

# CITY OF WEST CHICAGO

WHERE HISTORY & PROGRESS MEET

## NOTICE

### PUBLIC AFFAIRS COMMITTEE

**Monday, November 28, 2016**  
**7:00 P.M. - Committee Room (A)**

### AGENDA

1. Call to Order, Roll Call, and Establishment of a Quorum
2. Approval of Minutes
  - A. Public Affairs Committee of October 24, 2016
3. Public Participation / Presentations
4. Items for Discussion
  - A. Railroad Days
5. Items for Consent
  - A. Mexican Independence Day 2016 Report
  - B. Contract for Museum Curator/Director
  - C. Ordinance No. 16-O-0037 - Revision of Chapter 15.5, Railroads
6. Unfinished Business
7. New Business
8. Reports from Staff
  - A. West Chicago Police Department October Monthly Report
9. Adjournment

DRAFT

MINUTES

PUBLIC AFFAIRS COMMITTEE

Monday, October 24, 2016 7:00 P.M.

1. **Call to Order, Roll Call, and Establishment of a Quorum.**

Chairman Chassee called the meeting to order at 7:00pm. Roll Call found Banas, Hallett, Garcia, and Ferguson.

Alderman Meissner was absent.

2. **Approval of Minutes.**

A. **Public Affairs Committee of September 26, 2016.** Alderman Banas made a motion, seconded by Alderman Ferguson to approve the minutes of the Public Affairs Committee meeting with no changes. Voting Aye: Chairman Chassee, Alderman Banas, Hallett, Garcia, and Ferguson. Voting Nay: 0. Motion carried.

3. **Public Participation / Presentations.**

None

4. **Items for Consent.**

A. **Resolution No. 2016-R-0049 – Neon Sign Guidelines in Turner Junction Historic District.** Alderman Banas made a motion, seconded by Alderman Garcia to send this Resolution, in its present form, to City Council for approval. Voting Aye: 0. Voting Nay: Chairman Chassee, Alderman Banas, Hallett, Garcia, and Ferguson.

After a discussion on the Resolution, Alderman Garcia made a motion, seconded by Alderman Banas to send this Resolution back to the Historical Preservation Committee for clarification of language and to staff for quantification and answers on the following:

- What businesses are currently non-compliant.
- How many pre 1920's buildings are there
- Have the businesses been consulted about this Resolution.

Voting Aye: Chairman Chassee, Alderman Banas, Hallett, Garcia, and Ferguson. Nay: 0.

5. **Items for Discussion.**

**2016 Railroad Days Final Report.**

The Public Affairs Committee acknowledged the receipt of the Report and questions answered. Alderman Banas made a motion, seconded by Alderman Hallett to release the

final payment to the Western DuPage Chamber of Commerce. Voting Aye: Chairman Chassee, Alderman Banas, Hallett, Garcia, and Ferguson. Nay: 0

**6. Unfinished Business.**

**8. New Business.**

A request was made to send a revision to Chapter 17 (Traffic) Article XVII (Schedules of Designated Streets) Division 7 (Parking Prohibited during Certain Hours on Certain Streets) Section 17-196 – Designated; compliance required directly to City Council for approval. **The request was approved.**

**9. Reports from Staff.**

**A. September 2016 Monthly Police Report**

**10. Adjournment.**

Alderman Hallett made a motion to adjourn, seconded by Alderman Banas. The motion was approved by voice vote, and the meeting adjourned at approximately 7:29pm.

Respectfully submitted,

*Michael Uplegger*

Chief of Police  
West Chicago Police Department

CITY OF WEST CHICAGO

PUBLIC AFFAIRS COMMITTEE  
AGENDA ITEM SUMMARY

ITEM TITLE:

Western DuPage Chamber of Commerce  
West Chicago Railroad Days - Funding Phase-Out  
and Reserve Fund Proposal  
Request for Direction

AGENDA ITEM NUMBER: 4. A.

FILE NUMBER: \_\_\_\_\_

COMMITTEE AGENDA DATE: November 28,  
2016

COUNCIL AGENDA DATE:

STAFF REVIEW: John D. Said

SIGNATURE JDS

APPROVED BY CITY ADMINISTRATOR: Michael  
Guttman

SIGNATURE \_\_\_\_\_

ITEM SUMMARY:

The Western DuPage Chamber of Commerce prepared and submitted the attached Funding Phase-Out and Reserve Fund Proposal for City consideration. The proposal summarizes a plan that would replace City funding of Railroad Days, other than in-kind services such as those provided by the Police and Public Works Departments. Establishment of a reserve fund for Railroad Days and other City-wide events is proposed as part of this plan.

City staff seeks direction from the Public Affairs Committee on this matter.

ACTIONS PROPOSED:

Direction concerning the Funding Phase-out and Reserve Fund proposal is respectfully requested.

COMMITTEE ACTION:

# West Chicago Railroad Days

## Five-year proposal with phase out plan

Respectfully submitted by: Western DuPage Chamber of Commerce

The City of West Chicago has requested a proposal or concept plan for services related to the planning and management of the West Chicago Railroad Days festival. The goal is to phase out the City's funding obligation over a period of not more than five years. It is our pleasure to submit such a plan drawing on our more than a decade of experience managing this event.

It was communicated to us that the in-kind services i.e. police, public works and ESDA for example would remain. Therefore, our proposal does not include the in-kind services that have been provided for within our previous contracts as an expense of the event.

### Assumptions/acceptance:

As a starting point there needs to be agreement that in order to phase out the cities funding obligation, currently \$80,000 plus in-kind services; the event must change from its current model. The goal then is to re-create the event in a way that meets three defined objectives,

- Reduce the cities cost for the event to zero by year six of the implementation/phasing plan
- Create an event that the community will value and appreciate
- Create a model that is sustainable and transferable into the future

Reducing costs will change the dynamic of various attractions however, with the active monitoring of the community during the transition, private funding opportunities may be identified. For example; eliminating the Shriners will reduce the cost of the parade and if the community reacts unfavorably, sponsors for specific groups could be solicited and/or fundraising specific to the parade could be held.

