

“Annual Reserve Deposit” means the yearly fixed set-aside amount(s) for capital equipment at the WWTP.

“Authority” means the West Chicago/Winfield Wastewater Authority.

“Board” means the Board of Directors of the Authority, as provided for in Section 3.2 of this Agreement.

“Budget” means the Annual Operating Budget and Capital Improvement Plan for the Authority.

“Capacity” shall mean, as of any time, the maximum [daily] capacity of the WWTP to treat wastewater, expressed in units equal to one million gallons per day (“MGD”), as determined by competent professional engineers.

“Capacity Charge” means the fee paid by users at the time of connection which reflects the additional burden to the WWTP brought about by new development.

“Capital Reserve Fund” means the Fund which is comprised of monies previously held by West Chicago in the WWTP Equipment Replacement Reserve Fund and the Plant Expansion Fund and the fund into which Annual Reserve Deposits made by the Members are deposited.

“Capital Expenses” means items of a fixed asset nature that have a useful life of three years or more and an original cost of at least \$10,000 and are not eligible expenses to be drawn from the Capital Reserve Fund.

“Chief Administrative Officer” means the City Administrator of West Chicago or the Village Manager of Winfield, or their designees as appropriate.

“Dispute” or “grievance” is a difference of opinion raised by a Member against the Authority or the Authority against a Member regarding an alleged violation, misapplication, or misinterpretation of an express provision of this Agreement.

“Effective Date” is the date of execution of this Agreement by both Parties.

“Effluent” means the wastewater discharged from the WWTP.

“Fiscal Agent” shall mean an individual appointed by the Board who shall be a third party appointee, responsible for paying all bills upon direction of the Operating Agency; invoicing West Chicago and Winfield on a monthly basis; performing all required accounting functions on behalf of the Authority; and working with the appointed Authority Auditor. Additionally, the Fiscal Agent will assume all work related to the WWTP currently being performed by West Chicago’s Department of Administrative Services staff.

“Fiscal Year” means the period from January 1 of a particular year through December 31 of the same year.

“Force Majeure” means occurrences and events that are beyond the reasonable control of a Party hereto, including, without limitation: acts of God, acts of war, civil disturbances, riots, insurrection or sabotage; fires or explosions, floods, earthquakes, tornadoes or other natural disasters; power outages, strikes, lockouts or similar labor disturbances; equipment failure (unless such failure is caused by the failure of the affected Party to properly maintain or operate such equipment), or restraints, orders or injunctions issued by any governmental authority.

“IEPA” means the Illinois Environmental Protection Agency.

“Joint Venture” is the legal entity created under the name West Chicago/Winfield Wastewater Treatment Authority, which is owned, operated and governed by West Chicago and

Winfield as a separate and specific entity subject to the joint control of the Members. By this joint venture, the Members intend to pool their resources and share the costs, risks and rewards of providing wastewater services to Members and their service recipients.

“Law” means any constitution, charter, statute, act, law, ordinance, regulation, code, rule, order, decree, permit, judgment, directive, ruling, decision, guideline, resolution or declaration of any governmental authority, agency or court, or any department, board, bureau or instrumentality thereof.

“Member” or “Members” means, individually or collectively, West Chicago and/or Winfield.

“NPDES Permits” means West Chicago’s National Pollutant Discharge Elimination System Permits in effect as of the Conversion Date, as such permits may be modified or renewed by the IEPA from time to time. Upon conversion, West Chicago shall secure the transfer of all NPDES Permits to the Authority as allowed by law. Any costs associated with such transfer shall be borne by the Authority.

“Operating Agency” shall mean West Chicago, which, through its designated staff, will have the powers and duties on behalf of the Authority as set forth in Article 5.

“Operations Fund” means that Fund into which revenues earned, expenses incurred and/or net income is placed which is appropriate for maintenance, management control, accounting ability, and the like.

“Operation and Maintenance Costs” shall mean all costs of operating, maintaining and making routine repairs to the WWTP, including wages, salaries, costs of materials and supplies, power, fuel, insurance, purchase of wastewater treatment services (including all payments by the

Authority pursuant to long-term contracts for such services), but excluding debt service, depreciation, or any capital reserve requirements, and otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

“Population Equivalent” or “P.E.” means the unit of measure used to describe the size of a wastewater discharge.

“Replacement Reserve” means the monies set aside in the Capital Reserve Fund for any capital costs.

“Revenue” shall mean all income from rates, fees or charges from whatever source derived by the Authority from the WWTP including, specifically, all payments by the Members pursuant to the Agreement and further, including (i) investment income; (ii) capacity, permit and inspection fees, (iii) penalties and delinquency charges, and (iv) development, reimbursement, or recovery charges and the like.

“Treatment Plant” or “WWTP” means the regional wastewater treatment plant located at 725 Dayton Avenue in West Chicago, Illinois.

“West Chicago” means the City of West Chicago, its successors in interest and assigns.

“Winfield” means the Village of Winfield, its successors in interest and assigns.

ARTICLE 2

INTERPRETATION

2.1 Sections and Exhibits. References to Sections and to Exhibits are, unless otherwise indicated, to Sections and Exhibits of this Agreement. The Parties acknowledge and

agree that the Exhibits form an integral part of this Agreement and are hereby incorporated into this Agreement by reference.

2.2 Headings. The headings of Sections of this Agreement are for ease of reference only and shall not in any way affect its construction or interpretation.

2.3 Gender. The masculine gender shall include the feminine and neuter, and the singular number shall include the plural, and vice versa, and references to persons shall include individuals, municipalities, units of local government, bodies corporate, unincorporated associations and partnerships.

2.4 Successors and Assigns. References to Parties in this Agreement shall be deemed to include references to their successors and permitted assigns.

2.5 Preambles Incorporated by Reference. The preambles to this Agreement, as set forth hereinabove, are hereby incorporated as though said preambles were fully set forth herein.

ARTICLE 3

WEST CHICAGO/WINFIELD WASTEWATER AUTHORITY ESTABLISHMENT, DUTIES, BOARD OF DIRECTORS

3.1 Establishment. The Authority is hereby created and established for purposes of jointly treating and processing wastewater contributed by the Members. The Authority shall function through and be governed by a Board of Directors.

3.2 Board of Directors. The Authority Board of Directors (hereinafter referred to as the "Board") shall consist of the following, who shall be referred to as "Directors," each of whom shall serve without compensation:

A. From West Chicago: The City Administrator, the Director of Public Works and the Director of Administrative Services.

B. From Winfield: The Village Manager and the Finance Director.

C. In the event of a vacancy in office, the vacancy shall be filled by the individual serving the Village/City Office on an acting or temporary basis.

3.3 Presiding Officer. At its first meeting, the Board shall elect from its membership, a Presiding Officer. In the event of the absence of the Presiding Officer at a meeting of the Board, a designee of the Member from whose municipality the Presiding Officer is appointed shall serve as Presiding Officer *pro tem*. The Presiding Officer shall preside over all meetings of the Board.

