

**AGENDA**  
**SPECIAL FINANCE COMMITTEE**  
**Village of Hoffman Estates**  
**June 6, 2011**

**7:45 p.m. – Village Board Room**

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

**I. Roll Call**

**NEW BUSINESS**

1. Request authorization for Village to participate in the Northwest Municipal Conference (NWMC) Suburban Purchasing Cooperative (SPC) for one-year contract extension with Texor Petroleum Company for joint purchase of diesel fuel and gasoline.
2. Request approval to award the 4<sup>th</sup> of July Festival beverage contract to City Beverage, Arlington Heights, Illinois for beverage services at the 2011 4<sup>th</sup> of July Festival.
3. Request approval for Global Spectrum to enter into a three year tenant license with C & S Sports to allow the Chicago Express to play home hockey games at the Sears Centre Arena.

**II. Adjournment**

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

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Request authorization for Village to participate in the Northwest Municipal Conference (NWMC) Suburban Purchasing Cooperative (SPC) for one-year contract extension with Texor Petroleum Company for joint purchase of diesel fuel and gasoline.

**MEETING DATE:** June 6, 2011

**COMMITTEE:** Finance

**FROM:** Joseph Nebel, Director of Public Works

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**PURPOSE:** To extend the current fuel contract with Texor Petroleum Company.

**BACKGROUND:** The Village, through Suburban Purchasing Cooperative (SPC)/Northwest Municipal Conference (NWMC) entered into a diesel fuel/gasoline Joint Purchase Program during June, 2010. The contract was extended from 2009. Throughout the entire contract period, purchasing fuel through NWMC contract has been a positive endeavor.

On May 27, 2011, the NWMC Joint Purchasing Advisory Committee awarded a one-year contract extension with Texor. Paperwork detailing contract extension terms is attached.

**DISCUSSION:** Staff recommends the continuation of participating in the Joint Purchase Program contract for fuel purchase from Texor. This one year contract insures the Village a fuel supply at an extremely competitive cost.

**FINANCIAL IMPACT:** The recommended action will continue to result in cost savings, over and above the standard wholesale fuel market for purchasing regular unleaded gasoline and diesel fuel. Savings amounts will vary depending on the trend for fuel market costs within the petroleum industry.

**RECOMMENDATION:** Request authorization for Village to participate in the Northwest Municipal Conference (NWMC) Suburban Purchasing Cooperative (SPC) for one-year contract extension with Texor Petroleum Company for joint purchase of diesel fuel and gasoline.



*A Joint Purchasing Program  
For Local Government Agencies*

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**Suburban Purchasing Cooperative**

**Approves Final Contract Extension for  
Diesel, Bio-Diesel, Gasoline and Ethanol Fuels**

The SPC Governing Board has voted to extend the current contract for Diesel, Bio-Diesel, Gasoline and Ethanol Fuels with Texor Petroleum Company, Riverside, IL for the last of three (3) possible 1-year contract extensions, from June 6, 2011 until June 5, 2012.

The contract is divided up by geographic zones, and within each zone the contract is further divided to deliveries based on storage capacities of municipalities and other government entities. Bids were solicited for deliveries in quantities in excess of 6,000 gallons, and less than 6,000 gallons.

Participants will pay the OPIS (Oil Pricing Information Service) Low price for the day of delivery, plus applicable taxes, and profit margin. The savings vary depending on the performance of the OPIS index. The OPIS Newsletter is published on Monday of each week and is referenced for deliveries made from Monday through Sunday of each week. The mark-up amount remains firm throughout the contract. All billing is handled through the vendor. To participate in this contract or with any technical questions, please contact Dan Goding, Texor General Manager, Marketing, at 708-408-1999.

**Texor Petroleum, a Division of World Fuel Services, Inc.**  
**3340 South Harlem Avenue**  
**Riverside, IL 60546**  
**SPC Contact: Dan Golding**  
**Tel: 708-442-4728 / Cell: 708-408/1999 / Fax: 708-442-1128**  
**[dgoding@texor.com](mailto:dgoding@texor.com)**

If you have any other questions, please feel free to contact your Council of Government representative listed below.