Modifications of attractions and festival components will be implemented each year based on the stated goals. Some attractions may be eliminated for a single year to weigh community response, additional features will be added and some may be eliminated permanently.

Engaging the many community groups that serve in and around West Chicago is one strategy that will be implemented to achieve the stated goals. This strategy will require a much greater investment of time for the first two years in order to find the right opportunities and consideration, once established it should be easier to maintain. The benefit is that organizations may wish to take ownership of a key component i.e. parade whereby they receive naming rights and use this to promote their group while providing a service to the overall event.

**Challenge of Fixed costs:**

Fixed costs for holding an event cannot be avoided and will be assumed by the event planner/manager be it a contractor or the City of West Chicago. In year six, it is contemplated that the Western DuPage Chamber of Commerce and/or another entity would submit a proposal to hold the festival and request that the City of West Chicago provide in-kind services and a waiver of the application fees with no cash consideration given to the organization or group. Therefore, the group must assume all fixed costs as well as the risk that a storm event could reduce or eliminate virtually all of the revenue forecast to support these costs.

These costs are incurred prior to the event opening. Should a significant event occur such as weather or train derailment that delays or prevents the opening of the event a significant loss would occur. This must be addressed for the City or any other entity taking on such obligations. While it is not an absolute mandate our recommendation would be to provide a reserve fund held by the City of West Chicago should such an extraordinary event occur?

Having a private organization agree to plan and manage this community event with no guarantee that their work will earn any revenue to support their mission is possible but, the risk that they would do all of this work and incur a significant loss is unreasonable and unlikely.

• Sanitation	\$2,000
• Generators/light towers	\$5,000
• Stage/sound/lights	\$7,500
• Marketing	\$6,000
• License/fees	\$ 750
• Training	Unknown
• Infrastructure (tents, tables, chairs)	\$2,500
• Background checks	\$3,000
• Site restoration	\$5,000-\$10,000
• Fencing	\$500 - \$3,500
• <u>Transportation (buses)</u>	<u>\$1,750</u>
• <b>Total Estimated Fixed Cost</b>	<b>\$34,000</b>

**Funding proposal:**

Signage is one of the key marketing tools used to remind the residents and those traveling through West Chicago of the event dates and location. The City of West Chicago utilizes large signs at various entry points of the city to promote Blooming Fest for example. In year one, we propose that the City of West Chicago make an investment in this same quality of signage as well as general directional signage that can be used to promote the festival as long as it exists.

The following funding schedule is proposed;

- 2017           \$70,000
- 2018           \$60,000
- 2019           \$50,000
- 2020           \$35,000
- 2021           \$25,000

By year six West Chicago Railroad Days should be well established in its new structure and all partnering organizations will have become very comfortable with their area of participation. Fundraising will have been explored sufficiently to provide a reasonable baseline for forecasting and risk will be minimized to the extent that the festival planner/manager can manage it with an acceptable outcome.

West Chicago's Railroad Days has been a well attended and valued festival for over forty years. It has been our experience; supported by many conversation throughout the years that it is the only community event that our residents attend in large numbers to celebrate as a community. Residents take great pride in their city and have few opportunities to actively experience our great city with their neighbors and friends; moreover to share and openly demonstrate the pride they have for their city with others.

If this proposal is acceptable in concept, we can work with the City of West Chicago to adjust the specifics and/or modify the schedule as desired.

Respectfully,

David J. Sabathne  
President

# West Chicago Railroad Days

Proposal by: Western DuPage Chamber of Commerce

## Reserve Fund

The goal of the City of West Chicago regarding Railroad Days is to eliminate all but the in-kind service costs. The Western DuPage Chamber of Commerce proposed such a plan that is both feasible and sustainable overtime; with one exception. The risk of taking a financial loss as a result of conditions beyond the control of the planner/manager should be minimized to facilitate a greater pool of participants. City Administrator Guttman requested an explanation of our proposed “reserve fund”.

The concept we propose is fairly straight forward, the City could allocate an amount above any direct funding for the festival to be placed in a restricted **Festival Reserve Fund** of the City. The recommended reserve amount is \$10,000 annually for the first five years. In years six through ten the annual reserve funding could be reduced to \$5,000 until a cap of \$75,000 is reached.

This City of West Chicago could permanently allocate \$5,000 in the annual budget and allow the reserve fund to grow, offering additional benefits when the Council believes it is appropriate to do so. For example, in 2024 the City of West Chicago will celebrate 175 year anniversary. At that time the City Officials may want to fund a special fireworks display or add a unique article of memorabilia to commemorate the milestone during the festival.

Also, signage should be maintained by the City in order to have consistent high quality image and branding, after all people will read “West Chicago Railroad Days” and a date, they will not notice or remember what sponsor name was on it if any. So this imagery is part of West Chicago’s branding. Funds could be used periodically to maintain or upgrade signage.

### Structure:

Similar to an insurance policy but preferably much shorter, a **qualifying emergency** would be defined as well as a list of **qualifying expenses** that could be recovered. The process for requesting reserve funds should also be memorialized for everyone’s benefit; something like,

The City of West Chicago maintains a Festival Reserve Fund for the purpose of limiting risk for organizers and managers of city-wide events that are sponsored and authorized by the City of West Chicago or to fund a special one-time expense for a city-wide festival or attraction. All event organizers must complete a “Reserve Fund Application” to be submitted with the “Festival Application” to qualify for consideration. These funds are exclusively to limit risk associated with a catastrophic and/or extraordinary occurrence that has a substantial and negative financial impact on the organizers and/or managers.

*Qualifying Emergency:* catastrophic or extraordinary weather event or emergency that prevents a festival from opening or operating for more than 75% of its scheduled time for events lasting 3 or more days or 100% for events planned for two or fewer days.

*Qualifying Expenses:* expenses pre-authorized for Festival Reserve Funds that are essential to the operation of the festival. These expenses may include but are not limited to generators, sanitation units, stage, sound and lighting contracts, site restoration, tents, portable lighting units, marketing ...

Note: Only those expenses pre-authorized as *Qualifying Expenses* may be considered for funding. Loss of profit is not a qualifying expense.