3.3 Meetings. The Board shall meet on the second Tuesday in May and November each year, and, additionally, at the call of the Presiding Officer or any three (3) members of the Board, or at additional times as scheduled for the benefit of the Authority. The first meeting of the Board shall be held in May 2018 at the call of the Members for organizational purposes. Each May meeting of the Board shall be held at the Village of Winfield, 27 W 465 Jewell Road, Winfield, IL, and the November meeting of the Board shall be held at the West Chicago City Hall, 475 Main Street, West Chicago, IL, unless otherwise noticed. A quorum to conduct business shall occur when there are at least three (3) Directors present at a legally posted meeting of the Authority. An agenda for each Board meeting shall be prepared by the Presiding Officer and served via e-mail to all Directors no less than two (2) business days prior to any meeting of the Board. Notice and the agenda for each meeting shall be made and posted in compliance with the Illinois Open Meetings Act.

3.4 Votes. Action of the Board shall be by majority vote of a quorum in all matters, other than the following, which shall require a minimum of four (4) Directors voting in the affirmative: (i) issuance of debt, (ii) approval of the annual budget, (iii) any change in the Annual Reserve Deposit, (iv) entering into agreements with any other unit of government, or private utility company, for the treatment of wastewater generated from within the Facility Planning Area, (v) changing the amount of the Capacity Charge, (vi) selection of an auditor, (vii) selection of the third party Fiscal Agent for the Authority, and (viii) selection of legal counsel for the Authority.

3.5 Power and Authority. The Authority shall have, and is hereby delegated in addition to any and all powers enumerated or implied by law as a Municipal Joint Sewage Treatment Agency under 5 ILCS 220/3.4, full power and authority to do the following either by itself or through delegation to its Operating Agency and/or Fiscal Agent, as specifically detailed in this Agreement:

- A. Operate and maintain the WWTP in accord with applicable Federal, State, and local laws, ordinances and regulations.
- B. Establish a system of revenues through direct payments by Members.
- C. Enter into agreements with any other unit of government or private utility company for the treatment of wastewater generated from within the Facility Planning Area.
- D. Perform such other acts as may be necessary or desirable for the establishment, maintenance, and operation of the WWTP, including, but not limited to, designating a Member to exercise its condemnation authority in the acquisition of sites for additional wastewater treatment facilities.

- E. Review and approve an annual Budget.
- F. Conduct an annual Audit.
- G. Secure Insurance. West Chicago shall first attempt to use its insurance provider to extend coverage to the Authority for liability, workers' compensation (if applicable), property and other coverage deemed to be necessary, consistent with coverage limits maintained by West Chicago. Such insurance will be at the cost of the Authority. Thereafter, the Authority shall secure its own coverage each year.
- H. Engage Legal Counsel. The Authority shall retain independent legal counsel to assist the Authority on all legal matters. Unless approved by the Board, legal counsel shall not work with, or for, any Member.
- I. Keep accurate and complete books of account of the transactions of the Authority in accordance with generally accepted accounting principles and at all reasonable times will be available and open to inspection and examination by any Member. The books and records of the Authority will reflect all of the Authority's transaction and will be appropriate and adequate for the business conducted by the Authority, directly or through its Operating Agency.
- J. Designate the placement of investments and banking accounts. Authority funds will be held in the name of the Authority and will not be commingled with those of any other person or entity.
- K. The Authority shall have perpetual duration unless dissolved and terminated as provided in Article 12.

ARTICLE 4

OPENING BALANCE, ANNUAL BUDGET, AUDIT, BONDS AND NOTES

4.1 Opening Balance. As of the Conversion date, the Members shall contribute to the Authority's opening balance to create a pool of funds in the Operations Fund. The Member contributions will be based on flow to the WWTP and equal 25 percent of the last audited annual operating expenditures of the WWTP.

4.2 Annual Budget. The Budget shall be adopted by the Board at its November meeting. The fiscal year of the Authority shall be January 1 to December 31. The Authority budget shall be prepared and maintained as a separate document and not be intermingled or made a part of the regular budget of any of the Members. The Operating Agency shall prepare the Annual Budget for review and approval by the Board.

4.3 Annual Audit. The annual audit shall be executed by an auditing firm selected by the Board. The auditing firm selected shall be independent of the auditing firm auditing the books and records of any of the Members. The audit shall be submitted each year to the Authority at its May meeting.

4.4 Bonds, Notes. Any resolution authorizing the issuance of bonds or notes of the Authority shall pledge and provide for the application of revenues to payment of operation and maintenance costs, to provide for adequate depreciation, reserve or replacement funds with respect to the WWTP, and to the payment of principal, premium, if any, and interest on the bonds or notes of the Authority. All bonds or notes of the Authority shall be revenue bonds or notes and shall have no claim for payment other than from the revenues of the Authority. Bonds or notes issued by the Authority shall not constitute an indebtedness of any Member.

ARTICLE 5

WWTP OWNERSHIP AND MANAGEMENT

5.1 WWTP Ownership. It is the intention of the Members that the Authority acquire ownership of the WWTP. For such purpose, West Chicago shall convey title to and all of its ownership rights in the WWTP to the Authority no later than November 1, 2018.

5.2 Asset Purchase. Conveyance of title to the WWTP to the Authority shall be deemed a part of the Members' capital investment in the Authority, as set forth in Article 6. For such purposes, West Chicago shall be credited with 71 percent of the value of the WWTP as its capital investment, and Winfield shall be credited with 29 percent of the value of the WWTP as its capital investment. The value of the WWTP shall be assigned by the Members as of the Conversion Date.

5.3 Conversion Date. The Authority shall take over complete operation and maintenance of the WWTP from West Chicago as of January 1, 2019. Until the Conversion Date, the WWTP operations shall continue under the terms of the Intergovernmental Agreement dated May 18, 2009.

5.4 Operating Agency. As of the Conversion Date, West Chicago will become the Authority's Operating Agency. In this capacity, West Chicago will have day-to-day responsibility on behalf of the Authority for all operations and maintenance of the WWTP and, in this capacity, shall perform duties, including but not limited to:

A. Prepare a proposed annual operating and capital budget for the WWTP on or before October 8 of each year and shall submit the budget to the Board. The Budget shall include operations, the current year capital program and an updated ten (10) year capital plan;

B. Operate, repair and maintain the WWTP in full compliance with all NPDES Permits and all federal, state and local laws;

C. Obtain and maintain, in the name of the Authority, any and all permits, licenses and governmental consents, authorizations and approvals necessary to operate, repair and maintain the WWTP in accordance with applicable Laws. West Chicago shall promptly notify the Authority in writing of any change, modification, or loss of any such permit, license, consent, authorization or approval;

D. Enter into all contracts, bidding work, contract administration and oversight in the name of the Authority, and direct the Fiscal Agent to make invoice payment. For such purposes, the Operating Agency shall provide no less than five (5) business days advance written notice to Winfield of any contract or item of purchase which requires the approval of the West Chicago City Council. The following schedule will be used by the Operating Agency when securing pricing for purchases, excluding professional service contracts:

