



Posted: 10/4/2017

REGULAR CITY COUNCIL MEETING
October 9, 2017, 7:00 P.M.
Marengo City Hall, 132 East Prairie Street

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Swearing In Ceremony** – Promotion of Shaun Boeckh to Police Department Sergeant
5. **Public Participation** (Interested parties are invited to speak for two minutes. Any person wishing to address the City Council must approach the podium, be recognized by the Mayor, and provide their name for the record. Anyone wishing to speak may be asked but not required to provide their address.)
6. **Approval of Minutes:** September 25, 2017 regular meeting minutes
7. **Approval of the List of Bills**
8. **Consent Agenda**
 - a. An Ordinance Decreasing the Number of Class B Liquor Licenses – Removal of McCormick Mart Liquor License
 - b. Consent to Mayor's Appointment for the Marengo Fire and Police Commission – Amy Thiede
9. **New Business**
 - a. Presentation and Motion to Accept the Audit for Fiscal Year 2016/2017 – George Roach & Associates
 - b. Motion Approving and Authorizing the Acceptance of the Proposed 2017/2018 Property & Liability Insurance Renewal
 - c. Update from Marengo Cemetery Board on Issues Raised by City Council Concerning Cemetery Operations
10. **Mayor's Statements and Reports**
11. **Department Head and Staff Reports**
12. **Reports and Statements from City Council**
13. **Adjournment**

**MARENGO CITY COUNCIL
Regular Meeting Minutes
City Council Chambers
132 E. Prairie Street
Marengo, IL 60152
September 25, 2017**

CALL TO ORDER

Mayor John Koziol called the meeting to order at 7:00 PM.

PLEDGE OF ALLEGIANCE

Mayor Koziol led everyone in the Pledge of Allegiance.

ROLL CALL

Present this evening are Mayor John Koziol; Aldermen Matt Keenum, Mike Miller, Michael Smith, Nicole DeBoer, Dennis Hammortree, Brett Martin, Todd Hall and Steve Mortensen. Also present are Assistant City Administrator Joshua Blakemore, Chief of Police Richard Solarz, City Engineer Tim Harnett, and Attorney Michael Smoron, sitting in for David McArdle. Public Works Director Howard Moser and Finance Director Jennifer Snelten were absent.

Mayor Koziol explained that Attorney David McArdle is out of the Country, so Attorney Michael Smoron is attending the meeting.

PUBLIC PARTICIPATION

None

APPROVAL OF MINUTES – September 11, 2017 Regular Meeting Minutes

Alderman Steve Mortensen made a motion, seconded by Alderman Todd Hall, to approve the September 11, 2017 Regular Meeting Minutes. The aldermen voted as follows:

Ayes: Keenum, Mortensen, DeBoer, Miller, Hall, Smith, Hammortree and Martin

Nays: 0

The motion passed.

APPROVAL OF LIST OF BILLS

Alderman Michael Smith asked for clarification on RLF for a bill listed. RLF is the acronym for Revolving Loan Fund.

Alderman Mike Miller made a motion, seconded by Alderman Steve Mortensen, to approve the list of bills. The aldermen voted as follows:

Ayes: Smith, Keenum, Mortensen, DeBoer, Miller, Martin, Hall and Hammortree

Nays: 0

The motion passed.

NEW BUSINESS

- a. Motion Authorizing The Execution of a TIF Increment Financing District Incremental Revenue Redevelopment Agreement Between the City of Marengo and S & V Property LLC in an amount not to exceed the principal sum of \$550,000

Jennifer Tammen, with Ehlers & Associates, Attorney Smoron, Vipul Patel and Corey Brackmann were all present to answer questions from the Council.

Assistant Administrator Blakemore brought the Council up to date on the corrections/additions made to the agreement. Attached to the agreement is a LOC (Letter of Credit) for 125% of the costs of the water and sewer utility extensions, copies of the leases for the 3 units, an amortization schedule, cash flows and TIF projections for the pins.

Alderman Nicole DeBoer made a motion, seconded by Alderman Todd Hall authorizing the execution of a TIF Increment Financing District Incremental Revenue Redevelopment Agreement between the City of Marengo and S & V Property LLC in an amount not to exceed the principal sum of \$550,000. The aldermen voted as follows:

Ayes: Martin, Hammortree, Hall, Keenum, Mortensen, Miller, DeBoer and Smith
Nays: 0
The motion passed.

MAYOR'S STATEMENTS AND REPORTS

Mayor Koziol has nothing to report this evening.

DEPARTMENT HEAD AND STAFF REPORTS

Assistant City Administrator Joshua Blakemore noted that George Roach & Associates will attend the October 9th meeting. He handed out draft copies of the annual report, put together by George Roach & Associates, and requested that the Council bring this document to that meeting. The City received two income tax payments today. He spoke briefly about an article in the Northwest Herald about a possible truck stop on Route 23 and Harmony Road. He clarified that nothing has been submitted to the City at this time. 300 West LLC appeared in Court, and the result is that an amended Consent Order regarding the water main construction start date has approved. The new start date will be October 23, 2017. City Engineer Hartnett clarified some specific information and requirements that were agreed upon. He then thanked the attorneys involved in putting together the TIF agreement, Ehlers & Associates, and Corey Brackmann. The PUD proceedings should be brought before the PZC in November. Information on McRide ridership was shared with the Council. There is discussion on how the program could be changed in the future.

Chief of Police Rich Solarz noted that several downtown businesses were broken into recently, and he was happy to report that the individuals involved have been arrested. Officer Hernandez has started her second week at the academy.

City Engineer Tim Hartnett advised that he met last week with Assistant Administrator Blakemore, Public Works Director Moser, and his team to go over the 95% water main plan, and they now have the EPA permits, as well as the IDOT permits to go in. His team will be working with Howard, Josh and Justin, to evaluate the plan for constructability. They are working on the temporary and permanent easements that are needed for Route 20 and Route 23. They will be looking for a November bid on the project. The tollway plans were submitted to the tollway, IDOT and the City, and is at the 30% mark, which is the end of Phase 1 of the project. They are now starting on Phase II, and next year at this time, there will be the submittal of the 90% plans to IDOT, toll-way, the City, County and everyone involved, for preparation to start the bidding process.

Attorney Michael Smoron had nothing to report.

REPORTS AND STATEMENTS FROM CITY COUNCIL

Alderman Smith thanked Chief Solarz for placing the speed trailer back in his neighborhood, noting that it has slowed vehicles down when they see it.

Alderman Miller expressed his concerns about the cemetery board's lack of cooperation with requests that were asked by the City Council, such as balancing their budget, pursuing lawn mowing bids, and cutting costs. Alderman Keenum added information on a meeting that was between some of the cemetery board and 3 members of the Council. There were similar requests made at that time, and that there has been no response from them regarding those requests. Alderman Smith reminded the Council that the original motion that was made (to provide additional tax money to the cemetery board) was contingent on the fact that future year appropriations would be based upon demonstration of solvency and balancing of their budget.

Mayor Koziol noted that at the last meeting, Ms. Richardson agreed that the board would look into getting bids for the mowing of the cemetery. Alderman Hall recommended that the board check into a digital service option to take care of document storage.

Assistant Administrator Blakemore clarified that the tax levy does have to be voted on by the Council each year. The Council passes a resolution of the "Intent to Levy" at the 2nd meeting in November, followed in December with the actual tax levy. The usual process starts at the 1st meeting in November with a discussion on the resolution.

ADJOURNMENT

Alderman Nicole DeBoer made a motion, seconded by Alderman Todd Hall, to adjourn the meeting. The motion passed with a voice vote. The meeting adjourned at 7:38 PM.

Constance J. Boxleitner
City Clerk

The City Council approved these minutes on _____.

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CITY OF MARENGO

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BILLS PAYABLE REPORT FOR OCTOBER, 2017

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WARRANT NO.: 1

GENERAL CORPORATE FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>PAYROLL AND MISCELLANEOUS EXPENDITURES</u>		
BLUE CROSS BLUE SHIELD (228)		\$8,037.91
724136-10 OCTOBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/EMPLOYEE SHARE	01-208-000	8,037.91
DEARBORN NATIONAL LIFE INSURANCE CO (718)		\$342.85
F015934-10 OCTOBER 2017 LIFE INSURANCE PLAN PREMIUMS/ VOLUNTARY EMPLOYEE SHARE	01-208-002	342.85
VISION SERVICE PLAN OF ILLINOIS (2199)		\$93.84
12222915-10 OCTOBER 2017 VISION INSURANCE PLAN PREMIUMS/ EMPLOYEE SHARE	01-208-000	93.84
TOTAL PAYROLL AND MISCELLANEOUS EXPENDITURES		\$8,474.60
<u>ADMINISTRATION DEPARTMENT EXPENDITURES</u>		
BLUE CROSS BLUE SHIELD (228)		\$3,523.88
724136-10 OCTOBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/CITY SHARE	01-51-403.00	3,523.88
CHARTER COMMUNICATIONS (380)		\$239.92
CHARTER ACCOUNT 8245116630071621/ 9/16-10/15/17 PHONE SERVICE	01-51-523.00	239.92
DEARBORN NATIONAL LIFE INSURANCE CO (718)		\$49.21
F015934-10 OCTOBER 2017 LIFE INSURANCE PLAN PREMIUMS/ CITY SHARE	01-51-403.00	49.21
FEDEX (676)		\$35.62
5-942-52215 SHIPPING CHARGES/BANK OF NEW YORK MELLON/ BOND PAPERWORK	01-51-532.00	35.62
FIRST NATIONAL BANK OF OMAHA (2575)		\$241.52
221135 THE STATE HOUSE INN/ SNELTEN/ 9/5-9/7/17 /COMMUNITY DEVELOPMENT BLOCK GRANT CONFERENCE	01-51-430.00	184.19
289786 MEAL CHARGES/SNELTEN/9/5-9/7/17 COMMUNITY DEVELOPMENT BLOCK GRANT CONFERENCE	01-51-430.00	57.33
HINCKLEY SPRINGS (2998)		\$32.87
14457314 092517 WATER DELIVERY	01-51-565.01	32.87
MCHENRY COUNTY DIV. OF TRANSPORTATION (3019)		\$1,834.75
9-30 AUGUST 2017 LOCAL SHARE/MCRIDE	01-51-588.01	1,834.75
OFFICE DEPOT (1575)		\$88.21
961891661001 LEDGER PAPER	01-51-565.01	9.69
962594869001 COPY PAPER	01-51-565.01	39.26
965249988001 COPY PAPER	01-51-565.01	39.26
MARCIA J. PAL (2829)		\$23.41
REIMBURSEMENT SETTLERS' DAY'S FLOAT SUPPLIES	01-51-580.03	23.41
VISION SERVICE PLAN OF ILLINOIS (2199)		\$57.39
12222915-10 OCTOBER 2017 VISION INSURANCE PLAN PREMIUMS/ CITY SHARE	01-51-403.00	57.39
VERIZON WIRELESS (2787)		\$145.84
687248174-00001 8/16-9/15/17 CELL SERVICE	01-51-523.00	145.84
TOTAL ADMINISTRATION DEPARTMENT EXPENDITURES		\$6,272.62
<u>POLICE DEPARTMENT EXPENDITURES</u>		
AT&T (109)		\$269.13
815Z0400047651 9/16-10/15/17 SERVICE/RADIO CIRCUIT FROM WATER TOWER TO PD	01-52-523.00	269.13
BLUE CROSS BLUE SHIELD (228)		\$17,222.12
724136-10 OCTOBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/CITY SHARE	01-52-403.00	17,222.12
CHARTER COMMUNICATIONS (380)		\$249.92
CHARTER ACCOUNT 8245116630001230/ 10/1-10/31/17 INTERNET SERVICE	01-52-523.00	69.98
CHARTER ACCOUNT 8245116630001230/ 10/1-10/31/17 PHONE SERVICE	01-52-523.00	179.94

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WARRANT NO.: 1

GENERAL CORPORATE FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>POLICE DEPARTMENT EXPENDITURES</u>		
CINTAS CORPORATION #355 (411)		\$76.85
355440204 FLOOR MATS	01-52-510.00	76.85
COLLEGE OF DUPAGE (433)		\$3,735.60
8398 ACADEMY TUITION/HERNANDEZ	01-52-430.00	3,735.60
DEARBORN NATIONAL LIFE INSURANCE CO (718)		\$187.47
F015934-10 OCTOBER 2017 LIFE INSURANCE PLAN PREMIUMS/ CITY SHARE	01-52-403.00	187.47
MSC - 410526 (579)		\$23.55
1000661573 KITCHEN & CLEANING SUPPLIES	01-52-565.02	15.55
1000663763 CLEANING SUPPLIES	01-52-565.02	8.00
ENTRE COMPUTER CENTER (647)		\$200.00
109485 EXCEL TRAINING COURSE/WESTLAND	01-52-430.00	200.00
FACTORY MOTOR PARTS CO (3087)		\$333.29
33-1194682 RADIATOR & THERMOSTAT/M7	01-52-511.00	333.29
FIRST NATIONAL BANK OF OMAHA (2575)		\$197.85
001521 SIRCHIE/EVIDENCE BAGS AND FINGER PRINT POWDER	01-52-565.02	75.45
131967 AMAZON.COM/INNER ROTATING GLASS PLATE FOR BREAKROOM MICROWAVE	01-52-512.00	28.93
492712 ILLINOIS TOLLWAY/I-PASS REPLENISHMENT	01-52-545.00	40.00
937887 WEBSTAIRANT STORE/FOAMING HAND SOAP	01-52-565.02	53.47
HART'S AUTO SUPPLY (863)		\$79.86
37181 BRAKE PADS/M5	01-52-511.00	79.86
HINCKLEY SPRINGS (2998)		\$92.76
14457314 092517 WATER DELIVERY	01-52-565.02	92.76
BC GROUP HOLDINGS D/B/A ID SUPERSTORE (3154)		\$73.19
SI-295602 ID CARD MACHINE SUPPLIES	01-52-565.02	73.19
KARSTEN'S TIRE & AUTO (1108)		\$511.72
70998 FOUR TIRES/M8	01-52-511.00	511.72
MENARD'S (1364)		\$233.53
45635 STEEL DOOR/IMPOUND GARAGE	01-52-510.00	165.87
45687 PAINT & DOOR LEVER/IMPOUNDED GARAGE	01-52-510.00	67.66
SUPER SHREDDERS (2775)		\$356.44
9870 SHREDDING AND DISPOSAL OF STATE APPROVED FILES	01-52-510.00	356.44
UNIFORM DEN EAST, INC. (2147)		\$568.16
52561-01 UNIFORMS/HERNANDEZ	01-52-469.00	568.16
VISION SERVICE PLAN OF ILLINOIS (2199)		\$160.94
12222915-10 OCTOBER 2017 VISION INSURANCE PLAN PREMIUMS/ CITY SHARE	01-52-403.00	160.94
VERIZON WIRELESS (2787)		\$198.10
687248174-00001 8/16-9/15/17 CELL SERVICE	01-52-523.00	198.10
TOTAL POLICE DEPARTMENT EXPENDITURES		\$24,770.48
<u>STREET DEPARTMENT EXPENDITURES</u>		
BLUE CROSS BLUE SHIELD (228)		\$6,194.94
724136-10 OCTOBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/CITY SHARE	01-53-403.00	6,194.94
CHARTER COMMUNICATIONS (380)		\$59.98
CHARTER ACCOUNT 8245116630001446/ 10/1-10/31/17 PHONE SERVICE	01-53-523.00	59.98

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CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>STREET DEPARTMENT EXPENDITURES</u>		
CINTAS CORPORATION #355 (411)		\$406.29
355438722 UNIFORMS	01-53-469.00	103.26
355441739 UNIFORMS	01-53-469.00	101.01
355444735 UNIFORMS	01-53-469.00	101.01
355447747 UNIFORMS	01-53-469.00	101.01
COMED (439)		\$33.62
2361160029 7/12-8/10/17 SERVICE/STREET LIGHTING/CITY LOT #2/ELECTRIC USAGE CHARGES	01-53-527.00	33.62
DEARBORN NATIONAL LIFE INSURANCE CO (718)		\$55.52
F015934-10 OCTOBER 2017 LIFE INSURANCE PLAN PREMIUMS/ CITY SHARE	01-53-403.00	55.52
DOHENYS EQUIPMENT & SUPPLIES (3153)		\$416.30
408 RUBBER TUBE AND CLAMPS/VACTOR	01-53-512.00	416.30
FISHER AUTO PARTS (3120)		\$103.72
325-403656 BRAKE PADS/T1	01-53-511.00	103.72
MARENGO SIGNS INC. (1282)		\$65.00
19263 ROAD CLOSED SIGNS	01-53-513.01	65.00
NEWMAN TRAFFIC SIGNS (1508)		\$376.02
TI-0314096 PEDESTRIAN CROSSING SIGNS/DOWNTOWN	01-53-513.01	376.02
VISION SERVICE PLAN OF ILLINOIS (2199)		\$73.02
12222915-10 OCTOBER 2017 VISION INSURANCE PLAN PREMIUMS/ CITY SHARE	01-53-403.00	73.02
VERIZON WIRELESS (2787)		\$250.33
687248174-00001 8/16-9/15/17 CELL SERVICE	01-53-523.00	250.33
ZARNOTH BRUSH WORKS, INC. (2313)		\$173.90
166654-IN SUSPENSION CABLE/T10	01-53-511.00	173.90
TOTAL STREET DEPARTMENT EXPENDITURES		\$8,208.64
<u>PUBLIC GROUNDS, WORKS & BEAUTIFICATION EXPENDITURES</u>		
CHARTER COMMUNICATIONS (380)		\$143.85
CHARTER ACCOUNT 8245116630001446/ 10/1-10/31/17 INTERNET SERVICE	01-54-526.03	69.98
CHARTER ACCOUNT 8245116630021790/ 9/16-10/15/17 INTERNET SERVICE	01-54-526.03	73.87
CINTAS CORPORATION #355 (411)		\$85.65
355440204 FLOOR MATS	01-54-510.00	85.65
COMED (438)		\$22.66
2796543007 7/12-8/10/17 SERVICE/109 E. WASHINGTON	01-54-526.03	22.66
GARDEN PRAIRIE ORGANICS (2760)		\$256.00
1682 FILL DIRT	01-54-567.01	256.00
KNOBLOCH PLUMBING, INC. (2719)		\$190.00
1150 REPAIR OF CITY HALL MEN'S WASHROOM TOILET	01-54-510.00	190.00
PINE VIEW NURSERY (3152)		\$3,839.00
1236 2017 FALL TREE PLANTING INVENTORY	01-54-588.07	3,839.00
TOTAL PUBLIC GROUNDS, WORKS & BEAUTIFICATION EXPENDITURES		\$4,537.16
<u>BUILDING DEPARTMENT EXPENDITURES</u>		
CHARTER COMMUNICATIONS (380)		\$86.23
CHARTER ACCOUNT 8245116630001446/ 10/1-10/31/17 PHONE SERVICE	01-55-523.00	86.23