In more than a dozen years of planning and managing West Chicago Railroad Days we have never experienced an event that would have qualified for payments under such an agreement however; there have been emergency events that would have qualified if they had occurred at a different time. The 2011 storm that wiped out hundreds of trees on July 1<sup>st</sup>. Had that storm hit a week later we would have had to cancel and the funding would have been needed.

We would be happy to review any application that the City of West Chicago considers and apply historical numbers and contract terms to make sure that it meets the City Councils objectives. Please let us know if there is any other way we can be of assistance.

Respectfully,

*David J. Sabathne*

President / CEO

Western DuPage Chamber of Commerce

# CITY OF WEST CHICAGO

## Public Affairs Committee AGENDA ITEM SUMMARY

**ITEM TITLE:**

2016 Mexican Independence Day  
Final Report  
Mexican Cultural Center

**AGENDA ITEM NUMBER:** 5.A.**FILE NUMBER:** \_\_\_\_\_**COMMITTEE AGENDA DATE:** November 28,  
2016**COUNCIL AGENDA DATE:****STAFF REVIEW:** John D. Said**SIGNATURE** **APPROVED BY CITY ADMINISTRATOR:****SIGNATURE** \_\_\_\_\_**ITEM SUMMARY:**

The Mexican Cultural Center (MCC) submitted the attached final report and financial summary for the 2016 Mexican Independence Day event for review and approval. In general, the MCC indicated that the event operated smoothly over the two day period (September 17-18, 2016). City staff has reviewed these documents and finds them acceptable. The qualifying expenses listed in the report total \$12,019.78, although the City's contribution to the event totals \$11,000. With the City contribution and additional contributions, the MCC's net spending for this event totaled \$319.78

The report is provided in accordance with the Funding Agreement between the City and the Mexican Cultural Center for the 2016 Mexican Independence Day event. Resolution 2016-R-0034, approved June 20, 2016, authorized the funding agreement for the event, which took place September 17-18, 2016.

The event was expanded to two days for 2016, which provided an opportunity for a larger and more extensive number of activities to take place. In general, the event appeared to operate smoothly on both Saturday, Sept. 17 and Sunday, Sept. 18. The pre-event planning, overall coordination and increased volunteer assistance were key to the success of this year's celebration.

**ACTIONS PROPOSED:**

Recommend approval of the final written report and summary financial report submitted by the Mexican Cultural Center for Mexican Independence Day 2016.

**COMMITTEE RECOMMENDATION:**

**Mexican Cultural Center  
Mexican Independence Day  
City of West Chicago Report**

	Type	Date	Num	Name	Memo	Class	Amount
<b>Ordinary Income/Expense</b>							
<b>Income</b>							
<b>Direct Public Support</b>							
<b>Corporate Contributions</b>							
	Invoice	09/02/2016	1006	Daniel and Associates Real Sta	Mexican Independents Day spac	MID:Event	50.00
	Invoice	09/02/2016	1007	Mexico Chiquito Restaurant	Mexican Independents Day spac	MID:Event	225.00
	Invoice	09/02/2016	1008	Los Girasoles Restaurant	Mexican Independents Day spac	MID:Event	75.00
	Invoice	09/02/2016	1009	Source One Staffing	Mexican Independents Day spac	MID:Event	50.00
	Invoice	09/02/2016	1010	Acres Group	Mexican Independents Day spac	MID:Event	50.00
	Invoice	09/02/2016	1011	Sonias	Mexican Independents Day spac	MID:Event	150.00
	Invoice	09/02/2016	1013	Don Ajun Hat Sale	Mexican Independents Day spac	MID:Event	50.00
	Invoice	09/02/2016	1012	Tanias Toys	Mexican Independents Day spac	MID:Event	50.00
							<u>700.00</u>
<b>Total Corporate Contributions</b>							
<b>Individ, Business Contributions</b>							
	Invoice	06/10/2016	1004	City of West Chicago	Fiestas Patrias 2 days Event	MID:Event	11,000.00
							<u>11,000.00</u>
<b>Total Individ, Business Contributions</b>							
<b>Total Direct Public Support</b>							
<b>Total Income</b>							
<u>11,700.00</u>							
<b>Expense</b>							
<b>Advertising</b>							
A	Check	02/16/2016	999	Alberto Sanchez Computers	Web page	MID:Event	520.00
B	Check	08/19/2016	2028	The Blue Frog Signs LTD.	Baners	MID:3 V 3	508.00
C	D.C.	09/06/2016		Mexicano Papel picado artesian	Papel Picado	MID:Event	682.35
D	Check	09/23/2016	2046	The Blue Frog Signs LTD.	Printing Service	MID:Event	261.50
							<u>1,971.85</u>
<b>Total Advertising</b>							
<b>Business Expenses</b>							
<b>Cleaning Service</b>							
E	Check	09/23/2016	2045	Ron John Poo-B-Gone	Invoice #091916	MID:Parade	105.00
							<u>105.00</u>
<b>Total Cleaning Service</b>							
<b>Entertainment Expense</b>							
F	Check	09/19/2016	2041	Mariachi Michoacan	Mariachi Band	MID:Event	1,000.00
G	Check	09/20/2016	2042	Magdaleno Perez	Chineles Group	MID:Event	350.00
H1	Check	09/26/2016	2043	Carmen Ozorio	Ballet	MID:Event	200.00
H2	Check	09/26/2016	2040	Mariachi Heritage Foundation	Mariachi Band	MID:Event	500.00
H3	Check	09/26/2016	2057	Julio Gonzalez	Banda for horses dance	MID:3 V 3	300.00
							<u>2,350.00</u>
<b>Total Entertainment Expense</b>							
<b>Equip Rental and Maintenance</b>							
I	Check	09/23/2016	2047	Saul Garcia	Stage Setup Lumber & Labor	MID:Event	200.00
J	Check	09/23/2016	2048	Naty Amaya	Stage Setup	MID:Event	50.00
K	Check	09/23/2016	2049	K Hoving Comanies	Portable Restrooms Rent	MID:Event	450.00
L	Check	09/23/2016	2053	We Go Bouncing Party Rentals	Equipment Rent	MID:Event	1,000.00
							<u>1,700.00</u>
<b>Total Equip Rental and Maintenance</b>							
<b>Rent, Parking, Utilities</b>							
M	Check	09/23/2016	2060	Odyssey Barricade Services	Barricades Rent	MID:Event	980.00
							<u>980.00</u>
<b>Total Rent, Parking, Utilities</b>							
<b>Facilities and Equipment - Other</b>							
J	Check	09/23/2016	2048	Naty Amaya	Flagg pole	MID:Parade	35.00
O	Check	10/21/2016	2063	Jonathan Munoz	Stage Trailer Rental	MID:Event	250.00
							<u>285.00</u>
<b>Total Facilities and Equipment - Other</b>							
<b>Total Facilities and Equipment</b>							
<b>Meals</b>							
P	D.C.	10/08/2016		Walmart	volunteer appreciation dinner	MID:Event	115.67
P	D.C.	10/08/2016		Walmart	volunteer appreciation dinner	MID:Event	43.71
							<u>159.38</u>
<b>Total Meals</b>							
<b>Operations</b>							
<b>Postage, Mailing Service</b>							

