
Mark Koplín, Asst. Vlg. Mgr., Dev. Services
Mike Hankey, Director of Trans & Engineering
Patrick Seger, Human Resources Mgmt Director
Robert Gorvett, Fire Chief
Michael Hish, Acting Police Chief
Algean Garner, Director of H&HS
Ken Hari, Public Works Director
Michael DuCharme, Director of Finance
Bruce Anderson, Cable TV Coordinator
Ben Gibbs, Sears Centre Arena GM
Dave Christensen, Emergency Mgmt
Bev Romanoff, Village Clerk**

Others in Attendance

Reporter from the *Daily Herald*

The Finance Committee meeting was called to order at 7:37 p.m.

II. Approval of Minutes

Motion by Trustee Green, seconded by Trustee Newell, to approve the Finance Committee meeting minutes of October 25, 2010. Voice vote taken. All ayes. Motion carried.

NEW BUSINESS

- 1. Request approval of the 2011-2015 Capital Improvements Program as recommended by the Capital Improvements Board.**

A committee agenda item from Michael DuCharme was presented to the Committee.

Trustee Mills thanked the staff and the Capital Improvements Board for their work on the budget.

Motion by Trustee Collins, seconded by Trustee Green, to approve the 2011-2015 Capital Improvements Program as recommended by the Capital Improvements Board. Voice vote taken. All ayes. Motion carried.

2. Request approval for Global Spectrum to enter into a three year contract with the Chicago Slaughter football team to play home games at the Sears Centre Arena.

A committee agenda item from Mark Koplín and Ben Gibbs was presented to the Committee.

Motion by Trustee Collins, seconded by Trustee Newell, to approve Global Spectrum to enter into a three year contract with the Chicago Slaughter football team to play home games at the Sears Centre Arena. Voice vote taken. All ayes. Motion carried.

3. Request approval of a three year agreement with Plow & Pour of Elgin, Illinois for snow removal services at the Sears Centre Arena.

A committee agenda item from Mark Koplín and Ben Gibbs was presented to the Committee.

Trustee Collins explained that he likes to see additional background included on the bids. Trustee Mills and Mr. Koplín discussed that the Village would provide the salt as the Village has favorable pricing on salt purchases. Trustee Mills requested that there would be oversight making sure that the vendor only used the Village's salt for the Sears Centre Arena. Mr. Koplín confirmed that there would be oversight.

Motion by Trustee Green, seconded by Trustee Newell, to approve a three year agreement with Plow & Pour of Elgin, Illinois for snow removal services at the Sears Centre Arena. Voice vote taken. All ayes. Motion carried.

4. Request acceptance of Finance Department Monthly Report.

The Finance Department Monthly Report was presented to Committee.

Motion by Trustee Collins, seconded by Mayor McLeod, to accept the Finance Department Monthly Report. Voice vote taken. All ayes. Motion carried.

5. Request acceptance of Sears Centre Arena Monthly Report.

The Sears Centre Arena Monthly Report was presented to Committee.

Mr. Gibbs gave a brief overview of the profitability of the events held at the Sears Centre Arena.

Motion by Trustee Collins, seconded by Mayor McLeod, to accept the Sears Centre Arena Monthly Report. Voice vote taken. All ayes. Motion carried.

III. President's Report

Mayor McLeod shared information about the grand opening of Bombay Chopsticks.

IV. Other

V. Items in Review

VI. Adjournment

Motion by Trustee Collins, seconded by Trustee Green, to adjourn the meeting at 7:43 p.m. Voice vote taken. All ayes. Motion carried.

Minutes submitted by:

Emily Kerous, Director of Operations
Office of the Mayor & the Board

Date

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

NB 1

SUBJECT: REQUEST AUTHORIZATION TO PURCHASE
EXCESS PROPERTY AND LIABILITY INSURANCE AND EXCESS
WORKERS' COMPENSATION INSURANCE FROM
MESIROW FINANCIAL SERVICES

DATE: DECEMBER 13, 2010

COMMITTEE: FINANCE COMMITTEE

FROM: KEN KOOP, RISK MANAGER

PURPOSE: To discuss the results of the Request for Proposal related to the Village's excess property and liability and excess workers' compensation insurance coverage and insurance brokerage services.

I. PROPERTY AND LIABILITY

BACKGROUND: Since 1985 the Village has used conventional insurance and a "protected self insurance" package to insure property and liability losses. For coverage such as property, auto liability, general liability and crime losses, the Village has assumed a self-insured retention (SIR) limit per claim. A cap known as the "loss fund" has been used to limit the total exposure under this program. Excess coverage has been purchased to protect the Village from catastrophic losses. This excess coverage protects the Village against individual losses above \$100,000 and combined losses in excess of \$400,000.

Historically, the Village has formally gone to the insurance market through the RFP process every 3 years for brokerage services, excess property and liability and workers' compensation coverage. This approach is used because underwriters are reluctant to quote programs that are re-bid on a year-to-year basis. This method also ensures that the Village is able to obtain favorable premiums when the Village goes to market for coverage and brokerage services. In the years the Village does not participate in the formal RFP process, the market is reviewed and evaluated through the services of the approved broker, currently Mesirov Financial Services.

Over the past year the insurance market has softened dramatically. Carriers are now more competitive in the public sector market place as

compared to years past. One of the benefits of a soft insurance market is the availability of more insurance products for less premium cost. Soft market conditions are expected to continue for the next several years.

The Village requires that all conventional and excess insurance companies possess a minimum "A.M. Best" rating of "A". This rating reflects the financial stability of the insurance company. In addition, it is a prudent risk management technique to recommend that the carriers submitting proposals be "admitted" in the State of Illinois. Those carriers not "admitted" in this State are not covered under the State's insurance fund if for some reason they become insolvent.

The current primary comprehensive property and liability excess insurance program has been placed with One Beacon Insurance Company, through Mesirov Financial Services. This program has been in place since January 1, 2010. The 2011 budget for Liability Fixed Costs is \$490,000.

For losses above the excess insurance carrier limit of \$2,000,000, the Village participates as a member of the High-Level Excess Liability Pool (HELP). This pool provides an additional level of coverage to the Village in addition to the coverage provided by the standard excess insurance market. HELP was created in the 1980's as a result of an insurance crisis that caused the public sector liability insurance market to quickly become unavailable. HELP initially offered \$5,000,000 of coverage to its members, and now offers \$10,000,000 of coverage. The Village is now participating in the third term of HELP. The current term of HELP (HELP III) will expire April 30, 2018. The 2011 budget for the HELP Pool is \$84,800, which is unchanged from the previous year.

On September 28, 2010, a memo was sent to the Village Board detailing the insurance RFP process and timeline. Subsequently, on September 30, 2010 the Village distributed a Request for Proposal (RFP) for property and liability insurance coverage and brokerage services, for the policy term of January 1, 2011 through January 1, 2012. The RFP was sent to four insurance brokers: Mesirov Financial Services (incumbent broker), Arthur J. Gallagher Risk Management Services, Service Insurance Agency, and The Horton Group. The RFP also included a request to submit proposals to mirror coverage provided by the HELP pool. The proposals received as a result of the RFP process were placed in the Village Board offices for review on December 8, 2010.

DISCUSSION:

Below is an overview of the property and liability proposals submitted for consideration. The brokers were assigned specific markets to approach on behalf of the Village, as detailed in exhibit A.

Service Insurance

The broker was unable to provide a comprehensive package of excess insurance that would be comparable to the Village's existing program. They therefore declined to participate in the Village's Request for Proposal process.

The Horton Group

The broker was unable to provide a comprehensive package of excess insurance that would be comparable to the Village's existing program. They therefore declined to participate in the Village's Request for Proposal process.

Arthur J. Gallagher Risk Management Services

The broker submitted two proposed options. Option one carriers were BRIT, Travelers, Great American, ACE and Starr, The second option carriers where Illinois Union, Travelers, Great American, Ace and Starr (See Exhibit C). Although the premiums for both options submitted by Gallagher were the most competitive in price, the programs themselves differ greatly from the Village's current program. Below is a list of the significant components of the Gallagher proposals, and how they differ from the current, and proposed Mesirov program:

Brit Program:

1. Claim Defense – For all casualty and professional lines presented, the Brit program is **inside** the limits of liability compared to One Beacon being **outside** the limits provided. This could cause the Village to erode the \$2,000,000 limit quickly on defense costs only. One Beacon offers unlimited defense costs, outside the limit of liability, on all casualty and professional lines provided. Defense costs can, and have been, over 50% of the total cost of a claim.
2. Brit coverages are non-admitted, while One Beacon is admitted in Illinois. (see Exhibit B which explains non-admitted vs. admitted carriers in Illinois)
3. Sexual Abuse coverage – Brit program is written in the Professional coverages on a Claims Made form with a retro date of 1/1/2011 vs. One Beacon which is written in the General Liability Coverage form with a separate \$2,000,000 limit on an Occurrence form with no retro date.
4. Law Enforcement Liability – The Brit program provides defense reimbursement for first \$10,000, \$20,000 aggregate per claim and \$25,000 total reimbursement. One Beacon provides unlimited defense outside the separate \$2,000,000 limit, separate from the general liability limit.
5. The Brit professional coverages are written on a claims-made and reported policy form with no Retro date specified.

ACE Program:

1. Claim Defense – For all casualty and professional lines presented, the ACE program is **inside** the limits of liability as compared to One Beacon which is **outside** the limits provided. Gallagher has stated that Ace can provide defense limits outside the limits of liability for an additional cost, excluding professional liability.
2. ACE coverages are non-admitted, while One Beacon is admitted in Illinois. (see Exhibit B which explains non-admitted vs. admitted carriers in Illinois)
3. ACE (Illinois Union) Public Officials and Employment Practices – limits provide are \$1,975,000 per occurrence and \$1,975,000 aggregate, which leaves a gap in coverage of \$25,000 between HELP layer of coverage.
4. The ACE professional lines of coverage are written on a claims made and reported form with no retro date specified.
5. The ACE auto liability coverage applies only to Emergency vehicles. One Beacon auto liability is provided for ALL Village owned and non-owned vehicles.
6. Auto Physical Damage – The ACE program mentions an extension for coverage but does not specifically indicate how it is applied and at what deductible or retention and at ACV – Actual Cash Value. One Beacon auto physical damage coverages apply to all vehicles at a \$100,000 deductible with Agreed Value for the Emergency vehicles. ACE does not provide Agreed Value on Emergency vehicles such as Fire Trucks and Ambulances on their form.
7. Uninsured/Underinsured motorist coverage – Since ACE (Illinois Union) is non-admitted in Illinois they do not provide any limit for this important coverage. One Beacon is admitted and is providing the state minimum limit of \$40,000.

Crime – Great American

Great American coverage has a \$10,000 per claim deductible while the Travelers crime coverage as proposed by Mesirov has a \$5,000 per claim deductible.

Underground Storage Tank/Environmental coverage – ACE

ACE coverage has a \$25,000 per claim deductible while the Great American renewal coverage has a \$5,000 per claim deductible. Gallagher has agreed to reduce the limit at an additional premium.

Liquor Liability coverage – ACE

The Lloyds renewal coverage provides for liquor liability coverage for the Village at up to 15 events including carnivals. The liquor liability offered by the ACE program does not state how many events it would cover and excludes carnivals. The current Lloyds liquor liability coverage carries liability for

carnivals which would include the Fourth of July Festival. This gap in coverage would cause the Village the extra expense of purchasing a Special Events policy specifically for the Fourth of July Festival.

Property + Equipment Breakdown – Travelers

While Travelers was listed as the property carrier, there was no specific property coverage highlights given in the Gallagher outline of coverage. The only item listed in the coverage outline was the statement of values. Affiliated FM is offering \$25,000,000 of flood coverage at all Village owned locations on the Statement of Value including the Sears Center at a \$100,000 deductible with no exclusion for flood zone A. The present coverage reflects a \$5,000,000 limit for flood with flood zone A locations being excluded.

Boiler and Machinery coverage –

The Gallagher coverage outline states that Travelers provided this coverage. Travelers was NOT assigned to this broker for this coverage.

Other observations –

- Loss Control Services – Both the ACE + Brit programs presented do NOT offer any engineering or loss control services. Gallagher does provide engineering and loss control services but on a fee for service basis. Both Mesirow programs have an extensive variety of engineering and loss control services, the cost of which is included in the premium.
- Surplus lines taxes and fees – Both the Brit and ACE programs presented by Gallagher are non-admitted and therefore require the payment by the Village of taxes in the amount of \$8,856. Since all lines of coverage presented by Mesirow are admitted in the State of Illinois, there are no additional taxes or fees associated.
- Motor Vehicle Reports (MVR) – Mesirow Financial has been running all MVR requests sent to them from the Village over the past several years as a courtesy and at no charge. The cost to have an MVR run in the state of Illinois is approximately \$12 - \$18. Gallagher has not agreed to continue this service. Therefore, the Gallagher programs would cost the Village additional expense.
- During the interview process, the Gallagher representative was asked if they had any other clients with comparable venues to the Sears Centre. The response was that Gallagher had a client with a casino. There is a concern that Gallagher does not have

expertise comparable to the incumbent broker related to high exposure venues such as the Sears Centre.

Mesirow Financial Services

Mesirow Financial Services submitted two (2) program options. One from the incumbent carrier One Beacon and the other recommended quotation from a combination of One Beacon for casualty and Affiliated FM for property coverage. The first option mirrors the Village's current program. The second, and recommended coverage package, is identical to the comprehensive program currently in place, except for Affiliated FM insuring the property. (See exhibit D) One Beacon Insurance Company is a leader in providing insurance coverage to public entities. They have developed the claims management and loss control structures within their organization that are unprecedented in the public entity insurance marketplace. The Village has experienced a positive relationship with the carrier, and has been insured by them since January 1, 2010. One Beacon has an A. M. Best rating of A XIII and is an admitted carrier in the State of Illinois. Affiliated FM is a leading property insurer in the industry. They have added enhancements to the flood coverage as detailed above. They also offer exceptional loss control services at no additional cost. The combined program has separate limits for Law, Employment Practices and Public Officials Liability coverage, as opposed to a single limit for all the coverages combined. The program also offers a \$400,000 aggregate retention that puts a ceiling on the Village's ultimate exposure during a given policy year. Although, the total premium of \$357,360 reflects a 27% decrease from last year, it is not the lowest premium submitted. However, as detailed above, the coverage provided and stability of the company, in addition to the comprehensive list of high quality services provided, offers the Village the least exposure at the most competitive premium.