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GENERAL CORPORATE FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>BUILDING DEPARTMENT EXPENDITURES</u>		
DEARBORN NATIONAL LIFE INSURANCE CO (718)		\$5.11
F015934-10 OCTOBER 2017 LIFE INSURANCE PLAN PREMIUMS/ CITY SHARE	01-55-403.00	5.11
HINCKLEY SPRINGS (2998)		\$43.40
14457314 092517 WATER DELIVERY	01-55-565.00	43.40
OFFICE DEPOT (1575)		\$71.35
961891661001 COPY PAPER	01-55-565.00	44.36
962594869001 INDUSTRIAL TAPE ROLLS	01-55-565.00	26.99
VERIZON WIRELESS (2787)		\$82.94
687248174-00001 8/16-9/15/17 CELL SERVICE	01-55-523.00	82.94
TOTAL BUILDING DEPARTMENT EXPENDITURES		\$289.03

GENERAL CORPORATE FUND RECAP

CODE	DESCRIPTION	AMOUNT
	PAYROLL AND MISCELLANEOUS	8,474.60
51	ADMINISTRATION DEPARTMENT	6,272.62
52	POLICE DEPARTMENT	24,770.48
53	STREET DEPARTMENT	8,208.64
54	PUBLIC GROUNDS, WORKS & BEAUTIFICATION	4,537.16
55	BUILDING DEPARTMENT	289.03
	TOTAL GENERAL CORPORATE FUND EXPENDITURES	52,552.53

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POLICE DEPT. DRUG FORFEITURE FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
FIRST NATIONAL BANK OF OMAHA (2575)		\$529.59
001771 SIRCHIE/DRUG TESTING KITS	19-00-780.00	230.59
987147 SIRCHIE/HIDDEN CAMERA CELL PHONE CASE	19-00-780.00	299.00
TOTAL POLICE DEPT. DRUG FORFEITURE FUND EXPENDITURES		\$529.59

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MOTOR FUEL TAX FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
FLINT TRADING, INC. (705)		\$1,090.10
215481 THERMO PLASTIC LANE MARKINGS/RT. 20 CROSSWALKS	20-00-713.01	1,090.10
PETER BAKER & SON (150)		\$48.48
17671 HOT MIX ASPHALT	20-00-713.01	48.48
TOTAL MOTOR FUEL TAX FUND EXPENDITURES		\$1,138.58

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WATER & SEWER FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>RESERVES EXPENDITURES</u>		
ROBINSON ENGINEERING (3131)		\$5,000.00
17090163 PHOSPHORUS REMOVAL STUDY/PROJECT 17-R0310	30-59-799.00	5,000.00
TOTAL RESERVES EXPENDITURES		\$5,000.00
<u>WATER DEPARTMENT EXPENDITURES</u>		
BENCHMARK SALES & SERVICE INC. (2449)		\$950.00
17-1107 PUMP REBUILD	30-70-512.00	950.00
BLUE CROSS BLUE SHIELD (228)		\$1,573.09
724136-10 OCTOBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/CITY SHARE	30-70-403.00	1,573.09
CHARTER COMMUNICATIONS (380)		\$33.73
CHARTER ACCOUNT 8245116630001446/ 10/1-10/31/17 PHONE SERVICE	30-70-523.00	33.73
CINTAS CORPORATION #355 (411)		\$97.20
355438722 UNIFORMS	30-70-469.00	24.30
355441739 UNIFORMS	30-70-469.00	24.30
355444735 UNIFORMS	30-70-469.00	24.30
355447747 UNIFORMS	30-70-469.00	24.30
COMED (438)		\$281.80
2512078001 7/10-8/8/17 SERVICE/416 STEVENSON	30-70-526.00	154.60
3279033030 7/19-8/14/17 SERVICE/0 BRIDEN DR	30-70-526.00	70.12
3812080106 7/19-8/14/17 SERVICE/240 N. PROSPECT	30-70-526.00	57.08
DEARBORN NATIONAL LIFE INSURANCE CO (718)		\$18.12
F015934-10 OCTOBER 2017 LIFE INSURANCE PLAN PREMIUMS/ CITY SHARE	30-70-403.00	18.12
DEBT SERVICE FUND (532)		\$22,265.67
OCTOBER 2017 TRANSFER TO DEBT SERVICE FUND	30-70-587.00	22,265.67
DYNEGY ENERGY SERVICES, LLC (3149)		\$2,921.88
1017202024 7/14-8/13/17 SERVICE/501 NICOLE	30-70-526.00	1,527.47
3019099009 7/14-8/13/17 SERVICE/840 GREENLEE	30-70-526.00	1,039.20
3136006019 7/14-8/13/17 SERVICE/105 LYNN DR/PUMP STATION	30-70-526.00	355.21
FIRST NATIONAL BANK OF OMAHA (2575)		\$25.56
289786 USPS/SHIPPING OF WATER QUALITY REPORTS TO IEPA	30-70-532.00	23.75
330560 SULLIVANS FOODS/2 - 1 GALLON JUGS OF WATER FOR RESIDENT DURING EMERGENCY WATER MAIN REPAIR	30-70-565.01	1.81
HACH COMPANY (830)		\$801.22
10626708 WATER TESTING SUPPLIES	30-70-565.01	801.22
VISION SERVICE PLAN OF ILLINOIS (2199)		\$27.14
12222915-10 OCTOBER 2017 VISION INSURANCE PLAN PREMIUMS/ CITY SHARE	30-70-403.00	27.14
VERIZON WIRELESS (2787)		\$95.00
687248174-00001 8/16-9/15/17 CELL SERVICE	30-70-523.00	95.00
TOTAL WATER DEPARTMENT EXPENDITURES		\$29,090.41
<u>SANITARY & WASTEWATER DEPARTMENT EXPENDITURES</u>		
BLUE CROSS BLUE SHIELD (228)		\$3,518.99
724136-10 OCTOBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/CITY SHARE	30-75-403.00	3,518.99
CINTAS CORPORATION #355 (411)		\$290.72
355438722 UNIFORMS	30-75-469.00	72.68
355441739 UNIFORMS	30-75-469.00	72.68

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>SANITARY & WASTEWATER DEPARTMENT EXPENDITURES</u>		
355444735 UNIFORMS	30-75-469.00	72.68
355447747 UNIFORMS	30-75-469.00	72.68
COMED (438)		\$351.94
0588136038 7/12-8/10/17 SERVICE/800 N. PROSPECT/ LIFT STATION	30-75-526.00	351.94
DEARBORN NATIONAL LIFE INSURANCE CO (718)		\$31.11
F015934-10 OCTOBER 2017 LIFE INSURANCE PLAN PREMIUMS/ CITY SHARE	30-75-403.00	31.11
DEBT SERVICE FUND (532)		\$22,265.67
OCTOBER 2017 TRANSFER TO DEBT SERVICE FUND	30-75-587.00	22,265.67
DYNEGY ENERGY SERVICES, LLC (3149)		\$11,749.33
2705089016 7/14-8/13/17 SERVICE/1350 N. STATE	30-75-526.00	11,749.33
FISHER AUTO PARTS (3120)		\$103.72
325-403658 BRAKE PADS/T72	30-75-511.00	103.72
HINCKLEY SPRINGS (2998)		\$20.69
14457314 092517 WATER DELIVERY	30-75-565.01	20.69
PDC LABORATORIES, INC (3138)		\$375.00
876328 LAB SAMPLE TESTING AND COURIER CHARGE	30-75-635.00	375.00
USA BLUE BOOK (2169)		\$949.38
357884 LAB SAMPLE TESTING SUPPLIES	30-75-565.06	732.43
362321 ALUMINUM INTAKE TUBE/VACTOR	30-75-511.02	216.95
VISION SERVICE PLAN OF ILLINOIS (2199)		\$41.43
12222915-10 OCTOBER 2017 VISION INSURANCE PLAN PREMIUMS/ CITY SHARE	30-75-403.00	41.43
VERIZON WIRELESS (2787)		\$151.30
687248174-00001 8/16-9/15/17 CELL SERVICE	30-75-523.00	151.30
TOTAL SANITARY & WASTEWATER DEPARTMENT EXPENDITURES		\$39,849.28

WATER & SEWER FUND RECAP

CODE	DESCRIPTION	AMOUNT
59	RESERVES	5,000.00
70	WATER DEPARTMENT	29,090.41
75	SANITARY & WASTEWATER DEPARTMENT	39,849.28
	TOTAL WATER & SEWER FUND EXPENDITURES	73,939.69

CITY OF MARENGO

BOARD MEETING: 10/09/17

BILLS PAYABLE REPORT FOR OCTOBER, 2017

PAGE: 9

WARRANT NO.: 1

WATER & SEWER CAPITAL CONSTRUCTION FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
ASSOCIATED ELECTRICAL CONTRACTORS (107)		\$2,746.00
35003859 ELECTRICAL STARTER/STEVENS ON ST. BYPASS PUMP	37-00-712.75	2,746.00
BENCHMARK SALES & SERVICE INC. (2449)		\$3,526.00
17-1112 N. STATE LIFT STATION PUMP REPAIR	37-00-712.75	3,526.00
MIDWEST METER INC. (1400)		\$5,520.96
0093613-IN 13 ORION REMOTE WATER METERS, BASES AND 26 COUPLINGS/TO BE REIMBURSED BY ARNOLD/300 WEST	37-00-712.70	4,420.00
0093613-IN 3 ORION REMOTE WATER METERS, BASES AND 6 COUPLINGS	37-00-712.70	1,100.96
TOTAL WATER & SEWER CAPITAL CONSTRUCTION FUND EXPENDITUF		\$11,792.96

CITY OF MARENGO

BOARD MEETING: 10/09/17

BILLS PAYABLE REPORT FOR OCTOBER, 2017

PAGE: 10

WARRANT NO.: 1

SPECIAL SERVICE AREA #2 FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
ASSOCIATED ELECTRICAL CONTRACTORS (107)		\$1,170.00
35003858 OUTLET INSTALLATION FOR AERATION PUMP/ INDIAN TRAILS	58-00-780.00	1,170.00
TOTAL SPECIAL SERVICE AREA #2 FUND EXPENDITURES		\$1,170.00

CITY OF MARENGO

BOARD MEETING: 10/09/17

BILLS PAYABLE REPORT FOR OCTOBER, 2017

PAGE: 11

WARRANT NO.: 1

SUMMARY ALL FUNDS

BANK ACCOUNT	BANK	DESCRIPTION	AMOUNT	
01-102-000	01	GENERAL CORPORATE FUND-CASH IN BANK	52,552.53	*
19-102-000	19	POLICE DEPT. DRUG FORFEITURE FUND-CASH IN BANK	529.59	*
20-102-000	20	MOTOR FUEL TAX FUND-CASH IN BANK	1,138.58	*
30-102-000	30	WATER & SEWER FUND-CASH IN BANK	73,939.69	*
37-102-000	37	WATER & SEWER CAPITAL CONSTRUCTION FUND-CASH IN BANK	11,792.96	*
58-102-000	58	SPECIAL SERVICE AREA #2 FUND-CASH IN BANK	1,170.00	*
TOTAL ALL FUNDS			141,123.35	**

#8a

AGENDA SUPPLEMENT

To: Mayor & City Council

From: Anna Leyrer, Deputy City Clerk

For: October 9, 2017 Regular City Council Meeting

Re: Reduction of Class B Liquor License

Due to the recent closing of McCormick Mart, located at 219 West Grant Highway, staff is requesting to reduce the number of Class B liquor licenses from three to two. A Class B license allows for license holder to sell alcoholic beverage solely for consumption off premise. This license is commonly held by convenience stores.

ORDINANCE 17-10-X

***An Ordinance Amending Section 33.07-B, Number of Licenses
Issued***

BE IT ORDAINED by the Mayor and City Council of the City of Marengo, McHenry County, Illinois, as follows:

SECTION 1: Section 33.07-B, Number of Licenses Issued of the Marengo Municipal Code shall be amended to decrease the number of Class B –Sale of alcoholic beverages for consumption off property, from three to two.

SECTION 2: If any section, paragraph, subdivision, clause, sentence or provision of this ordinance shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4: This Ordinance shall be in full force and effect upon its passage, approval and publication in pamphlet form (which publication is hereby authorized) as provided by law.

Voting Aye:

Voting Nay:

Absent:

Abstain:

APPROVED:

Mayor John Koziol

(SEAL)

ATTEST: _____
City Clerk Constance J. Boxleitner

Passed:

Approved:

Published:

CERTIFICATION

I, CONSTANCE J. BOXLEITNER, do hereby certify that I am the elected and qualified Clerk of the City of Marengo, McHenry County, Illinois, and that as such Clerk, I am the keeper of the records and minutes and proceedings of the Mayor and City Council of said City of Marengo.

I do hereby further certify that at a regular meeting of the Mayor and City Council of the City of Marengo held on the ____ day of October, 2017 the foregoing Ordinance entitled *An Ordinance Amending Chapter 33 Liquor Control and Liquor Licensing of the Marengo Municipal Code*, was duly passed by the Mayor and City Council of the City of Marengo.

The pamphlet form of Ordinance No. 17-10-X including the ordinance and a cover sheet thereof, was prepared, and a copy of such ordinance was posted in the City Hall, commencing on the ____ day of October, 2017, and will continue for at least 10 days thereafter. Copies of such ordinance are also available for public inspection upon request in the office of the City Clerk.

I do further certify that the original, of which the attached is a true and correct copy, is entrusted to me as the Clerk of said City for safekeeping, and that I am the lawful custodian and keeper of the same.

Given under my hand and corporate seal of the City of Marengo on this ____ day of October, 2017.

Constance J. Boxleitner, Clerk
City of Marengo,
McHenry County, Illinois

(SEAL)

#8b

AGENDA SUPPLEMENT

To: City Council

From: Richard Solarz, Chief of Police

Date: October 9, 2017 Regular City Council Meeting

Re: Fire and Police Commission Appointment

The Commission was notified that Steven Stachura, who had served on the board since May 2016, has resigned from his position.

I am recommending to appoint Amy Thiede, to act as commissioner for the remaining of Mr. Stachura's term, which would expire in May 2018. Amy is a long time resident of the City and is actively involved in the community. Ms. Thiede would make a great addition to the Commission.

If you should have any questions or concerns regarding this appointment or wish to discuss Ms. Thiede's qualifications further, please do not hesitate to contact me.

#9a

AGENDA SUPPLEMENT

TO: Mayor and City Council

FROM: Joshua Blakemore, Assistant City Administrator

FOR: October 9, 2017 Regular City Council Meeting

RE: FY 2016/2017 Audit

Drafts of the Audit for FY 16/17 were distributed at the last Council meeting. Please bring your copy with you for Monday's meeting. City Auditor George Roach will be in attendance to present the audit and answer any questions the City Council may have. A motion to approve the City's Comprehensive Annual Financial Report for Fiscal Year 2016/2017 is requested.



44 N. Walkup Ave.
Crystal Lake, IL 60014
T: 815-459-0700
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Accounting • Auditing • Consulting

CITY OF MARENGO, ILLINOIS

Annual Financial Report
For the Year Ended April 30, 2017

CITY OF MARENGO, ILLINOIS

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CITY OF MARENGO, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

To the Mayor
and Members of the City Council
City of Marengo, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Marengo, Illinois as of and for the year ended April 30, 2017, which collectively comprise the City of Marengo's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Marengo, Illinois as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise City of Marengo, Illinois' financial statements as a whole. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

George Roach & Associates, P.C.

George Roach & Associates, P.C.
Crystal Lake, Illinois
August 30, 2017

REQUIRED SUPPLEMENTARY INFORMATION –
MANAGEMENT DISCUSSION AND ANALYSIS -
UNAUDITED

CITY OF MARENGO, ILLINOIS

*Management's Discussion and Analysis - Unaudited
April 30, 2017*

As management of the City of Marengo (City), we offer readers of the City's statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2017.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at April 30, 2017 by \$622,350 (net position). Of this amount, (\$10,440,900) is unrestricted net position.
- The City's total net position decreased by \$520,230 from operations, of which \$824,298 is due to the GASB No. 68/71 pension expense.
- At April 30, 2017, the City's governmental funds reported combined ending fund balances of \$2,606,366, a decrease of \$223,987 from the prior year.
- At April 30, 2017, the unassigned fund balance for the General Fund was \$1,032,049.
- The City's total capital assets decreased by \$472,648 during the year ended April 30, 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works and transportation, culture and recreation, and economic development. The business-type activities of the City include culture and recreation, water and sewer, and refuse. The government-wide financial statements can be found on pages 12 and 13 of this report.

CITY OF MARENGO, ILLINOIS

Management's Discussion and Analysis - Unaudited
April 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is considered to be the City's only major fund. Data from the other ten governmental funds are combined into a single, aggregated presentation.

The basic governmental fund financial statements can be found on pages 14 through 21 of this report.

Proprietary funds - The City maintains one type of proprietary fund (enterprise fund). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer services, and for refuse and recycling services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer services, and refuse and recycling services, all of which are considered to be major funds of the City.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City utilizes a fiduciary fund to segregate developer deposits. The basic fiduciary fund financial statements can be found on pages 20 and 21 of this report.

CITY OF MARENGO, ILLINOIS

Management's Discussion and Analysis - Unaudited
April 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 48 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in meeting its obligation to provide as fully adequate as possible services to its residents.