**Mexican Cultural Center  
Mexican Independence Day  
City of West Chicago Report**

	Type	Date	Num	Name	Memo	Class	Amount	
	Q	Check	09/06/2016	Volaris	Overweight Papel Picado	MID:Event	48.47	
	Q	Check	09/06/2016	Volaris	Overweight Papel Picado	MID:Event	195.00	
	R	D.C.	10/19/2016	USPS	Postage for Thank you Cards	MID:Event	23.50	
<b>Total Postage, Mailing Service</b>							<b>266.97</b>	
<b>Printing and Copying</b>								
	S	Check	06/08/2016	Volaris	Air Ticket papel picado	MID:Event	651.84	
<b>Total Printing and Copying</b>							<b>651.84</b>	
<b>Supplies</b>								
	T	D.C.	05/11/2016	Grimco Inc.	West Chicago big letters	MID:Event	152.87	
	U	D.C.	05/11/2016	Grimco Inc.	West Chicago big letters	MID:Event	272.33	
	V	D.C.	06/06/2016	Grimco Inc.	West Chicago big letters	MID:Event	324.06	
	W	D.C.	06/21/2016	SS Activewear	Blue Sport Shirts	MID:Event	64.87	
	X	D.C.	07/14/2016	Menards	Supplies	MID:Event	162.93	
	Y	Check	09/06/2016	Juguetes y Novedades Chispa	Toys from Mexico	MID:Event	4.06	
	Z	Check	09/06/2016	Idea Libertad	Loteria game	MID:Event	280.43	
	AA	Check	09/06/2016	Casa Marte	Mexican Flagg	MID:Event	94.71	
	AB	Check	09/06/2016	Casa Marte	Flagg pole atachments	MID:Event	21.76	
	AC	D.C.	09/06/2016	The Home Depot	Tires Material	MID:3 V 3	304.45	
	AD	D.C.	09/08/2016	Wal-Mart	Awards forms	MID:Event	4.59	
	AE	D.C.	09/13/2016	Menards	Tires 3v3	MID:3 V 3	98.51	
	AF	D.C.	09/14/2016	Menards	Tires 3v3	MID:3 V 3	7.46	
	AG	D.C.	09/14/2016	Menards	Canopys	MID:Event	224.11	
	AH	D.C.	09/15/2016	ACE	hex key set	MID:Event	3.22	
	AI	D.C.	09/15/2016	ACE	3v3 Supplies	MID:3 V 3	29.92	
	AJ	D.C.	09/16/2016	Menards	Shepherd 6" Swivel Mold On Rul	MID:Event	49.54	
	AK	D.C.	09/19/2016	ACE	Marking Wand and paint	MID:Event	33.92	
	AL	D.C.	09/19/2016	Party City	Plastic Table Cover Rolls	MID:Event	50.50	
	AM	D.C.	09/19/2016	Menards	3V3 Supplies	MID:3 V 3	24.67	
	AN	D.C.	09/19/2016	Menards	3V3 Supplies	MID:3 V 3	36.49	
	AP	D.C.	08/30/2016	SS Activewear	Sport Shirts for event	MID:Event	140.94	
	AQ	D.C.	09/14/2016	Amazon	Tissue Paper piñata	MID:Event	59.87	
	AR	D.C.	09/14/2016	Amazon	Bounce House Balls piñata	MID:Event	65.98	
	AS	D.C.	09/14/2016	Amazon	Evel Supplies	MID:Event	78.13	
	AT	D.C.	09/27/2016	Lewis Paper Place 2	Thank you Cards paper	MID:Event	44.42	
<b>Total Supplies</b>							<b>2,634.74</b>	
<b>Total Operations</b>							<b>3,553.55</b>	
<b>Other Types of Expenses</b>								
<b>Insurance - Liability, D and O</b>								
	AO	D.C.	09/01/2016	Slate Farm		MID:Event	475.00	
<b>Total Insurance - Liability, D and O</b>							<b>475.00</b>	
<b>Total Other Types of Expenses</b>							<b>475.00</b>	
<b>Security &amp; Protection</b>								
	AT	Check	09/23/2016	2044	Global Security Group	Invoice #2344	MID:Event	440.00
<b>Total Security &amp; Protection</b>							<b>440.00</b>	
<b>Total Expense</b>							<b>12,019.78</b>	
<b>Net Ordinary Income</b>							<b>-319.78</b>	
<b>Net Income</b>							<b>-319.78</b>	

# CITY OF WEST CHICAGO

## PUBLIC AFFAIRS COMMITTEE AGENDA ITEM SUMMARY

**ITEM TITLE:**

Contract for Operation  
West Chicago City Museum  
City of West Chicago / Phalen Consulting (Sara Phalen)  
Res. No.: 2016-R-0058

**AGENDA ITEM NUMBER:** 5.B.**FILE NUMBER:** \_\_\_\_\_**COMMITTEE AGENDA DATE:** November 28,  
2016**COUNCIL AGENDA DATE:** \_\_\_\_\_**STAFF REVIEW:** John D. Said**SIGNATURE** **APPROVED BY CITY ADMINISTRATOR:** Michael Guttman**SIGNATURE** \_\_\_\_\_**ITEM SUMMARY:**

With the impending December 31, 2016 expiration of the City's contract with Phalen Consulting (Sara Phalen), City staff worked with Phalen to prepare an updated contract. The new contract would begin January 1, 2017 and continue for a period of two (2) years, until December 31, 2018. With this contract, Ms. Phalen would continue consulting services to the City with management and operation of the Museum on the City's behalf.