It should also be noted that the team at Mesirow Financial Services is very familiar with the particular exposures related to the Villages unique risks. Their role in the Sears Centre turnover transition process was invaluable, as they provided expertise and insight related to similar venues. Mesirow has several clients with like risks as the Village and have proven over the years to be quite competent related to protecting the Village's interests.

HELP Pool

Mesirow Financial Services submitted a proposal for an umbrella policy that could take the place of the HELP Pool. The premium of the policy is \$65,000, which is less than the projected HELP premium of \$84,800. However, the majority of premium paid to HELP is added to

the Village's loss fund and not simply lost by the Village. The Village has periodically tested the insurance market to confirm that HELP continues to be a cost effective financial risk financing tool. In all cases it was determined that HELP was the most cost effective means of providing the Village that level of coverage. No new members have been added to HELP since its inception allowing stability of risk.

The pooling concept is a very viable risk financing tool at this layer of coverage. It has allowed the Village to develop a substantial loss reserve, as opposed to paying premiums to a standard insurer that are not recoverable unless there is a loss that reaches the HELP layer of coverage.

It is therefore recommended that the Village continue in the current HELP III pooling arrangement, and utilize the standard insurance market for coverage limits below the HELP attachment point and above the Village's self-insured retention.

II. EXCESS WORKERS' COMPENSATION COVERAGE

BACKGROUND: Since 1997 the Village has maintained a self-insured workers' compensation program requiring a self-insured retention (SIR). The current SIR per claim is \$500,000 and \$600,000 for Police and Fire. Excess coverage above the retention level has been purchased from Safety National Insurance Company, through Mesirow Financial Services, to protect the Village from catastrophic losses. This excess coverage protects the Village against individual losses above \$500,000/\$600,000 for workers' compensation. The policy limit for these coverages is Statutory (unlimited) for workers' compensation and \$2,000,000 for employer's liability. These limits are per each injury occurrence or employee disease.

The current cost of these coverages is based on a rate of .1625 per \$100 of payroll. The rate is determined by the insurance company's underwriter taking into account the Village's claims frequency, severity, loss prevention programs and payroll, among other factors. The total cost for the Village's excess workers' compensation insurance coverage for 2010 was \$46,164. The current excess insurance policy with Safety National expires on December 31, 2010.

In September of this year the Village submitted Request for Proposals for excess workers compensation insurance coverage to four insurance brokers: Mesirow Financial Services (incumbent broker), Arthur J. Gallagher Risk Management Services, Service Insurance Agency, and

The Horton Group. Only Mesirow Financial Services and Arthur J. Gallagher responded to the RFP due to the reasons detailed above.

The brokers were instructed to submit proposals that would mirror the Village's existing self-insured program, and were also given the opportunity to submit proposals for alternative programs.

The Village required that all conventional and excess insurance companies have a minimum "A.M. Best" rating of "A". This rating reflects the financial stability of the insurance company. The 2011 budget for Workers' Compensation Fixed Costs is \$51,430.

DISCUSSION:

Below is an overview of the workers compensation proposals submitted for consideration:

Arthur J. Gallagher Risk Management Services

The Starr workers' compensation program offers a \$1,000,000 limit for Part B (Employer Liability). The Safety National workers' compensation program is written at a \$2,000,000 limit for Part B.

The Starr workers' compensation quote has a \$1,000,000 Self Insured Retention for Part B (Employer Liability). Safety National has a \$500,000 SIR for Part B.

The cost quoted by Gallagher is based on a rate of .1680 per \$100 of payroll. The total cost for the Village's excess workers' compensation insurance coverage for 2011 with the Gallagher program would be \$47,719.

The Horton Group

No proposal provided.

Service Insurance Agency

No proposal provided.

Mesirow Financial Services

Mesirow Financial Services submitted two (2) coverage options from the incumbent carrier, Safety National Insurance Company. Quotes were given for statutory limits of coverage with a \$500,000 or \$600,000 self-insured retention. Safety National is a leader in the Public Entity Excess work comp marketplace with over 40% share of all accounts of this type.

Safety National Insurance Company did increase their rate from .01625 per \$100 of payroll to .01675 for the renewal. The overall package cost is the most competitive. The cost to the Village for excess workers' compensation coverage would be at a rate of 0.1675 per \$100 of \$27,778,290 in payroll, totaling \$46,529.

FINANCIAL IMPACT: The recommendations presented below represent a 27% decrease in the 2011 budget amount related to these programs.

RECOMMENDATION I:

When taking into account the differences in coverage and policy limits of the Gallagher programs, compared to the recommended Mesirow program, and the fact that the Mesirow program enhances the Village's existing insurance program, it is evident that the Mesirow program is better value and consequently better protects the Village's interests. Therefore, after careful review, staff recommends the Village purchase property and liability insurance coverage from Mesirow Financial Services, for the policy year January 1, 2011 through January 1, 2012, for a total fixed cost of \$403,889, representing a 27% decrease from the 2011 budget amount for this program.

RECOMMENDATION II:

After careful review, staff recommends the Village purchase excess workers' compensation insurance coverage with statutory limits and a \$500,000/\$600,000 self-insured retention, from Mesirow Financial Services, for the policy period of December 31, 2010 through December 31, 2011. Safety National Insurance Company will underwrite the excess workers' compensation insurance policy at a rate of .1675 per \$100 of actual payroll. The premium will be \$46,529, subject to an annual premium adjustment based on audited payroll figures.

RECOMMENDATION III:

Staff recommends that the Village continue to utilize the insurance brokerage services of Mesirow Financial Services for the placement of excess insurance coverage until 1/1/14. At which time, recommendations for insurance brokerage services will be presented to the Board as a result of a formal Request for Proposal process.

Note: The original proposals are available for the Committee's review in the Ante reading room.

Exhibit A
Village of Hoffman Estates
RFP – Policy Period: 1/01/2011 – 1/01/2012
INSURANCE COMPANY MARKET ASSIGNMENTS
Village of Hoffman Estates

Village of Hoffman Estates + Sears Centre PROPERTY

	Mesirow	AJG	Horton Group	Service Insurance
1.	One Beacon (incumbent)	Travelers	No Request	No Request
2.	Chubb (Incumbent)	Hartford	No Request	No Request
3.	Affiliated FM	Great American	No Request	No Request

AL/GL//LAW/Public Official/EPLI

	Mesirow	AJG	Horton Group	Service Insurance
1.	One Beacon (incumbent)	BRIT	No Request	No Request
2.	Chartis/Lexington	Gothem	No Request	No Request
3.	Travelers	ACE	No Request	No Request

EXCESS WORKERS COMPENSATION

	Mesirow	AJG	Horton Group	Service Insurance
1.	Safety National (incumbent)	Starr	No Request	No Request
2.	Employers Mutual	NY Magic	No Request	No Request

BOILER

	Mesirow	AJG	Horton Group	Service Insurance
1.	One Beacon (incumbent)	BRIT	No Request	No Request
2.	Chubb (incumbent)	Gothem	No Request	No Request
3.	Affiliated FM	ACE	No Request	No Request

CRIME

	Mesirow	AJG	Horton Group	Service Insurance
1.	One Beacon (incumbent)	Great American	No Request	No Request
2.	Hartford	Travelers	No Request	No Request

Exhibit A

Umbrella or Excess (optional)

	Mesirow	AJG	Horton Group	Service Insurance
1.	American Alternative	BRIT	No Request	No Request
2.	Chartis/Lexington	Gothem	No Request	No Request

Liquor Liability

	Mesirow	AJG	Horton Group	Service Insurance
1.	Lloyds of London (incumbent)	BRIT	No Request	No Request
2.	Capitol Indemnity	Gothem	No Request	No Request

Storage Tank Pollution Liability

	Mesirow	AJG	Horton Group	Service Insurance
1.	Great American (incumbent)	BRIT	No Request	No Request
2.	Chartis/AIG	Gothem	No Request	No Request

Exhibit B

Admitted versus Non-admitted Insurance Carriers

Admitted

Admitted carriers are licensed and governed by the laws of the state they are in, and their rates and forms (coverages) are reviewed and approved by that state. This is preferable because each states insurance department is charged with protecting the interests of the consumer. They review the rating to make sure there is no price gouging, and they review the coverages (forms) to make sure there are no egregious exclusions on the policy being sold. Also, Admitted carriers are protected by their state guarantee fund (if one exists). Here in Illinois, the state agrees to back up an admitted carrier in the event that carrier becomes insolvent and is unable to pay claims.

Non admitted

Non-admitted carriers on the other hand are not protected by any state guaranty funds. They also are free of rate and form review and approval by the State. The carrier can, in effect, charge any price they want, and can provide any coverage or exclusion they want, leaving it to the carrier and insured to negotiate terms of coverage, typically through a broker.

Solvency Concerns

Some insured's are fearful of doing business with non-admitted carriers due to insolvency concerns as described above. While this fear is reasonable, it can be managed if the need arises. In addition to being admitted or non-admitted, carriers are also given ratings of their financial strength. In most cases, it is not recommend to place coverage with non-admitted carriers when an admitted carrier is available.

Application Concerns

An issue was raised by Gallagher related to whether it is necessary for an insurance carrier to be admitted in the State of Illinois, and therefore subject to the Guarantee Fund. The broker stated that this shouldn't be an issue since the village would not qualify to collect anything from the Guaranty Fund in the event of an insolvency of a non-admitted carrier. As a result, the Assistant Deputy Director of Insurance and Deputy Director of Finance at the Illinois Department of Insurance (IDOI) was contacted to inquire about the issue. This individual made the following points:

- Non Admitted carriers are excluded from the Illinois Guarantee fund.
- Surplus lines taxes and fees apply due to the fact the carrier is non admitted but authorized to do business in Illinois. Those taxes and fees go directly to the State. Each policy is also stamped to make sure the Insured is aware that a particular coverage is being written on non admitted paper and is not protected by the state guarantee fund.
- The sections referenced by Gallagher are not the complete Illinois Guarantee Fund statutes and how it applies. There are many more sections of the law which apply. The law starts with section 531 and goes through many more sections and subsections that detail what coverages the guarantee fund applies to, and how each claim is determined for eligibility and calculated at a time of loss, including payment limits.
- Section 5/537.2 iii - In reference to the \$25,000,000 in assets, the IDOI representative stated that there is so much more to the formula at the time of a loss than what was

Exhibit B

communicated by the broker. The Illinois Guarantee fund does an internal calculation based on a number of factors. This person stated that you cannot make a blanket statement about how the Guarantee Fund would or would not apply. Simply put they stated that when it comes to the Guarantee Fund and the way it is handled and responds to claims is quite complicated, and determined by the IDOI on an individual basis.

EXHIBIT C

Proposal of Insurance for:

Village of Hoffman Estates

**Premiums/Fees Comparison:
Expiring to Recommended Carriers**

Line of Coverage	Expiring Premium 2010-2011	Option I Proposed Premium 2011-2012	Option II Proposed Premium
1. Property (including Flood/Earthquake)	\$58,809	\$68,883	\$68,883
2. Equipment Breakdown	Included	Included	Included
3. Inland Marine	Included	Included	Included
4. General Liability	428,476	246,000	246,249
5. Automobile Liability and Physical Damage	Included	Included	Included
6. Law Enforcement Liability	Included	Included	Included
7. Public Officials' Liability	Included	Included	Included
8. Employment Practices	Included	Included	Included
9. Employee Benefits Liability	Included	Included	Included
10. Crime	Included	3,191	3,191
11. Liquor Liability	2,500	Included	2,500
12. Underground Storage Tank Coverage	1,100	2,431	2,431
13. Workers' Compensation	46,164	47,719	47,719
14. Surplus Lines Taxes on Package		8,856	8,865
15. Total Premium	\$537,049	\$377,080	\$379,838
16. Total Decrease		\$159,969	\$157,211

Notes:

- Surplus Lines Taxes, if applicable, are included in the "Bindable Quote and Compensation" pages. These taxes are in addition to the above fees.
- Option I Carriers: BRIT, Travelers, Great American, ACE, Starr
- Option II Carriers: Illinois Union, Travelers, Great American, Ace, Starr



Arthur J. Gallagher Risk Management Services, Inc.