<u>Value of the Purchase</u>	<u>Means of Securing Pricing</u>
Less than \$500.00	Discretion
\$500.00-\$2,000.00	Telephone Quotations (at least 3 where applicable)
\$2,000.00 - \$20,000.00	Written Quotations (at least 3 where applicable)
Greater than \$20,000.00	Bids Sought

The Operating Agency shall issue a Request for Proposals and/or Qualifications at least every ten (10) years for companies to undertake the operations and maintenance of the WWTP should the Members wish to continue to have these functions privatized;

E. Sell equipment which it deems obsolete and no longer necessary for the operation of the WWTP. Sums resulting from such sale shall be accounted for and tendered to the Authority for proper accounting by the Fiscal Agent

F. Take such action as is deemed necessary and proper for the operation of the WWTP; and

G. Provide, or cause to be provided, monthly reports detailing the operation and maintenance activities at the WWTP.

5.5 Billing Information. West Chicago shall take steps necessary to ensure that the Fiscal Agent is provided information for proper billing, such that payment apportionment as set forth in Section 7.1 can be made.

5.6 Operating Agency Fee. In recognition of its role as Operating Agency, West Chicago shall be paid by the Authority a sum equal to 1/8 of the cost of salary and benefits paid by West Chicago to its Director of Public Works and his Administrative Assistant. Such sum shall be collected on a pro rata basis by the Authority from West Chicago and Winfield, predicated on the flow report. For such purpose, West Chicago shall invoice the Authority, and, thereafter, the Fiscal Agent shall submit the invoice to West Chicago and Winfield, and, upon receipt of payment therefore, shall remit said payment to West Chicago.

ARTICLE 6

CAPITAL INVESTMENT IN AUTHORITY

6.1 Monies in the Expansion Fund and Replacement Fund currently held by West Chicago will be deposited into the Authority's Capital Reserve Fund.

6.2 WC will transfer title to the WWTP to the Authority. The transfer of title shall represent the Member's capital investment in the Authority, as set forth in Section 5.2.

6.3 Commencing with the 2019 fiscal year, the Members shall deposit the total sum of Six Hundred Thousand and 00/100 (\$600,000.00) (the "Annual Reserve Deposit") into the Authority's Capital Reserve Fund. Each Member's proportionate share of the Annual Reserve Deposit shall be predicated on flow. The Annual Reserve Deposit shall be incorporated into the Operational Billing, as detailed in Section 7.1. The amount of the Annual Reserve Deposit may be increased or decreased by the Authority. Any change in the amount of the Annual Reserve Deposit requires a Board vote, as set forth in Section 3.4.

ARTICLE 7

BILLING PROCEDURES

7.1 WWTP Operational Billing.

A. The WWTP Charge to be paid by the Members shall be payable monthly and be calculated as follows for each municipality:

1. West Chicago:

The Total Amount of the WWTP Operating and Capital Expenses for the Current Month plus 1/12th of the Annual Reserve Deposit

multiplied by

West Chicago's Total Percentage of Inflow into the WWTP Using a Three Year Moving Monthly Average

equals

West Chicago's Monthly Payment for WWTP Operating Expenses.

2. Winfield:

The Total Amount of the WWTP Operating and Capital Expenses for the Current Month plus 1/12th of the Annual Reserve Deposit

multiplied by

Winfield's Total Percentage of Inflow into the Treatment Plant Using a Three Year Moving Monthly Average

equals

Winfield's Monthly Payment for Treatment Plant Operating Expenses

B. The Three-Year Moving Average shall be based on the average monthly inflow into the WWTP, as measured by inflow meters, over the most current 36-month period.

C. The Operating Agency shall provide billing information to the Authority for each Member's WWTP Charge. The Fiscal Agent shall, upon receipt of the information from the Operating Agency, invoice the Members for the WTP Charge and the proportionate share of the Annual Reserve Deposit. Within 30 days of receipt of the monthly bill from the Fiscal Agent, the amounts owed by the Members shall be paid to the Authority which shall deposit the funds into the WWTP Operations Fund and the Capital Reserve Fund, as appropriate. After 30 days, any Member which has not paid as invoiced shall pay daily interest at a rate of prime plus one percent.

7.2 Winfield Roosevelt Road Connection. Winfield intends to construct, at its sole cost and expense, a sanitary sewer collection main and related appurtenances along Roosevelt Road. Flows from said main, when constructed, shall be integrated into the Operating Agency's collection system and shall be treated by the WWTP. The point of connection for the Roosevelt Road sanitary sewer collection main shall be at a location that is the most cost effective for Winfield and consistent with generally accepted engineering principles. A meter shall be

installed to measure the flow from the Roosevelt Road connection. The costs associated with this monthly flow shall be the sole responsibility of Winfield, and the flow shall be added to its portion of the operational billing formula per Article 6 of this Agreement.

7.3 Metering The cost of operating and maintaining the WWTP shall be apportioned as determined by flow meters, which shall be periodically inspected and certified by an independent consultant to be designated by the Board. The meters shall be calibrated by the independent consultant on a schedule based upon the manufacturers' recommendation, or more often if recommended by the Board.

All sanitary flow entering the WWTP shall be metered at the following locations:

- (A) Winfield Influent Meter #1 (existing)
- (B) Winfield Influent Meter #2 (future from Roosevelt Road)
- (C) West Chicago Influent Meter #1 (existing)
- (D) Total Influent Meter #1 (existing)
- (E) Total Effluent Meter #1 (existing)

A magnetic flow meter shall be used at locations (A), (B) and (C) above, and shall be used for billing calculations. Meters (D), (E), and any future additional meters shall be maintained to ensure a proper system of checks and balances.

7.4 Capital Reserve Fund. A Capital Reserve Fund shall be established by the Authority, which shall be comprised of monies previously held by West Chicago in the WWTP Equipment Replacement Reserve Fund and the Plant Expansion Fund, as well as monies generated through imposition of a Capacity Charge.

7.5 Capacity Charge. The Authority shall require new development to finance the costs associated with providing it wastewater treatment services.

- A. There shall be a Capacity Charge assessed by Winfield and West Chicago per connection per population equivalent (P.E.) to all users connecting to the WWTP as of the first day of the first month from the date of this Agreement.
- ii. The calculation for the Capacity Charge shall be based upon a uniform population equivalent standard in order to allow for identical calculation of this fee by each Member, as defined in Exhibit A.
- iii. Revenues collected by the Members for the Capacity Charge shall annually, within 30 days following the end of the Authority's Fiscal Year, be tendered to the Authority for deposit into the Capital Reserve Fund. Information detailing each connection made and fees collected shall be given by the Members to the Authority and to each other when the funds are tendered for deposit by the Authority.
- iv. The Capacity Charge may be waived or reduced by action of any Member. However, if the Capacity Charge is waived or reduced for any new user of the WWTP by agreement or otherwise, the responsible Member shall pay to the Authority from its own funds, an amount equal to the amount waived or reduced.
- v. The amount of the Capacity Charge shall be \$750.00 per P.E. The Capacity Charge shall be reviewed every five (5) years by the Board for

possible revision, which shall only occur by a vote of the Board, as set forth in Section 3.4.