The City adopts an annual budget for all funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget. The budgetary comparison for the general fund can be found on pages 53 to 58 of this report.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$622,350 at April 30, 2017.

Of the City's net position, \$5,732,978 reflects its investment in capital assets (e.g., land, construction in progress, buildings, systems and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	City of Marengo - Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2017	4/30/2016	4/30/2017	4/30/2016	4/30/2017	4/30/2016
Current and Other Assets	\$ 4,476,569	\$ 4,513,320	\$ 4,654,035	\$ 4,568,613	\$ 9,130,604	\$ 9,081,933
Capital Assets	4,231,871	4,002,473	19,264,805	19,966,851	23,496,676	23,969,324
Total Assets	<u>\$ 8,708,440</u>	<u>\$ 8,515,793</u>	<u>\$ 23,918,840</u>	<u>\$ 24,535,464</u>	<u>\$ 32,627,280</u>	<u>\$ 33,051,257</u>
Deferred Outflows	\$ 3,952,297	\$ 4,975,219	\$ -	\$ -	\$ 3,952,297	\$ 4,975,219
Current and Other Liabilities	\$ 344,188	\$ 166,177	\$ 154,754	\$ 42,127	\$ 498,942	\$ 208,304
Long-Term Liabilities Outstanding	13,436,131	14,539,507	16,262,578	17,203,011	29,698,709	31,742,518
Total Liabilities	<u>13,780,319</u>	<u>14,705,684</u>	<u>16,417,332</u>	<u>17,245,138</u>	<u>30,197,651</u>	<u>31,950,822</u>
Deferred Inflows	5,759,576	4,952,148	-	-	5,759,576	4,952,148
Net Position						
Net Investment in Capital Assets	2,804,314	3,141,275	2,928,664	2,819,703	5,732,978	5,960,978
Restricted -- Net Position	1,354,060	1,354,060	3,976,212	17,469,789	5,330,272	18,823,849
Unrestricted -- Net Position	(11,037,532)	(10,662,155)	596,632	(12,999,166)	(10,440,900)	(23,661,321)
Total Net Position	<u>\$ (6,879,158)</u>	<u>\$ (6,166,820)</u>	<u>\$ 7,501,508</u>	<u>\$ 7,290,326</u>	<u>\$ 622,350</u>	<u>\$ 1,123,506</u>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is (\$10,440,900). The City's net position decreased by \$520,230 during the year ended April 30, 2017 (including the GASB No. 68/71 pension expense of \$824,298).

CITY OF MARENGO, ILLINOIS

Management's Discussion and Analysis - Unaudited
April 30, 2017

Governmental activities

Governmental activities decreased the City's net position by \$712,338 (including \$824,298 GASB No. 68 pension expense). The most significant change was the reporting of actuarial pension expenses related to GASB No. 68/71.

Business-type activities

Business-type activities increased the City's net position by \$211,182.

Key elements of the increases/(decreases) to net position by governmental and business type activities are as follows:

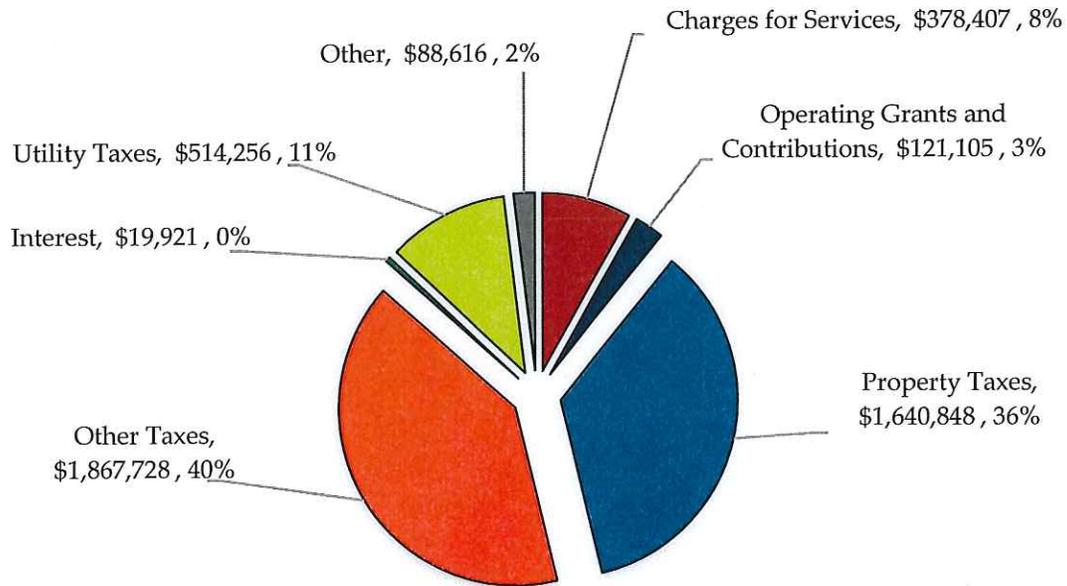
	City of Marengo - Activities and Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2017	4/30/2016	4/30/2017	4/30/2016	4/30/2017	4/30/2016
Program Revenues						
Charges for Services	\$ 378,407	\$ 361,772	\$ 2,614,200	\$ 2,278,242	\$ 2,992,607	\$ 2,640,014
Operating Grants and Contributions	121,105	88,725	-	-	121,105	88,725
General Revenues						
Property Taxes	1,640,848	1,308,504	-	-	1,640,848	1,308,504
Other Taxes	1,867,728	1,907,588	-	-	1,867,728	1,907,588
Utility Taxes	514,256	526,904	-	-	514,256	526,904
Other	88,616	85,882	10,025	-	98,641	85,882
Interest	19,921	12,668	11,517	11,557	31,438	24,225
Total Revenues	4,630,881	4,292,043	2,635,742	2,289,799	7,266,623	6,581,842
Expenses						
General Government	1,892,340	1,045,733	-	-	1,892,340	1,045,733
Public Safety	2,352,642	1,964,847	-	-	2,352,642	1,964,847
Streets and Roads	276,465	935,610	-	-	276,465	935,610
IMRF Pension actuarial expenses	232,033	508,622	-	-	232,033	508,622
Police Pension actuarial expenses	592,265	636,005	-	-	592,265	636,005
Interest on Long-Term Debt	-	92,681	370,218	401,881	370,218	494,562
Proprietary Activities	-	-	2,070,890	1,558,370	2,070,890	1,558,370
Total Expenses	5,345,745	5,183,498	2,441,108	1,960,251	7,786,853	7,143,749
Increase/(Decrease) before Transfers	(714,864)	(891,455)	194,634	329,548	(520,230)	(561,907)
Transfers in/(out)	2,526	2,464	(2,526)	(2,464)	-	-
Increase/(Decrease) in Net Position	(712,338)	(888,991)	192,108	327,084	(520,230)	(561,907)
Net Position - Beginning of Year	(6,166,820)	4,918,270	7,290,326	6,958,135	1,123,506	11,876,405
Restatement adjustment	-	(10,196,099)	-	-	-	(10,196,099)
Capital Contributions	-	-	19,074	5,107	19,074	5,107
Net Position - End of Year	\$ (6,879,158)	\$ (6,166,820)	\$ 7,501,508	\$ 7,290,326	\$ 622,350	\$ 1,123,506

CITY OF MARENGO, ILLINOIS

Management's Discussion and Analysis - Unaudited
April 30, 2017

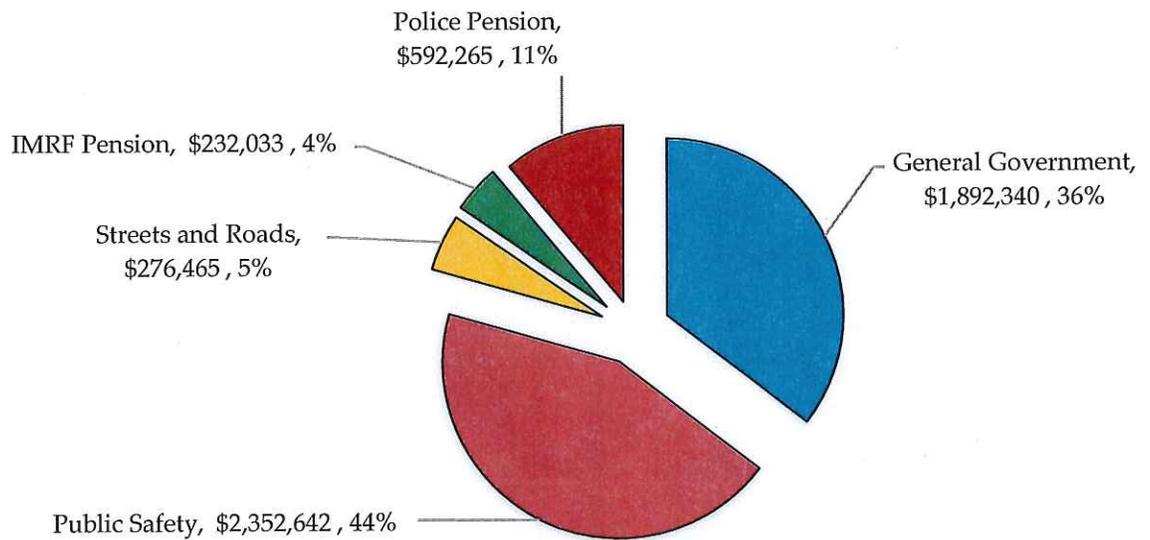
2017 REVENUES

ROUND TO NEAREST PERCENT



2017 EXPENSES

ROUND TO NEAREST PERCENT



CITY OF MARENGO, ILLINOIS

Management's Discussion and Analysis - Unaudited
April 30, 2017

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At April 30, 2017, the City's governmental funds reported combined ending fund balances of \$2,606,366, a decrease of \$223,987 in comparison with the prior year. A portion of this amount (\$1,032,049) constitutes unassigned fund balance, which is available, to meet the City's ongoing obligations to citizens and creditors. The remainder of the fund balance is assigned or restricted to indicate that it is not available for new spending because it has already been allocated for specific restricted purposes.

The General Fund is the chief operating fund of the City. At April 30, 2017, the fund balance of the General Fund was \$1,032,049. This represents a decrease of (\$444,244) compared to the prior fiscal year.

General Fund Budgetary Highlights

Differences between the original budget and the final budget were relatively minor. Total differences between the final amended budget and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$311,211 (favorable).
- The difference between the estimated expenditures and the actual expenditures was \$68,038 (favorable).

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities as of April 30, 2017 amounts to \$23,496,676 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, infrastructure, systems, and equipment.

	Governmental Activities		Business Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Water and Sewage System	\$ -	\$ -	\$ 26,646,481	\$ 13,835,071	\$ 26,646,481	\$ 13,835,071
Buildings, Land and Improvements	3,236,576	3,123,013	789,152	789,152	4,025,728	3,912,165
Equipment, Furniture, and Fixtures	1,103,223	1,220,900	761,789	761,789	1,865,012	1,982,689
Construction in Progress	1,290,713	1,053,356	963,034	13,682,959	2,253,747	14,736,315
Total Capital Assets	5,630,512	5,397,269	29,160,456	29,068,971	34,790,968	34,466,240
Accumulated Depreciation	1,398,640	1,394,796	9,895,652	9,102,120	11,294,292	10,496,916
Total Net Capital Assets	\$ 4,231,872	\$ 4,002,473	\$ 19,264,804	\$ 19,966,851	\$ 23,496,676	\$ 23,969,324

Additional information on the City's capital assets can be found in note 3 on pages 29-30.

CITY OF MARENGO, ILLINOIS

Management's Discussion and Analysis - Unaudited
April 30, 2017

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the City for 2016 is \$112,776,122. That represents an increase in EAV of \$3,925,849 over the prior year's EAV. Taxes recorded in these financial statements are from the 2015 levy. A summary of the assessed valuations and extensions for tax years 2016, 2015, and 2014 is as follows:

ASSESSED VALUATIONS, EXTENDED TAX RATES PERCENTAGE ALLOCATIONS, EXTENDED TAX RATES						
TAX LEVY YEAR	2016		2015		2014	
ASSESSED VALUATION						
McHenry County	\$	112,776,122	\$	108,850,273	\$	104,094,284
TAX RATES AND PERCENTAGE ALLOCATIONS BY FUND						
Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.410191	29.42	0.424979	29.65	0.423234	29.65
IMRF	0.068019	4.88	0.070473	4.92	0.070184	4.92
Police Protection	0.370508	26.39	0.383702	26.79	0.382713	26.81
Police Pension	0.244961	17.56	0.251713	17.56	0.250679	17.56
Cemetery	0.009240	0.66	0.000092	-	0.000000	-
Garbage	0.000089	-	0.000092	-	0.000000	-
Audit	0.015228	1.27	0.015779	1.10	0.015402	1.08
Liability Insurance	0.057414	4.12	0.059478	4.15	0.059234	4.15
Street & Bridge	0.000089	-	0.000000	-	0.000000	-
Street Lighting	0.046881	3.36	0.048570	3.39	0.048370	3.39
ESDA	0.002101	0.15	0.002172	0.15	0.002163	0.15
Social Security	0.098856	7.09	0.102418	7.15	0.101997	7.15
Unemployment Insurance	0.005186	0.37	0.005370	0.37	0.005348	0.37
Workman's Compensation	0.065978	4.73	0.068356	4.77	0.068076	4.77
Totals	1.394741	100.00	1.433194	100.00	1.427400	100.00
Property Tax Extensions						
Funds	2016		2015		2014	
General Fund	\$	444,087	\$	444,207	\$	453,435
IMRF		73,639		73,659		75,193
Police Protection		398,523		401,233		403,721
Police Pension		265,203		263,102		274,666
Cemetery		10,004		-		100
Garbage		-		-		100
Audit		19,187		16,491		16,500
Liability Insurance		62,159		62,175		63,461
Street & Bridge		-		-		100
Street Lighting		50,755		50,768		51,821
ESDA		2,275		2,275		2,317
Social Security		107,026		107,054		109,275
Unemployment Insurance		5,615		5,617		5,729
Workman's Compensation		71,430		71,449		72,933
Totals	\$	1,509,903	\$	1,498,030	\$	1,529,351

CITY OF MARENGO, ILLINOIS

*Management's Discussion and Analysis - Unaudited
April 30, 2017*

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Administrator, City of Marengo, 132 East Prairie, Marengo, IL 60152.

CITY OF MARENGO, ILLINOIS

Government-wide - Statement of Net Position

Year Ended April 30, 2017

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and investments, at cost	\$ 2,393,721	\$ 4,012,149	\$ 6,405,870
Accounts receivable	64,992	641,886	706,878
Property tax receivable	1,633,820	-	1,633,820
Due from other Governments	384,036	-	384,036
Fixed assets	4,231,871	19,264,805	23,496,676
Total Assets	\$ 8,708,440	\$ 23,918,840	\$ 32,627,280
Deferred Outflows			
IMRF pension fund	\$ 69,830	\$ -	\$ 69,830
Police pension Fund	3,882,467	-	3,882,467
Total Deferred Outflows	\$ 3,952,297	\$ -	\$ 3,952,297
Liabilities			
Accounts payable	\$ 161,903	\$ 49,807	\$ 211,710
Accrued payroll liabilities	74,481	22,580	97,061
Notes payable - current portion	47,804	82,367	130,171
Bonds payable - current portion	60,000	-	60,000
Total Current Liabilities	344,188	154,754	498,942
Premium on bonds	-	46,835	46,835
Notes payable	274,753	-	274,753
Bonds payable	1,045,000	4,870,000	5,915,000
IEPA note payable	-	11,336,939	11,336,939
IMRF pension accrued liability	801,665	-	801,665
Police pension accrued liability	11,189,900	-	11,189,900
Deferred Compensation	124,813	8,804	133,617
Total Long-term Liabilities	13,436,131	16,262,578	29,698,709
Total Liabilities	13,780,319	16,417,332	30,197,651
Deferred Inflows			
Property taxes	1,633,820	-	1,633,820
Police pension fund	4,125,756	-	4,125,756
Total Deferred Inflows	5,759,576	-	5,759,576
Net Position			
Net investment in Capital Assets	2,804,314	2,928,664	5,732,978
Restricted - Capital projects/debt service	542,276	3,976,212	4,518,488
Restricted - Other nonmajor governmental funds	811,784	-	811,784
Unrestricted	(11,037,532)	596,632	(10,440,900)
Total Net Position	\$ (6,879,158)	\$ 7,501,508	\$ 622,350

The accompanying notes are an integral part of these statements.

CITY OF MARENGO, ILLINOIS

Government-wide - Statement of Activities and Changes in Net Position

Year Ended April 30, 2017

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental Activities							
General government	\$ 1,892,340	\$ 285,605	\$ 120,789	\$ -	\$ (1,485,946)	\$ -	\$ (1,485,946)
Public safety	2,352,642	92,802	316	-	(2,259,524)	-	(2,259,524)
Public properties	276,465	-	-	-	(276,465)	-	(276,465)
IMRF Pension actuarial expenses	232,033	-	-	-	(232,033)	-	(232,033)
Police Pension actuarial expenses	592,265	-	-	-	(592,265)	-	(592,265)
Total Governmental Activities	5,345,745	378,407	121,105	-	(4,846,233)	-	(4,846,233)
Business-Type Activities							
Proprietary activities	2,070,890	2,614,200	-	-	-	543,310	543,310
Interest on long-term debt	370,218	-	-	-	-	(370,218)	(370,218)
Total Business-Type Activities	2,441,108	2,614,200	-	-	-	173,092	173,092
Total Primary Government	\$ 7,786,853	\$ 2,992,607	\$ 121,105	\$ -	(4,846,233)	173,092	(4,673,141)
General Revenues:							
Property taxes					1,640,848	-	1,640,848
Intergovernmental revenue					1,665,268	-	1,665,268
Utility taxes					514,256	-	514,256
MFT					202,460	-	202,460
Surplus property proceeds					3,796	-	3,796
Miscellaneous revenue					84,820	10,025	94,845
Investment income					19,921	11,517	31,438
Total Revenues					4,131,369	21,542	4,152,911
Transfers in/(out)					2,526	(2,526)	-
Changes in Net Position					(712,338)	192,108	(520,230)
Net Position Beginning					(6,166,820)	7,290,326	1,123,506
Capital Contributions					-	19,074	19,074
Total Net Position, Ending					\$ (6,879,158)	\$ 7,501,508	\$ 622,350

The accompanying notes are an integral part of these statements.