Premium Summary and Comparison

	Expiring One Beacon Property + Casualty 1/1/10 - 1/1/11	One Beacon Renewal Program 1/1/11 - 1/1/12	Casualty Option #1 Travelers Insurance Company Casualty ONLY 1/1/2011 - 1/1/2012	Property Option #1 Chubb Village + Sears Centre 1/1/2011 - 1/1/2012	Property - Option #2 Affiliated/FM Village + Sears Center 1/1/2011 - 1/1/2012
Coverage Premiums					
Liability + Professional	\$ 386,807	\$ 274,508	\$ 346,323		
Property (Village only)	\$ 50,440	\$ 52,526		\$ 86,323	\$ 73,421
Crime	Included	Included	\$ 2,363		
Underground Storage Tank	\$ 1,031	\$ 1,094	\$ 1,094		
Liquor Liability	\$ 2,500	\$ 2,500	Included		
Taxes and Fees + Engineering Costs	\$ 37	\$ 36	\$ 36		\$3,500
Total Total (Village) P+C Premiums	\$ 440,815	\$ 330,664	\$ 346,318	\$ 86,323	\$ 76,921
TRIA (optional) premiums	\$ 4,714	\$ 3,498	\$ 3,498	\$ 8,077	\$ 10,000
	Expiring Chubb Sears Centre Property 10/1/2009 - 1/1/2011	Chubb - Sears Centre Property 1/1/2010 - 1/1/2011			
Property (Sears Center) premium	\$ 53,809	\$ 46,946			
Total (Sears Centre) Premium	\$ 53,809	\$ 46,946			
Total Property + Casualty Expiring + Renewal Program Premiums	\$ 494,624	\$ 377,610			
TRIA (optional) premiums	\$ 5,000	\$ 4,530			
Recommended Program					
One Beacon Casualty Premium	\$ 274,508	Umbrella Option			
Affiliated Property Premium	\$ 76,921	Includes Sears Centre	Policy Period	1/01/2011 - 1/1/2011	
Travelers - Crime	\$ 2,363		Carrier	American Alternative	
Lloyds - Liquor Liability	\$ 2,500		Limits	\$10,000,000 \$10,000,000	
Great American - UST (Environmental) Liability	\$ 1,068		Umbrella Premium	\$ 65,000	
Total Property + Casualty	\$ 357,360		TRIA (optional) premiums	\$ 6,500	
TRIA (optional) premiums	\$ 14,102				
Savings over last years prem	\$ (137,264)				
Payment Plans - all carriers	Agency Bill Annual				

VILLAGE OF HOFFMAN ESTATES

Casualty Coverage Summary	Expiring One Beacon	One Beacon	Travelers
Liability Self-insured Retention	\$ 100,000	\$ 100,000	\$ 100,000
Public Officials Deductible	\$ 25,000	\$ 25,000	\$ 100,000
Employment Practices Deductible	\$ 50,000	\$ 50,000	\$ 100,000
General Liability Limits (Occurrence)	\$2,000,000/\$3,000,000	\$2,000,000/\$3,000,000	\$2,000,000/\$3,000,000
Employee Benefits Limits	\$2,000,000/\$3,000,000	\$2,000,000/\$3,000,000	\$2,000,000/\$3,000,000
Law Enforcement Limits (Occurrence)	\$2,000,000/\$3,000,000	\$2,000,000/\$3,000,000	\$2,000,000/\$3,000,000
Public Officials Limits (Claims-Made)	\$2,000,000/\$2,000,000	\$2,000,000/\$2,000,000	\$2,000,000/\$2,000,000
Liquor Liability Limits (Occurrence)	Lloyds \$1,000,000/\$1,000,000	Lloyds \$1,000,000/\$1,000,000	\$2,000,000/\$3,000,000 \$1,000,000/\$1,000,000
UST - Environmental Liability	Great American	Great American	Great American
Auto Limits	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Uninsured/Underinsured Motorist	\$ 40,000	\$ 40,000	\$ 40,000
# of Vehicles	184	184	184
Physical Damage Limit	\$ 5,796,563	\$ 5,796,643	\$ 5,796,643
Physical Damage Coverage SIR (vehicles valued at over \$100k only)	\$100,000	\$100,000	\$100,000
Number of Units	24	26	24
Over Road Phys Damage Valuation	Agreed Amount	Agreed Amount	Agreed Amount
All programs - Aggregate Retention - \$400,000 - GL, EB, AL, LEL, POL, EPL			

Property Coverage Summary	One Beacon	Chubb	Affiliated FM
Property Deductible	\$ 100,000	\$ 100,000	\$ 100,000
Boiler Deductible	\$ 100,000	\$ 100,000	\$ 100,000
Crime Deductible	\$ 10,000	\$ 5,000	\$ 5,000
	Bldg - \$76,412,733	Bldg - \$149,055,730	Bldg - \$149,055,730
	BPP - \$5,650,218	BPP - 12,810,218	BPP - 12,810,218
Property Limits	Excludes Sears Centre	Includes Sears Centre	Includes Sears Centre
Flood Coverage - Sears Centre	N/A	\$ 50,000,000	\$ 25,000,000
	\$5,000,000		
Flood Coverage - All other	Excludes Flood Zone A	\$ 25,000,000	\$ 25,000,000
Earthquake coverage	\$ 5,000,000	\$ 50,000,000	\$ 25,000,000
		\$50,000	
Flood + Earthquake deductible	\$ 100,000	\$500,000 - Flood Zone A	\$ 100,000
Contractors Equipment	\$ 845,047	\$ 845,047	\$ 845,047
Boiler Limits	Included in Property	Included in Property	Included in Property
Business Income limit	\$ 1,500,000	\$ 7,500,000	\$ 7,500,000
EDP Limit	\$ 1,020,263	\$ 1,020,263	Included in BPP limit
Crime Limit	\$ 500,000	Travelers \$500,000	Travelers \$500,000
Loss Control Services	Included - no addl charge	Included - no addl charge	Included - no addl charge

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: 2010 EDA Surplus Declaration
MEETING DATE: December 13, 2010
COMMITTEE: Finance Committee
FROM: Michael DuCharme, Director of Finance

PURPOSE: To declare surplus funds within the Economic Development Area Special Tax Allocation Fund, and direct the Treasurer to remit said surplus funds to the appropriate taxing bodies.

BACKGROUND The Economic Development Agreement and EDA financing documents provide that a certain amount of incremental revenues be declared surplus each year and be distributed to the affected taxing districts

DISCUSSION The 2010 surplus amount representing the 2009 tax levy year, has been calculated to be \$5,102,408.47 and will be distributed as indicated in the following table. This represents a 2.4% decrease from last year's surplus. This decrease is primarily due to a decrease in the EAV of the EDA. The Phase II parcels averaged a 10% reduction in value. The governmental share percentage allocation of incremental property taxes for these Phase II parcels is currently at 30% and will remain at that percentage for the last three years of the EDA (TLY2010 thru TLY2012).

<u>Taxing District</u>	<u>Amount</u>
School District 300	\$2,906,797.55
Barrington Public Library	\$112,605.89
Village of Hoffman Estates	\$649,955.33
Hoffman Estates Park District	\$302,287.78
Elgin Comm College Dist. 509	\$259,103.81
N.W. Mosquito Abatement	\$5,855.45
MWRD	\$191,034.17
Barrington Twp. Gen Asst.	\$1,463.86
Barrington Township	\$14,638.63
Cook County Forest Preserve	\$35,864.66
Cook County	\$288,381.07
Consolidated Elections	\$15,370.57
School District U-46 *	\$313,905.86
Poplar Creek Library District	\$5,143.84
Total	\$5,102,408.47

* Subject to the Intergovernmental Agreement between U-46 and the Sears Centre.

RECOMMENDATION: Request authorization to declare \$5,102,408.47 as surplus funds within the EDA Special Tax Allocation Fund, and direct the Treasurer to remit said funds to the appropriate taxing districts.

ATTACHMENTS

VILLAGE OF HOFFMAN ESTATES
 EDA SURPLUS DECLARATION
 2009 TAX LEVY YEAR

Taxing District	Tax Code 10019			Tax Code 10071			Tax Code 10078			FY2010 Surplus
	Tax Rate	%	Surplus 499,616.01	Tax Rate	%	Surplus 4,497,461.30	Tax Rate	%	Surplus 105,331.16	
School District 300				4.407	63.19%	2,842,029.24	4.407	61.49%	64,768.31	2,906,797.55
Barrington Public Library	0.157	2.27%	11,358.20	0.157	2.25%	101,247.69				112,605.89
Village of Hoffman Est.	0.888	12.86%	64,242.55	0.888	12.73%	572,662.12	0.888	12.39%	13,050.66	649,955.33
Hoffman Est. Park District	0.413	5.98%	29,878.57	0.413	5.92%	266,339.48	0.413	5.76%	6,069.73	302,287.78
Elgin Comm College Dist. 509	0.354	5.13%	25,610.20	0.354	5.08%	228,290.98	0.354	4.94%	5,202.63	259,103.81
N.W. Mosquito Abatement	0.008	0.12%	578.76	0.008	0.11%	5,159.12	0.008	0.11%	117.57	5,855.45
MWRD	0.261	3.78%	18,882.10	0.261	3.74%	168,316.23	0.261	3.64%	3,835.84	191,034.17
Barrington Twp. Gen Asst.	0.002	0.03%	144.69	0.002	0.03%	1,289.78	0.002	0.03%	29.39	1,463.86
Barrington Twp.	0.020	0.29%	1,446.90	0.020	0.29%	12,897.80	0.020	0.28%	293.93	14,638.63
Cook County Forest Preserve	0.049	0.71%	3,544.92	0.049	0.70%	31,599.60	0.049	0.68%	720.14	35,864.66
Cook County	0.394	5.71%	28,504.01	0.394	5.65%	254,086.57	0.394	5.50%	5,790.49	288,381.07
Consolidated Elections	0.021	0.30%	1,519.25	0.021	0.30%	13,542.69	0.021	0.29%	308.63	15,370.57
School District U-46	4.339	62.83%	313,905.86							313,905.86
Poplar Creek Library District							0.350	4.88%	5,143.84	5,143.84
Total	6.9060	100.00%	499,616.01	6.974	100.00%	4,497,461.30	7.167	100.00%	105,331.16	5,102,408.47

**VILLAGE OF HOFFMAN ESTATES
2009 TAX LEVY - 2010 EDA SURPLUS DISTRIBUTION**

PIN #	Property	Tax Code	Agency #	TLY2009 EAV	Base EAV	Increase in EAV	TLY2009 Tax Rate	TLY2009 Total Tax	TLY2009 Incremental Tax	Surplus Rate	FY2010 Surplus Amt.
<i>PHASE I</i>											
01-31-201-003	Outparcel North	10071	0723-3	2,143,320	11,278	2,132,042	6.974	149,475.14	148,688.61		
01-31-202-002	Outparcel South	10071	0723-3	2,143,582	14,400	2,129,182	6.974	149,493.41	148,489.15		
01-32-100-004	Sears	10071	0723-3	189,715,513	14,400	189,701,113	6.974	13,230,759.88	13,229,755.62		
	Total - Phase I			<u>194,002,415</u>	<u>40,078</u>	<u>193,962,337</u>		<u>13,529,728.43</u>	<u>13,526,933.38</u>	Flat Amt.	<u>1,282,754.00</u>
<i>PHASE II</i>											
01-31-400-002	Tollway Authority	10019	0723-2	-	2,495	(2,495)	6.906	-	(172.30)		
01-31-400-004	Detention (Lot 15)	10019	0723-2	-	1,380	(1,380)	6.906	-	(95.30)		
01-31-400-005	Parcel 4	10019	0723-2	-	2,495	(2,495)	6.906	-	(172.30)		
01-31-400-013	Future Building D/E (south)	10019	0723-2	6,990	-	6,990	6.906	482.73	482.73		
01-31-400-017	Two Park Ctr (bldg. C) Parking south	10019	0723-2	763,897	-	763,897	6.906	52,754.73	52,754.73		
01-31-401-002	Waterpark Hotel	10019	0723-2	554,803	-	554,803	6.906	38,314.70	38,314.70		
01-32-302-003	ComEd	10019	0723-2	596,784	6,901	589,883	6.906	41,213.90	40,737.32		
01-32-302-012	Park Center West	10019	0723-2	-	26,584	(26,584)	6.906	-	(1,835.89)		
01-32-302-016	Columbine Blvd Swale	10019	0723-2	-	2,496	(2,496)	6.906	-	(172.37)		
01-32-302-020	Prairie Stone - Monument Sign	10019	0723-2	89,025	-	89,025	6.906	6,148.07	6,148.07		
01-32-302-021	Parcel 14, 14a, 15	10019	0723-2	-	1,548	(1,548)	6.906	-	(106.90)		
01-32-302-025	Two Park Ctr (bldg. C)	10019	0723-2	242,748	-	242,748	6.906	16,764.18	16,764.18		
01-32-302-026	Future Building A	10019	0723-2	512,188	-	512,188	6.906	35,371.70	35,371.70		
01-32-302-028	Village Green	10019	0723-2	Exempt	Exempt	Exempt	6.906	Exempt	Exempt		
01-32-302-037	Sears Centre Parking	10019	0723-2	1,727,392	-	1,727,392	6.906	119,293.69	119,293.69		
01-32-302-038	Sears Centre	10019	0723-2	19,218,302	-	19,218,302	6.906	1,327,215.94	1,327,215.94		
01-32-302-040	Neri - Parcel 16	10019	0723-2	14,690	-	14,690	6.906	1,014.49	1,014.49		
01-32-302-042	Cabela's	10019	0723-2	122,675	-	122,675	6.906	8,471.94	8,471.94		
01-32-302-043	Cabela's	10019	0723-2	61,841	-	61,841	6.906	4,270.74	4,270.74		
01-32-302-047	Jam/Prairie Centre	10019	0723-2	260,970	-	260,970	6.906	18,022.59	18,022.59		
01-32-400-009	Strip west of EJ&E	10019	0723-2	-	2,496	(2,496)	6.906	-	(172.37)		
06-03-100-013	Parcel 23 (Partial)	10019	0723-2	-	10,579	(10,579)	6.906	-	(730.59)		
06-04-200-022	Parcel 23 (Partial)	10019	0723-2	-	262	(262)	6.906	-	(18.09)		
01-31-400-003	Parcel 4	10071	0723-3	-	2,495	(2,495)	6.974	-	(174.00)		
01-31-400-009	Sears Corp	10071	0723-3	-	90,215	(90,215)	6.974	-	(6,291.59)		
01-31-400-011	Wooded Wetland	10071	0723-3	50,811	-	50,811	6.974	3,543.56	3,543.56		
01-31-400-012	Future Building D/E (north)	10071	0723-3	656,741	-	656,741	6.974	45,801.12	45,801.12		
01-31-400-014	G.E. (TransAmerica) Parking	10071	0723-3	1,852,288	-	1,852,288	6.974	129,178.57	129,178.57		
01-31-400-015	Future Parking Garage	10071	0723-3	621,659	-	621,659	6.974	43,354.50	43,354.50		
01-31-400-016	Two Park Ctr (bldg. C) Parking	10071	0723-3	769,997	-	769,997	6.974	53,699.59	53,699.59		
01-32-201-004	Quest	10071	0723-3	4,354,924	2,496	4,352,428	6.974	303,712.40	303,538.33		
01-32-201-005	Central Wetland - NW	10071	0723-3	26,294	2,496	23,798	6.974	1,833.74	1,659.67		
01-32-201-006	KinderCare	10071	0723-3	1,308,637	2,495	1,306,142	6.974	91,264.34	91,090.34		
01-32-201-007	Park District Sports & Wellness Cente	10071	0723-3	Exempt	2,496	(2,496)	6.974	-	(174.07)		
01-32-201-008	Future Metra Station/Sedge	10071	0723-3	222,912	2,496	220,416	6.974	15,545.88	15,371.81		
01-32-202-001	Parcel 8	10071	0723-3	-	2,496	(2,496)	6.974	-	(174.07)		
01-32-202-002	Rexroth Building	10071	0723-3	4,517,926	2,496	4,515,430	6.974	315,080.16	314,906.09		
01-32-202-003	Rexroth Detention	10071	0723-3	7,792	2,496	5,296	6.974	543.41	369.34		
01-32-202-004	American Honda (Globe Corp)	10071	0723-3	4,592,624	-	4,592,624	6.974	320,289.60	320,289.60		