Ms. Phalen has served for several years as the Museum Curator and Director on a consulting basis. She has served the City organization and the overall community very well with continued expansion of museum programs and increased visibility of this cultural institution in West Chicago. As with the previous contract, the City will maintain Museum ownership, and will supervise Ms. Phalen's activities and management of the facility.

The agreement is essentially in its final form, with the possibility of some minor adjustments associated with insurance and indemnity. Some modifications were made to compensation (from \$73,500 to \$84,000) and other aspects of the contract, but otherwise the document remains unchanged from the previous 2015-2016 version.

Ms. Phalen, with her background and experience, is best qualified to continue these services for the Museum and the City. Her experience and knowledge serve the community and the Museum very well.

Staff respectfully requests that the Committee recommend approval of the proposed agreement between the City of West Chicago and Phalen Consulting.

**ACTIONS PROPOSED:**

Staff recommends approval of Resolution No. 16-R-0058.

RESOLUTION NO. 16-R-0058

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CERTAIN  
CONTRACT BETWEEN THE CITY OF WEST CHICAGO AND PHALEN CONSULTING  
INC. FOR THE OPERATION OF THE WEST CHICAGO CITY MUSEUM

BE IT RESOLVED by the City Council of the City of West Chicago, in regular session assembled, that the Mayor and City Clerk are hereby authorized to execute and the City Clerk is authorized to attest a certain Contract between the City of West Chicago and Phalen Consulting Inc. for operation of the West Chicago City Museum for a two-year period not to exceed \$84,000.00 annually, in substantially the form attached hereto and incorporated herein as Exhibit "A".

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk

**AGREEMENT BETWEEN THE CITY OF WEST CHICAGO AND PHALEN  
CONSULTING FOR THE OPERATION OF THE WEST CHICAGO CITY MUSEUM**

This Agreement (hereinafter "AGREEMENT") is entered into this \_\_\_ day of November, 2016 between the City of West Chicago, an Illinois Municipal Corporation, (hereinafter "CITY") with offices located at 475 Main Street, West Chicago, Illinois 60185, and Phalen Consulting, Inc. (hereinafter, "PHALEN") with offices located at 131 Hill Court, West Chicago, Illinois 60185.

**RECITALS**

WHEREAS, the CITY owns and operates the West Chicago City Museum and its ancillary buildings (hereinafter "MUSEUM"), where a collection of West Chicago historical artifacts and exhibits are housed and or displayed; and

WHEREAS, Sara Phalen, sole shareholder of PHALEN, has been affiliated with the MUSEUM, either as an employee or an independent contractor, since 2006, and has worked extensively in all areas of the institution and is educated and professionally trained in the management, oversight, operation and direction of museums and non-profit entities; and

WHEREAS, the CITY desires to have PHALEN provide professional consulting services in the operation of the MUSEUM and employ its expertise in operating educational facilities and programming to create new and exciting ways to present the history and culture of the CITY and to preserve and care for the approximately 34,000 item collection which the CITY holds in public trust; and

WHEREAS, PHALEN desires to provide professional consulting services for the operation of the MUSEUM; and

WHEREAS, the parties desire to enter into this AGREEMENT in order to provide a full statement of their respective obligations in connection with PHALEN'S exclusive, non-transferable license to operate, occupy and utilize the MUSEUM.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein, and other good and valuable consideration acknowledged by the parties, the parties agree as follows:

**ARTICLE I. SPACE, STAFF, EQUIPMENT, AND MISCELLANEOUS ITEMS**

1.1 Description of Space and Use: The physical premises to be operated by PHALEN shall include the four facilities listed in Attachment "A" attached hereto and made a part hereof, which facilities constitute the physical premises of the MUSEUM.

1.1.1 PHALEN agrees to operate the MUSEUM and its buildings in compliance with the mission of the MUSEUM, as follows: "The West Chicago City Museum is a dynamic history and art center that inspires and involves the

community through research, programs and exhibits”.

- 1.2 Staffing: PHALEN shall provide all staff necessary to support the operation of the MUSEUM in a manner that is consistent with the policies and guidelines of the *American Association of Museums* ([www.aam-us.org](http://www.aam-us.org)) which is incorporated herein by reference.
  - 1.2.1 PHALEN shall serve as the Director/Curator of the MUSEUM, and shall be responsible for fulfilling the goals and responsibilities described in Attachment B, attached hereto and made a part hereof.
  - 1.2.2 PHALEN may employ or contract with support staff for educational and collection management purposes at its sole cost and expense. Support staff employed or contracted by PHALEN shall not be considered employees of the CITY. PHALEN shall be responsible for complying with all existing federal, state and local employment laws.
  - 1.2.3 The CITY may, at its sole cost and expense, conduct criminal background checks for any PHALEN personnel and volunteers prior to their starting their assignment at the MUSEUM and annually thereafter. All PHALEN personnel must execute a waiver allowing the city to conduct said background check and must successfully pass their background checks, as determined by the CITY, in order to be assigned to the MUSEUM.
- 1.3 Hours of Operation: PHALEN agrees that the MUSEUM open to the public not less than twelve (12) hours per week, except that the MUSEUM will be closed for all holidays recognized by the CITY. The hours the MUSEUM shall be open to the public are specified in Attachment B, and they shall be expanded for special events and to accommodate increased visitation during the summer, to include at least four (4) hours on Saturdays. MUSEUM hours shall be posted for the public on the MUSEUM’S entrance and on the MUSEUM portion of the City website.
- 1.4 Museum Entrance Fees and Donations: PHALEN agrees that no fee will be charged as an entrance or other user fees to the MUSEUM. Any monetary donations accepted by PHALEN, as the Director/Curator of the MUSEUM, shall be deposited into the Museum Trust Account as managed by the Friends of the West Chicago City Museum (hereinafter “FRIENDS”), a 501(c)(3) organization, whose sole purpose is to support the MUSEUM and its mission through fundraising.
- 1.5 Furnishings and Equipment: For the purposes of operating the MUSEUM and otherwise carrying out its responsibilities under this AGREEMENT, PHALEN may utilize CITY’S existing furniture (e.g., desks, chairs, tables, etc.) and equipment (e.g. computer hardware, copier, fax, microfilm, scanner, software, telephones, etc.) presently at the MUSEUM. PHALEN shall exercise reasonable care and shall be responsible for protecting and presenting said furniture and equipment. CITY shall be responsible for the maintenance agreements for all equipment (e.g. copier, two