CITY OF MARENGO, ILLINOIS

Governmental Funds - Balance Sheet

Year Ended April 30, 2017

Assets	General Fund	Other Nonmajor Governmental Funds	Capital Project Funds	Total
Cash and cash equivalents	\$ 835,631	\$ 966,318	\$ 591,772	\$ 2,393,721
Total cash and cash equivalents	835,631	966,318	591,772	2,393,721
Property taxes receivable, net of 1% allowance for loss	1,551,086	82,734	-	1,633,820
Other receivables	64,993	-	-	64,993
Due from other governmental units	367,058	16,978	-	384,036
Total Assets	\$ 2,818,768	\$ 1,066,030	\$ 591,772	\$ 4,476,570
Liabilities				
Accounts payable	\$ 161,903	\$ -	\$ -	\$ 161,903
Accrued payroll	73,730	751	-	74,481
Total Liabilities	235,633	751	-	236,384
Deferred Inflows - property taxes	1,551,086	82,734	-	1,633,820
Fund Balance				
Nonspendable	-	-	-	-
Restricted	-	982,545	591,772	1,574,317
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,032,049	-	-	1,032,049
Total Fund Balance	1,032,049	982,545	591,772	2,606,366
Total Liabilities and Fund Balance	\$ 2,818,768	\$ 1,066,030	\$ 591,772	\$ 4,476,570

The accompanying notes are an integral part of these statements.

CITY OF MARENGO, ILLINOIS

Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended April 30, 2017

	General Fund	Other Nonmajor Governmental Funds	Capital Projects Funds	Total
Revenues				
Property taxes	\$ 1,570,405	\$ 70,443	\$ -	\$ 1,640,848
Intergovernmental revenue	1,665,268	202,460	-	1,867,728
Utility taxes	514,256	-	-	514,256
Licenses, fees, and permits	245,770	48,757	-	294,527
Fines	83,795	-	-	83,795
Grants and donations	121,190	-	-	121,190
Interest income	930	17,551	1,440	19,921
Miscellaneous revenue	38,644	46,176	-	84,820
Surplus property proceeds	3,796	-	-	3,796
Total Revenues	<u>4,244,054</u>	<u>385,387</u>	<u>1,440</u>	<u>4,630,881</u>
Expenditures				
Administrative	1,267,820	-	-	1,267,820
Police	2,302,859	-	-	2,302,859
Street	564,349	-	-	564,349
Public grounds	276,465	-	-	276,465
Building	86,061	-	-	86,061
Operation and maintenance	-	326,021	26,944	352,965
Contingency	6,875	-	-	6,875
Total Expenditures	<u>4,504,429</u>	<u>326,021</u>	<u>26,944</u>	<u>4,857,394</u>
Excess (Deficiency) of Revenue over expenditures	<u>(260,375)</u>	<u>59,366</u>	<u>(25,504)</u>	<u>(226,513)</u>
Operating Transfers In/(Out)	<u>(183,869)</u>	<u>111,395</u>	<u>75,000</u>	<u>2,526</u>
Net Change in Fund Balance	<u>(444,244)</u>	<u>170,761</u>	<u>49,496</u>	<u>(223,987)</u>
Fund Balance				
Fund balance, beginning	<u>1,476,293</u>	<u>811,784</u>	<u>542,276</u>	<u>2,830,353</u>
Total Fund Balance, Ending	<u>\$ 1,032,049</u>	<u>\$ 982,545</u>	<u>\$ 591,772</u>	<u>\$ 2,606,366</u>

The accompanying notes are an integral part of these statements.

CITY OF MARENGO, ILLINOIS

Reconciliations of the Governmental Fund Statements to the
Statement of Net Position and Statement of Activities
Year Ended April 30, 2017

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

Total Fund Balances - Total Governmental Funds	\$	2,606,366
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Amount net of depreciation.		4,231,871
Other employee benefit obligations accruals are not reported in funds.		(124,813)
Deferred pension outflows/inflows and net pension liabilities are not reported in funds.		
Deferred pension outflows		3,952,297
Net pension liabilities are not reported in funds.		(11,991,565)
Deferred pension inflows		(4,125,756)
Long term debt is not recorded in the fund statement but is included as a liability in the Statement of Net Position.		(1,427,558)
Total Net Position of Governmental Activities	\$	(6,879,158)

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Excess (Deficiency) of Revenue Over Expenditures		
Governmental Funds	\$	(223,987)
Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciated over their useful life.		
(Amount shown is net of depreciation)		229,398
Governmental funds report the payment of debt as an expenditure; however the Statement of Activities records the payment as a reduction in the debt liability.		106,549
Change in deferred pension outflows/inflows and net pension liabilities are not reported in funds.		(824,298)
Changes in Net Position Governmental Funds	\$	(712,338)

The accompanying notes are an integral part of these statements.

CITY OF MARENGO, ILLINOIS

Proprietary Funds - Statement of Net Position

Year Ended April 30, 2017

Assets	Operating and Maintenance	Bond and Interest Account	Capital Construction Fund	Equipment Replacement Fund	Water Improvement 2014 Bond Fund	IEPA WWTP Debt Fund	Total
Cash	\$ 214,549	\$ 674,724	\$ 278,232	\$ 39,000	\$ 2,292,181	\$ 513,463	\$ 4,012,149
Sewer billing receivable	463,274	-	-	-	-	178,612	641,886
Property and equipment, net of accumulated depreciation	18,301,771	-	-	-	-	-	18,301,771
Construction In Progress	-	-	-	-	963,034	-	963,034
Total Assets	\$ 18,979,594	\$ 674,724	\$ 278,232	\$ 39,000	\$ 3,255,215	\$ 692,075	\$ 23,918,840
Liabilities							
Accounts payable	\$ 38,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,289
Other accruals/liabilities	34,098	-	-	-	-	-	34,098
IEPA note payable	11,336,939	-	-	-	-	-	11,336,939
Notes payable	82,367	-	-	-	-	-	82,367
Premium on bonds	46,835	-	-	-	-	-	46,835
Alt. revenue bonds	4,870,000	-	-	-	-	-	4,870,000
Deferred compensation	8,804	-	-	-	-	-	8,804
Total Liabilities	16,417,332	-	-	-	-	-	16,417,332
Net Position							
Net investment in capital assets	1,965,630	-	-	-	963,034	-	2,928,664
Restricted for authorized expenditures	-	674,724	278,232	39,000	2,292,181	692,075	3,976,212
Contributed capital	2,396,476	-	-	-	-	-	2,396,476
Unrestricted	(1,799,844)	-	-	-	-	-	(1,799,844)
Total Net Position	2,562,262	674,724	278,232	39,000	3,255,215	692,075	7,501,508
Total Liabilities and Net Position	\$ 18,979,594	\$ 674,724	\$ 278,232	\$ 39,000	\$ 3,255,215	\$ 692,075	\$ 23,918,840

The accompanying notes are an integral part of these financial statements.

CITY OF MARENGO, ILLINOIS

Proprietary Funds - Statement of Revenues, Expenses and Changes in Net Position

Year Ended April 30, 2017

	Operating and Maintenance	Bond and Interest Account	Capital Construction Fund	Equipment Replacement Fund	Water Improvement 2014 Bond Fund	IEPA WWTP Debt Fund	Total
Revenues							
Water - supply and distribution	\$ 484,117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 484,117
Water - debt service	348,769	-	-	-	-	-	348,769
Sewer - collection and treatment	634,539	-	-	-	-	587,469	1,222,008
Sewer - debt service	232,182	-	-	-	-	26,237	258,419
Meter sales	3,304	-	-	-	-	-	3,304
Miscellaneous revenue	10,775	-	284,000	-	12,833	-	307,608
Total Revenues	1,713,686	-	284,000	-	12,833	613,706	2,624,225
Expenses							
Water department	492,923	-	-	-	-	2,612	495,535
Sewer department	755,950	-	-	-	-	-	755,950
Debt service fees	-	475	-	-	-	-	475
Contingency	25,639	-	-	-	-	-	25,639
Total Expenditures	1,274,512	475	-	-	-	2,612	1,277,599
Operating Income Before Depreciation/Amortization	439,174	(475)	284,000	-	12,833	611,094	1,346,626
Less: Depreciation and Amortization	793,291	-	-	-	-	-	793,291
Operating Income (Loss)	(354,117)	(475)	284,000	-	12,833	611,094	553,335
Non-Operating Income (Expense)							
Interest expense	-	(145,238)	-	-	-	(224,980)	(370,218)
Interest income	385	2,325	857	-	7,950	-	11,517
Total Non-operating Income/(Expense)	385	(142,913)	857	-	7,950	(224,980)	(358,701)
Net Income (Loss)	(353,732)	(143,388)	284,857	-	20,783	386,114	194,634
Net Position, Beginning	(10,179,463)	671,412	28,375	26,000	3,234,432	13,509,570	7,290,326
Operating transfers	13,076,383	146,700	(35,000)	13,000	-	(13,203,609)	(2,526)
Capitalized connection fees	19,074	-	-	-	-	-	19,074
Total Net Position	\$ 2,562,262	\$ 674,724	\$ 278,232	\$ 39,000	\$ 3,255,215	\$ 692,075	\$ 7,501,508

The accompanying notes are an integral part of these financial statements.

CITY OF MARENGO, ILLINOIS

Proprietary Funds - Statement of Cash Flows

Year Ended April 30, 2017

	Operating and Maintenance	Bond and Interest Account	Capital Construction Fund	Equipment Replacement Fund	Water Improvement 2014 Bond Fund	IEPA WWTP Debt Fund	Total
Cashflows from Operating Activities:							
Cash received from customers and users	\$ 1,718,243	\$ -	\$ 284,000	\$ -	\$ -	\$ 658,383	\$ 2,660,626
Refund of prior year expense	-	-	-	-	12,833	-	12,833
Cash paid to suppliers/employees	(1,244,236)	(475)	-	-	-	(2,612)	(1,247,323)
Net Cash Provided by Operating Activities	474,007	(475)	284,000	-	12,833	655,771	1,426,136
Cashflows from Investing Activities:							
Transfer of system assets	(12,719,925)	-	-	-	-	12,719,925	-
System additions - net	(91,873)	-	-	-	-	-	(91,873)
Net Cashflows Provided by Investing Activities	(12,811,798)	-	-	-	-	12,719,925	(91,873)
Cashflows from Capital & Financing Activities:							
Investment income	387	2,325	857	-	7,950	-	11,519
Investment expense	-	(145,238)	-	-	-	(224,980)	(370,218)
Loan and bond proceeds	69,777	-	-	-	-	-	69,777
Bond/note payments, net	(927,620)	-	-	-	-	-	(927,620)
Net Cashflows Provided by Capital and Financing Activities	(857,456)	(142,913)	857	-	7,950	(224,980)	(1,216,542)
Net Increase in Cash	(13,195,247)	(143,388)	284,857	-	20,783	13,150,716	117,721
Operating transfers	13,076,383	146,700	(35,000)	13,000	-	(13,203,609)	(2,526)
Connection fees capitalized	19,074	-	-	-	-	-	19,074
Cash at Beginning of Year	314,339	671,412	28,375	26,000	2,271,398	566,356	3,877,880
Cash at End of Year	\$ 214,549	\$ 674,724	\$ 278,232	\$ 39,000	\$ 2,292,181	\$ 513,463	\$ 4,012,149
Reconciliation of Operating Income to Net cash provided by Operating Activities:							
Net income (loss) for the year	\$ (353,732)	\$ (475)	\$ 284,000	\$ -	\$ 12,832	\$ 611,093	\$ 553,718
Depreciation/amortization	793,291	-	-	-	-	-	793,291
(Increase) decrease in accounts receivable	4,171	-	-	-	-	44,678	48,849
Increase (decrease) in accounts payable	23,048	-	-	-	-	-	23,048
Increase (decrease) in other liabilities	(4,118)	-	-	-	-	-	(4,118)
Increase (decrease) in deferred compensation	11,347	-	-	-	-	-	11,347
Net Cash Provided by Operating Activities	\$ 474,007	\$ (475)	\$ 284,000	\$ -	\$ 12,832	\$ 655,771	\$ 1,426,135

Cash payments for interest made during the year were \$ 370,218.
The accompanying notes are an integral part of these financial statements.

CITY OF MARENGO, ILLINOIS

Fiduciary Funds - Statement of Net Position

Year Ended April 30, 2017

Assets	Police Pension Trust	Agency Funds	
		Retained Personnel	Grant Fund 90-24109 Revolving Loan Fund
Cash and Cash Equivalents	\$ 41,887	\$ 212,451	\$ 320,974
Investments, at Fair Value:			
Money Market Mutual Funds	164,204	-	-
Fixed Income	2,736,368	-	-
Mutual Funds	2,229,255	-	-
Total Cash and Investments	5,171,714	212,451	320,974
Accrued Interest Receivable	23,599	-	-
Prepaid	1,360	-	-
Total Assets	\$ 5,196,673	\$ 212,451	\$ 320,974
Liabilities			
Expenses Due/Unpaid	\$ 1,717	\$ -	\$ -
Due for Distribution	-	212,451	-
Total Liabilities	1,717	212,451	-
Net Position			
Held in Trust for Pension Benefits	5,194,956	-	-
Net Position Agency Funds	-	-	320,974
Total Net Position	\$ 5,194,956	\$ -	\$ 320,974

The accompanying notes are an integral part of these financial statements.

CITY OF MARENGO, ILLINOIS

Fiduciary Funds - Statement of Changes in Net Position

Year Ended April 30, 2017

	Police Pension Trust	Agency Funds	
		Retained Personnel	Grant Fund 90-24109 Revolving Loan Fund
Additions			
Contributions - Employer	\$ 262,347	\$ -	\$ -
Contributions - Plan Members	100,769	-	-
Total Contributions	363,116	-	-
Investment Income			
Interest and Dividends Earned	369,543	-	960
Net Change in Fair Value	-	-	-
Total Investment Income	369,543	-	960
Less Investment Expenses			
Net Investment Income	369,543	-	960
Total Additions	732,659	-	960
Deductions			
Administration	26,660	-	-
Benefits and Refunds			
Benefits	362,576	-	-
Refunds	4,825	-	-
Total Deductions	394,061	-	-
Change in Net Position	338,598	-	960
Net Position			
Net Position, Beginning	4,856,359	-	320,014
Net Position, Ending	\$ 5,194,957	\$ -	\$ 320,974

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC
FINANCIAL STATEMENTS

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Marengo, Illinois (the City) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the City of Marengo, Illinois.

REPORTING ENTITY –

The City has developed criteria to determine whether outside agencies with activities that benefit the citizens of the City should be included within its financial reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service and special financial relationships.

GOVERNMENT-WIDE FINANCIAL STATEMENTS –

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely significantly on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items are not properly included among program revenues but reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION –

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recognized only when payment is due.

Property taxes, state-shared revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be available only when cash is received by the City.

The government reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The government reports the following major proprietary funds:

The Water and Sewer Fund is used to account for the purchase and distribution of water to the citizens of Marengo, Illinois. Treated water and sewerage services are purchased from the City. User charges to customers based upon consumption account for substantially all the revenue of this fund.

The accrual basis of accounting is used for non-expendable trust funds and pension trusts.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND INVESTMENTS –

The City maintains a cash pool which is available for use by the General and Special Revenue Funds. All other funds either have their own cash accounts in the form of regular checking or money market accounts.

The City's investment policies are governed by state statutes. All funds are deposited in federally insured banks and savings and loans. The cash and investments reflected in the combined balance sheet consist of demand accounts, certificates of deposit and federal securities.

RECEIVABLES AND REVENUE RECOGNITION –

Property taxes receivable are recognized at the time they are levied. Property taxes are levied and attached as an enforceable lien on property on January 1 and are payable in two installments on June 1 and September 1 subsequent to the year of levy. The portion of the property taxes, which are not available for the current year's operations are shown as, deferred inflows. The tax levy ordinance was adopted on December 19, 2016. The taxes related to the levy are collected between June and December of the following year.

Substantially, all other shared revenues are recorded during the period when received by the collecting authority, the State of Illinois.

Income from investments, accounts and unbilled usage receivables are recognized when earned. Licenses and permits, fines and forfeits, fees and refunds, charges for service (other than enterprise funds), miscellaneous and other revenues are recorded as revenue when received in cash as they are generally not measurable until actually received.

FIXED ASSETS –

Property and equipment is carried at cost less its accumulated depreciation. Depreciation is provided using the straight-line method over periods of 5 to 35 years.

DEFERRED INFLOWS –

Deferred inflows are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City reported \$5,759,576 as deferred inflows which is for property taxes and pensions.

PENSION PLAN –

The City has a pension plan covering substantially all the full time employees. Employees are

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

covered by the Illinois Municipal Retirement Fund. The sworn police are covered by the Marengo Police Pension Fund.

BUDGET –

The budget represents departmental appropriations as authorized by the City's appropriation ordinance and includes revisions authorized by the City Council to reflect changes in departmental programs. At April 30, 2017, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The appropriations ordinance was passed on July 11, 2016. The budget is prepared on the modified accrual basis.

IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS -

GASB Statement No. 68 – In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015, therefore, the City implemented this Statement in fiscal year ending April 30, 2016.

NOTE 2 – CASH AND INVESTMENTS

The investment policies of the City of Marengo are governed by state statutes whereby City money must be deposited in FDIC - insured banks located within the state. Permissible investments include demand accounts and certificates of deposits.