7.6 Service Limitations. Unless mandated by State or Federal law or otherwise mutually agreeable by the Board, the WWTP shall only be utilized to provide service to the residents of the Members or to unincorporated properties subject to a binding annexation agreement with either West Chicago or Winfield, or some other contractual service agreement. The Authority is prohibited from selling, transferring or otherwise conveying capacity in the WWTP to any third party.

ARTICLE 8

REGULATIONS

8.1 Sewer Use Ordinances. Each Member represents to the other Member that it has adopted, and agrees that it will enforce, appropriate ordinances imposing sewer use regulations which establish standards for the connection and use of public and private sanitary sewers, the discharge of industrial and other wastewater into sewer systems, and industrial surcharges.

8.2 User Charge Ordinances. Each Member represents to the other Member that it has adopted, and agrees that it will maintain and enforce, a user charge ordinance for its Member System through which it has assessed and will continue to assess its share of the costs to the users of its Member System. Such ordinances will be adopted and enforced pursuant to this Article and shall be in accordance with the regulations contained in Section 35.935 of Chapter 40 of the Code of Federal Regulations (40 CFR 35.935).

8.3 Industrial Pretreatment Program. Each Member shall, if required by the Authority or the IEPA, provide to the Authority a written pretreatment program acceptable to the IEPA or designate the Authority to prepare such a program on its behalf.

8.4. Covenants. Each Member shall covenant that:

A. It will operate and maintain, or cause to be operated or maintained, its Member System, and all improvements and extensions of its Member System, in good repair and working order, will operate the same efficiently, will establish and maintain appropriate depreciation and/or replacement funds for its Member System, and will punctually perform all duties with respect to its Member System as may be required by the Constitution and laws of the State of Illinois and all other applicable laws and by all resolutions and ordinances of such Member. From time to time, it will take steps reasonably necessary so that its Member System may at all times be operated properly and advantageously.

B. It will continue to own and possess its Member System and will, within the exercise of reasonable business judgment and in a manner so as not to cause a default hereunder, dispose of property which is part of its Member System only to the extent that such property is no longer useful or profitable in the operations of its Member System.

C. It will, at its own expense, be responsible for the construction, operation, and maintenance of all trunk line sewers, interceptors, pumping stations, and force mains necessary to connect the areas served by the WWTP for its own users of such facility, neither municipality being responsible for such construction, operation, and maintenance for other than its own users.

D. It will treat all payments to be made to the Authority under this Agreement as operation, maintenance and capital costs of the Member System incurred to pay for sewerage treatment services. It will include in its annual appropriation or budget ordinance adequate funds for the aforementioned payments. Such payments shall have a lien upon the revenues derived from the operation of the applicable Member System senior to payments of debt service on obligations of the applicable Member payable from such revenues. Each Member covenants that it will not pledge the revenues derived from the operation of its Member System to any obligations with a lien senior to, or on parity with, its obligations to make the payments required under this Agreement.

ARTICLE 9

FUTURE EXPANSION AND OPERATION OF THE WWTP

9.1 Existing Facility. As of the tender of title on the date set forth herein, the WWTP will be owned by the Authority, and it shall be operated and maintained by West Chicago, which shall serve as the Authority's Operating Agency. The capacity of the WWTP as of the execution date of this Agreement is 7.64 MGD, with a 20.3 MGD maximum daily capacity. For calendar year 2016, the WWTP is operating at 56.81% capacity based on flow and 46.95% based on organic influent loading. The higher percentage of the two shall be used annually to determine capacity.

9.2 WWTP Expansion.

A. Future expansion of the WWTP will take place in increments of 25 percent of the then-current capacity, unless the Board determines otherwise.

B. The actual construction costs of each expansion shall first be paid from the Capital Reserve Fund, with the balance to be shared proportionately between the Members based upon percentage flow to the WWTP at the time of construction. As part of the budgetary process, the Board may reimburse the Operations Fund from the Capital Reserve Fund for any expenses associated with an expansion of the WWTP once sufficient funds are received.

C. Construction of any expansion of the WWTP shall begin once 85 percent of the then existing capacity is being utilized. Existing capacity shall be determined based upon the most recent twelve (12) month period. A copy of the design and engineering plans shall be provided to the Board for review and comment within seven (7) days from when the plans are submitted to the Operating Agency. No more than 90 percent of the WWTP capacity shall be sold, unless construction has already commenced on an expansion as defined herein.

D. All work taking place at the WWTP shall be under the supervision of Operating Agency and the engineering firm which completes the plans for the expansion or such qualified and responsible engineering firm selected by the Operating Agency. However, the Board may designate representatives to be present for the work and to bring issues that require review to the attention of the Operating Agency. The Operating Agency shall consider and review any such issues, and if the Board believes the issues have not been adequately addressed by the Operating Agency, it may engage an independent consultant to assume the duties of the Operating Agency relative to the expansion.

9.3 DuPage County Connection. There may be occasion for the County of DuPage ("County") to desire to request that one or more unincorporated areas within its jurisdiction now served by septic systems be served by the WWTP. If such a request is made by the County to

the Authority, the Authority may grant the request provided that the County shall be responsible for the following tasks:

A. Adopting a Special Service Area (“SSA”) for the territory which is in need of WWTP service.

B. Constructing at its sole cost and expense the mains necessary to collect the sanitary flows from the area desirous of service to the sanitary collection point approved by either West Chicago or Winfield. The County shall be responsible for all maintenance associated with said mains within the SSA until such point in time as the property is annexed to either Winfield or West Chicago. All properties within the SSA may be required to annex to either Winfield or West Chicago upon expiration of the SSA.

C. Paying any and all connection fees for each parcel, at a rate of 1.5 times the fees in place at the time the SSA is created, to the respective Member within ninety (90) days of adoption of the ordinance creating the SSA. The respective Member shall deposit said revenues into a fund not covered by this Agreement.

D. Paying any and all Capacity Charges for each parcel, at a rate of 1.5 times the charge in place at the time the SSA is created, to the respective Member within ninety (90) days of adoption of the ordinance creating the SSA. Said revenues shall be deposited into the Capital Reserve Fund.

ARTICLE 10

FORCE MAJEURE

If by reason of an event of Force Majeure, any Member shall be rendered unable, wholly or in part, to carry out its obligations under this Agreement, then provided such Member gives prompt written notice of such event of Force Majeure to the other Member (which notice shall include the nature of the event and its expected duration), the obligations of the Member giving such notice shall be suspended to the extent impaired by such event of Force Majeure provided, however, (i) the suspension of performance of such Member's obligation shall be no longer than the time frame by which the Member's obligations are materially impaired by reason of the event of Force Majeure, and (ii) the Member seeking such suspension shall exercise its best efforts to remove or overcome its inability to perform with all reasonable dispatch. Notwithstanding the foregoing, no event of Force Majeure shall excuse: (i) a Member from making payments hereunder; or (ii) Operating Agency from complying with the NPDES Permits; or (iii) Operating Agency from complying with Laws, including, without limitation, Environmental Laws.