computers, microfilm reader and software). CITY shall be responsible for the replacement of said furniture and equipment when needed as solely determined by the CITY. Requests for furniture and equipment replacement must be made in writing by PHALEN by October 1<sup>st</sup> of each year for purchase in the subsequent fiscal year, notwithstanding an emergency, and approved by the CITY in writing.

1.5.1 CITY shall continue to maintain MUSEUM computer files on a server and provide technical support, to the extent maintenance and support is currently provided.

1.5.2 PHALEN shall promptly report in writing to the Director of Community Development and the current City staff member as applicable, any problems with the condition and/or operation of any furnishings and equipment.

1.5.3 PHALEN shall not add any software products, upgrades, applications or any other changes to computer equipment without prior authorization of the CITY.

1.6 Operating Supplies: PHALEN shall provide, at its own cost and expense, all necessary office and museum-related supplies needed in order to provide the required services under the AGREEMENT.

1.7 Custodial Services, Facility Maintenance, Security and Utilities: CITY shall continue to provide custodial services, building maintenance, ordinary utilities, security services and capital improvements as needed and as determined by the CITY for all four buildings comprising the MUSEUM.

1.7.1 PHALEN shall notify the CITY of any building maintenance issues that arise. CITY shall use its best efforts to timely notify PHALEN of any work that is done to remedy any building maintenance issues.

1.7.2 City, or PHALEN if designated in writing and with at least seven (7) days notice, shall be responsible for the completion of the monthly maintenance and safety checks as required by the CITY by the 5<sup>th</sup> of each month and shall immediately thereafter transmit the required documentation to the Human Resources Coordinator. Any and all issues that arise out of these checks must be reported to PHALEN within five (5) business days of completion. PHALEN shall have five (5) business days to remedy any violations.

1.8 Other City Services: The CITY shall allow PHALEN, for purposes of operating the MUSEUM and otherwise carrying out its responsibilities under this AGREEMENT, to have MUSEUM information uploaded to the CITY website; to use the GIS; and to provide the CITY marketing materials and information to publicize the MUSEUM. PHALEN may also use certain equipment at City Hall including the copier, postage meter and folding machine. Any additional requests for CITY services or to use CITY equipment shall be made in writing to the CITY. PHALEN

shall not use said outlets for any use not approved by the CITY.

- 1.9 Additional Alterations: PHALEN shall not, without the prior written consent of the CITY, make any alterations, improvements or additions to the MUSEUM buildings. Such alterations shall be requested by PHALEN in writing. The CITY'S refusal to give said consent shall be conclusive. The CITY has the sole authority to give consent to any non-structural changes, including, but not limited to installation of shelving units and modification existing fixtures. It shall be PHALEN'S responsibility to provide assurance that all improvements are consistent with the MUSEUM building's status on the *National Register of Historic Places*.
  - 1.9.1 With prior written approval of the CITY, PHALEN may make agreed upon alterations using volunteer or paid labor of choice. The CITY is not responsible for any costs associated with PHALEN's election to do so and the alterations, improvements or additions done to the MUSEUM buildings.
- 1.10 Right of Access: CITY shall be entitled to access to the MUSEUM twenty-four (24) hours a day, without prior notice. CITY staff and agents will record all after-hours building entries on a sign-in tracker at MUSEUM backdoor.
- 1.11 Right of Use: CITY shall be entitled to use MUSEUM facilities for other CITY uses provided twenty-four (24) hours' written notice has been provided to and acknowledged by PHALEN, except in the case of emergencies. PHALEN shall retain the right to object to any Right of Use request by CITY solely for conflicts arising from scheduling or concurrent programming, except in the case of emergencies. Such objection shall not be unreasonably given. CITY shall retain the final say in Right of Use.
- 1.12 Fundraising Board: CITY and PHALEN hereby acknowledge that the FRIENDS was established in 2005 to support the MUSEUM through fundraising efforts. The FRIENDS is not a third-party beneficiary to this AGREEMENT.
  - 1.12.1 CITY and PHALEN acknowledge that the purpose of the FRIENDS is fundraising for the MUSEUM. CITY and PHALEN agree that it is neither the intent of this AGREEMENT to grant the FRIENDS any authority over PHALEN as it relates to the MUSEUM'S operations and staff, nor any ability to direct or decide the programming or operations of the MUSEUM, which shall be at the sole discretion of PHALEN and consistent with this AGREEMENT.
  - 1.12.2 CITY and PHALEN acknowledge that the FRIENDS is a 501(c)3 not-for-profit corporation and operates independently through its bylaws.
  - 1.12.3 CITY and PHALEN acknowledge that the FRIENDS holds monies that are generated through its own activities and that the MUSEUM, CITY and PHALEN have no control over such monies.

1.12.4 CITY and PHALEN acknowledge that the FRIENDS holds monies that are raised through MUSEUM activities and are held in trust for the MUSEUM and its operations in an account separate from the account described in 1.12.3. The MUSEUM, under PHALEN'S direction, shall account to the FRIENDS and the CITY (the latter only as it relates to monies spent on facility improvements) how these monies are utilized.