**VILLAGE OF HOFFMAN ESTATES
2009 TAX LEVY - 2010 EDA SURPLUS DISTRIBUTION**

PIN #	Property	Tax Code	Agency #	TLY2009 EAV	Base EAV	Increase in EAV	TLY2009 Tax Rate	TLY2009 Total Tax	TLY2009 Incremental Tax	Surplus Rate	FY2010 Surplus Amt.
01-32-202-006	I-Car	10071	0723-3	2,503,418	-	2,503,418	6.974	174,588.37	174,588.37		
01-32-202-007	Camelot School	10071	0723-3	2,475,864	-	2,475,864	6.974	172,666.76	172,666.76		
01-32-202-008	Parcel 8 - Vacant	10071	0723-3	408,706	-	408,706	6.974	28,503.16	28,503.16		
01-32-302-004	Ameritech	10071	0723-3	867,393	43,121	824,272	6.974	60,491.99	57,484.73		
01-32-302-005	Fire Station #4	10071	0723-3	Exempt	Exempt	Exempt	6.974	Exempt	Exempt		
01-32-302-006	NIU	10071	0723-3	Exempt	Exempt	Exempt	6.974	Exempt	Exempt		
01-32-302-009	Wetland	10071	0723-3	-	10,780	(10,780)	6.974	-	(751.80)		
01-32-302-014	Village Green	10071	0723-3	-	10,781	(10,781)	6.974	-	(751.87)		
01-32-302-023	G.E. (TransAmerica) (bldg. B)	10071	0723-3	16,323,329	10,781	16,312,548	6.974	1,138,388.96	1,137,637.10		
01-32-302-024	Two Park Ctr (bldg. C)	10071	0723-3	21,109,474	-	21,109,474	6.974	1,472,174.72	1,472,174.72		
01-32-302-027	Village Green	10071	0723-3	Exempt	Exempt	Exempt	6.974	Exempt	Exempt		
01-32-302-030	Pace Transpo Center	10071	0723-3	314,211	10,780	303,431	6.974	21,913.08	21,161.28		
01-32-302-033	5401/07 (Younan)	10071	0723-3	8,508,148	-	8,508,148	6.974	593,358.24	593,358.24		
01-32-302-034	Wetland/NIU Plaza/ConopCo Develop	10071	0723-3	-	2,496	(2,496)	6.974	-	(174.07)		
01-32-302-035	Landscape NE Corner along Pratum	10071	0723-3	34,520	-	34,520	6.974	2,407.42	2,407.42		
01-32-302-039	Sears Centre	10071	0723-3	25,252	-	25,252	6.974	1,761.07	1,761.07		
01-32-302-044	Prairie Stone Corp Ctr - 1 Story Bldg	10071	0723-3	750,070	-	750,070	6.974	52,309.88	52,309.88		
01-32-302-045	Prairie Stone Corp Ctr - 3 Story Bldg	10071	0723-3	2,321,618	-	2,321,618	6.974	161,909.64	161,909.64		
01-32-302-046	Wetland/NIU Plaza	10071	0723-3	453,339	-	453,339	6.974	31,615.86	31,615.86		
01-32-400-004	Central Wetland - West	10071	0723-3	378,755	2,496	376,259	6.974	26,414.37	26,240.30		
01-32-400-010	Quest Expansion-Area 1	10071	0723-3	109,228	-	109,228	6.974	7,617.56	7,617.56		
01-32-400-013	Parcels 11,12	10071	0723-3	-	7,488	(7,488)	6.974	-	(522.21)		
01-32-400-015	Renishaw	10071	0723-3	2,660,327	2,496	2,657,831	6.974	185,531.20	185,357.13		
01-32-400-016	W-T Engineering	10071	0723-3	2,460,982	-	2,460,982	6.974	171,628.88	171,628.88		
01-32-400-017	Silesia Flavors	10071	0723-3	1,663,933	-	1,663,933	6.974	116,042.69	116,042.69		
01-32-400-018	Leopardo	10071	0723-3	5,332,300	-	5,332,300	6.974	371,874.60	371,874.60		
01-32-400-019	Rexroth Corporation (shared driveway)	10071	0723-3	1,459	-	1,459	6.974	101.75	101.75		
01-32-400-020	Parcel 16 - Rita Neri	10071	0723-3	488,395	-	488,395	6.974	34,060.67	34,060.67		
01-32-400-022	Cabela's	10071	0723-3	18,052,497	-	18,052,497	6.974	1,258,981.14	1,258,981.14		
01-32-400-023	Cabela's	10071	0723-3	441,217	-	441,217	6.974	30,770.47	30,770.47		
01-32-400-024	Cabela's Outlot	10071	0723-3	248,093	-	248,093	6.974	17,302.01	17,302.01		
01-32-401-006	Central Wetland - East	10071	0723-3	-	9,310	(9,310)	6.974	-	(649.28)		
01-32-401-008	Serta	10071	0723-3	10,952,822	-	10,952,822	6.974	763,849.81	763,849.81		
01-32-401-009	Mary Kay	10071	0723-3	9,057,140	-	9,057,140	6.974	631,644.94	631,644.94		
01-32-403-001	McShane parcel 23 Detention	10071	0723-3	53,736	-	53,736	6.974	3,747.55	3,747.55		
01-33-102-002	VOHE well site	10071	0723-3	Exempt	Exempt	Exempt	6.974	Exempt	Exempt		
01-33-102-004	Vacant	10071	0723-3	893,653	-	893,653	6.974	62,323.36	62,323.36		
01-33-104-002	Amcol International	10071	0723-3	9,053,218	-	9,053,218	6.974	631,371.42	631,371.42		
01-33-104-004		10071	0723-3	445,039	-	445,039	6.974	31,037.02	31,037.02		
01-33-104-005		10071	0723-3	455,253	-	455,253	6.974	31,749.34	31,749.34		
01-33-300-004	Parcels 17 - 23 (Partial)	10071	0723-3	-	4,769,500	(4,769,500)	6.974	-	(332,624.93)		
01-33-300-005	Marriott	10071	0723-3	9,111,473	-	9,111,473	6.974	635,434.13	635,434.13		
01-33-300-008	Liberty Mutual Bldg	10071	0723-3	7,186,068	-	7,186,068	6.974	501,156.38	501,156.38		
01-33-300-009	Sears Corp	10071	0723-3	571,946	-	571,946	6.974	39,887.51	39,887.51		
01-33-304-004	McShane	10071	0723-3	128,293	-	128,293	6.974	8,947.15	8,947.15		
01-33-304-005	Prairie Pointe LLC	10071	0723-3	326,222	-	326,222	6.974	22,750.72	22,750.72		

**VILLAGE OF HOFFMAN ESTATES
2009 TAX LEVY - 2010 EDA SURPLUS DISTRIBUTION**

PIN #	Property	Tax Code	Agency #	TLY2009 EAV	Base EAV	Increase in EAV	TLY2009 Tax Rate	TLY2009 Total Tax	TLY2009 Incremental Tax	Surplus Rate	FY2010 Surplus Amt.
01-33-304-006	Prairie Pointe LLC	10071	0723-3	74,553	-	74,553	6.974	5,199.33	5,199.33		
01-33-304-007	Prairie Pointe LLC	10071	0723-3	400,112	-	400,112	6.974	27,903.81	27,903.81		
01-33-304-008	Prairie Pointe LLC	10071	0723-3	331,069	-	331,069	6.974	23,088.75	23,088.75		
01-33-304-009-1	Prairie Pointe Medical Ctr	10071	0723-3	42,305	-	42,305	6.974	2,950.35	2,950.35		
01-33-304-009-1	Prairie Pointe Medical Ctr	10071	0723-3	322,647	-	322,647	6.974	22,501.40	22,501.40		
01-33-304-009-1	Prairie Pointe Medical Ctr	10071	0723-3	434,018	-	434,018	6.974	30,268.42	30,268.42		
01-33-304-009-1	Prairie Pointe Medical Ctr	10071	0723-3	434,625	-	434,625	6.974	30,310.75	30,310.75		
01-33-304-009-1	Prairie Pointe Medical Ctr	10071	0723-3	1,455,388	-	1,455,388	6.974	101,498.76	101,498.76		
01-33-303-006	Parcels 23 (Partial), 24	10078	0723-4	-	134,176	(134,176)	7.167	-	(9,616.39)		
01-33-303-008	Parcel 24	10078	0723-4	4,703,514	-	4,703,514	7.167	337,100.85	337,100.85		
01-33-305-003	Prairie Pointe LLC	10078	0723-4	323,199	-	323,199	7.167	23,163.67	23,163.67		
01-33-305-004	Prairie Pointe LLC	10078	0723-4	6,359	-	6,359	7.167	455.75	455.75		
Total - Phase II				<u>187,850,090</u>	<u>5,184,118</u>	<u>182,665,972</u>		<u>13,093,941.93</u>	<u>12,732,181.55</u>	30%	<u>3,819,654.47</u>
Totals - Sears TIF				<u>381,852,505</u>	<u>5,224,196</u>	<u>376,628,309</u>		<u>26,623,670.36</u>	<u>26,259,114.93</u>		<u>5,102,408.47</u>

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

NB 3

SUBJECT: Request authorization to award a contract for installation of a new phone system and a five year maintenance program at the Sears Centre Arena to CCC Technologies of Elk Grove Village, IL, in an amount not to exceed \$40,518

MEETING DATE: December 13, 2010

COMMITTEE: Finance

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

REQUEST: Request authorization to award a contract for installation of a new phone system and a five year maintenance program at the Sears Centre Arena to CCC Technologies of Elk Grove Village, IL, in an amount not to exceed \$40,518.

BACKGROUND: The Sears Centre Arena (SCA) consultant that the Village and SCA jointly selected (Techno Consulting) worked with the SCA staff and the Village's IS Department on the Request For Proposal (RFP) and throughout the process. One of the consultant's team members has extensive experience with Avaya systems and evaluating such proposals. We relied on his expertise throughout the process.

The existing phone system at the SCA is aging and at the end of its life cycle. However, the handsets can be reused with the new system to save costs. In order to avoid major problems or a system failure scenario, the system needs to be updated and the existing deficiencies resolved. The current system is not compatible with Microsoft Exchange 2007 and maintenance costs are high. The goal is to acquire a new system with a ten year or more useful life going forward. We also requested a five year maintenance plan for that system. The costs of the new system and upgrades would be paid for out of the 2010 SCA budget. The RFP included the requirement to start work immediately.

DISCUSSION: In November, Global Spectrum and the Village issued an RFP for a new phone system and maintenance contract for a five year term. The RFP was also posted on the Village's website, which attracted additional companies. A copy of the RFP was also placed in the Trustees' office.

Ten companies submitted proposals, including Avaya, who did the original installation in 2006.

DISCUSSION: (Continued)

The attached spreadsheet displays the equipment cost and projects maintenance costs for 2011-2015 for all proposals. We shortlisted three companies with proposals for the Avaya IPO 500V2 system. This system was judged to be superior to the others proposed as it meets the needs of what essentially is a small business on weekdays (± 20 employees) with greater capacity for event days and nights, as well as for the ticket office. The Avaya system also includes periodic software updates with only labor costs to install ($< \$500/\text{occurrence}$). We then ranked based on proposed rates and projected costs for the five year maintenance period. The low cost proposal raised some questions as to completeness and accuracy with regard to pricing and equipment. We also internally reviewed the RFP requirements for basic equipment and the options requested. With that information, we revised and finalized the scope of work. Our consultant contacted the two lowest cost proposers to obtain a final, best price proposal. The revised proposals for the two are displayed at the bottom of the spreadsheet.

We checked references for both, and references for both were good with no issues identified. Both companies agreed to meet the aggressive schedule requirement. Both companies provided costs for system maintenance over a five year period. Based on discussion with both companies to obtain a final, revised proposal, CCC Technologies is recommended. Their total five year cost, including initial installation and five years of annual maintenance, is \$40,518. This is substantially less than IVT Advantage. The revised price excludes system components that are not necessary now and can be added at a later date, if necessary. We confirmed pricing for the desired components and for maintenance. CCC Technologies will order equipment immediately and begin installation as soon as it is delivered.

A narrative prepared by the consultant is attached. The last two pages provide the analysis of the two revised proposals from the two shortlisted companies.

RECOMMENDATION:

Request authorization to award a contract for installation of a new phone system and a five year maintenance program at the Sears Centre Arena to CCC Technologies of Elk Grove Village, IL, in an amount not to exceed \$40,518.