ARTICLE 11

DISPUTE RESOLUTION

11.1 Dispute Resolution. Unless the Authority later modifies the procedure, a dispute filed against the Authority or a Member shall be processed as follows:

A. The aggrieved party shall submit the grievance in writing to the representative of the other party specifically indicating that the matter is a grievance under this Agreement. The grievance shall contain a complete statement of the complaint, the provision(s) of this Agreement which are alleged to have been violated, and the relief requested. All grievances shall be

presented no later than thirty (30) business days from the date of occurrence of the matter giving rise to the grievance, or the aggrieved party's discovery of such matter using reasonable diligence, whichever is later. The party served with the written notice of grievance shall provide a written answer within ten (10) business dates from receipt of the notice.

B. If the parties cannot resolve the grievance among themselves, they shall confer and attempt to reach agreement on the selection of a mediator, who shall be selected from the Eighteenth Judicial Circuit Court's List of Certified Mediators, or from a similar list of mediators located in DuPage County. In the event they cannot reach agreement, each party shall strike a name from the list, until there is one name remaining. The remaining individual shall become the mediator. The party seeking mediation shall strike first. The mediator shall promptly review the grievance and shall hold a hearing. The scope of the hearing shall be defined by the grievance and this Agreement. The hearing shall only be open to the parties in interest. The mediator shall issue his/her decision not later than thirty (30) days from the close of the hearing. The decision shall be in writing and shall set forth the findings of fact, reasoning and conclusion on the issues submitted. The decision of the mediator shall be binding upon the parties. The cost of the mediator's fees and expense and the cost of the court reporter, if jointly requested by the parties, shall be borne equally by the Authority and the Member. In the event there is no joint request for a court reporter, the party requiring attendance of same shall be responsible for the cost of the court reporter. Each party shall be responsible for its own costs and legal fees. The mediator shall have full authority to decide all issues of substance and procedure, provided, however, that the parties shall not be prejudiced from challenging such determinations on subsequent review in judicial proceedings.

ARTICLE 12

WITHDRAWAL, DISSOLUTION OR TERMINATION

12.1 Withdrawal. Any Member may, at any time, withdraw as a Member of the Authority, but only upon the consent of the Board and upon the consent of the other Member. Any Member may withdraw pursuant to this Article only upon filing with the Authority a certified copy of an ordinance of the Member determining to withdraw. Any consent by any Member to withdrawal by any other Member shall be made only by filing with the Authority a certified copy of an ordinance so consenting to the withdrawal.

12.2 Pro-Rata Share. Any withdrawing Member shall be responsible for its pro-rata share of any unpaid contracts, debts and obligations of the Authority, including any revenue bonds or notes, incurred prior to the date of withdrawal or removal in proportion to its respective share or cost-sharing, as the case may be, and no withdrawal shall be effective unless and until said obligations have been satisfied.

12.3 Dissolution. Upon the withdrawal of a Member, the Authority shall be dissolved and terminated. Upon the filing with the Authority of certified copies of ordinances of the Members determining to dissolve and terminate the Authority, then the Authority shall be so dissolved and terminated. The Authority may not be dissolved or terminated if any revenue bonds or notes of the Authority remain unpaid and undischarged, unless such bonds or notes remain unpaid and undischarged solely because their holder failed to present them for payment when due at maturity or on a prior date on which such bonds or notes were duly called for redemption prior to maturity.

12.4 Acts on Termination, Dissolution. Upon the termination and dissolution of the Authority:

A. The contracts, debts and obligations of the Authority remaining unpaid shall be the several obligations of the respective Members in the allocations established for Capital Costs and Operation and Maintenance Costs, as applicable, in accordance with this Article or by separate resolution.

B. The assets of the Authority remaining after dissolution shall be distributed as determined by the Authority, after any setoff with respect to the provision for that Member's share of the contracts, debts and obligations of the Authority.

C. The Authority shall file a notice of dissolution with the Secretary of State.

D. Operation of the WWTP shall continue as necessary and as the Members agree prior to dissolution of the Authority.

12.5. Liability. The Authority shall not be liable for any liability or obligations incurred individually by any Member except as agreed by the Board.

ARTICLE 13

GENERAL PROVISIONS

13.1 Termination of Prior Agreement. The Intergovernmental Agreement between the Winfield and West Chicago dated May 18, 2009 is hereby terminated and shall be of no further force or effect; all claims, rights, causes of action, known and unknown, arising under said prior agreement are to the extent they are inconsistent with, or not addressed by this Agreement are terminated and extinguished, and the Parties hereby mutually release one another and remise any

claims, causes, or action or demands, of whatsoever nature occurring, arising from or related to the aforesaid prior agreement.

13.2 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon all successors and assigns of each of the parties hereto.

13.3 Effective Date. This Agreement shall become effective upon its signing, unless otherwise detailed in this Agreement.

13.4 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to conflicts of law principles.

13.5 Notices. All notices required hereunder shall be in writing and shall be deemed properly served if delivered in person or if sent by registered or certified mail, with postage prepaid and return receipt requested, to the addresses set forth below:

If to the Authority: West Chicago/Winfield Wastewater Authority
475 Main Street
West Chicago, IL 60185

If to Winfield: Village Manager
Village of Winfield
27 W 465 Jewell Road
Winfield, Illinois 60190

If to West Chicago: City Administrator
City of West Chicago
475 Main Street
West Chicago, Illinois 60185

13.6 Severability. In case any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.

13.7 Authorization. Each Member represents and warrants to the other that it is a political subdivision, body politic and corporate of the State of Illinois, authorized and empowered under Law to enter into this Agreement and perform the obligations hereunder, has been duly authorized to execute and deliver this Agreement by proper action of its governing body, and this Agreement is the valid and binding agreement and is enforceable in accordance with its terms.

13.8 No Waiver No course of dealing or failure to strictly enforce any term, right or condition of this Agreement shall be construed as a waiver of such term, right or condition. No express waiver of any term, right or condition of this Agreement shall operate as a waiver of any other term, right or condition.

13.9 Rights Cumulative. Except as otherwise provided in this Agreement, (i) rights and remedies available as set forth in this Agreement shall be cumulative with and in addition to, and not in limitation of, any other rights or remedies available to such parties at law and/or in equity, and (ii) any specific right or remedy conferred upon or reserved to either party in any provision of this Agreement shall not preclude the concurrent or consecutive exercise of a right or remedy provided for in any other provision hereof.

13.10 Requests for Information. Upon written request of any Director, the Operating Authority shall provide, within seven (7) days of the request, any information within its possession (or which can reasonably be obtained from a third party) related to the operations and maintenance of the WWTP. Should more time be needed, the Operating Authority shall request such in writing; such request shall not be unreasonably denied by any Director.