The City's deposits are categorized to give an indication of the level of risk assumed by the City at April 30, 2017. The categories are described as follows:

- Category 1 Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 Uncollateralized.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

	Category			Bank Balance	Carrying Value
	1	2	3		
Pooled deposits					
Checking/Savings	\$ 504,001	\$ 6,075,847	\$ -	\$ 6,579,848	\$ 6,386,835
Illinois Funds	-	-	-	19,035	19,035
Totals	\$ 504,001	\$ 6,075,847	\$ -	\$ 6,598,883	\$ 6,405,870

POLICE PENSION FUND INVESTMENTS –

At year-end, the carrying amount of the Pension Fund checking and savings deposits totaled \$147,037 and the bank balances totaled \$147,168. At year-end, the Pension Fund has the following investments and maturities:

Fixed Income Investments	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More than 10
Schwab Govt. Money Market	\$ 54,999	\$ 54,999	\$ -	\$ -	\$ -
U.S. Treasury Notes	420,295	-	317,053	103,242	-
Fannie Mae/Freddie Mac	215,894	100,325	70,562	45,007	-
Federal Home Loan Bank	716,943	-	143,773	547,632	25,538
Federal Farm Credit	404,626	-	-	354,193	50,433
Federal Farm Credit Bank	383,830	-	152,824	231,006	-
Federal Home Loan Mortgage	86,112	-	-	86,112	-
American Express Bond	15,185	-	15,185	-	-
Apple Inc. Bond	30,614	-	30,614	-	-
Berkshire Hathway Bond	15,540	-	15,540	-	-
Exxon Mobil Bond	25,231	-	25,231	-	-
General Electric Bond	10,519	-	10,519	-	-
McDonalds Corp. Bond	20,578	-	20,578	-	-
Microsoft Bond	26,883	-	-	26,883	-
GNMA & FHLMC Mortgage Pools	2,867	2,867	-	-	-
Mutual Funds	2,229,255	2,229,255	-	-	-
Municipal Bonds	384,849	-	194,710	190,139	-
	\$ 5,044,220	\$ 2,387,446	\$ 996,589	\$ 1,584,214	\$ 75,971

The Pension Fund assumes any callable securities will not be called.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

INTEREST RATE RISK –

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

CREDIT RISK –

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Investments in the securities of U.S. government agencies and state and local securities were all rated AAA by Standard & Poor's or by Moody's Investors Services. Corporate Bonds held at year-end were rated between BBB+ and A by Standard & Poor's.

The Pension Fund's investment policy also prescribes to the "prudent person" rule, which states, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

CUSTODIAL CREDIT RISK – DEPOSITS –

In the case of deposits, this is the risk that in the event of a bank failure, the Pension Fund's deposits may not be returned to the City. At April 30, 2017, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

CUSTODIAL CREDIT RISK – INVESTMENTS –

For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Equity mutual funds are not subject to custodial credit risk. At April 30, 2017, the U.S. Government Agencies and the State and Local obligations are held by the counterparty in the trust department. The Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 2 – CASH AND INVESTMENTS (CONCLUDED)

CONCENTRATION CREDIT RISK –

This is the risk of loss attributed to the magnitude of the Pension Fund's investment in a single issuer. In accordance with the Pension Fund's investment policy, the Pension Fund may invest in any type of investment instrument permitted by Illinois law. At April 30, 2017, the Pension Fund has over 5% of plan net position invested in various agency securities as indicated in the previous table. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

The Pension Board has diversified its mutual fund holdings as follows:

Mutual Funds	
Bridgeway Ultra Small	\$ 67,586
Cohen & Steers Inst.	58,125
Fidelity Adv. Materials	37,391
First Eagle Overseas	37,001
Goldman Sachs Intl. Eqty.	36,892
Hennessy Focus Fund I	69,228
Homestead Small Company	159,800
LSV Value Equity Fund Inst.	252,844
Oppenheimer Developing	37,198
Oppenheimer Intl. Growth	74,527
Pioneer Equity Income Y	252,796
T Rowe Price Growth Stock	514,884
T Rowe Price US Small Cap	161,808
Vanguard Energy Fund	13,314
Vanguard 500 Index Fund	455,861
	<u>\$ 2,229,255</u>

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 3 – CHANGES IN PROPERTY AND EQUIPMENT

During the year ended April 30, 2017, property and equipment transactions were as follows:

Governmental Type Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable capital assets				
Land	\$ 240,497	\$ -	\$ -	\$ 240,497
Depreciable capital assets				
Machinery and equipment	508,637	-	(146,390)	362,247
Vehicles	712,263	28,713	-	740,976
Construction in progress	1,053,356	237,357	-	1,290,713
Infrastructure	2,882,516	113,563	-	2,996,079
Total depreciable assets	5,156,772	379,633	(146,390)	5,390,015
Less accumulated depreciation				
Machinery and equipment	349,971	-	(128,426)	221,545
Vehicles	490,491	34,130	-	524,621
Infrastructure	554,334	98,140	-	652,474
Total depreciation	1,394,796	132,270	(128,426)	1,398,640
Total net depreciable capital assets	3,761,976	247,363	(17,964)	3,991,375
Total net capital assets	\$ 4,002,473	\$ 247,363	\$ (17,964)	\$ 4,231,872

Business Type Activities:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable capital assets				
Land	\$ 403,988	\$ -	\$ -	\$ 403,988
Depreciable capital assets				
Buildings	385,164	-	-	385,164
Machinery and equipment	716,914	-	-	716,914
Vehicles	44,875	-	-	44,875
Construction in progress	13,682,959	-	(12,719,925)	963,034
Infrastructure	13,835,071	12,811,410	-	26,646,481
Total depreciable assets	28,664,983	12,811,410	(12,719,925)	28,756,468
Less accumulated depreciation				
Buildings	253,920	23,027	-	276,947
Machinery and equipment	427,616	35,704	-	463,320
Vehicles	44,873	2	-	44,875
Infrastructure	8,375,711	734,799	-	9,110,510
Total depreciation	9,102,120	793,532	-	9,895,652
Total net depreciable capital assets	19,562,863	12,017,878	(12,719,925)	18,860,816
Total net capital assets	\$ 19,966,851	\$ 12,017,878	\$ (12,719,925)	\$ 19,264,804

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 3 – CHANGES IN PROPERTY AND EQUIPMENT (CONCLUDED)

Total depreciation charged to activities for the year ended April 30, 2017 were:

Governmental Activities	
Public Safety	\$ 32,400
Culture and Recreation	3,258
Highways and Streets	96,612
Business-Type Activities	
Water and Sewer	793,291
Total Depreciation	<u><u>\$ 925,561</u></u>

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT

IMRF PLAN DESCRIPTION

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

BENEFITS PROVIDED -

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

is increased by 3% of the original amount on January 1 every year after retirement. Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

As of December 31, 2016, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	26
Inactive Plan Members entitled to but not yet receiving benefits	23
Active Plan Members	17
Total	<u>66</u>

CONTRIBUTIONS -

As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2016 was 11.66%. For the fiscal year ended April 30, 2017, the City contributed \$135,805 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NET PENSION LIABILITY -

The City's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 4 – ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

ACTUARIAL ASSUMPTIONS -

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Executive Summary as of December 31, 2016

Actuarial Valuation Date	12/31/2016	
Measurement Date of the Net Pension Liability	12/31/2016	
Fiscal Year End	4/30/2017	
Membership		
Number of		
- Retirees and Beneficiaries		26
- Inactive, Non-Retired Members		23
- Active Members		17
- Total		66
Covered Valuation Payroll (1)	\$ 1,170,506	
Net Pension Liability		
Total Pension Liability/(Asset)	\$ 6,026,076	
Plan Fiduciary Net Position	5,224,411	
Net Pension Liability/(Asset)	\$ 801,665	
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.70%	
Net Pension Liability as a Percentage of Covered Valuation Payroll	68.49%	
Development of the Single Discount Rate as of December 31, 2016		
Long-Term Expected Rate of Investment Return	7.50%	
Long-Term Municipal Bond Rate (2)	3.78%	
Last year ending December 31 in the 2017 to 2116 projection period for which projected benefit payments are fully funded	2116	
Resulting Single Discount Rate based on the above development	7.50%	
Single Discount Rate calculated using December 31, 2015 Measurement Date	7.48%	
Total Pension Expense/(Income)	\$ 368,514	
Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 164,674
Changes in assumptions	2,811	9,777
Net difference between projected and actual earnings on pension plan investments	241,470	-
Total	<u>\$ 244,281</u>	<u>\$ 174,451</u>

(1) Does not necessarily represent Covered Employee Payroll as defined in GASB Statement Nos. 67-68.

(2) "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality. In describing this index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Services's Aa2 rating and Standard & Poor's Corp.'s AA. The rate shown is as of December 29, 2016, the most recent date available on or before the measurement date.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

SINGLE DISCOUNT RATE -

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE -

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Schedule of Changes in Net Pension Liability and Related Ratios -- Current Period Calendar Year Ended December 31, 2016

A. Total pension liability	
1. Service Cost	\$ 111,037
2. Interest on the Total Pension Liability	444,716
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	(230,256)
5. Changes of assumptions	(14,472)
6. Benefit payments, including refunds of employee contributions	(349,662)
7. Net change in total pension liability	(38,637)
8. Total pension liability – beginning	6,064,713
9. Total pension liability – ending	<u>\$ 6,026,076</u>
B. Plan fiduciary net position	
1. Contributions – employer	\$ 136,481
2. Contributions – employee	52,673
3. Net investment income	355,129
4. Benefit payments, including refunds of employee contributions	(349,662)
5. Other (Net Transfer)	(251,849)
6. Net change in plan fiduciary net position	(57,228)
7. Plan fiduciary net position – beginning	5,281,639
8. Plan fiduciary net position – ending	<u>\$ 5,224,411</u>
C. Net pension liability/(asset)	<u>\$ 801,665</u>
D. Plan fiduciary net position as a percentage of the total pension liability	86.70%
E. Covered Valuation payroll	\$ 1,170,506
F. Net pension liability as a percentage of covered valuation payroll	68.49%

Sensitivity of Net Pension Liability/(Asset) to the Single discount rate Assumption

	1% Decrease <u>6.50%</u>	Current Single Discount Rate Assumption 7.50%	1% Increase <u>8.50%</u>
Total Pension Liability	\$ 6,809,713	\$ 6,026,076	\$ 5,400,699
Plan Fiduciary Net Position	5,224,411	5,224,411	5,224,411
Net Pension Liability/(Asset)	<u>\$ 1,585,302</u>	<u>\$ 801,665</u>	<u>\$ 176,288</u>

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2017, the City recognized pension expense of \$367,838. At April 30, 2017, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual	\$ -	\$ 164,674
Changes of assumptions	2,811	9,777
Net difference between projected and actual earnings on pension plan investments	<u>241,470</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>244,281</u>	<u>174,451</u>
Total Deferred Amounts Related to Pensions	\$ 244,281	\$ 174,451

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ (5,755)
2018	(1,747)
2019	72,225
2020	5,107
2021	-
Thereafter	<u>-</u>
Total	<u>\$ 69,830</u>

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate*

Valuation Date: December 31, 2016

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	3.0% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non- disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year

* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 4 - ILLINOIS MUNICIPAL RETIREMENT (CONCLUDED)

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	
Notes	There were no benefit changes during the year.

**Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation.*

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 5 – POLICE PENSION

PLAN DESCRIPTION –

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 5 – POLICE PENSION (CONTINUED)

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2017, the City's contribution was 21.40% of covered payroll.

Plan Membership. At April 30, 2017, the measurement date, membership consisted of the following:

Membership

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	9
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	<u>14</u>
Total	<u><u>23</u></u>

Concentrations. At year end, the Pension Plan had the following investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits.

<u>Investment</u>	<u>Amount</u>
T Rowe Price Growth Stock Fund	\$ 514,884
Vanguard 500 Index Fund	455,861

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS-

Basis of accounting -- The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenues in the period in which employee services are performed.

Method used to value investments -- Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 5 – POLICE PENSION (CONTINUED)

SUMMARY OF SIGNIFICANT ACTUARIAL ASSUMPTIONS –

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2016, using the following actuarial methods and assumptions:

Actuarial Valuation Date	4/30/2017
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Level Dollar
Discount Rate used for the Total Pension Liability	4.55%
Long-Term Expected Rate of Return on Plan Assets	6.50%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.82%
Projected Individual Salary Increases	3.50 - 7.55%
Projected Increase in Total Payroll	3.50%
Consumer Price Index	2.50%
Inflation Rate Included	2.50%

Mortality rates are based on the rates developed in the RP-2014 Study. These Rates are Improved Generationally using MP-2016 Improvement Rates.

The discount rate used to measure the total pension liability was 4.55%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

EXPECTED RETURN ON PENSION PLAN INVESTMENTS –

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return	Target Allocation
Large Cap Domestic Equity	9.60%	3.15%	6.45%	3.10%
Small Cap Domestic Equity	11.60%	3.15%	8.45%	8.60%
International Equity	9.90%	3.15%	6.75%	4.30%
Fixed Income	4.40%	3.15%	1.25%	57.00%

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 5 - POLICE PENSION (CONTINUED)

TOTAL PENSION LIABILITY -

	<u>2017</u>
Active Employees	\$ 8,696,780
Inactive Employees	
Terminated Employees - Vested	-
Retired Employees	4,398,317
Disabled Employees	2,430,550
Other Beneficiaries	<u>859,210</u>
Total Pension Liability	\$ 16,384,857

SENSITIVITY OF THE DISCOUNT RATE -

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease 3.55%</u>	<u>Current Discount Rate 4.55%</u>	<u>1% Increase 5.55%</u>
Employer Net Pension Liability	\$ 14,352,485	\$ 11,189,900	\$ 8,725,773

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 5 - POLICE PENSION (CONTINUED)

CHANGES IN THE TOTAL PENSION LIABILITY -

	2017
Service Cost	\$ 456,443
Interest	768,001
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(126,559)
Changes in Assumptions	(1,410,873)
Benefit Payments and Refunds	(362,576)
Net Change in Total Pension Liability	\$ (675,564)
Total Pension Liability - Beginning	17,060,421
Total Pension Liability - Ending (a)	\$ 16,384,857
Plan Fiduciary Net Position - Ending (b)	\$ 5,194,957
Employer's Net Pension Liability - Ending (a)-(b)	\$ 11,189,900
Plan fiduciary Net Position as a Percentage of the Total pension Liability	32%
Covered-Employee Payroll	\$ 1,227,138
Employer's Net Pension Liability as a Percentage of Employee Payroll	912%

CHANGES IN NET PENSION LIABILITY -

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position Liability (a) - (b)
Balances Beginning at 5/01/16	\$ 17,060,421	\$ 4,856,359	\$ 12,204,062
Changes for the year:			
Service Cost	\$ 456,443	\$ -	\$ 456,443
Interest	768,001	-	768,001
Actuarial Experience	(126,559)	-	(126,559)
Assumptions Changes	(1,410,873)	-	(1,410,873)
Plan Changes	-	-	-
Contributions - Employer	-	262,346	(262,346)
Contributions - Employee	-	100,769	(100,769)
Contributions - Other	-	-	-
Net Investment Income	-	357,609	(357,609)
Benefit payments, including refunds	(362,576)	(362,576)	-
Administrative Expense	-	(19,550)	19,550
Net Changes	(675,564)	338,598	(1,014,162)
Balances Ending at 4/30/17	\$ 16,384,857	\$ 5,194,957	\$ 11,189,900

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 5 - POLICE PENSION (CONCLUDED)

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES -

The table below shows the cumulative amounts to be shown as deferred outflows and inflows of resources. Changes in total pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the pension fund. Differences in projected and actual earnings over the measurement period are recognized over a 5 year period. Amounts not yet recognized are summarized below.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 2,871,493
Changes in Assumptions	3,736,977	1,220,214
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	145,490	34,049
Contributions Subsequent to the Measurement Date	-	-
Total	<u>\$ 3,882,467</u>	<u>\$ 4,125,756</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ended April, 30:

2018	\$ 26,433
2019	26,433
2020	26,432
2021	(22,061)
2022	(13,551)
Thereafter	<u>(286,975)</u>
Total	<u>\$ (243,289)</u>

NOTE 6 - PROPERTY TAXES

Property taxes are recorded on the "deferred method". Because of the long period of time between levy date and receipt of tax distributions from the County Collector, all of the property taxes are not "available" to finance current year expenditures. For those funds on the modified accrual basis, the current tax levy is recorded as property tax receivable, and deferred inflows - tax revenue for those revenues not considered available at April 30, 2017.

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 7 - GENERAL OBLIGATIONS AND (ALTERNATE REVENUE SOURCE) BONDS AND DEBT

GOVERNMENTAL TYPE ACTIVITIES DEBT OBLIGATIONS

The City has three general obligation installment loans outstanding at April 30, 2017.