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*DuPage Mayors &  
Managers Conference*  
1220 Oak Brook Road  
Oak Brook, IL 60523  
Suzette Quintell  
Phone: (630) 571-0480  
Fax: (630) 571-0484

*Northwest Municipal  
Conference*  
1616 East Golf Road  
Des Plaines, IL 60016  
Ellen Dayan  
Phone: (847) 296-9200  
Fax: (847) 296-9207

*South Suburban Mayors  
And Managers Association*  
1904 West 174<sup>th</sup> Street  
East Hazel Crest, IL 60429  
Ed Paesel  
Phone: (708) 206-1155  
Fax: (708) 206-1133

*Will County  
Governmental League*  
3180 Theodore Street, Suite 101  
Joliet, IL 60435  
Cherie Belom  
Phone: (815) 729-3535  
Fax: (815) 729-3536



*A Joint Purchasing Program  
For Local Government Agencies*

May 27, 2011

Mr. Dan Goding  
Texor Petroleum Company  
3340 South Harlem Ave.  
Riverside, IL 60546

Dear Mr. Goding:

This letter is to inform you that the Suburban Purchasing Cooperative's Governing Board has approved a one year contract extension for the SPC Diesel, Bio-Diesel, Gasoline and Ethanol fuels program contract with Texor Petroleum Company. According to the terms of the contract, the Suburban Purchasing Cooperative Governing Board reserves the right to extend the original contract for up to three (3) additional one year terms upon mutual agreement of both parties on a negotiated basis. This will be the final of three (3) possible one year extensions, from June 6, 2011 until June 5, 2012.

To confirm this agreement, please sign and date this document below. Return the original to my attention and retain a copy for your files. If you have any questions or comments, please feel free to contact me.

Sincerely,

Ellen Dayan  
Program Manager for Purchasing  
Northwest Municipal Conference

Ellen Dayan

Date

For Texor Petroleum Company

Date

*DuPage Mayors &  
Managers Conference*  
1220 Oak Brook Road  
Oak Brook, IL 60523  
Suzette Quintell  
Phone: (630) 571-0480  
Fax: (630) 571-0484

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Conference*  
1616 East Golf Road  
Des Plaines, IL 60016  
Larry Widmer  
Phone: (847) 296-9200  
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*Will County  
Governmental League*  
3180 Theodore Street, Suite 101  
Joliet, IL 60435  
Anna Bunger  
Phone: (815) 722-7280  
Fax: (815) 722-0528

## COMMITTEE AGENDA ITEM VILLAGE OF HOFFMAN ESTATES

**SUBJECT:** Consideration of the 2011 4<sup>th</sup> of July Festival Beverage Contract

**MEETING DATE:** June 6<sup>th</sup>, 2011

**COMMITTEE:** Finance

**FROM:** Dan Callender, 4<sup>th</sup> of July Commission Chair  
Steve Hehn, 4<sup>th</sup> of July Commission

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**PURPOSE:** To recommend the award of the beverage contract for the FY 2011 4<sup>th</sup> of July festival.

**BACKGROUND:** As part of the annual 4<sup>th</sup> of July festival, the Village provides for, and the Commission operates, a beverage tent. This program is one of the Commission's largest revenue sources generated to offset festival expenses.

**DISCUSSION:** Proposals were solicited from beer distributors for beverage services at the festival. One proposal was received this year from City Beverage. Attached is a copy of that proposal.

The Commission recommends that City Beverage Company be awarded the contract for the 2011 festival. City Beverage supplies Budweiser brand beer and they have been awarded the contract for the last three years. City Beverage's proposal is essentially the same as last year except for a \$4 increase in the ½ barrel pricing for regular beer. The premium and specialty beer and stock costs all remain the same. City Beverage is again offering a \$2,500 donation.

**FINANCIAL IMPACT:** This contract will be charged to Account #01605324-4562.1.

**RECOMMENDATION:** The Commission recommends the award of the beverage contract to City Beverage Company, Arlington Heights, IL, for the 2011 4<sup>th</sup> of July festival in accordance with the attached proposal.

3/23/11

## **Proposal for the Hoffman Estates 4<sup>th</sup> of July Festival Committee:**

Thank you for the opportunity to discuss the Hoffman Estates 4<sup>th</sup> of July Festival. The following are the services that we would be able to provide for your event:

- Sponsorship Fee: \$2,500
- \$15.00 Discount off each ½ barrel.
- Use of one beer trailer for storage and pouring of product. 48 ½ barrel per trailer total capacity. Refilled daily as needed.
- Refrigerated Semi for storage of barrels.
- Use of 8-10 20lb. CO2 tanks for the event.
- A draft beer technician available throughout event to insure that both the quality of the product is maintained and that all equipment is working properly.
- Custom signage created for the event as needed including pricing information at beer stands.
- Implementation of the O'Doul's Designated Driver program to include free O'Doul's for registered Designated Driver's.

For these sponsorship and service commitments, CITY Beverage would require the following:

- Our logos as the official beer sponsor on all printed materials associated with the event.
- Also mentions of our sponsorship on any Radio, TV, Internet or other types of media associated with the Hoffman Estates 4<sup>th</sup> of July Festival.
- CITY Beverage (Budweiser, Bud Light) banners placed throughout the event area including prominently displayed on the music stages and beer gardens.

We look forward to working with you this year.