THIS AGREEMENT is executed on behalf of the Village of Winfield by its President and Village Clerk, pursuant to authority granted at a _____ meeting of the President and Board of Trustees held on the _____ day of _____, 2018, and on behalf of the City of West Chicago by its Mayor and City Clerk, pursuant to authority granted at a _____ meeting of the Mayor and Aldermen held on the _____ day of _____, 2018.

VILLAGE OF WINFIELD

ATTEST:

Village President

Village Clerk

CITY OF WEST CHICAGO

ATTEST:

Mayor

City Clerk

EXHIBIT A

POPULATION EQUIVALENT (P.E.) CALCULATIONS

RESIDENTIAL P.E.

The Residential P.E. shall be calculated per the Illinois Administrative Code, Title 30 – Environmental Protection, Subtitle C: Water Pollution, Chapter II, Environmental Protection Agency, Part 370: Illinois Recommended Standards for Sewage Works, Appendix A, Table No. 1:

Residential Occupancy Criteria

Residence Type	Number of Persons	
Efficiency or Studio Apartment	1	P.E.
1 Bedroom Apartment	1.5	P.E.
2 Bedroom Apartment	3	P.E.
3 Bedroom Apartment	3	P.E.
Single Family Dwelling	3.5	P.E.
Mobile Home	2.25	P.E.

COMMERCIAL, INDUSTRIAL AND ALL OTHER NON-RESIDENTIAL POPULATION EQUIVALENTS

All Non-Residential P.E. shall be calculated as follows:

Gallons Per P.E. Per Day

The gallons per P.E. to be utilized is per Section 370.310 Basis of Design, of the above mentioned Title 35, which is:

100 Gallons Per P.E. Per Day

- B. The gallons of sewage attributed per person per day for various facilities is from Appendix B, Table No. 2 of the above mentioned Title 35,

Commonly Used Quantities of Sewage Flows from Miscellaneous Type Facilities

Type of Establishment	Gallons Per Person Per Day (Unless Otherwise Noted)
Airports (per passenger)	5
Bathhouses and Swimming Pools	10
Camps:	
Campground with central comfort stations	35
With flush toilets, no showers	25
Construction camps (semi-permanent)	50
Day camps (no meals served)	15
Resort camps (night and day with limited plumbing)	50
Luxury camps	100
Cottages and small dwellings with seasonal occupancy	75
Country clubs (per resident member)	100
Country clubs (per non-resident member present)	25
Dwellings:	
Boarding houses (additional for non-resident borders)	10
Rooming houses	40
Factories (gallons per person, per shift exclusive Of industrial wastes)	35
Hospitals (per bed space)	250
Hotels with laundry (2 persons per room) per room	150
Institutions other than hospitals including	
Nursing Homes (per bed space)	125
Laundries-self service (gallons per wash)	30
Motels (per bed space) with laundry	50
Picnic parks (toilet wastes only per park user)	5
Picnic parks with bathhouses, showers and flush toilets (per park user)	10
Restaurants (per patron)	15
Schools:	
Boarding	100
Day, without gyms, cafeterias or showers	15
Day, with gyms, cafeterias and showers	25
Day, with cafeterias, but without gyms or showers	20
Service stations (per vehicle served)	5
Swimming pools and bathhouses	10
Theaters:	
Movie (per auditorium seat)	5
Drive-in (per car space)	10
Travel trailer parks without individual water and sewer hook-ups (per space)	50
Travel trailer parks with individual water and sewer hook-ups (per space)	100
Workers:	
Offices, schools and business establishments (per shift)	15

C. Floor Area Per Person

The number of persons per floor area of various buildings shall be calculated utilizing Illinois Administrative Code, Title 77: Public Health, Chapter I, Department of Public Health; Subchapter r: Water and Sewage; Part 890, Illinois Plumbing Code; Section 890.810 Minimum Number of Plumbing Fixtures; Item 2 – Occupant Load:

<u>Building Type or Occupancy</u>	<u>Floor Area Per Person (Sq. Ft.)</u>
Assembly Places – Facilities for Spectator Events; Worship Places and Funeral Homes	50
Museums, Libraries, Exhibition Areas and Similar Uses	50
Schools	50
Day Care Centers	70
Office Buildings	200
Food Service Establishments, Clubs, Taverns and Other Eating/Drinking Facilities	30
Mercantile Units, Except Grocery Stores, Auction Houses, Sale Barns, Car Auction Centers, and Other similar Mercantile Units	
- First Floor	100
- All Other Floors	120
Combination Grocery Store/Non-Grocery Mercantile Units	150
Mercantile Units, such as Auction Houses, Sale Barns, Car Auction Centers, and other Similar Mercantile Units	40
Grocery Stores	200
Storage/Shipping Area	400
Power Plants/Industrial Units	500

D. Exceptions

With the exceptions mentioned under Part B, the minimum GPD per P.E. will be 15.

Food Service Establishments – the minimum P.E. per establishment shall be 10 P.E.

Industrial users gallons shall be based on the building size plus the gallons per day for process water which shall include twenty percent factor of safety add on. The process water shall be calculated from the Pretreatment Permit Form.

Existing non-residential buildings which change uses and require a building permit shall be charged the difference between the existing use P.E. and the new use P.E. In no case shall a credit be due the building owner.

Examples

An 100,000 sq. ft. Office Building

Title 70 100,000 sq. ft. / 200 sq. ft. per person = 500 persons
 Title 35 500 persons x 15 gallons per day per person = 7500 gallons/day
 Title 35 7500 gallons per day / 100 gallons per P.E. = 75 P.E.

An 100,000 sq. ft dry storage with 5,000 sq. ft. office included

Title 70 95,000 sq. ft. / 400 sq. ft. per person = 238 persons
 Title 70 5,000 sq. ft. / 200 sq. ft. per person = 25 persons
 Title 35 238 + 25 = 267 persons x 15 gallons per day per person
 = 3945
 gallons/day
 Title 35 3,945 gallons per day / 100 gallons per P.E. per day = 39.45 P.E.

A 5,000 sq. ft. Restaurant

Title 70 5,000 sq. ft. / 30 sq. ft. per person = 167 persons
 Title 35 167 persons x 10 gallons per day per person = 1,670 gallons/day
 Title 35 1,670 gallons per day / 100 gallons per P.E. per day = 16.7 P.E.

A 100,000 sq. ft. Industrial Building

Title 70 100,000 sq. ft. / 500 sq. ft. per person = 200 persons
 Title 35 200 persons x 35 gallons per day per persons = 7,000 gallons/day
 Title 35 7000 gallons per day / 100 gallons per P.E. per day = 70 P.E.