	<u>Balance</u>
Bond payable – MFT project, Payable in semi-annual installments, Plus interest at variable rate	\$ 1,105,000
Note payable to bank, Payable in annual installments, Plus interest at 3.55%	\$ 174,732
Note payable to bank, Payable in annual installments, Plus interest at 3.41%	\$ 147,826

Annual repayment requirements of the governmental type activities debt obligations are as follows:

SCHEDULE OF GENERAL OBLIGATION DEBT MATURITIES

Fiscal Year Ended, due	Motor Fuel Tax Project		Property Loan		Police Bldg. Addition		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
4/30/2018	\$ 65,000	\$ 39,496	\$ 27,575	\$ 4,874	\$ 20,230	\$ 6,116	\$ 112,805	\$ 50,486
4/30/2019	65,000	37,510	28,537	3,912	20,541	5,408	114,078	46,830
4/30/2020	70,000	35,292	29,532	2,917	20,863	4,689	120,395	42,898
4/30/2021	70,000	32,892	30,556	1,893	21,197	3,958	121,753	38,743
4/30/2022	75,000	30,334	31,626	822	21,542	3,217	128,168	34,373
4/30/2023	80,000	27,537	-	-	21,900	2,463	101,900	30,000
4/30/2024	85,000	24,534	-	-	22,271	1,696	107,271	26,230
4/30/2025	90,000	21,291	-	-	22,654	917	112,654	22,208
4/30/2026	90,000	17,898	-	-	3,534	124	93,534	18,022
4/30/2027	95,000	14,380	-	-	-	-	95,000	14,380
4/30/2028	100,000	10,641	-	-	-	-	100,000	10,641
4/30/2029	105,000	6,641	-	-	-	-	105,000	6,641
4/30/2030	115,000	2,280	-	-	-	-	115,000	2,280
Total	<u>\$ 1,105,000</u>	<u>\$ 300,726</u>	<u>\$ 147,826</u>	<u>\$ 14,418</u>	<u>\$ 174,732</u>	<u>\$ 28,588</u>	<u>\$ 1,427,558</u>	<u>\$ 343,732</u>

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2017

NOTE 7 - GENERAL OBLIGATIONS AND (ALTERNATE REVENUE SOURCE) BONDS AND DEBT (CONTINUED)

BUSINESS TYPE ACTIVITIES DEBT OBLIGATIONS

Two general obligation (alternate revenue source) bond issues and one debt certificate issue are in effect at April 30, 2017 for the improvement of the waterworks and sewerage system and building acquisition. The General Obligation (Alternate Revenue Source) Bond Ordinance in effect requires all money in the Waterworks and Sewerage Fund be segregated and restricted in separate special reserve accounts, in the priority and for the purposes indicated by the following:

<u>Account</u>	<u>Amount</u>	<u>Nature of Authorized Expenditures</u>
(a) Operation and Maintenance	Sufficient amount to pay the reasonable expenses	Expenses of operating, maintaining and repairing the system
(b) Bond	One-sixth of the interest and one-twelfth of the principal per month becoming due the next succeeding payment date	Paying principal and interest on bonds
(c) Depreciation and Surplus	The amount remaining after payments to the above accounts	Cost of necessary repairs and replacements to the system and/or the payment of principal and/or interest Improvement and extension of the system and/or all bonds and/or any other purposes
(d) Bond Reserve	Discretionary	Paying principal and interest on bonds

Annual repayment requirements of the business type activities debt obligations are as follows:

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 7 - GENERAL OBLIGATIONS AND (ALTERNATE REVENUE SOURCE) BONDS AND DEBT (CONTINUED)

SCHEDULE OF OUTSTANDING "ARS" BONDS AND DEBT -- WATER AND SEWERAGE FUND (Concluded)

Fiscal Year Ended due	Bonds Dated June 25, 2014		Debt Certificates Dated June 1, 2009		Equipment Note June 1, 2009		IEPA Loan June 1, 2009		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	4-30-18	385,000	147,650	20,000	1,692	20,334	1,448	529,034	214,916	954,368
4-30-19	390,000	139,950	21,000	872	21,033	736	539,293	204,656	971,326	346,214
4-30-20	395,000	132,150	-	-	-	-	549,752	194,198	944,752	326,348
4-30-21	290,000	124,250	-	-	-	-	560,413	183,536	850,413	307,786
4-30-22	295,000	118,450	-	-	-	-	571,282	172,668	866,282	291,118
4-30-23	305,000	109,600	-	-	-	-	582,360	161,589	887,360	271,189
4-30-24	315,000	100,450	-	-	-	-	593,654	150,295	908,654	250,745
4-30-25	195,000	91,000	-	-	-	-	605,167	138,783	800,167	229,783
4-30-26	195,000	85,150	-	-	-	-	616,903	127,047	811,903	212,197
4-30-27	200,000	79,300	-	-	-	-	628,867	115,083	828,867	194,383
4-30-28	205,000	73,050	-	-	-	-	641,063	102,887	846,063	175,937
4-30-29	215,000	66,388	-	-	-	-	653,495	90,455	868,495	156,843
4-30-30	225,000	59,400	-	-	-	-	666,168	77,782	891,168	137,182
4-30-31	230,000	50,400	-	-	-	-	679,087	64,863	909,087	115,263
4-30-32	240,000	41,200	-	-	-	-	692,257	51,693	932,257	92,893
4-30-33	250,000	31,600	-	-	-	-	705,682	38,268	955,682	69,868
4-30-34	265,000	21,600	-	-	-	-	719,367	24,583	984,367	46,183
4-30-35	275,000	11,000	-	-	-	-	803,095	10,632	1,078,095	21,632
Total	\$ 4,870,000	\$ 1,482,588	\$ 41,000	\$ 2,564	\$ 41,367	\$ 2,184	\$ 11,336,939	\$ 2,123,934	\$ 16,289,306	\$ 3,611,270

Long-term liability activity for the year ended April 30, 2017 was as follows:

	Balance		Retirements	Balance		Amounts Due Within One Year
	May 1, 2016	Additions		April 30, 2017		
Governmental Activities: Long-Term Debt						
Police Building Improvement	\$ 194,651	\$ -	\$ 19,919	\$ 174,732	\$ 19,919	
Street bond -- MFT project	1,165,000	-	60,000	1,105,000	60,000	
Property Loan	174,456	-	26,630	147,826	26,630	
Total Long-Term Debt	1,534,107	-	106,549	1,427,558	106,549	
Other Long Term Liabilities						
Compensated Absences	124,813	124,813	124,813	124,813	-	
Total Governmental Long Term Obligations	\$ 1,658,920	\$ 124,813	\$ 231,362	\$ 1,552,371	\$ 106,549	

Business -Type Activities: Long-Term Debt

Equipment note payable	\$ 60,000	\$ -	\$ 19,000	\$ 41,000	\$ 19,000
Building bonds	61,018	-	19,651	41,367	19,646
Bonds (ARS) dated August 15, 2005	345,000	-	345,000	-	345,000
Bonds (ARS) dated June 25, 2014	4,895,000	-	25,000	4,870,000	25,000
IEPA Construction Loan	11,786,131	69,777	518,969	11,336,939	518,969
Total Long-Term Debt	17,147,149	69,777	927,620	16,289,306	927,615
Other Long Term Liabilities					
Compensated Absences	\$ 8,787	\$ 8,804	\$ 8,787	\$ 8,804	\$ -
Total Business -Type Long Term Obligations	\$ 17,155,936	\$ 78,581	\$ 936,407	\$ 16,298,110	\$ 927,615

CITY OF MARENGO, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2017

NOTE 7 - GENERAL OBLIGATIONS AND (ALTERNATE REVENUE SOURCE) BONDS AND DEBT (CONCLUDED)

Long-term liabilities at April 30, 2017	Maturity Dates	Interest Rates	Face Amount	Carrying Amount
Governmental Activities:				
Police Building Improvement	1/8/2024	variable	\$ 280,000	\$ 174,732
Property Loan	12/1/2021	3.410%	\$ 200,000	\$ 147,826
Street bond -- MFT project	4/28/2030	variable	\$ 1,500,000	\$ 1,105,000
Business -Type Activities:				
Equipment note payable	8/29/2018	3.550%	\$ 80,000	\$ 41,000
Building bonds	10/1/2018	variable	\$ 175,000	\$ 41,367
Bonds (ARS) dated August 15, 2005	8/15/2017	variable	\$ 3,075,000	\$ -
Bonds (ARS) dated June 25, 2014	12/1/2034	variable	\$ 4,975,000	\$ 4,870,000
IEPA Construction Loan	12/20/2034	1.930%	\$ 10,672,421	\$ 11,336,939

NOTE 8 - RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 9 - CONTINGENCIES

The City is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material adverse effect on the financial statements.

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial Statements are issued, or are available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no other recognized or non-recognized subsequent events that have occurred between April 30, 2017 and the date of this audit report requiring disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MARENGO, ILLINOIS
Multi-year Schedule of Changes in Net IMRF Pension Liability and Related Ratios
Last 10 Calendar Years
(schedule to be built prospectively from 2015)

Calendar Year Ending	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service Cost	\$ 111,037	\$ 121,358								
Interest on the Total Pension Liability	444,716	430,107								
Benefit Changes	-	-								
Difference between Expected and Actual Experience	(230,256)	(24,019)								
Assumption Changes	(14,472)	7,411								
Benefit Payments and Refunds	(349,662)	(303,757)								
Net Change in Total Pension Liability	(38,637)	231,100								
Total Pension Liability - Beginning	6,064,713	5,833,613								
Total Pension Liability - Ending (a)	\$ 6,026,076	\$ 6,064,713								
Plan Fiduciary Net Position										
Employer Contributions	136,481	122,459								
Employee Contributions	52,673	49,291								
Pension Plan Net Investment Income	355,129	25,976								
Benefit Payments and Refunds	(349,662)	(303,757)								
Other	(251,849)	126,461								
Net Change in Plan Fiduciary Net Position	(57,228)	20,430								
Plan Fiduciary Net Position - Beginning	5,281,639	5,261,209								
Plan Fiduciary Net Position - Ending (b)	\$ 5,224,411	\$ 5,281,639								
Net Pension Liability/(Asset) - Ending (a) - (b)	801,665	783,074								
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.70%	87.09%								
Covered Valuation Payroll	\$ 1,170,506	\$ 1,095,350								
Net Pension Liability as a Percentage of Covered Valuation Payroll	68.49%	71.49%								

Note: This schedule is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

CITY OF MARENGO, ILLINOIS
Multi-year Schedule of IMRF Pension Contributions
Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 136,481 *	\$ 136,481	\$ -	\$ 1,170,506	11.66%
2015	\$ 122,460	\$ 122,459	\$ 1	\$ 1,095,350	11.18%

* Estimated based on a contribution rate of 11.66% and covered valuation payroll of \$1,170,506.

Note: This schedule is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

CITY OF MARENGO, ILLINOIS
Multi-year Schedule of Changes in Net Police Pension Liability and Related Ratios
Last 10 Calendar Years

(schedule to be built prospectively from 2015)

Fiscal Year Ending	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service Cost	\$ 456,443	\$ 433,546	\$ 388,671							
Interest	768,001	618,613	651,415							
Changes of Benefit Terms	-	-	-							
Difference between Expected and Actual Experience	(126,559)	(3,862,451)	-							
Changes in Assumptions	(1,410,873)	5,225,813	-							
Benefit Payments and Refunds	(362,576)	(308,893)	(372,353)							
Net Change in Total Pension Liability	(675,564)	2,106,628	667,733							
Total Pension Liability - Beginning	17,060,421	14,953,793	14,286,060							
Total Pension Liability - Ending (a)	\$ 16,384,857	\$ 17,060,421	\$ 14,953,793							
Plan Fiduciary Net Position										
Employer Contributions	262,346	259,382	265,941							
Employee Contributions	100,769	108,697	108,009							
Net Investment Income	357,608	67,492	229,792							
Benefit Payments and Refunds	(362,576)	(308,893)	(372,353)							
Administrative Expense	(19,550)	(19,194)	(20,991)							
Prior Period Audit Adjustment	-	-	1,709							
Net Change in Plan Fiduciary Net Position	338,598	107,485	212,107							
Plan Fiduciary Net Position - Beginning	4,856,359	4,748,874	4,536,766							
Plan Fiduciary Net Position - Ending (b)	\$ 5,194,957	\$ 4,856,359	\$ 4,748,873							
Net Pension Liability/(Asset) - Ending (a) - (b)	11,189,900	12,204,062	10,204,920							
Plan Fiduciary Net Position as a Percentage of Total Pension Liability										
Covered Valuation Payroll	\$ 1,227,138	\$ 1,063,953	\$ 1,036,449							
Net Pension Liability as a Percentage of Covered Valuation Payroll	911.87%	1147.05%	984.60%							

Note: This schedule is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

CITY OF MARENGO, ILLINOIS
Multi-year Schedule of Police Pension Contributions
Last 10 Calendar Years

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2017	\$ 526,572	\$ 262,346	\$ 264,226	\$ 1,227,138	21.4%
2016	\$ 470,799	\$ 259,382	\$ 211,417	\$ 1,063,953	24.4%
2015	\$ 490,739	\$ 265,941	\$ 224,798	\$ 1,036,449	25.7%

Note: This schedule is intended to show information for 10 years and additional years' information will be displayed as it becomes available.

CITY OF MARENGO, ILLINOIS

General Fund - Schedule of Revenues - Budget and Actual

Year Ended April 30, 2017

Revenues	Original	Final	Modified
	Budget	Budget	Accrual Basis Actual
Property tax	\$ 1,301,218	\$ 1,301,218	\$ 1,560,922
State use tax	179,728	179,728	188,573
State sales tax	650,000	650,000	641,233
State income tax	780,096	780,096	721,113
Utility tax - electricity	250,000	250,000	257,949
Utility tax - gas	105,000	105,000	82,308
Utility tax - telephone	194,000	194,000	173,999
Planning commission fees	1,000	1,000	1,000
Development Fees	4,000	4,000	16,750
Video gaming & charitable games tax	55,000	55,000	73,538
Replacement tax	39,000	39,000	40,811
Marengo Township road & bridge	7,500	7,500	9,483
Liquor licenses	42,000	42,000	48,400
Vending machines/games	3,200	3,200	3,100
Cable TV franchise fees	72,200	72,200	73,375
Video service franchise fees	8,300	8,300	8,590
Scavenger license	1,400	1,400	1,400
Permits - building	34,000	34,000	38,218
Permits - other	200	200	270
Permits - vehicles	55,000	55,000	53,582
Court fines	80,000	80,000	66,939
Parking fines	8,000	8,000	6,225
Other fines - prosecution fees	9,000	9,000	7,081
Drug fines	500	500	-
Ordinance fines	6,500	6,500	3,550
ADM processing fees	1,500	1,500	660
Security Alarms	100	100	-
Rental	-	-	75
Interest income	1,200	1,200	930
Police grant receipts	2,500	2,500	316
Grant receipts	6,701	6,701	120,789
Detail officer pay reimbursements	1,300	1,300	1,136
Fire & police commission revenue	2,700	2,700	-
Donations police	1,000	1,000	85
Miscellaneous receipts	5,000	5,000	25,933
Pace township receipts	13,000	13,000	11,500
Elevator inspections	1,000	1,000	-
Surplus property proceeds	2,000	2,000	3,796
Unclaimed evidence proceeds	500	500	-
Fingerprint fees	500	500	425
Impound fees	2,000	2,000	-
Gravel pit tipping fees	5,000	5,000	-
Total Revenues	\$ 3,932,843	\$ 3,932,843	\$ 4,244,054

CITY OF MARENGO, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Modified Accrual Basis Actual
Administrative Department			
Administrative salaries			
Salary - full time	\$ 305,280	\$ 305,280	\$ 259,975
Salary - elected officials	58,272	58,272	44,770
Overtime	1,200	1,445	1,632
Total administrative salaries	364,752	364,997	306,377
Administrative expenses			
Health/Life Insurance - city	80,914	65,214	65,028
I.M.R.F. - city share	35,596	35,596	29,498
F.I.C.A/Medicare - city share	27,811	27,811	24,484
Direct deposit fees	216	216	181
Liability insurance	92,821	85,001	84,998
Worker's compensation	97,253	97,131	98,454
Unemployment insurance	27,781	27,781	10,866
Capitol - building improvements	1,200	1,200	-
Equipment maintenance	4,200	4,200	2,267
Telephone	10,800	10,800	8,668
Website hosting & maintenance	2,400	2,400	488
Expenses - city officials	1,200	1,200	354
Expenses - planning commission	1,200	1,200	212
Expenses - E.S.D.A.	3,000	3,000	1,847
Training	2,400	2,400	2,374
Subscriptions	600	600	235
Postage	6,600	6,600	4,066
Legal printing and advertising	1,800	1,800	635
Printing - miscellaneous	8,400	8,400	5,902
Filing of documents	1,200	1,200	331
Safety committee initiatives	8,041	8,041	6,387
Services - engineering	48,000	89,460	93,983
Services - engineering/interchange design	-	233,845	363,304
Services - legal	85,200	54,940	58,291
Services - legal TIF	-	-	4,110
Services - professional TIF	4,500	4,500	-
Services - other professional	6,000	6,000	1,771
Services - drug/alcohol testing	240	240	-
Dues and memberships	6,600	6,600	5,925
Transfer to 27th payroll sinking fund	8,744	8,744	-
Supplies - office	6,600	6,600	4,752

CITY OF MARENGO, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Modified Accrual Basis Actual
Administrative expenses (continued)			
Miscellaneous - city function expenses	\$ 300	\$ 345	\$ 342
Miscellaneous - community functions	330	330	141
Miscellaneous - city office	1,200	1,200	520
City administrator expenses	1,800	1,915	1,914
Sales tax rebate	59,544	59,544	52,085
Contract payments	4,800	4,800	3,697
Contract payment - PACE	26,550	26,550	22,017
Contract utility audit	4,800	4,800	1,039
New equipment	2,400	2,400	277
Total administrative expenses	683,041	904,604	961,443
Total administrative department	1,047,793	1,269,601	1,267,820
Police Department			
Police salaries			
Salary - full-time	104,273	94,273	86,845
Salary - full-time sworn	1,331,808	1,120,000	1,135,781
Salary - part-time	25,010	25,010	19,448
Salary - over-time	300	300	-
Salary - over-time sworn	138,000	138,000	114,085
Total police salaries	1,599,391	1,377,583	1,356,159
Administrative expenses			
Health/Life Insurance - city	323,690	323,690	230,005
I.M.R.F. - city share	12,158	12,158	9,978
F.I.C.A./Medicare - city share	122,353	122,353	98,520
Employer contribution to pension plan	-	-	262,342
Fire and police commission expenses	7,200	7,200	3,558
Maintenance - building	6,000	6,000	3,076
Maintenance - vehicles	10,800	10,800	5,469
Maintenance - equipment	14,400	14,400	6,478
Telephone	48,000	48,000	24,420
Copier	4,320	4,320	3,118
Training	18,000	18,000	13,513
Postage	1,800	1,800	1,044
Legal services	57,600	57,600	55,296
Dues	3,360	3,360	2,802