## **ARTICLE II. OPERATING FEE AND REPORTING**

- 2.1 License Granted: CITY agrees to provide PHALEN an exclusive, non-transferable license to occupy and utilize the space of the MUSEUM, as set forth in this AGREEMENT, at no cost.
- 2.2 Operating Fee: For a period of two (2) years beginning January 1, 2017, the CITY shall compensate PHALEN with an annual Operating Fee of eighty four thousand and 00/100 dollars (\$84,000.00) for operating the MUSEUM and otherwise carrying out its responsibilities under this AGREEMENT. CITY agrees to pay PHALEN in twelve (12) equal monthly installments of seven thousand dollars (\$7,000.00). For purposes of payment, PHALEN shall submit to the CITY an invoice that shall be e-mailed to the CITY no later than six (6) days prior to the date of the first City Council meeting of each month. Payment to PHALEN shall be made following approval by the City Council.
- 2.2.1 Should one of the parties wish to create a successor agreement, including altering the amount of the operating fee, written notice must be provided to the other party at least ninety (90) days prior to the expiration of the then current term.
- 2.2.2 Should the agreement be terminated early, CITY shall not be obligated for any further payments (for the remainder of the contract) to PHALEN.
- 2.3 PHALEN shall provide quarterly reports, for each calendar year quarter, to the CITY or before the last day of January, April, July and October, beginning in January 2015. The format of said reports shall be as may be mutually agreed upon by CITY and PHALEN the content shall include, but is not limited to, the following:
- 2.3.1 PHALEN shall provide reports to CITY regarding the number of visitors to MUSEUM exhibits, participants in educational programs, and attendance at events as well as its progress toward achieving the Goals detailed in Attachment B.
- 2.3.2 PHALEN shall provide reports to CITY regarding revenues from donations, educational programs and events.

- 2.3.3 PHALEN shall provide reports to CITY detailing all expenditures made from the Operating Fee set forth in Paragraph 2.2, correlating to the suggested budget set forth in Attachment C, which is incorporated into this AGREEMENT by reference.
- 2.4 PHALEN shall annually make a presentation to the applicable Standing Committee of the City Council during the first calendar quarter of each year, beginning in 2017, reporting on the operations from the past year.
- 2.5 The Director of Community Development will be responsible for AGREEMENT oversight, receiving the quarterly reports from PHALEN, and serving as the primary CITY contact for PHALEN.

### ARTICLE III. COLLECTIONS

- 3.1 Collection Ownership: CITY shall retain its ownership of the Museum Collection as the holder of the historic collection in the public trust.
- 3.2 Collection Use: PHALEN shall be given use of the Museum Collection to fulfill its obligations under this AGREEMENT. PHALEN shall act within the current policies of the MUSEUM, as enumerated in the MUSEUM'S Collection Policy set forth in Attachment D, which is incorporated into this AGREEMENT by reference.
  - 3.2.1 PHALEN shall utilize the Museum Collection to generate revenues through programming, research fees and other activities that further the mission of the MUSEUM. Fees generated will be held in the MUSEUM trust account supervised by the FRIENDS. Revenues collected will be included in reporting as stated in Paragraph 2.3.2.
  - 3.2.2 There are many references to "registrar", "employees", "staff" and other terms referring to City employment in Attachment D, which is a policy previously approved by the CITY. It is understood by CITY and PHALEN that this policy should be updated in the future to make it applicable to the MUSEUM being operated by an independent contractor and not CITY employees. In the meantime, both Parties acknowledge that PHALEN will assume the responsibilities of the CITY employees that are defined therein.
- 3.3 Collection Care: CITY shall have the following responsibilities in connection with the maintenance of the Museum Collection:
  - 3.3.1 CITY shall continue to insure the Museum Collection against loss or damage. PHALEN shall assist the CITY in all ways needed to comply with insurance requirements.
  - 3.3.2 CITY shall provide adequate space for the storage and care of the Museum Collection, currently accomplished through the Museum Off-Site Storage

facility located at 126 McConnell Street. CITY shall provide PHALEN with one-hundred twenty (120) days notice of any changes to be made in off-site storage of the Museum Collection and a proposed plan for adequate replacement of Collection storage that is consistent with the policies and guidelines of the *American Association of Museums* ([www.aam-us.org](http://www.aam-us.org)).

#### **ARTICLE IV. LIABILITY AND RISK MANAGEMENT**

- 4.1 Indemnification /Hold Harmless Provision: To the fullest extent permitted by law, PHALEN hereby agrees to defend, indemnify and hold harmless the CITY, its officials, agents and employees, against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, costs and expenses (including attorneys fees), which may in anywise accrue against the CITY, its officials, agents and employees, arising in whole or in part or in consequence of the performance of this work by PHALEN, its employees, subcontractors or volunteers, or which may in anywise result therefore, except that arising out of the sole legal cause of the CITY, its employees or agents, PHALEN shall at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefore or incurred in connections therewith, and, if any judgment shall be rendered against the CITY, its officials, employees and agents, in any such action, PHALEN shall, at its own expense, satisfy and discharge the same.
- 4.2 Exceptions to Indemnification: CITY shall maintain, hold and be obligated to hold Comprehensive General Liability Insurance on the MUSEUM, its guests, visitors, volunteers and program participants. PHALEN shall be responsible for obtaining executed hold harmless waivers for all volunteers that comply with current CITY policy.
- 4.3 Survival of Indemnification: The indemnification described above shall not be limited by reason of the enumeration of any insurance coverage herein provided, and it shall survive the termination of this AGREEMENT.
- 4.4 Default: A Party shall be in default if that party breaches a material term of this Agreement. However, no party shall be in default of its performance of its obligations under this Agreement unless it shall have been provided thirty (30) days' written notice specifically setting forth the alleged default and an opportunity to cure the same. Defaults shall be cured within seven (7) calendar days of receipt of said notice. In the event of default, either party may pursue such remedies as a result thereof as are available at law or equity.
- 4.5 Insurance: PHALEN shall provide the CITY with an original Certificate of Insurance for the term of this Agreement for General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, and property damage and \$1,000,000 per occurrence for personal injury. The general aggregate shall be twice the required occurrence.

Policy is to contain: the CITY, its officials, employees, agents and volunteers covered as additional insured's as respects; liability arising out of PHALEN'S work including activities performed by or on behalf of PHALEN. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees, agents and volunteers. PHALEN'S coverage shall be primary as respects the CITY, its officials, agents, employees and volunteers. The Certificate shall also list the CITY as loss payee with CITY named as cancellation notice recipient.