From pretreatment permit, process water = 1500 gallons per day
 $1500 + 20\% = 1800$ gallons per day
 $1800 \text{ gallons per day} / 100 \text{ gallons per P.E. per day} = 18 \text{ P.E.}$
 $70 + 18 = 88 \text{ P.E.}$

**CITY OF WEST CHICAGO
CITY COUNCIL MEMORANDUM**

TO: Honorable Mayor and Members of Council

FROM: Michael Guttman, City Administrator

SUBJ: Review of Revenue Options to Close an Upcoming Budget Deficit

DATE: February 12, 2018

Over the last seven years, there has been a gap between revenues and expenditures in the General Fund of approximately \$1,500,000 to \$2,200,000. That said, the City has used reserves, prudent spending and conservative revenue projections to avoid having to increase revenue to bridge this deficit and still fund basic service delivery, mounting police pension costs¹ and increased programs as a result of the goals in the Strategic Plan. While annually the City budgeted to spend down its reserves by between \$1,000,000 and \$2,000,000, only twice during that time period were reserves actually needed, and when they were, less than \$600,000 was used; all told, this was an enviable position in which to be. However, all good things sadly come to an end.

During the 2018 Budget presentation, staff alerted the Finance Committee members that a number of factors will soon lead to a depletion of the General Fund reserves to a level below what's required in the Budget Policy (25-35%) and a need to find new or enhance existing revenue sources to continue providing the level of services our customers have grown to expect.

	Estimated 2017	Budgeted 2018	Projected 2019	Projected 2020
Beginning Balance	\$12,733,258	\$10,543,558	\$8,273,958	\$5,782,658
Revenues	\$15,909,800	\$15,943,400	\$16,455,900	\$16,900,500
Expenditures	\$18,099,500	\$18,213,000	\$18,947,200	\$19,654,800
Ending Balance	\$10,543,558	\$8,273,958	\$5,782,658	\$3,028,358
Reserve Level	58.25%	45.43%	30.52%	15.41%
Deficit	(\$2,189,700)	(\$2,269,600)	(\$2,491,300)	(\$2,754,300)

The primary factors leading to this position are as follows²:

¹	2014	2015	2016	2017	2018
Police Pension Costs	\$1,380,000	\$1,800,000	\$2,174,000	\$2,358,000	\$2,500,000
Increase		\$420,000	\$374,000	\$184,000	\$142,000

² The State is contemplating enforcing a very old law that would require the City to spend the money it collects via the home rule sales taxes on fuel sold at the DuPage Airport to now be spent on projects related to the airport

- The State of Illinois has siphoned another \$350,000 annually (in addition to the \$150,000 annually it has already taken) from revenue sources on which the City heavily relies including the personal property replacement tax, income tax and a processing charge imposed on the collection of the City's home rule sales tax.
- Revenues derived by the production of our police officers are down \$300,000 annually.
- Several of the larger scavenger companies have constructed their own transfer stations, so they are no longer hauling garbage to the one in West Chicago, for which the City gets a tipping fee based on tonnage (\$200,000).

Another factor that should be considered is the Downtown TIF District expiring at the end of 2023. With only six years remaining, there wouldn't be enough time for any new development needing public financial assistance to make a project viable to recover its costs. Staff has explored extinguishing the current TIF District earlier, which would free the current increment of about \$950,000 to all of the taxing bodies; about \$45,000 would go to the City's General Fund. Afterwards, a new TIF District would be established that would incorporate the lot east of City Hall and cover the Central Main Street area, the historic downtown and the West Washington Street area; this new designation would cover 23 years, and provide sufficient time to allow developers needing City aid to recover its costs.

However, there are currently \$600,000+ in employee personnel costs funded in the Downtown TIF District Fund. If you recall, since the General Fund purchased a lot of the land in the Central Main Street area because the TIF Fund didn't have sufficient funds with all of the other expenses it was covering, staff was directed to overcharge personnel costs there in an attempt to reimburse the General Fund; of this \$600,000, about \$300,000 would be charged here regardless. So either now, or in five years, these costs will need to be funded by the General Fund and until such time as there is sufficient increment established within the new TIF District to cover personnel expenses once again.

So all told, the City will need to identify between \$2,000,000 and \$2,600,000 over the next few years to bridge the total expected deficit. Therefore, the balance of this memorandum will highlight revenue options for the City Council to consider helping bridge the looming deficit. At first, staff would like to better understand which sources should be further evaluated, if necessary, as well as which sources should be removed from consideration.

Property Tax

The City Council has pledged in the past that it would only increase the property tax beyond the amount that a non-home rule entity may legally levy to cover the cost of police pensions or for a construction project in order to pay the debt service associated with a bond issue (e.g. a new City Hall). Until this year, the City Council has chosen to maintain the property tax levy at the 2010 level; this year, a 2.1% increase in the levy (about \$70,000) was approved, to help cover the rising police pension expenses. Assuming the State of Illinois doesn't impose a temporary or permanent property tax freeze, staff recommends that the City Council annually consider raising the levy by the non-home rule maximum amount, which had been its practice prior to 2010.

(\$65,000). Note that this will impact the Capital Projects Fund, which is not part of this discussion, but staff wanted the City Council to be aware of this potential impact.

Home Rule Sales Tax

The City imposes a 0.75% home rule sales tax, which raises about \$1,800,000 annually, all of which now funds capital projects. Raising this rate to 1.00% will add approximately \$600,000 annually.

Natural Gas Use Tax

The City imposes a \$0.025 per therm tax on the consumption of natural gas, which raises between \$500,000 - \$600,000 annually; in colder winters the revenue is on the higher side while in warmer winters it is on the lower end. The owner of a house of a size like in our subdivisions pays about \$35 per year. Some options here to consider are:

\$0.035/therm	\$220,000
\$0.040/therm	\$330,000
\$0.045/therm	\$440,000
\$0.050/therm	\$550,000

Local Motor Fuel Tax

The City currently doesn't impose a local motor fuel tax. The City currently has ten gas stations, though the Marathon station on West Washington Street is in its final year of operation; also, Thorntons is doing its due diligence in an effort to purchase the property at the southwest corner of Atlantic Drive and North Avenue. Based on a survey of other communities that impose a local motor fuel tax, they report that the revenue received per gas station approximates \$35,000 (average \$14,000/cent) with the rate ranging from \$0.02 to \$0.04 cents per gallon. Some options here, using a more conservative per station estimate of \$10,000/cent and nine gas stations, to consider are:

\$0.020/gallon	\$180,000
\$0.025/gallon	\$225,000
\$0.030/gallon	\$270,000
\$0.035/gallon	\$315,000
\$0.040/gallon	\$360,000

Amusement Tax

The City currently levies a 2% tax on amusements, which covers golf, video rental and movies; bowling is subject to such, but the alley in town has closed. Excluding the revenue previously received from Bowling Green, the City receives about \$100,000 annually. A 1% increase in this tax will add another \$50,000 each year. A 2% increase would generate about \$100,000 annually.