CITY OF MARENGO, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Modified Accrual Basis Actual
Administrative expenses (continued)			
Administrative expenses	\$ 2,400	\$ 2,400	\$ 939
Supplies - operating	12,000	12,000	9,047
Gas and oil	38,400	38,400	24,565
Uniform allowance	21,000	21,000	19,614
Miscellaneous - donation proceeds	1,200	1,200	36
Dispatch contract	150,000	150,000	143,545
Transfer to vehicle replacement fund	20,000	20,000	-
New equipment - other	5,000	5,000	2,604
Building addition payment	32,040	32,040	26,731
Total administrative expenses	911,721	911,721	946,700
Total police department	2,511,112	2,289,304	2,302,859
Street Department			
Street department salaries			
Salary - fulltime	310,872	267,422	265,847
Overtime	30,000	25,000	20,387
Total street department salaries	340,872	292,422	286,234
Administrative expenses			
Health/Life insurance - city	106,043	105,283	86,625
I.M.R.F. - city share	39,745	34,345	32,916
F.I.C.A./Medicare - city share	26,077	20,877	19,960
Maintenance - vehicles	18,000	13,855	15,060
Maintenance - equipment	12,000	6,615	6,658
Street signs	3,000	3,000	2,158
Sidewalks - maintenance	3,600	1,120	1,116
Sidewalks - 50/50 program	2,400	2,400	817
Telephone	6,600	4,666	4,613
New storm sewers	1,800	1,800	1,499
Street lighting	93,600	86,518	78,667
Street lights	3,600	4,095	4,093
Rentals	300	300	-
Training	1,200	1,415	1,477
Postage	480	480	4
Services - engineering	1,200	1,200	500
Services - other professional	4,800	4,800	2,143
Pre-employment testing	300	350	346

CITY OF MARENGO, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Modified Accrual Basis Actual
Administrative expenses (continued)			
Gas, oil, and petroleum products	\$ 16,800	\$ 16,800	\$ 8,850
Supplies - maintenance	7,200	7,200	3,191
Supplies - office	600	600	414
Uniform allowance	6,000	6,000	6,229
Small tools and equipment	2,400	2,400	779
Transfer to vehicle replacement fund	55,000	55,000	-
Total administrative expenses	412,745	381,119	278,115
Total street department	753,617	673,541	564,349
Public Grounds Department			
Salary - part-time	22,001	7,001	6,377
F.I.C.A./Medicare - city share	1,684	384	344
Maintenance - buildings	7,200	3,880	4,513
Maintenance - equipment	1,200	2,955	6,620
Maintenance - grounds	2,400	2,585	2,581
Maintenance - parking lot	2,400	6,015	6,010
Maintenance - elevator	3,600	8,915	7,221
Utilities - other	9,000	3,560	3,560
Supplies - maintenance	1,200	1,214	1,572
Supplies - beautification and reforestation	600	830	827
Tree trimming and stump removal	12,000	17,175	19,519
Forestry expenses	12,000	12,000	9,945
Mowing contract	66,000	50,600	50,596
Spencer Park maintenance	2,400	2,400	800
Services - professional cleaning	9,288	7,085	7,085
Small tools and equipment	600	600	162
Lighting upgrades	-	113,565	113,562
Land acquisition	39,566	32,451	32,449
Downtown streetscaping	3,000	3,000	2,722
Total public grounds department	196,139	276,215	276,465
Building Department			
Salary - fulltime	66,263	58,023	43,031
Overtime	-	20	20
Health/Life insurance - city	17,996	17,996	5,790

CITY OF MARENGO, ILLINOIS

General Fund - Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Modified Accrual Basis Actual
Building Department (continued)			
I.M.R.F. - city share	\$ 7,727	\$ 7,727	\$ 4,695
F.I.C.A. - city share	5,069	5,069	2,946
Maintenance - vehicles	960	960	910
Maintenance - equipment	300	300	85
Telephone	4,560	4,560	4,088
Expenses	300	300	119
Training	1,200	1,200	150
Subscriptions and books	360	360	-
Postage	360	360	-
Services - building inspections	7,200	7,200	5,065
Services - other professional	6,000	14,220	14,608
Dues and memberships	300	300	-
Supplies	1,440	1,440	1,220
Fuel and oil	900	900	312
Uniform allowance	360	360	241
Contract payments	3,000	3,000	-
Small tools and equipment	180	180	-
New equipment	600	600	284
Software maintenance and service	-	-	2,497
Total building department	<u>125,075</u>	<u>125,075</u>	<u>86,061</u>
Contingencies			
General contingency	93,600	93,600	6,875
Total contingencies	<u>93,600</u>	<u>93,600</u>	<u>6,875</u>
Capital Reserves and Transfers			
Transfer to 27th Payroll Fund	-	-	8,744
Transfer to Retirement Fund	-	29,000	100,125
Transfer to Vehicle Replacement Fund	-	-	75,000
Total capital reserves and transfers	<u>-</u>	<u>29,000</u>	<u>183,869</u>
Total General Fund	<u>\$ 4,727,336</u>	<u>\$ 4,756,336</u>	<u>\$ 4,688,298</u>

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF MARENGO, ILLINOIS

*Notes to Required Supplementary Information
Year Ended April 30, 2017*

NOTE 1 - BUDGETARY INFORMATION

The accounting policies of the City of Marengo include the preparation of financial statements on the modified accrual basis of accounting. The City also prepares its budget on the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, debt service expenditures, and claims and judgments are recognized only when payment is due.

Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The City procedures in establishing the budgetary data reflected in the General Fund Financial Statements are presented below:

1. Prior to July 15th the City Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on proceeding May 1st. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at a public meeting to obtain taxpayers comments.
3. The budget is legally enacted through passage of an ordinance prior to July 31st.
4. The City Treasurer, in conjunction with the City Board, is authorized to expend the unexpensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
5. The original budget was not amended during the fiscal year.
6. Formal budgetary integration is not employed as a management control device during the year for any fund.

CITY OF MARENGO, ILLINOIS

*Notes to Required Supplementary Information
Year Ended April 30, 2017*

NOTE 1 - BUDGETARY INFORMATION (CONCLUDED)

7. Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
8. Expenditures cannot legally exceed appropriations at the fund level.
9. All appropriations lapse at year-end.
10. The budget for City was adopted on July 11, 2016.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No funds had expenditures exceeding the appropriations.

OTHER INFORMATION

CITY OF MARENGO, ILLINOIS

Special Revenue Funds - Balance Sheet

Year Ended April 30, 2017

	<u>Total</u>	<u>Motor Fuel Tax</u>	<u>Cemetery</u>	<u>Audit</u>	<u>Police Drug & Alcohol Awareness</u>	<u>Police Drug Forfeiture</u>	<u>Police Squad Acquisition & Maintenance</u>	<u>Special Service Area # 2</u>	<u>Payroll Sinking Fund</u>	<u>Retirement Fund</u>	<u>Downtown TIF Fund</u>	<u>East Corridor TIF Fund</u>
Assets												
Cash and cash equivalents	\$ 966,318	\$ 178,595	\$ 562,573	\$ (2,187)	\$ 8,871	\$ 22,826	\$ 101	\$ 24,969	\$ 11,270	\$ 100,125	\$ 13,757	\$ 45,418
Taxes receivable, net of 1% allowance of loss	82,734	-	9,904	18,995	-	-	-	4,750	-	-	4,743	44,342
Due from other governmental units	16,978	16,978	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 1,066,030</u>	<u>\$ 195,573</u>	<u>\$ 572,477</u>	<u>\$ 16,808</u>	<u>\$ 8,871</u>	<u>\$ 22,826</u>	<u>\$ 101</u>	<u>\$ 29,719</u>	<u>\$ 11,270</u>	<u>\$ 100,125</u>	<u>\$ 18,500</u>	<u>\$ 89,760</u>
Liabilities												
Accounts payable/accruals	\$ 751	\$ -	\$ 751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>751</u>	<u>-</u>	<u>751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows												
Property taxes	82,734	-	9,904	18,995	-	-	-	4,750	-	-	4,743	44,342
Fund Balance												
Fund balance, Ending	982,545	195,573	561,822	(2,187)	8,871	22,826	101	24,969	11,270	100,125	13,757	45,418
Total Liabilities and Fund Balance	<u>\$ 1,066,030</u>	<u>\$ 195,573</u>	<u>\$ 572,477</u>	<u>\$ 16,808</u>	<u>\$ 8,871</u>	<u>\$ 22,826</u>	<u>\$ 101</u>	<u>\$ 29,719</u>	<u>\$ 11,270</u>	<u>\$ 100,125</u>	<u>\$ 18,500</u>	<u>\$ 89,760</u>

CITY OF MARENGO, ILLINOIS

Special Revenue Funds - Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended April 30, 2017

	Total	Motor Fuel Tax	Cemetery	Audit	Police Drug & Alcohol Awareness	Police Drug Forfeiture	Police Squad Acquisition & Maintenance	Special Service Area # 2	Payroll Sinking Fund	Retirement Fund	Downtown TIF Fund	East Corridor TIF Fund
Revenues												
Property taxes	\$ 70,443	\$ -	\$ -	\$ 16,443	\$ -	\$ -	\$ -	\$ 3,757	\$ -	\$ -	\$ 4,887	\$ 45,356
Intergovernmental revenue	202,460	202,460	-	-	-	-	-	-	-	-	-	-
Licenses, fees, and permits	48,757	-	40,175	-	-	-	8,582	-	-	-	-	-
Interest income	17,551	611	16,883	-	-	19	2	12	-	-	6	18
Other	46,176	21,080	165	-	3,540	21,391	-	-	-	-	-	-
Total Revenues	385,387	224,151	57,223	16,443	3,540	21,410	8,584	3,769	-	-	4,893	45,374
Expenditures												
Operations and maintenance	326,021	211,819	74,363	17,000	1,197	13,142	8,500	-	-	-	-	-
Operating transfers in/(out)	111,395	-	-	-	-	-	-	-	11,270	100,125	-	-
Net Change in Fund Balance	170,761	12,332	(17,140)	(557)	2,343	8,268	84	3,769	11,270	100,125	4,893	45,374
Fund Balance												
Fund balance, beginning	811,784	183,241	578,962	(1,630)	6,528	14,558	17	21,200	-	-	8,864	44
Total Fund Balance, Ending	\$ 982,545	\$ 195,573	\$ 561,822	\$ (2,187)	\$ 8,871	\$ 22,826	\$ 101	\$ 24,969	\$ 11,270	\$ 100,125	\$ 13,757	\$ 45,418

CITY OF MARENGO, ILLINOIS

Capital Projects Funds - Balance Sheet

Year Ended April 30, 2017

	<u>Total</u>	<u>Capital Projects & Equipment</u>	<u>Capital Projects & Streets</u>	<u>Police Vehicle Replacement Fund</u>	<u>Street Vehicle Replacement Fund</u>
Assets					
Cash and cash equivalents	\$ 591,772	\$ 50,591	\$ 376,957	\$ (776)	\$ 165,000
Total Assets	<u>\$ 591,772</u>	<u>\$ 50,591</u>	<u>\$ 376,957</u>	<u>\$ (776)</u>	<u>\$ 165,000</u>
Liabilities					
Accounts payable/accruals	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance					
Fund balance, ending	<u>591,772</u>	<u>50,591</u>	<u>376,957</u>	<u>(776)</u>	<u>165,000</u>
Total Liabilities and Fund Balance	<u>\$ 591,772</u>	<u>\$ 50,591</u>	<u>\$ 376,957</u>	<u>\$ (776)</u>	<u>\$ 165,000</u>

CITY OF MARENGO, ILLINOIS

Capital Projects Funds - Schedule of Revenues, Expenditures and Changes in Fund Balance

Year Ended April 30, 2017

	Total	Capital Projects & Equipment	Capital Projects & Streets	Police Vehicle Replacement Fund	Street Vehicle Replacement Fund
Revenues					
Interest income	\$ 1,440	\$ 126	\$ 1,314	\$ -	\$ -
Total Revenues	1,440	126	1,314	-	-
Expenditures					
Operations and maintenance	26,944	-	-	26,944	-
Operating transfers in/(out)	75,000	-	-	20,000	55,000
Excess (Deficiency) of Revenue Over Expenditures and Other Uses	49,496	126	1,314	(6,944)	55,000
Fund Balance					
Fund balance, Beginning	542,276	50,465	375,643	6,168	110,000
Total Fund Balance, ending	\$ 591,772	\$ 50,591	\$ 376,957	\$ (776)	\$ 165,000

CITY OF MARENGO, ILLINOIS

Proprietary Funds - Schedule of Revenues, Expenses and

Changes in Net Position - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Accrual Basis
Revenues			
Water - supply and distribution	\$ 556,683	\$ 556,683	\$ 484,117
Water - debt service	326,000	326,000	348,769
Sewer - collection and treatment	744,883	744,883	634,539
Sewer - debt service	217,200	217,200	232,182
Connections - WTTP	1,500	1,500	-
Connections - W/S	1,500	1,500	-
Meter sales - WTTP	1,500	1,500	1,598
Meter sales - W/S	1,500	1,500	1,706
Interest income	500	500	386
Sprinkler user fees	-	-	750
Miscellaneous	4,000	4,000	10,025
Total revenues	1,855,266	1,855,266	1,714,072
Water department expenditures			
Salaries - full-time	229,852	210,127	200,507
Salaries - overtime	30,000	36,500	33,482
Medical insurance-city	28,877	28,877	22,606
IMRF-city	26,801	27,301	26,175
FICA/Medicare-city	17,584	17,584	16,233
Unemployment insurance	1,850	1,850	1,376
Workers compensation	4,812	4,812	3,946
Maintenance vehicles	1,800	1,800	982
Maintenance building	1,800	2,235	2,360
Maintenance equipment	4,800	11,840	11,840
Maintenance utility infrastructure	75,027	75,027	44,539
Telephone	3,000	3,005	3,099
Utilities	66,000	66,000	52,600
Rental	300	300	-
Training	2,400	2,400	801
Postage	3,000	3,000	2,446
Professional services	14,100	14,895	14,891
Engineering service	1,200	1,200	309
Legal service	-	1,585	1,584
Dues	840	840	267
Lab analysis	7,200	7,200	6,658
Pre-employment testing	300	300	198
Other professional fees	-	70	70

CITY OF MARENGO, ILLINOIS

Proprietary Funds - Schedule of Revenues, Expenses and

Changes in Net Position - Budget and Actual

Year Ended April 30, 2017

	Original Budget	Final Budget	Accrual Basis
Water department expenditures (continued)			
Supplies - office	\$ 3,840	\$ 5,480	\$ 5,487
Maintenance supplies	-	1,110	1,105
Materials and supplies	60,000	60,000	31,905
Gas and oil	5,400	5,400	4,891
Uniform allowance	3,000	3,000	1,924
Transfer to 27th payroll fund	1,263	1,263	-
Debt service payments	320,461	320,461	-
Small tools and equipment	600	645	642
Total water department expenditures	916,107	916,107	492,923
Sewer department expenditures			
Salary - full-time	306,784	268,784	262,861
Salary - overtime	20,400	28,400	24,299
Health/Life insurance	64,848	52,443	39,981
I.M.R.F. city share	35,771	35,771	32,543
F.I.C.A./Medicare city share	23,468	23,468	20,333
Unemployment insurance	2,776	2,776	2,183
Workers compensation	10,628	10,713	11,574
Maintenance - buildings	3,000	3,000	1,159
Maintenance - vehicles	1,200	1,200	277
Maintenance - equipment	9,600	22,005	21,277
Maintenance - utility infrastructure	36,000	36,000	20,406
NPDES permit	21,000	21,000	17,500
Telephone	5,400	5,720	6,766
Utilities	144,000	144,000	146,862
Rental	600	600	-
Training	2,040	2,040	1,252
Postage	2,400	2,400	2,250
Engineering services	2,400	9,490	9,696
Services - waste hauling	6,000	6,000	689
Services - professional	35,700	55,625	63,460
Services - legal	-	695	875
Dues	240	240	-
Office/lab supplies	3,000	4,580	7,944
Plant supplies	1,800	2,435	-
Materials and supplies	48,000	49,670	49,662
Gas and oil	4,200	4,200	4,317

CITY OF MARENGO, ILLINOIS

Proprietary Funds - Schedule of Revenues, Expenses and
 Changes in Net Position - Budget and Actual
 Year Ended April 30, 2017

	Original Budget	Final Budget	Accrual Basis
Sewer department expenditures (concluded)			
Uniform allowance	\$ 4,200	\$ 4,200	\$ 3,788
Small tools and equipment	1,200	1,200	1,269
Debt service payments	346,214	346,214	-
Capital - new equipment	26,138	26,138	2,727
Total sewer department	<u>1,169,007</u>	<u>1,171,007</u>	<u>755,950</u>
Debt Service			
Transfer to 27th payroll fund	1,263	1,263	2,526
Transfer to IEPA WWTP debt fund	-	-	-
Transfer to W&S vehicle replacement fund	13,000	13,000	13,000
Transfer to construction	-	-	(35,000)
Interest payment transfer to bond & int.	-	-	(17,401)
Total debt service	<u>14,263</u>	<u>14,263</u>	<u>(36,875)</u>
Contingencies	<u>70,227</u>	<u>70,227</u>	<u>25,639</u>
Depreciation/Amortization	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenditures	<u>2,169,604</u>	<u>2,171,604</u>	<u>1,237,637</u>
Change in Net Position	<u>\$ (314,338)</u>	<u>\$ (316,338)</u>	<u>\$ 476,435</u>

NOTES TO OTHER INFORMATION

CITY OF MARENGO, ILLINOIS

Notes to Other Information

Year Ended April 30, 2017

The accounting policies of the City include the preparation of financial statements on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. The City also prepares its budget on the modified cash basis of accounting.

Under the modified cash basis of accounting, revenues are recorded when received in cash and expenditures are recorded when the cash is disbursed. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The City procedures in establishing the budgetary data reflected in the General Fund Financial Statements is presented below:

- Prior to July 15th the City Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on preceding May 1st. The operating budget includes proposed expenditures and the means of financing them.
- The budget is legally enacted through passage of an ordinance prior to July 31st.
- The City Treasurer, in conjunction with the Board, is authorized to expend the un-expensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- The original appropriation ordinance was passed on July 11, 2016 and amended on April 24, 2017.
- Formal budgetary integration is not employed as a management control device during the year for any fund.
- Budgetary comparisons presented in the accompanying financial statements are prepared on the modified cash basis of accounting, which is comprehensive basis of

CITY OF MARENGO, ILLINOIS

Notes to Other Information

Year Ended April 30, 2017

accounting other than generally accepted accounting principles. All funds utilize the same basis of accounting for both budgetary purposes and actual results.

- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.