Sincerely,

Mike Rozmus  
Venue & Special Event Manager



	<u>City Beverage (Budweiser)</u>	<u>Town &amp; Country (Miller)</u>	<u>Elgin Beverage (Old Style)</u>
Sponsorship Fee	\$2,500	X	X
Discount per 1/2 BBL	\$15	X	X
Beer Trailer	Yes	X	X
Technician	Yes	X	X
Daily Restocking	Yes	X	X
Non Alcohol Beer	Yes	X	X
14 oz.Cups/case	\$58	X	X
Signage	Yes	X	X

Beverages

Reg./Lite Beer	\$88 (+ \$4)	X	X
Premium Beer	\$110/Land Shark	X	X
Malt Beverage	\$30.35/Bicardi Lemon.	X	X

**COMMITTEE AGENDA ITEM  
VILLAGE OF HOFFMAN ESTATES**

**SUBJECT:** Request approval for Global Spectrum to enter into a three year tenant license with C&S Sports to allow the Chicago Express to play home hockey games at the Sears Centre Arena

**MEETING DATE:** June 6, 2011

**COMMITTEE:** Special Finance

**FROM:**  Mark Koplin/Ben Gibbs

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**REQUEST:** Request approval for Global Spectrum to enter into a three year tenant license with C&S Sports to allow the Chicago Express to play home hockey games at the Sears Centre Arena (SCA).

**BACKGROUND:** In 2010, Global Spectrum worked closely with team owner, Craig Drectrah, to obtain approval from the ECHL for a new franchise in Hoffman Estates at the SCA. Mr. Drectrah announced the team name last summer and the Chicago Express will start playing games in October 2011. Discussions between Global Spectrum, the ECHL, and the Chicago Express ensued to formalize the business terms into a tenant lease. The current deal points were formulated over months of discussion, adjusted during the league meetings in Las Vegas with ECHL officials and Mr. Drectrah, as well as subsequent conversations Mike Scanlon had with the ECHL commissioner. Finally, Arnstein & Lehr reviewed and revised the license. Essentially, the deal, as described in the license, was required in order to obtain approval for the ECHL franchise. The deal is fair to both parties, but certainly was developed to demonstrate the SCA's commitment to helping make hockey succeed.

Corporation Counsel previously advised that the Village Board should authorize Global Spectrum and the SCA General Manager to execute and enter into a tenant license, subject to terms favorable to the SCA.

**DISCUSSION:** Global Spectrum has negotiated a license with the ECHL and the Chicago Express to allow the Express to play home games at the SCA for the 2011 (inaugural), 2012, and 2013 seasons. For competitive reasons, the specific terms of that agreement should remain confidential. The terms of the new license provide for payment of a per game rent, splitting of the facility fee and food and beverage revenues. The Express keeps all ticket sales and



**DISCUSSION:** (Continued)

merchandise sales profits. Terms are favorable both to the building and the team, and incent the team to aggressively promote in order to attract more fans. This is similar to the Chicago Slaughter lease. For lower attendance games, the base rent covers the cost of the building. The rent is actually reduced for higher attended events as a benefit for the team and an incentive to sell more tickets. This marginal increase in event costs is covered by the greater revenues to the building from the ancillaries such as parking and food and beverage. Thus, both the team and the building do well with higher attendance, and the building is covered for their expenses while still maintaining a profit for lower attended events. There is no risk to the building beyond investing dates (placing "holds" on potential game days). With this lease, the Express are poised for success, to generate business for the team, and revenue for the SCA.

Corporation Counsel advised that per the terms of the Global Spectrum Agreement which cover event contracts, the Village Board should specifically approve a resolution authorizing Global Spectrum and the SCA General Manager to enter into a two year contract with the Chicago Express.

**RECOMMENDATION:**

Request approval for Global Spectrum to enter into a three year tenant lease with C&S Sports to allow the Chicago Express to play home hockey games at the Sears Centre Arena.

## Attachment

cc: Ben Gibbs (Global Spectrum)  
Craig Drectrah (C&S Sports)

PROPOSED RESOLUTION NO. \_\_\_\_\_ - 2011

VILLAGE OF HOFFMAN ESTATES

A RESOLUTION AUTHORIZING GLOBAL SPECTRUM TO EXECUTE A LICENSE AGREEMENT WITH C & S SPORTS FOR ECHL HOCKEY

WHEREAS, the Village of Hoffman Estates has retained Global Spectrum to manage the Sears Centre Arena; and

WHEREAS, C & S Sports seeks to enter into a license agreement for the use of the Sears Centre Arena to conduct ECHL hockey games; and

WHEREAS, Global Spectrum has negotiated the attached license agreement.

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

Section 1. Global Spectrum, on behalf of the Village, is hereby authorized to execute the attached license agreement with C & S Sports for the use of the Sears Centre Arena to conduct ECHL hockey games for a period not to exceed three (3) years.

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

PASSED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2011

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 \_\_\_\_\_, 2011

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

ATTEST:

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Village Clerk