Packaged Liquor Tax

The City could impose a tax on packaged liquor. Unfortunately, staff has no way of calculating what this tax would generate. Hoffman Estates has a 3% tax on packaged liquor. Elmhurst and Highland Park impose a 1% tax on packaged liquor. West Chicago has nine establishments that sell packaged liquor. Looking at the receipts from the 1% sales tax for the four packaged liquor only stores, a 1% packaged liquor tax would generate about \$30,000.³ There is no way to

³ Note that the liquor stores do sell other taxable items other than liquor, so this number is inflated by some amount.

determine how much tax would be generated from the grocery stores that sell packaged liquor or the Shell gas station at the southeast corner of Route 59/64, because the receipts for liquor are mixed with other goods.

Parking Tickets

A parking ticket costs \$25.00 if paid with seven days, after which it becomes \$50.00. Raising these rates to \$35.00 and \$70.00 will raise about \$30,000 annually, based upon the payment practices in 2017.

Repossession/Relocate Fee

By charging tow companies \$15.00 for each vehicle they repossess or relocate, the City would receive about \$10,000 annually.

Brush Collection Charge

The City instituted a brush collection charge, collected by Groot, of \$1.25 per month, which was intended to cover the cost of the City's Forestry Program (\$94,100 in 2018). Based upon the direction of the Infrastructure Committee in January, the City will be contracting with Kramer Tree Service over the next three years at the following amounts: 2018-\$79,975; 2019-\$87,850 and 2020-\$96,775. A \$0.25 per month increase (\$3/year) will result in about \$15,000 more annually. A \$0.50 per month increase (\$6/year) will result in about \$30,000 more annually.

Change of Occupancy Fee

The City currently charges property owners \$0.11 per square foot when there is a change of occupancy, with a cap of \$2,000; this fee amount has never changed since its inception. Adding a base rate of \$100 plus the \$0.11 per square foot rate and uncapping the amount would provide about \$100,000 per year to the City.

Residential Rental Property License

The City currently charges a base fee of \$240 annually for Residential Rental Property Licenses for single-family, two flats and townhomes. Multi-family rental properties are charged this base fee plus \$35 per unit. Increasing the base fee to \$340 would result in about \$50,000 more.

Building Permit Revenues

The City collects about \$600,000 annually in building permit revenues. The amounts for the various permits have not increased in over ten years. A 5% increase to all types of building permits (rounded up to the nearest \$5.00) would result in an additional \$30,000 each year.

Zoning Review Fee

The City Planner spends about two-thirds of his time reviewing zoning-related requests, and the current charge imposed for such doesn't begin to cover the associated costs for all but the most routine reviews. For at least 20 cases per year, significantly more effort is put into all aspects of the review (from preliminary meetings to eventual approval). The Fee Schedule could be amended to allow for a full cost recovery, which should result in an additional \$50,000 per year.

Pass Through Consultant Costs for Miscellaneous Inspection Fees

The City should pass through the costs we are charged by B&F Construction Code Services for inspecting garages, sheds, porches, decks, driveways and other unclassified structures, which would result in approximately \$4,500 per year.

Add a Civic Contribution to the Electricity Aggregation Program

In October, staff will again work with its broker to seek competitive bids for the Electricity Aggregation Program. About 5% of all municipal aggregators impose a civic contribution which is set between 0.1/cent - 0.4/cents per kilowatt hour. An estimated \$35,000 annually in revenue would be generated for each .01 cent/kWh; however, if the ComEd rate is cheaper than the lowest bid, this option wouldn't be available.

Fees for Liquor Licenses

There are 33 liquor license holders, with their fee amounts varying. If each license fee was increased by \$100 (rounded to the nearest \$10), an additional \$3,300 would be received. If there was a \$200 per license increase, an additional \$6,600 would be received. The fees for liquor licenses haven't been adjusted in many years.

Fees for Tobacco Licenses

There are 25 tobacco license holders who currently pay \$495 each year. If each license fee was increased by \$105, an additional \$2,625 would be received. If this fee were raised to \$650 to match most of our business licenses, then an additional \$3,875 would be received. The fees for tobacco licenses haven't been adjusted in many years.

Event Sponsorship for City Sponsored Special Events

In return for sponsoring all or a portion of City events, sponsors would receive prime booth space and mentions on event advertising. Selling the naming rights to one or more events might also be considered. If the City Council is interested in pursuing all or a part of this option, staff will return in the future with more information.

Capital Equipment Contributions from the General Fund

By extending the useful life of vehicles within General Fund Departments by one year, about \$93,000 is made available annually. The downside to this approach is that there will likely be additional expenses incurred maintaining older vehicles and equipment.

Also, here are some things already being done or are in process:

Tickets Issued by Police Personnel

Chief Uplegger has challenged his team to increase citation issuance by 15%. So far, productivity has improved, and he is projecting another \$65,000 from this source.

Sending Equipment and Local Ordinance Violations to Administrative Adjudication

City staff just started sending local Ordinance Violations to Administrative Adjudication this month rather than to DuPage County Traffic Court. In the 2018 approved Budget, approximately \$15,000 was included for this revenue source; it is now being estimated at \$30,000.

Additionally, later this year, vehicle equipment violations will be sent to Administrative Adjudication as well, which is estimated to generate \$25,000 annually. So, an additional \$40,000 would be received from these two sources.

Staff will be available to review these alternatives at the Finance Committee meeting.

Article on Reasons for the Property Tax Increase for Newsletter

Over the last five years, local municipalities like ours have been significantly shortchanged by the State of Illinois for revenue that we depend on to pay for essential operations that impact the daily lives of our residents and business customers – services including police, development, and code enforcement - in an effort to cover its own budget deficits. The latest repercussion of the State's mismanagement occurred in 2017 when another \$350,000 in income and personal property replacement taxes was siphoned, causing a very large budget gap for West Chicago and communities throughout the State.

Compounding this financial challenge, the City Council prioritized and adopted its first Strategic Plan in 2016 after substantial public outreach and input. The Plan which resulted included a strong focus on economic development, intergovernmental partnerships, marketing and building a united community, and the City earmarked funds to accomplish these action items.

As we strive to honor the goals of the Strategic Plan and the intentions of all who participated in the process, to meet our growing obligations associated with funding police pensions, and to continue providing the highest level of service our customers have grown to expect, we have needed to make some tough decisions in order to offset the State's unilateral decision to take possession of monies meant for local governments.

For the last seven years West Chicago has held the line and hasn't increased any fees, taxes or charges, in an effort to minimize the financial impact to our corporate and residential customers during the nation-wide economic downturn. By outsourcing services such as crossing guards, code enforcement, operations and maintenance of the Wastewater Treatment Plant, as well as staffing the desk and records management at the police station, each of which have traditionally been staffed by employees, we have implemented strategies to save the taxpayers money.

Unfortunately, due to continued fiscal irresponsibility by the State of Illinois, it is no longer possible to continue moving our City's collective vision forward without financial impact to our customers, and the City Council has no choice but to approve a 2.1% increase in its property tax levy, which will be reflected in real estate tax bills received in May.

As the State forces local governments to cut expenditures and raise revenues when it cannot do so itself, City Council and staff are committed to finding alternative revenue sources to assist in bridging the budget deficit now present due to the State's poor decisions.