Attachments

cc: Ben Gibbs (Global Spectrum)
Ryan Curtis (Sears Centre Arena)
Brad Gordon (Techno Consulting)
Leroy Scheve (Techno Consulting)

Proposal Evaluation Matrix

Proposals submitted for telephone system for the Sears Centre

(Pricing included in this matrix is reflective of that provided on the prescribed pricing form provided in the RFP)

Vendor	Proposed System	Model	Comments	System Cost	Options	Installation	Total System Cost	Training	Maintenance (1 Yr)	Maintenance (5 Yrs)	Estimated 5 Yr cost
IVT Advantage	Avaya IP Office	IPO 500 V2 -	Very well written proposal. Training statement was vague assumed it is included in labor.	\$24,460	\$6,782	\$9,320	\$40,562	Included in Labor	\$5,220	\$24,780	\$65,342
SPS	Avaya Communications Manager	S8300D	This vendor is proposing an upgrade to the existing Communications Manager system	\$26,384	\$2,243	\$16,895	\$45,522	N/A (None Proposed)	\$11,326	\$56,630	\$102,152
Shared Technologies	Avaya Communications Manager	S8300D	This vendor is proposing an upgrade to the existing Communications Manager system	\$32,144	N/A (None Proposed)	\$18,690	\$50,834	\$744	\$1,066	\$5,330	\$56,164
Mitel	Mitel Communications Director	MCD/3300	The system proposed requires all new station equipment.	\$53,802	\$25,987	\$22,780	\$102,569	Included in install cost	\$0	\$17,912	\$120,481
Meridian Group / MAC Source	Avaya Communications Manager	S8300D	This vendor is proposing a vaguely described upgrade to the existing system	????	????	????	????	????	\$0	\$48,080	????
NACR	Avaya Communications Manager	S8300D	This vendor is proposing an upgrade to the existing Communications Manager system	\$20,625	\$9,637	\$15,500	\$45,762	Included in options	\$0	\$4,800	\$50,562
Andromeda	Avaya IP Office	IPO 500 V2 -	This vendor proposed replacing all station equipment. Redundancy is proposed as an option	\$49,001	\$6,215	\$3,360	\$58,576	Included in install cost	\$2,475	\$12,375	\$70,951
Morgan Birge	Avaya Communications Manager	S8300	The vendor is proposing an upgrade of the existing system. It is unclear as to how redundancy will be achieved. Specification do not meet requirements laid out in RFP	\$38,655	None Proposed	\$7,400	\$46,055	Included in install cost	\$3,636	\$17,760	\$63,815
CCC Technologies	Avaya IP Office	IPO 500 V2 -	Very well done, detailed and extensive proposal. Maintenance includes MACs. IMPORTANT: Pricing in proposal does not match the pricing form!	\$10,968	\$7,809	\$5,822	\$24,599	Included in install cost	\$0	\$11,664	\$36,263
Altura	Avaya Communications Manager	S8800 / S8300 - No detailed specifications provided	The proposed system is simply an upgrade to the next generation of what the Centre already has.	\$32,560	\$5,625	\$11,518	\$49,703	N/A (None Proposed)	\$0	\$43,052	\$92,755

Updated Proposal Evaluation Matrix

Proposals submitted for telephone system for the Sears Centre

(Pricing included in this matrix is reflective of post proposal discussions to fine tune the proposal, including pricing)

Vendor	Proposed System	Model	Comments	System Cost	Options	Installation	Total System Cost	Training	Maintenance (1 Yr)	Maintenance (5 Yrs)	Estimated 5 Yr cost
IVT Advantage	Avaya IP Office	IPO 500 V2 -	Proposal revised	\$15,810	\$5,972	\$7,135	\$28,917	Included in Labor	\$4,704	\$23,520	\$52,437
CCC Technologies	Avaya IP Office	IPO 500 V2 -	Proposal revised	\$15,645	\$3,157	\$6,260	\$25,062	Included in install cost	\$0	\$15,456	\$40,518

Review Of Telephone System RFP's (12/8/10)

Overview

The information below is a review of the proposals submitted to the Village of Hoffman Estates in response to the RFP for a phone system for the Sear Centre. The focus of my review is on pricing and technical merit. Attached to this document is an evaluation matrix. The matrix attempts to provide a comparison of solutions and their costs.

Respondents

- IVT Advantage
- Strategic Products and Services (SPS)
- Shared Technologies
- Mitel Corporation
- Meridian Group / MAC Source
- NACR
- Andromeda Technology Solutions
- Morgan Birge & Associates, Inc.
- CCC Technologies, Inc.
- Altura Communications Solutions

Proposal Comments

Below is a brief commentary based on initial observations of each vendor's proposal.

IVT Advantage

This was the best written and concise proposal of the group. They were the only vendor to include leasing options. The Avaya IP Office 500V2 clearly meets the Centre's needs without providing features or capacity that the Centre will not take advantage of. Missing call center option.

SPS

This vendor is presenting a hardware and software upgrade to the existing Communications Manager system.

Shared Technologies

The proposal submitted by Shared Technologies is essentially an upgrade of the existing Avaya Communications Manager platform. Maintenance terms and pricing is vague in pricing section and unduly detailed and unclear further on in the document. Maintenance response time commitments are unclear.

Mitel

The system proposed by this vendor requires replacement of existing station equipment and the introduction of all new handsets. Due to the costs of the proposed system, this solution is not recommended. Redundancy proposed as an option.

Meridian Group / MAC Source

The proposal provided by this vendor is ill-targeted. They appear to be proposing an upgrade of the existing system but the detail is lacking. The proposal as a whole is inadequate. It contains little in the way of specifications. The vendor is proposing options that were not specified in the RFP. The only pricing is provided in the prescribed response form and includes \$0.00 totals.

NACR

This vendor is providing an upgrade to the existing system. Although maintenance costs are provided, no maintenance details, such as terms or response times are provided. Pricing included is somewhat unclear and does not appear to match that which is provided on pricing form.

Andromeda

This vendor is proposing an IP Office 500 system with all new station equipment (handsets). Redundancy is proposed as an option. Offering 10K for trade in of existing phone system, this amount is already figured in the cost proposed. Maintenance response is only best effort 2-4 hours. Fax support not included.

Morgan Birge

Inadequate system proposed. This vendor essentially proposes an upgrade to the existing system. The current system presents a higher than necessary TCO. Training was proposed. System specifications are inadequate and do not fulfill the requirements laid out in the RFP. No options for unified communications are provided. Unclear how redundancy or failure recovery would be achieved.

CCC Technologies

Excellent detailed proposal. The proposed Avaya IPO 500 is an excellent fit for the Centre. Proposed maintenance does not include terms or response commitment. Maintenance costs escalate slightly each year but, includes first year free (warranty). Pricing is unclear. Pricing is mentioned in a number of contexts and does not clearly match what is stated in the pricing form.

Altura

This vendor's proposal missing a lot of details. Very little company background is provided. No information on maintenance. Inadequate system specifications included in the proposal. This proposal is wholly inadequate.

Recommendation

The majority of the solutions provided fall into two categories. An upgrade of the existing system and a new telephone system. Of the two solutions, it is the opinion of the reviewer that a new system, specifically the Avaya IP Office 500 v2 best fits the needs of the needs of the Sears Centre. The IP Office

- Makes use of existing station equipment
- Easier to use/manage/administer
- Lower lifetime cost of ownership
- Lower cost of future license expansion and upgrade
- Estimated 10 year lifespan

The vendors proposing the Avaya IP Office 500 system were:

- **IVT Advantage**
- **Andromeda**
- **CCC Technologies**

The system presented by Andromeda suggests that the Centre replace all of its existing handsets, all of which are viable in an IP Office 500 system. It is the reviewer's opinion that this clearly demonstrates a lack of understanding of the System Requirements and Specifications as laid out in the RFP. Given this, it is not recommended that the Centre consider the proposal from Andromeda as a viable alternative.

CCC Technologies:

Of the two remaining vendors, CCC Technologies presents the lowest cost, both in initial system installation and estimated 5 year cost. There are a number of reasons for concern in the CCC Technologies proposal. They are:

Pricing: Pricing is provided in their proposal in two forms. First, is their own proprietary pricing sheet. Second, is the pre prescribed pricing form in the RFP. The pricing in the two does not appear to tie together. The prices listed in the proprietary sheet are slightly greater than those listed on the prescribed pricing form.

Price Differential: CCC Technologies is presenting the same Avaya IP Office 500 hardware as both IVT Advantage and Andromeda at a drastically lower price. There are a number of potential reasons for this. We are concerned by this drastic differential. If not for the urgent and time critical nature of this process, this alone would warrant written clarification from the vendor.

License and Component Shortcomings: The following license and component shortcomings are identified in the CCC Technologies proposal:

- The CCC proposal only provides for 24 total PRI Trunk channel licenses. Pricing for additional trunks are not included in the main pricing or as an option.
- The CCC Proposal only provides for 1 single PRI interface. A second interface is not proposed in the options pricing. This does not meet the requirements laid out in the RFP
- SD Memory cards for the IP Office 500 control unit are not specified in the proposal

These will account for a good portion of the price differential between themselves and other vendors proposing IP Office 500 solutions.

Maintenance/Service: A description of the “ConvergeAssure” managed services is included in the proposal at the end of section 5. This section of the document describes the service/maintenance offering from CCC Technologies, including general terms and conditions. Maintenance is quoted separately from the other costs of the system. It is not included in the prescribed pricing form. In the maintenance quote pricing is provided, but it is far from clear which of the CCC Technologies maintenance plans is being quoted, and therefore, what actual services are being quoted.

IVT Advantage:

The proposal provided by IVT advantage is well structured and to the point and complete. It's important to note that IVT Advantage was the only vendor of the two that presented leasing/financing options. Although the RFP specified call center features as an option, IVT Advantage's proposal does not include call center features/licenses (with the main system or as an option). Call center features can be added to the IP Office 500 system at any time with the purchase of the appropriate licenses. It should also be noted that during the vendor walk-through meeting, the Centre noted that call center features are not used, or important to the system at the current time.

Based on the information in hand, the concerns identified in the proposal provided by CCC Technologies, and the limited timeframe in which a decision is desired, we must recommend that the Centre choose the proposal submitted by IVT Advantage. **(Note: Upon further discussion, fine-tuning the scope, contacting both IVT and CCC, and receiving revised proposals, this recommendation was modified).**

Supplemental analysis by the Sears Centre IT Consultant (12/9/10)

Both vendors were contacted and have been given the requests we discussed in the conference call yesterday.

Requests of CCC:

- Change VCM card from 32 channels to 64
- Re-tool pricing sheet/form so that the numbers tie/correlate
- Provide concise explanation of maintenance costs
- Provide explanation of "Professional Services" costs listed on page following pricing response form
- Move Call Accounting to options section of pricing form/sheets
- Make sure that best and final pricing is stated

I also asked for clarification from CCC regarding the Call Accounting package they were stating as included in "Call Center". The call accounting package they are referring to is the Avaya CCR that comes with the call center features. This is a rudimentary call accounting package. This explains their \$0 cost for both the package and labor.

Requests of IVT Advantage:

- Reduce the number of PRI ports to 1 and adjust licensing appropriately
- Move Call Accounting to Options
- Make sure that best and final pricing is stated

I also asked for clarification from IVT Advantage regarding the costs for materials and labor on the Call Center option. As I suggested yesterday, Avaya's Call Center represents is just an additional purchase of licensing. The labor cost reflects what they feel is the necessary labor to setup the Call Center features in the system as well as adequately train the agents and system administrator in the use and administration of the Call Center including call accounting. I would note that I don't see this same approach reflected in CCC's proposal regarding Call Center features, though I did not ask them for comparative clarification due to the fact that the Village has expressed that Call Center is only a potential, future application.

Both vendors were informed that they were "among finalists". They have been further informed that their completed responses to these requests are expected by e-mail no later than 3:00 PM Thursday.

Question regarding IVT's Maintenance cost, with and without phones included

As far as the question of covering the phones or not, I generally recommend not covering the phones. They simply don't tend to break. If they do, the fix is usually to purchase a new one in its place. For a more detailed analysis, you would need to look at the purchase cost of a phone (I'm guessing around \$400-450) multiply it by maybe one or two broken phones over a 5 year

period (assuming the Centre is not a rough environment on the phones) and see if there is a payoff. My guess is there isn't.

Analysis Upon Receipt of Revised Proposals from IVT and CCC

The two proposals are essentially \$1K apart in initial system cost on what is now (supposed to be) identical systems. They are nearly identical in options costs and within a couple hundred on install/labor costs. The real differentiator is maintenance costs. In maintenance costs, CCC is less expensive over the 5 year analysis period.

Note: In CCC's revised form, they placed e-mail and fax unification costs into Options. This was not requested of them. For the purposes of the matrix and comparing apples-to-apples, I placed those costs back into the Base system. Labor for both vendors is shown with Options installed.

In my opinion, neither vendor outshines the other drastically in quality of solution or price. At the same time neither vendor has presented clear reason, just from the content or delivery of their original or revised proposal to remove them from consideration. If the decision is made solely on cost, without further analysis, CCC is the choice.

Beyond cost, and without further analysis, I can only offer my professional opinion based on experience. I have encountered and experienced the work of IVT Advantage in other environments/organizations. In those situations, I've known their work in both implementation and support to be excellent. I cannot however, offer any professional assessment of CCC Technologies, as I have not previously encountered their work. (Note: We checked references for both companies and both received positive recommendations).

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: Police and Fire Hire Back Rates

MEETING DATE: December 13, 2010

COMMITTEE: Finance

FROM: Michael DuCharme, Director of Finance

PURPOSE: To establish Police hire back rates for the period January 1 through December 31, 2011 and Fire hire back rates for the period January 1 through June 30, 2011 due to a scheduled CBA increase taking place on July 1, 2011.

BACKGROUND: Each year the Village Board passes a resolution establishing hire back rates for Police and Fire Personnel.

DISCUSSION: The attached schedule presents the hire back rates for Patrol Officer, Sergeant, and Lieutenant as well as Firefighter, Fire Lieutenant, and Fire Captain.