PHALEN shall also provide Workers' Compensation coverage with statutory limits and Employers' Liability limits of \$500,000 per accident should PHALEN have any employees.

- 4.6 Reporting Requirements: PHALEN shall follow requirements of the CITY and IRMA regarding reporting of accidents or other incidents associated with potential liability at the MUSEUM.

## **ARTICLE V. TERM AND TERMINATION OF AGREEMENT**

- 5.1 Term. This AGREEMENT shall become effective on January 1, 2017 and may be terminated with cause upon immediate notice or without cause, upon ninety (90) days prior written notice to the other party.
- 5.2 Suitable Replacement: If PHALEN elects to terminate this AGREEMENT, PHALEN shall be responsible for selecting and recommending a suitable replacement candidate. This recommendation shall not be binding in any way on the CITY.
- 5.3 Automatic Renewal: Beginning on January 1, 2019 and the annual anniversary thereafter, unless either party elects to terminate this AGREEMENT as defined in Paragraph 5.1 or provides notice to renegotiate as defined in Paragraph 2.2.1, this AGREEMENT shall automatically renew for an additional one (1) year.
- 5.4 Surrender of Possession: Upon the expiration of the Term or upon the termination of PHALEN'S right of possession, PHALEN shall forthwith surrender the premises of the MUSEUM, as described in Article I, to the CITY in good order, repair and condition, ordinary wear and tear excepted. Any interest of PHALEN in the alterations, improvements, and additions to the MUSEUM (including without limitation all carpeting or floor covering) made or paid for by CITY or PHALEN, excluding any of the PHALEN'S personal property, shall, without compensation to PHALEN, become CITY'S property at the termination of this AGREEMENT by lapse of time or otherwise, and such alterations, improvements and additions if they are to be relinquished shall be relinquished to CITY in good condition, ordinary wear and tear excepted. If PHALEN holds over after said date, it shall be liable to the CITY in the amount of two hundred dollars (\$200.00) per day for every day or portion thereof that it remains.

5.5 Surrender of Funds: If this AGREEMENT is terminated early by either party or at the end of the AGREEMENT term, PHALEN shall provide an accounting of any monies provided by the CITY but not yet expended. PHALEN shall remit these funds, less all encumbrances including PHALEN'S fees, within thirty (30) days of the termination date of this AGREEMENT.

## ARTICLE VI. GENERAL PROVISIONS

6.1 Independent Contractors: The provisions of this AGREEMENT are neither intended to create nor shall any be deemed or to be construed by the parties to create any relationship between the parties hereto other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this AGREEMENT.

6.1.1 PHALEN shall not be entitled to participate in any plans, arrangements, or distributions by the CITY pertaining to or in connection with any pension, insurance, or similar benefits for CITY employees. In addition, the CITY shall have no responsibility for withholding income tax, social security tax, or unemployment insurance from the compensation paid to PHALEN. PHALEN'S compensation shall be reported on IRS Form 1099, or such successor and/or additional forms as may be required from time to time by the United States Internal Revenue Service.

6.1.2 PHALEN is retained by the CITY only for the purpose and to the extent set forth in this AGREEMENT, and its relation to the CITY during the period or periods of this AGREEMENT and services hereunder, shall be that of an independent contractor, and she shall not be authorized to act as agent, employee, servant or officer of the CITY. Sara Phalen, sole shareholder of PHALEN, shall be free to dispose of such portion of her time, energy, and skill during such hours as she is not performing services for the CITY in such manner as she sees fit and to such persons, firms and corporations as she sees advisable.

6.1.3 PHALEN shall provide a W-9 form to the City as required for independent contractors.

6.2 Entire Agreement: Modification: This AGREEMENT contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all other communications between the parties relating to such subject matter. This AGREEMENT may not be amended or modified except by mutual written agreement.

6.3 Compliance with Applicable Law: Each party agrees to comply with all applicable local, state and federal law.

6.4 Governing Law and Jurisdiction: This AGREEMENT shall be construed in

accordance with the laws of the State of Illinois. The parties agree that the exclusive venue for resolving any disputes arising from or under the terms of this AGREEMENT shall be in the 18<sup>th</sup> Judicial Circuit Court of DuPage County, Illinois.

6.5 Partial Invalidity: If any provision of this AGREEMENT is prohibited by any applicable law or court decree, said prohibition shall not invalidate or affect the remaining provisions of this Agreement.

6.6 Notices: All notices hereunder by either party to the other shall be in writing, delivered personally, by certified or registered mail, return receipt requested, or by Federal Express or Express Mail, and shall be deemed to have been duly given when delivered personally as follows:

If to PHALEN:

Phalen Consulting, INC  
c/o Sara A. Phalen  
131 Hill Court  
West Chicago, IL 60185

If to the CITY:

City of West Chicago  
475 Main Street  
West Chicago, Illinois 60185  
Attention: Michael Guttman, City Administrator

or to such other persons or places as either party may from time to time designate by written notice to the other.

6.7 Waiver: A waiver by either party of a breach or failure to perform hereunder shall not constitute a waiver of any subsequent breach or failure.

6.8 Captions: The captions contained herein are used solely for convenience and shall not be deemed to define or limit the provisions of this AGREEMENT.

6.9 Assignment; Binding Effect: CITY shall not assign or transfer, in whole or in part, this AGREEMENT or any of CITY'S rights, duties or obligations under this AGREEMENT without the prior written consent of PHALEN, and any assignment or transfer by CITY without such consent shall be null and void. This AGREEMENT shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and permitted assigns.

6.9.1 PHALEN shall not assign or transfer, in whole or in part, this AGREEMENT or any of PHALEN'S rights, duties or obligations under this AGREEMENT without the prior written consent of the CITY, and any

assignment or transfer by PHALEN without such consent shall be null and void. This AGREEMENT shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and permitted assigns.

**IN WITNESS WHEREOF**, the parties hereto have executed this AGREEMENT as of the day and year first written above.

For:  
City of West Chicago

For:  
Sara Phalen

\_\_\_\_\_  
Michael Guttman, City Administrator

\_\_\_\_\_  
Sara A. Phalen

Date \_\_\_\_\_

Date \_\_\_\_\_