The hire back rates are as follows:

Patrol Officers	\$85.02
Police Sergeants	\$99.58
Police Lieutenants	\$105.27
Firefighters/Paramedics	\$89.38
Fire Lieutenants/Paramedics	\$97.44
Fire Captains/Paramedics	\$101.69

The hire back rates for organizations having 501(c)(3) status:

Patrol Officers	\$63.26
Police Sergeants	\$75.53
Police Lieutenants	\$80.32
Firefighters/Paramedics	\$63.77
Fire Lieutenants/Paramedics	\$70.43
Fire Captains/Paramedics	\$73.92

RECOMMENDATION: Corporation Counsel is directed to draft a resolution showing hire back rates for Police personnel for the period January 1 through December 31, 2011 and for Fire personnel for the period January 1 through June 30, 2011.

ATTACHMENT

VILLAGE OF HOFFMAN ESTATES

**A RESOLUTION ESTABLISHING FEES
FOR POLICE AND FIRE PERSONNEL**

WHEREAS, members of the Hoffman Estates Police Department and Hoffman Estates Fire Department are hired back by private and/or public employers; and

WHEREAS, costs of salary, fringe and administrative costs have been calculated.

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: That the Hoffman Estates Police Department is hereby authorized to charge fees for services under hire back arrangements for the period January 1, 2011 through December 31, 2011 as follows:

Police Officer	-- \$85.02
Police Sergeant	-- \$99.58
Police Lieutenant	-- \$105.27

However, upon a proof of a grant of 501(c)(3) status by the Internal Revenue Service, the fees for services under hire back arrangements for the period from January 1, 2011 through December 31, 2011 are as follows:

Police Officer	-- \$63.26
Police Sergeant	-- \$75.53
Police Lieutenant	-- \$80.32

Section 2: That the Hoffman Estates Fire Department is hereby authorized to charge fees for services under hire back arrangements for the period January 1, 2011 through June 30, 2011 as follows:

Firefighter/Paramedic	-- \$89.38
Fire Lieutenant/Paramedic	-- \$97.44
Fire Captain/Paramedic	-- \$101.69

However, upon a proof of a grant of 501(c)(3) status by the Internal Revenue Service, the fees for services under hire back arrangements for the period from January 1, 2011 through June 30, 2011 are as follows:

Firefighter/Paramedic	-- \$63.77
Fire Lieutenant/Paramedic	-- \$70.43
Fire Captain/Paramedic	-- \$73.92

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

PASSED THIS _____ day of _____, 2010

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills	_____	_____	_____	_____
Trustee Raymond M. Kincaid	_____	_____	_____	_____
Trustee Jacquelyn Green	_____	_____	_____	_____
Trustee Anna Newell	_____	_____	_____	_____
Trustee Gary J. Pilafas	_____	_____	_____	_____
Trustee Gary G. Stanton	_____	_____	_____	_____
Mayor William D. McLeod	_____	_____	_____	_____

APPROVED THIS _____ DAY OF _____, 2010

Village President

ATTEST:

Village Clerk



Village of Hoffman Estates **Information Systems** Department

2010 OCTOBER MONTHLY REPORT

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Geographic Information System Monthly Review

Clerk's Office

Fulfilled sixteen requests for adding or updating location records and re-assigning business licenses in CommunityPLUS.

Code Enforcement

Fulfilled three requests for adding or updating location records and re-assigning permits in CommunityPLUS.

Development Services

Created an 11x17 map of the Village for a fold-out map insert in a Hoffman Estates Chamber of Commerce publication.

Fire Department

Completed the updates to the Fire map book. These updates were necessitated by the re-ordering of the Jane Addams Memorial Tollway (I-90) mile markers which now begin at the Wisconsin state line and increase toward Chicago.

Created a new close-up page for the Fire map book which better shows the addresses near Hassell Rd and Huntington Blvd, as well as Kenilworth Cir and Ardwick Dr.

Created Individual maps for the Fire Department's site pre-plan documents:

Charter National Bank & Trust - 2200 W Higgins Rd

Governors Square Office Complex - 2200 W Higgins Rd

Information Systems

Imported the spring 2010 aerial photographs into the GIS database. These aeriels are now available in all Intranet maps and on printed maps going forward.

SPS Monthly Review

We performed an analysis and clean up of the SunGard SQL instance. This was in conjunction with the install of the new GIS aerial photographs, which caused the SQL server to fill up. We took the opportunity to shrink the transaction logs for all SunGard databases and remove old backup log files and maintenance plan reports. We also streamlined the backup task schemes and modified all the test and train database settings to simplify their backup scheme and improve performance.

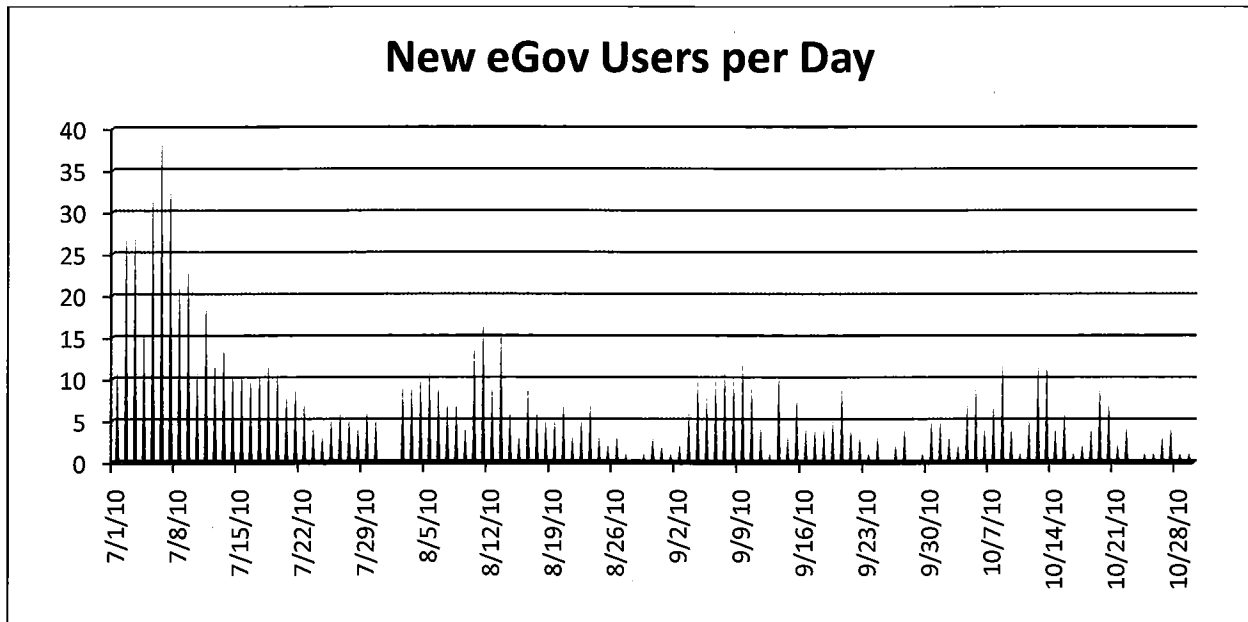
Met with APS to resume the In-Squad Ticketing project that was suspended at the end of 2009. We determined the steps that need to be taken to resume the testing and set up the printers and will be re-testing everything to see where we are at and what yet needs to be done. We also reiterated that we will get the APS program functional and in place in the squads before we restart the custom SunGard project to import the data into the Citations module.

Finalized specifications for the SunGard SAAS proposal which is part of the 2011 CIB. We were able to negotiate with SunGard to include all the programs that have been pushed out to 2013 and beyond in the CIB, at no additional cost. These include Employee Access Center, which contains Employee Timesheets, Job Applicant Center and Fixed Assets. We will also be upgrading to the web version of the Cognos Reportnet, version 8.4 at no additional charge and this item alone carried a \$25,000 upgrade price in our current environment.

Provided Permit training for Carrie Hart so that she will be able to assist the Customer Service staff in processing Permits, as well as the Citations for which we trained her in the past few months.

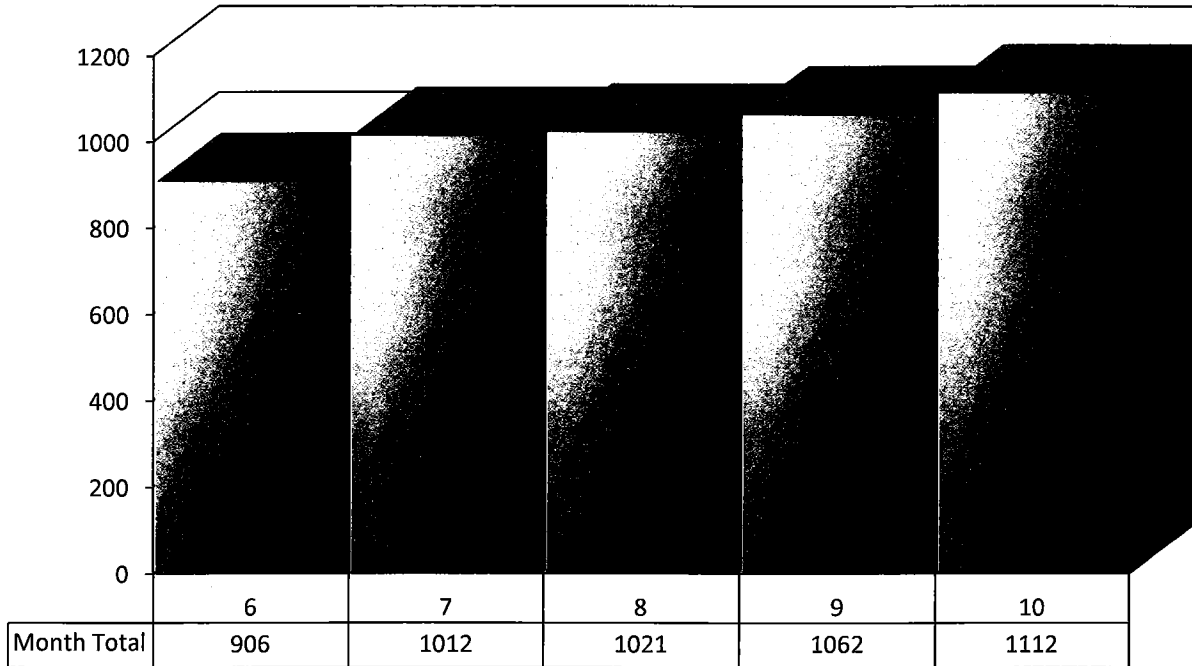
eGovPLUS

There were 133 new eGov accounts created this month, bringing the total by the end of October to 1879. At this rate, we should exceed our estimate of 2000 users by the end of 2010.

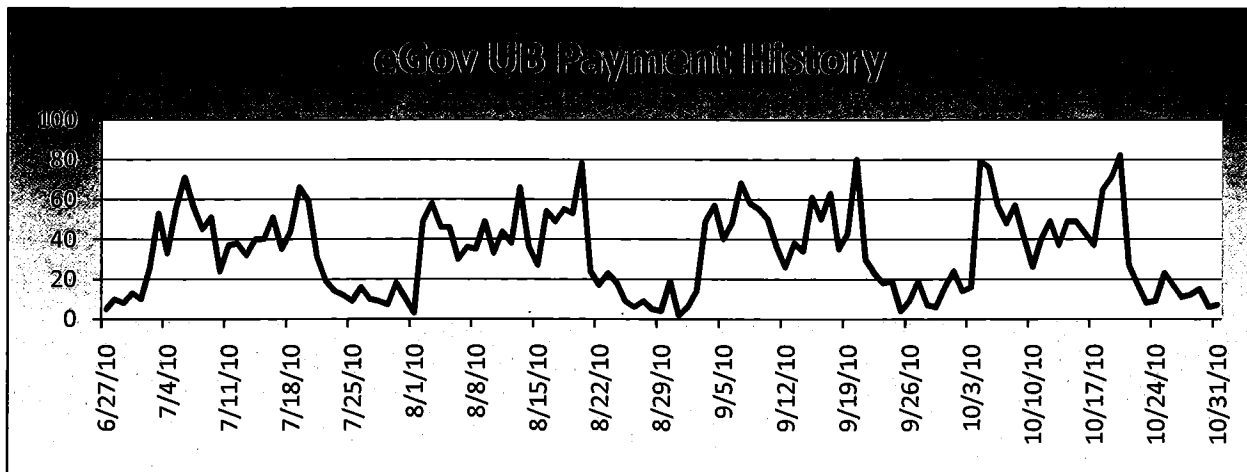


Each month has seen an increase in the number of eGov payments. October's increase of 50 over September represents a 4.7% increase. Every payment made via eGov eliminates the manual entry in Cash Receipts of this payment by our Customer Service staff, thus freeing up their time for other duties.

eGov UB Payments by Month



The trend of day-by-day payments from one month to another continues to be consistent, the spikes signifying the receipt of the bills and the approaching due date.



Technical Support Hardware & Software Activities

Training –Computers 101

A class was offered to all Village staff in Computers 101. John Peebles gave end users a crash course in simple PC overview and diagnostics. John focused on the hardware side of the computer and covered everything from the operations and use of ram to what the hard drive looks like to what the motherboard does. Staff members were even able to open, see and touch the internal components of the computers.

Project - Windows 7 Migration

Darek Raszka began planning the migration of the remaining Dell computer systems from Windows XP to Windows 7. He identified approximately 90 systems through-out the Village that are still operating with the Windows XP operating system that are candidates for Windows 7. He also identified approximately 30 other systems that will not be upgraded because they do not meet the requirements for Windows 7. These systems are also the oldest systems in the Village. As they are replaced through the yearly replacement cycle they will receive the upgrade. In addition to the benefits Windows 7 offers, Microsoft is no longer releasing updates nor will support the Windows XP operating system.

Project – DragonWave to the Sears Center Arena

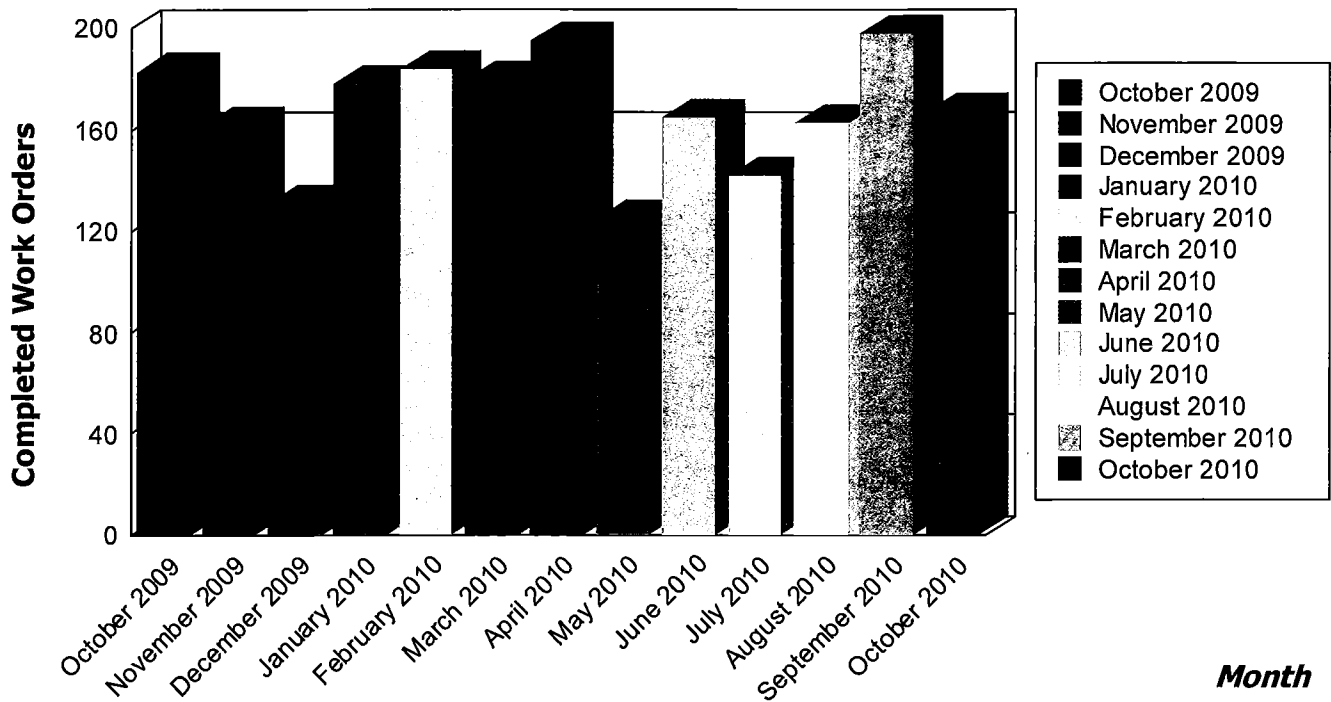
Approval to extend the DragonWave wireless system to the Sears Center Arena was approved this month. The extension of the wireless system means that our network will extend into the SCA. Village employees performing duties at the SCA will no longer need to rely on a slow Virtual Private Network (VPN) connection. Fred Besenhoffer met with a member of Current Technologies and SCA personnel to discuss possible mounting locations for the antennae. Work is expected to be complete by early November.

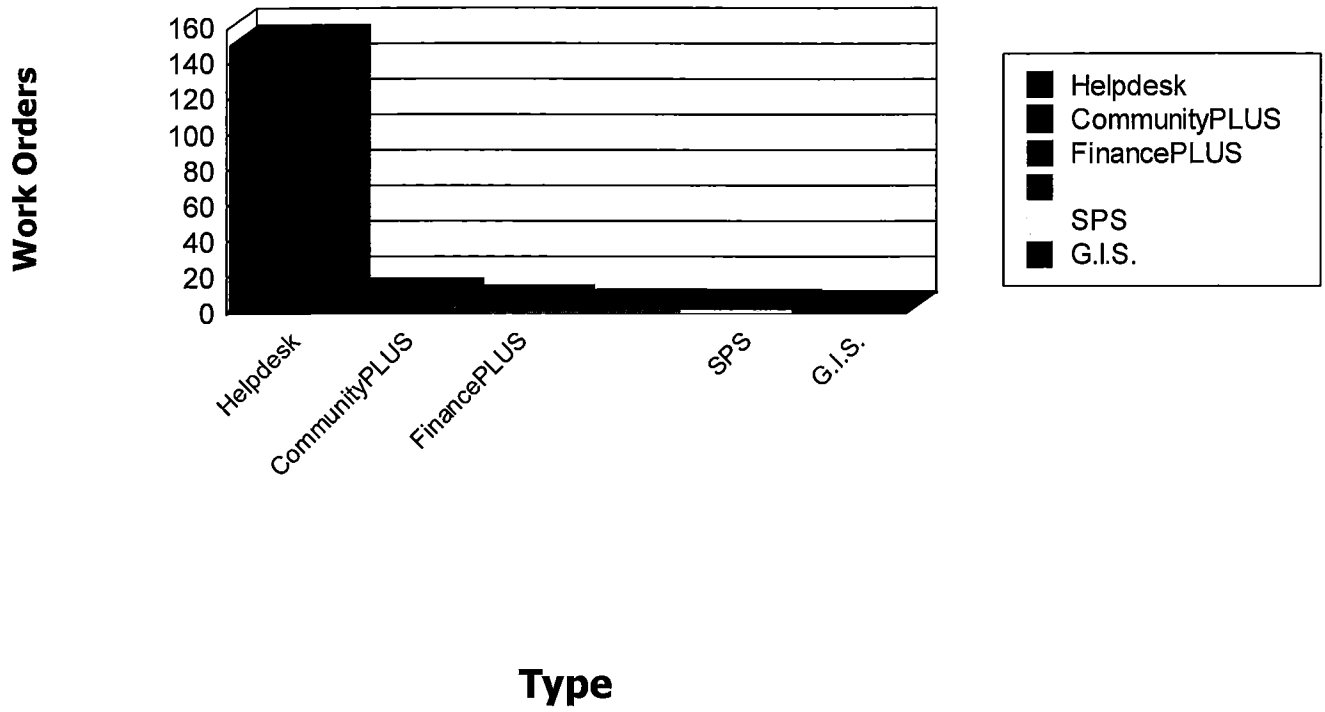
Project – Dragonwave to the new P.D.

The Village DragonWave wireless system was extended to the new Police facility. The original plan for the DragonWave system was to install a link from the Aster water tower to Fire Station 21. While the equipment to do this was purchased, the plan was shelved in favor of extending the fiber network to Station 21. It was decided to use the link as a backup to the fiber network for the new Police facility. The hardware was mounted at both Aster water tower and the new Police facility and the link is expected to be operation in early November.

Total Work Orders by Priority by Month

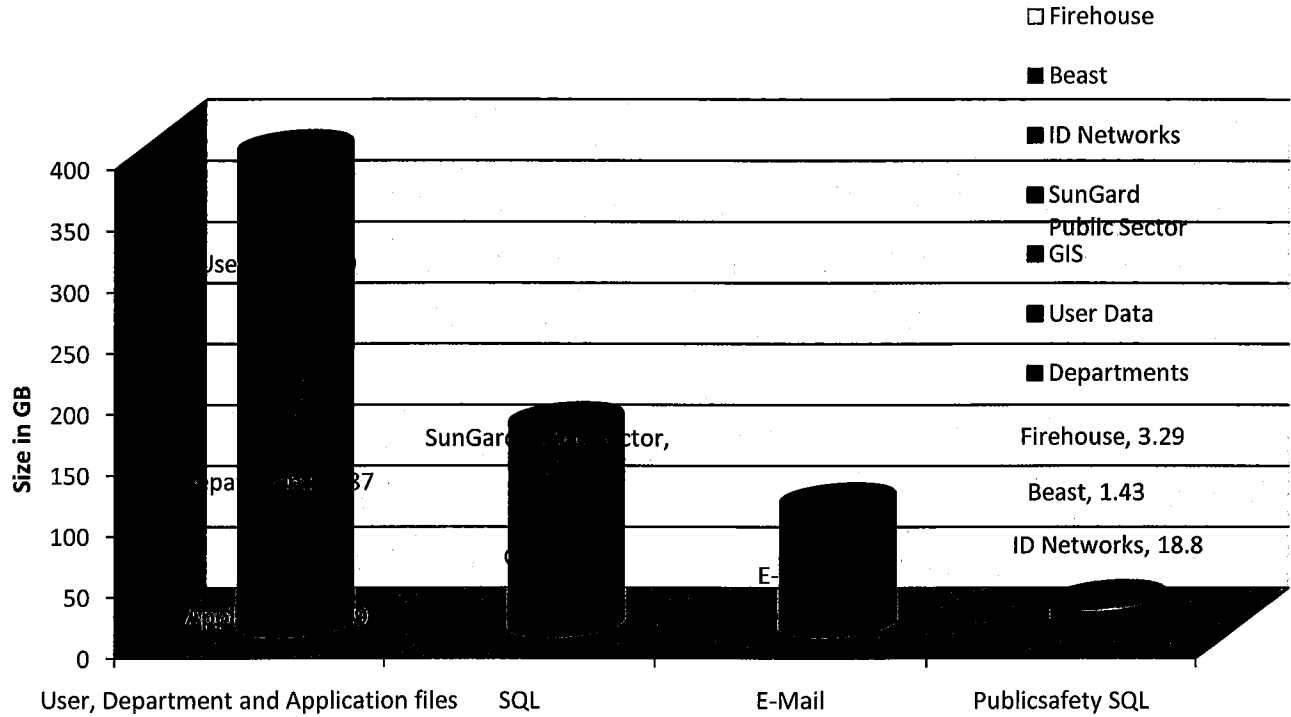
Month	10/2010
1 - Urgent	31
2 - High	28
3 - Medium	13
4 - Normal	68
Project	7
Scheduled Event	13
Vendor intervention required	8
Total for Month	168





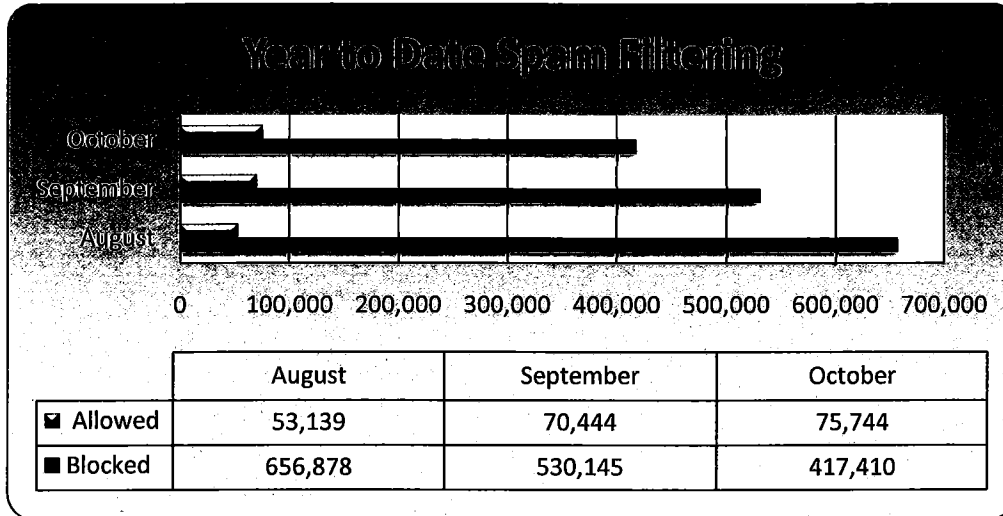
System and Data Functions

Disk Usage

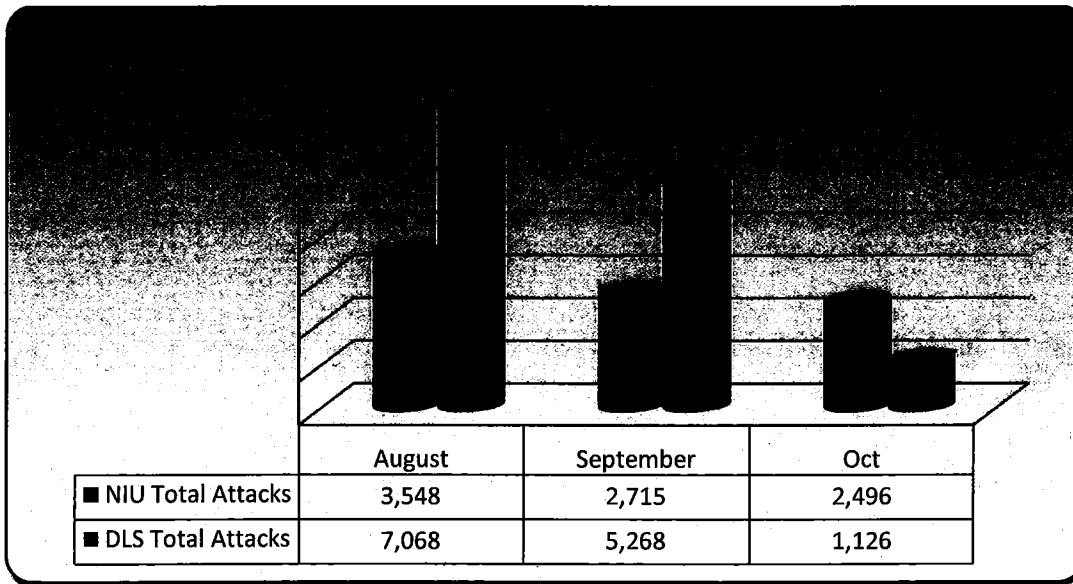


Virus and Spam Report

Email: For the month of October, our barracuda anti spam and virus filter has blocked more than 656,000 of unsolicited emails from entering our email system.



Internet Security: The Village of Hoffman Estates has 2 Sentinel Security devices that monitor all incoming and outgoing internet traffic looking for possible intruders trying to gain access on our computer network. These devices blocked over 7000 attacked for the month.



Virus Outbreaks: None for October

Gordon F. Eaken, Director of Information Systems

Sears Centre Arena
General Manager Update
12/13/2010

<u>November Event Highlights</u>	<u>Notes</u>
Chicago Invitational	Annual college basketball tournament returned to the Sears Centre Arena after a year absence. Final game televised on the Big Ten network. Smaller crowd than 2008, but promoter was happy and the event was profitable for the building.
IRCA State Cheerleading Championships	First year hosting IRCA State Championship. Two day event was very crowded and the promoter was very pleased. Received reports the Marriott hotel and surrounding restaurants were extremely busy throughout the event.

<u>Currently On Sale</u>	
Community Open House - Dec 18	Non Ticketed
Notre Dame Hockey Tournament - Jan 1-2	On sale Now
Arena Cross - Jan 14-15	On sale Now
High School Hoop Classic - Jan 22	On sale Now
Cirque De Soleil - Jan 26-30	On sale Now
Professional Championship Bullriding - Feb 4-5	On sale Now
Rock & Worship Roadshow - February 11	On Sale Soon
Slaughter Football	On Sale Soon
Thomas the Train - April 23-24	On sale Now
Monster Nationals - March 12-13	On sale Now
Yanni Live in Concert	On Sale Soon

<u>Booking Leads</u>	
Several holds were added to the calendar. Overall more tours seem to be looking to tour in late Spring, so the arena looks to be very busy in the coming months. John Page and Mike Scanlon have also provided several leads, which we're currently investigating.	

<u>Long Term Projects</u>	
ECHL Hockey Support	Partnering with Chicago Express to promote the Holiday Open House on December 18th. Hoping to attract around 3,000 guests.
Outdoor Summer Event 2011	Need to fill Summer dates with self produced event. Exploring options of outdoor concert, festival, etc.
Loge Upgrade	Four additional loges were upgraded in anticipation of heightened sales interest as the Chicago Express season approaches.

<u>Finance Department</u>	
General	Finance department currently working on November financials. Event Department is getting more adept at creating event workbook, which helps decrease workload for John Janicki. October roll forward completed showing anticipated net budget loss of \$466,781 as compared to the Jan 1 projected loss of \$1,168,228
Monthly Financial Statement	Building Event Revenue YTD: \$1,527,754 Building Sponsor/Other Revenue YTD: \$250,817 Building Expenses YTD: \$2,053,915 Building Income YTD: (\$275,344) vs. YTD Budget (\$973,259)
2011 Budget Status	2011 budget is pending approval

Operations Department	
General	Operations department is spearheading some repair and maintenance initiatives to ensure the building is looking it's best for January 1. Activities include seat repair, painting and cleaning.
Positions to Fill	Chief Engineer - looking to hire position in early 2011
Third Party Providers	Made excellent progress on third party security, cleaning and parking proposals. Will realize savings over 2010. Will look to finalize deals by early January.
Village Support	Jim Norris and other department heads are currently determining possible savings by allowing existing village staff handle select maintenance projects at the arena.
Events Department	
General	Erin Sweeney has been in the hospital for two weeks, so Ryan Curtis has been filling in to handle upcoming shows. Hope to have Erin Sweeney back in the office in two weeks.
Positions to Fill	Event Manager
Marketing Department	
General	Currently marketing Cirque, Monster Truck, Bullriding, Arena Cross and Community Open House.
Positions to Fill	Marketing Coordinator hired and starts December 13th
Comcast Update	Comcast sent out an email promoting the new Comcast Tix website on December 3rd to 450,000 subscribers. Comcast is also going to run free spots to promote the ND hockey tournament.
Community Events	Confirmed Community Open House on December 18th.
Ongoing Initiatives	Main website being redone to better push ticket sales. Supporting Chicago Express sales initiatives.
Group Sales Department	
General	Group Sales Manager, Tony Infusino, will be moved over to Front Row Marketing to spearhead the sales of premium seating for the Chicago Express. We're currently hiring a new sales person to replace Tony by January 10th.
Global Spectrum Training	Global Spectrum conducts bi-weekly group sales calls which Tony Infusino participates.
Box Office Department	
General	Department is doing well, no issues.
New Era Implementation	No issues
Food & Beverage Department	
General	Working on new food packages for Cirque and Yanni. Conducting Innovation meeting on January 5th to indentify new areas of opportunity.
Premium Seating Department	
General	Krista has done an excellent job pushing event premium sales for Cirque and Thomas the Train. Already sold 20 suites for Cirque, which is a substantial increase as last year's event sold zero suites. Continuing to push annual premium sales.
Sponsorship Department	
General	FRM is doing well with sponsorship and is trying to offset slow premium seating sales with increased sponsorship packages. Krista has enjoyed success with offering featured restaurant program. Thus far restaurants packages have resulted in nearly \$60,000 in new business.
Monthly Financial Statement	Corporate Sales: \$250,400 Suites Sales: \$143,000 Loge Sales: \$60,500 Club Seat Sales: \$55,342.
New Business	Launching feature retail and hotel package.
General	
Capital Improvements	Considering purchase of Plexiglas to replace glass partitions during hockey, repaving and restriping the parking lot, carpeting and electrical work in Loges.

VILLAGE OF HOFFMAN ESTATES

Memo

TO: Finance Committee
FROM: Mark Koplin, Assistant Village Manager-Development Services
RE: **OWNER'S REPRESENTATIVE MONTHLY REPORT FOR DECEMBER**
DATE: December 8, 2010

1. Waiting for delivery for Public Works to install two additional lights on an existing light pole in the northwest corner of the west parking lot at the Prairie Stone Parkway entrance. This will improve safety and accuracy in collecting parking fees after dark (most SCA events are after daylight savings time ends).
2. Coordinated with Ben Gibbs and Mike Carosielli regarding financial analysis of RFP responses for cleaning services, security/ushers, and parking. Reviewed and evaluated responses received and currently waiting for the new Village owner's representative to be on board and offer their insight and evaluation of the responses, as well as a long term plan to bring some services "in house".
3. Arranged for a meeting with Levy's Innovations Group in January (rescheduled from December), as required by their agreement.
4. Information Systems Department completed the "dragon wire" connection to the SCA (via a new antenna on water tower 6) to improve communication to/from the SCA. This also allows Village staff working at the SCA to have access to the Village computer system and for the Police Department to have access to the existing cameras at the SCA to monitor activity.
5. Conducted weekly meetings with Ben Gibbs and a monthly meeting with Krista Pulcini.
6. Follow-up with Ben Gibbs and Global Spectrum regarding contract deliverables.
7. Coordinated with Ben Gibbs to review the "Facility Audit", as required in the Global Spectrum contract, and scheduled a meeting to discuss recommendations included with Public Works Facilities Division.
8. Coordinated with Public Works to provide the first delivery of Village road salt to the SCA prior to December 4, cheerleading event.
9. Attended a meeting arranged by Public Works with SCA staff and ADT to discuss activation of additional alarms on perimeter doors. ADT reported that the system hardware and software are in place and only need to be activated after training of SCA staff.

10. Coordination with Finance and SCA regarding finalization of the 2011 SCA budget presented on December 6, 2010, and PowerPoint slides.
11. Coordinated with I.S. Department, SCA staff, and SCA I.T. consultant to draft an RFP to replace phone equipment. The RFP was issued the week of November 15, and a recommendation to purchase equipment (from the 2010 SCA budget) will be presented at the December Finance Committee meeting.
12. Facilitated discussions regarding connecting the emergency generator to the I.T./computer ROM to allow continuation of critical systems during a power outage.
13. Met with Village Manager, Ben Gibbs, and Groot to assess transfer of garbage at SCA per their Village contract and potential sponsorship.
14. Meeting with Front Row Marketing Services (FRMS) (George Manias, Krista Pulcini), as well as Ben Gibbs and John Janicki to discuss the annual "settle up" per the FRMS contract. This meeting will occur in January and will reconcile their monthly advance as compared to the commissions earned over the course of the year.
15. Obtained job descriptions for all positions at the SCA.
16. Updated the master list of SCA service contracts. In addition to the major contracts, there are approximately 32 other service contracts related to the SCA.
17. Requested and obtained monthly tabulation of hours expended by Village staff related to the SCA.
18. Conducted a meeting with Verizon Wireless regarding transforming their current antenna for internal service at the SCA to a potential "neutral host", which would allow additional carriers and additional revenue.
19. Discussed new Prevailing Wage Act (as distributed by Corporation Counsel) requirements with Ben Gibbs and the impact to the SCA.
20. Presented snow removal contract to the Village Board for approval.
21. Event announcements for High School Hoops (January 22, 2011) Yanni (March 26, 2011), and Thomas and Friends (April 22-23, 2011).
22. An article from the Daily Herald on the Holiday Open House is attached.
23. Krista Pulcini distributed ads for single event suites (copies are attached).



Mark Koplin
Assistant Village Manager
Department of Development Services

Attachment
MAK/kr

cc: J. Norris, M. DuCharme, Ben Gibbs (Global Spectrum)



Event Announcement

What: 14th Annual High School Hoops Showdown

When:

Date	Start (incl. Load In)	Event Start Time(s)
1/22/11	8:00AM	DOORS: 3:30PM EVENT START: Game 1: 4:30PM Marmion Academy v. Aurora-Central Catholic Game 2: 6:30PM Lockport Twnshp v Schaumburg Game 3: 8:30PM Neuqua Valley Sectional Championship (2 top teams) EVENT END: 10:30PM Load Out: Immediately following

Where: Sears Centre Arena

Tickets: Adults: \$12, Students (18 & under) \$10

On Sale: 12/3/10 at 10:00AM

Marketing: Website, Marquee and www.integritygrp.com

Parking: \$5 per car paid at lot

Levy: Concessions

SCA Event Mgr: Ryan Curtis: 847-649-2223

Event Contact: Bob Rylko, President
 The Integrity Group LLC
 PH: 630-774-0115 Fax: 630-963-7355
 Email: rnr@integritygrp.com

Notes: Comp: Yes



Event Announcement

What: YANNI in Concert

When:

Date	Start (incl. Load In)	Event Start Time(s)
03/26/11	7:30AM	Load In : 7:30AM DOORS: 6:30PM EVENT START: 7:30PM EVENT END: 10:15PM

Where: Sears Centre Arena

Tickets: P1- \$125, P2-\$95, P3-\$75, P4 - \$55

On Sale: December 18 @ 10AM

Marketing: Website, Marquee, and www.wttw.com

Parking: \$20 per car collected at lot

Levy: Concessions

SCA Event Mgr: Erin Sweeney

Event Contact: Andrew Kaplan
JAM Productions
PH: 312-266-6262 E: andrewk@jamusa.com

Notes: Comp: No- other than approved promotional Marketing comps



Event Announcement

What: Thomas and Friends Live! On-Stage

When:

Date	Start (incl. Load In)	Event Start Time(s)
4/22/11	8:00am	Load In : 8am DOORS: 6:00PM EVENT START: 7:00PM EVENT END: 9:00PM
4/23/11	8:00am	DOORS: 10AM, 1PM, 4PM EVENT START: 11AM, 2PM, 5PM EVENT END: 7PM Load Out: Immediately following

Where: Sears Centre Arena

Tickets: PL1- \$50, PL2- \$40, PL3-\$30, PL4-\$17
Groups 10+ \$26, \$14

On Sale: Comcast Subscribers Presale: 12/3 @10:00AM thru 12/9
Venue Presale: 12/6 @ 10:00AM thru 12/9
Public On-sale: 12/10 @ 10:00AM

Marketing: Website & Marquee

Parking: \$10 per car collected at lot

Levy: Concessions

SCA Event Mgr: Erin Sweeney

Event Contact: Judy Hoenig Adelson
Broadway Booking Office NYC
PH: 212-792-9550 F: 212-974-8400
Email: judith@bbonyc.com

Notes: Comp: No – other than approved promotional marketing comps

Daily Herald

Big Picture . Local Focus

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Article updated: 11/23/2010 05:27 PM | published: 11/23/2010 05:17 PM

Sears Centre hosting holiday skate

By

The Sears Centre Arena will host a free ice skating and movie screening on Dec. 18. The village of Hoffman Estates and the Chicago Express hockey team, which will start play next year, is sponsoring the Holiday Open House which includes a free community open skate from 5 to 8:30 p.m., providing you bring your own skates.

At the same time, there's also an Xbox game lounge where gamers can play on a large screen TV. From 9. to 11 p.m. a screening of "The Polar Express" will take place. Popcorn and candy will be sold by Boy Scouts. For more information go to searscentre.com or call (847) 649-2222.

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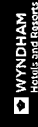
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KRISTA PULCINI
847-649-2227
KRISTA.PULCINI@SEARSCENTRE.COM

JANUARY 26 - 30

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WAS \$500

JAN 14-15 **\$325** BAD BOYS OF ARENA CROSS
WAS \$375

JAN 26-30 **\$550** CIRQUE DU SOLEIL DRALION
WAS \$600

FEB 4-5 **\$350** PROFESSIONAL CHAMPIONSHIP BULLRIDERS
WAS \$400

MAR 12-13 **\$425** MONSTER TRUCK NATIONALS
WAS \$475

VIP LUXURY SUITES

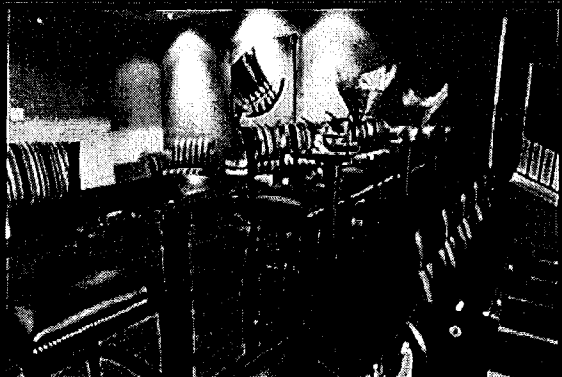
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