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AGENDA SUPPLEMENT

TO: Mayor and City Council

FROM: Joshua Blakemore, Assistant City Administrator

FOR: October 9, 2017 Regular City Council Meeting

RE: Property and Liability Insurance Renewal

The City is in receipt of property and liability insurance proposals for 2017/2018. Arthur Gallagher (AJG), the City's property and liability insurance broker received and reviewed quotes for the City's policy this year, including a renewal with Argonaut (Trident) and an alternative proposal from Lloyd's, London (Brit) Each proposal continues the same level of coverage as the expiring policy, with Argonaut (Trident).

Trident is quoting a total premium cost of \$84,656, which is a \$1,153 increase above last year's costs. This includes AJG's fee and the \$1,440 Crime Policy with Citizens Insurance. The City's overall property values have been adjusted accordingly to ensure proper coverage. As mentioned, AJG also secured a proposal from Brit, which came in \$8,359 above the Trident premium. AJG also received a quote from Euclid, not mentioned in the renewal packet, as it was roughly \$40,000 higher than the renewal with Trident. A third company, Allied Public Risk declined to quote as they were not competitive and could not meet our limits for current coverage.

A finalized summary of the premiums / fees from Arthur Gallagher is on page 29 of the renewal book. Pages 10-29 outline the current coverage for the City and the renewal quote from Trident. All limits, deductibles and coverage would remain the same as last year. The FY 17/18 Budget included \$86,698 for this coverage, so the renewal is just under budget. For an extra \$1,384 the city can receive terrorism coverage, however this has been declined in previous years.

Additionally, staff also received a quote from a second broker on behalf of the Illinois Counties Risk Management Trust. For the same level of coverage, the ICRMT proposal came in at a premium of \$94,027, so the renewal with Trident, is still well below that price. This shows AJG, with the recommended renewal from Trident, was able to provide the city a very competitive price.

Ethan Salsinger from AJG will be in attendance to answer any question you may have regarding the proposals, explain the coverage being offered and review the quote from Trident. Arthur Gallagher is recommending the City of Marengo renew with Trident and Hanover for the Crime Policy, as presented as the Proposed Program on page 29 of the renewal packet. The renewed policy would take effect November 1, 2017. If the Council is in agreement with the recommendation of AJG then a motion to accept the proposal as presented would be in order.

Insurance Proposal Prepared For

City of Marengo

132 E. Prairie Street
Marengo, IL 60152

Presented: September 21, 2017



Arthur J. Gallagher & Co.

Ethan Salsinger
Account Executive

Arthur J. Gallagher Risk Management Services, Inc.
Two Pierce Place, 22nd Floor
Itasca, IL 60143

Ethan_Salsinger@ajg.com
www.ajg.com

City of Marengo

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Our Team and Commitment

City of Marengo

Service Team

Ethan Salsinger has primary service responsibility for your company. We operate using a team approach. Your Service Team consists of:

NAME / TITLE	PHONE / ALT. PHONE	EMAIL	ROLE
Ethan Salsinger Account Executive	630-285-3651	Ethan_Salsinger@ajg.com	Producer
Deb Canning Client Service Manager	630-647-3102	Deb_Canning@ajg.com	Client Service Manager

Arthur J. Gallagher Risk Management Services, Inc.
Main Office Phone Number: **(630) 773-3800**

Service Commitment

Account Service

At Arthur J. Gallagher & Co., our goal is to provide you with an exceptional insurance and risk management program delivered by a world class service organization. Gallagher is committed to partnering with our clients to ensure we consistently deliver the highest quality service possible.

Renewals

We use a standard Renewal Timeline and start early to make sure your needs are met and we are able to offer you the most comprehensive and competitively priced insurance program. At each renewal, we will meet with you to establish a renewal game plan, determine how many markets should be approached, discuss pricing in the insurance marketplace, and identify what specific needs must be addressed. We will then approach markets that we feel will offer the best alternatives. These alternatives will be presented at renewal as an option, even if we feel the incumbent program is strongest. We will demonstrate how we have created competition within the marketplace to ensure that you receive the best renewal terms.

We make ourselves accountable by working with you to develop a written service schedule that meets your needs. You can track our service by referring to our written service commitment. Service becomes especially important as your type of organization continues to change and prosper.

As a top national broker, we have access to over 150 insurance companies and wholesalers. This maximizes your insurance options in any given policy year situation. In addition, our integrity and influence in the marketplace have resulted in excellent relationships with our markets. These factors are especially important to consider as the insurance needs of your organization become more complex and require more sophisticated solutions.

Acquisitions

On request, we will perform an insurance due-diligence review on all products and acquisitions.

Profit Center Premium Allocations

We will provide premium breakdown by entities and/or location schedule.

Automobile Identification Cards

ID cards will be issued upon binding of coverage.

Phone Calls

Phone calls will be returned within one working day of receipt.

Certificates of Insurance

Certificates of Insurance will be issued within one working day of request.

Quarterly Account Review

Quarterly account reviews will include review of claims, exposures, audits, and service.

City of Marengo

Service Commitment (Cont.)

Loss Control

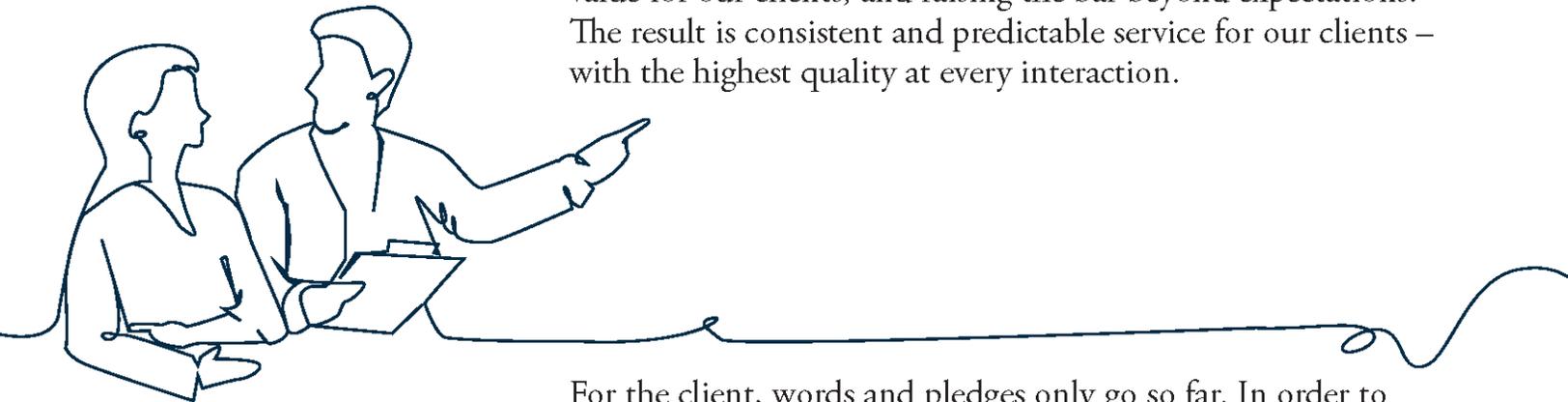
We will coordinate all loss control activities between you and the carrier. We recommend that service be provided on a quarterly basis

Our Service Commitment

Our clients repeatedly tell us the most important thing that we can do as their broker is to protect their assets while providing a comprehensive and tailored insurance program with the most competitive terms. We also know that a critical component of every customer experience is receiving an accurate and timely response to their day to day business needs and challenges.

At Arthur J. Gallagher and Co. our goal is to provide every client with an exceptional insurance and risk management program delivered by a world-class service organization.

We're on a journey to set a new standard for service within our industry – utilizing innovative technology and tools that create value for our clients, and raising the bar beyond expectations. The result is consistent and predictable service for our clients – with the highest quality at every interaction.



For the client, words and pledges only go so far. In order to deliver on our promise, Gallagher is committed to partnering with our clients to ensure we consistently deliver the highest quality service possible:

- **Clients get what they need, when they need it** – as a result of managing our work more effectively, your needs and requests are addressed promptly and professionally at all times
- **Our service team is able to focus on you**, and the solutions needed to support your unique business needs
- **We proactively manage your renewal cycle**, delivering a predictable timeline that creates time for thorough decision-making
- **You play a role in this too** – we're asking for more information ahead, so that you receive the best outcome, every time

Your Program

City of Marengo

Named Insured

LINE OF COVERAGE	NAMED INSURED
All Lines of Coverage included in this proposal	City of Marengo

OMNIBUS WORDING -

Broad Form Named Insured - Public Officials' Liability Including EPL , General Liability Including Law Enforcement Liability

Note: Any entity not named in this proposal may not be an insured entity. This may include partnerships and joint ventures.

City of Marengo

Marketplace Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE	PREMIUM
Argonaut Insurance Company	Package	Recommended Quote	\$71,641
Euclid Insurance Services, Inc.	Package	Declined - Uncompetitive	
Underwriters at Lloyd's, London	Package	Quoted	\$80,000
Allied Public Risk	Package	Declined – FL/EQ limits	
Citizens Insurance Company of America	Crime	Recommended Quote	\$1,440

City of Marengo

Location Schedule

LINE OF COVERAGE	LOC # / BLDG #	LOCATION ADDRESS
Package - Property Including Inland Marine, General Liability, Umbrella	1/1	132 East Prairie Street Marengo, IL 60152
	2/1-2	142 East Prairie Street Marengo, IL 60152
	3/1-3	835 - 837 West Grant Highway Marengo, IL 60152
	4/1-19	1350 North State Street Marengo, IL 60152
	5/1-3	300 Taylor Street Marengo, IL 60152
	6/1	840 Greenlee Street Marengo, IL 60152
	7/1	240 N. Prospect Street Marengo, IL 60152
	8/1-2	200 South Street Marengo, IL 60152
	9/1	416 Stevenson Street Marengo, IL 60152
	10/1	800 N. State Street Marengo, IL 60152
	11/1	501 Nicole Drive Marengo, IL 60152
	12/1	250 Lynn Drive Marengo, IL 60152
	13/1-2	105 Lynn Drive Marengo, IL 60152
	14/1-2	180 Eighth Avenue Marengo, IL 60152
	15/1	0 Briden Drive Marengo, IL 60152
	16/1	Municipal Drive Marengo, IL 60152
	17/1	East Washington Marengo, IL 60152

City of Marengo

Program Details

Coverage: Package - Property Including Inland Marine

Carrier: Argonaut Insurance Company

Policy Period: 11/1/2017 to 11/1/2018

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

Coinsurance or Agreed Amount:

DESCRIPTION	AGREED AMOUNT	COINSURANCE %
All Covered Property	Yes	N/A

Coverage:

SUBJECT OF INSURANCE	AMOUNT
Building	\$21,976,595
Contents	\$10,003,360
Blanket Limit	Applies (subject to 125% maximum limit per Building or Personal Property Limit)
Inflation Guard	3%
Flood Amendment (excluding Flood Zones A/B/V/N)	\$5,000,000
Earthquake Coverage Limitation	\$5,000,000
Equipment Breakdown:	-
- Limit	\$31,979,955
- Business Income & Extra Expense	Per CP-360 unless otherwise specified
- Expediting Expenses	\$100,000
- Hazardous Substances	\$100,000
- CFC Refrigerants	Included
- Data Restoration	\$100,000
- Boiler Inspection	Included
- Computer Equipment	\$100,000
Inland Marine:	-
- Emergency Services	\$300,975
- Miscellaneous Scheduled	\$11,040
- Street/Highway	\$249,276
- Water and Sewer	\$71,815

City of Marengo

Program Details (Cont.)

Deductibles/SIRs:

COVERAGE	AMOUNT
Deductible	\$2,500
Flood Amendment (excluding Flood Zones A/B/V/N)	\$50,000
Earthquake Coverage Limitation	\$50,000
Equipment Breakdown	\$2,500
Inland Marine:	-
- Emergency Services	\$500
- Miscellaneous Scheduled	\$500
- Street/Highway	\$500
- Water and Sewer	\$500

Additional Coverage:

DESCRIPTION	AMOUNT
Commercial Property Features and Benefits:	
Accounts Receivable	\$100,000
Arson Reward	\$7,500
Building Ordinance or Law	
Loss to Undamaged Portion of Building	Building Limit
Demolition Cost Coverage	\$100,000
Increased Cost of Construction	\$100,000
Changes in Temperature or Humidity	\$50,000
Commandeered Property	\$100,000
Communications Equipment	\$50,000
Computer Equipment	\$50,000
Crime Reward	
Per Person	\$1,000
Maximum	\$5,000
Detached Signs	\$5,000
Electrical Damage	\$50,000
Extra Expense and Business Income	\$100,000
Fairs, Exhibitions, Expositions or Trade Shows	\$50,000
Fine Arts	\$50,000
Fire Department Service Charge	\$5,000
Fire Equipment Recharge	Included
Flagpoles	\$5,000
Foundations	Included
Glass	Included

City of Marengo

Program Details (Cont.)

Additional Coverage:

DESCRIPTION	AMOUNT
Glass Display or Trophy Cases	\$5,000
Grounds Maintenance Equipment	\$50,000
Lock Replacement	\$500
Money and Securities:	
- Inside Premise	\$5,000
- Outside Premise	\$5,000
Newly Acquired or Constructed Property:	
- Building	\$1,000,000
- Personal Property	\$500,000
Off Premises Utility Failure	\$50,000
Outdoor Property:	
- Any one Tree, Shrub or Plant	\$1,000
- Total Limit	\$50,000
Personal Effects and Property of Others	
Any one Employee or Volunteer	\$1,500
Any One Occurrence	\$50,000
Pollutant Clean up and Removal	\$25,000
Premises Boundary Increased Limit	1,000 Feet
Property in Transit	\$50,000
Property Off-Premises	\$50,000
Sewer Back-Up	Included
Spoilage	\$10,000
Valuable Papers	\$100,000

Valuations:

DESCRIPTION	LIMITATIONS
Replacement Cost	Applies

Perils Covered:

TYPE	DESCRIPTION
Special Form Perils	Applies

Endorsements include, but are not limited to:

DESCRIPTION
Business Income & Extra Expense - CP-360

City of Marengo

Program Details (Cont.)

Exclusions include, but are not limited to:

DESCRIPTION
Earth Movement Exclusion
Flood Exclusion
Government Action Exclusion
War Exclusion
Nuclear Hazard, Power Failure
An Exclusion for Mold or a Sublimit May Apply
A Terrorism Exclusion May Apply

Binding Requirements:

DESCRIPTION
Subject To Signed Acceptance/Rejection Notices should be completed, signed and returned to us at time of binding coverage.
Subject To application signed and dated by an official of the entity and the agent/broker must be received within thirty (30) days of binding coverage.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
TRIA Premium of \$1,383 is applicable to General Liability, Public Officials' Liability, Employment Practices Liability, Law Enforcement Liability, Commercial Automobile Liability, Commercial Automobile Physical Damage, Commercial Property, Commercial Inland Marine and Umbrella and it is shown under Property LOB.
Total Premium Includes Inland Marine Premium of \$1,090
Total Insured Values - \$31,979,955
Total Insured Values Flood Amendment (excluding Flood Zones A/B/V/N) - \$5,000,000 Earthquake Coverage Limitation - \$5,000,000
Advise occupancy for Loc 2-3, Small Building
Advise occupancy for: Loc 13-1, Vacant Land Loc 13-2, Vacant Land
Advise what are we providing coverage for at Loc 16-1, Parking Lot East Washington
Provide occupancy for: Loc 2-3, Small Building Loc 13-1, Vacant Land Loc 13-2, Vacant Land Loc 16-1, Parking Lot - East Washington
Provide year built for Loc 3-20, Sequencing Batch Reactor.
Provide year built for Loc 17-1, 87 Street Lights
Common Deductible Provision - Included
Replacement Cost Valuation - Included

City of Marengo

Program Details (Cont.)

Premium	\$26,646.00
ESTIMATED PROGRAM COST	\$26,646.00
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	\$1,383.00

Subject to Audit: N/A

City of Marengo

Program Details

Coverage: Package - General Liability including Law Enforcement Liability

Carrier: Argonaut Insurance Company

Policy Period: 11/1/2017 to 11/1/2018

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
General Liability	Occurrence	Not Applicable	Not Applicable
Law Enforcement Liability	Occurrence	Not Applicable	Not Applicable

Defense Limitations:

COVERAGE TYPE	DEFENSE COST DOLLAR LIMIT	DEFENSE COST TYPE /COMMENTS
General Liability	Applies	Other / Defense Costs in Addition to Limit of Liability

Coverage:

DESCRIPTION	AMOUNT
Bodily Injury/Property Damage	\$1,000,000
Personal Injury/Advertising Injury	\$1,000,000
Damages to premises rented to you	\$100,000
Employee Benefits	\$1,000,000
General Aggregate	\$3,000,000
Products/Completed Operations Aggregate	\$3,000,000
Law Enforcement Liability	-
-Per Wrongful Act	\$1,000,000
-Annual Aggregate	\$3,000,000

Deductibles/SIRs:

COVERAGE	AMOUNT
Employee Benefits	\$1,000
Law Enforcement Liability - Each Wrongful Act	\$5,000

Additional Coverage:

DESCRIPTION	AMOUNT
Miscellaneous:	-
-Limited Pollution Liability Coverage (Chemical Spraying, Sewer Utility, Water Utility)	Included
-Cemetery Professional Liability Endorsement	Included

City of Marengo

Program Details (Cont.)

Additional Coverage:

DESCRIPTION	AMOUNT
-For Unmanned Aircraft under 25 pounds	\$25,000

Exclusions include, but are not limited to:

DESCRIPTION
Bodily Injury and Property Damage from pollutants - Absolute Exclusion
Losses arising from the ownership maintenance or use of aircraft, autos, or watercraft, with some minor exceptions including certain contractual obligations
Employment Related Practices Exclusion
Liquor Liability Exclusion
Aircraft Products Exclusion
Professional Liability Exclusion
Real Property in Your Care, Custody, and Control Exclusion
Absolute Asbestos Exclusion
Absolute Lead Exclusion
War and Nuclear Hazard
Mold / Fungus
Dishonest, fraudulent, criminal or malicious act or omission
Bodily Injury or Property Damage or Personal Injury
Failure of performance of contract
Failure of any investment to perform as represented by you
Failure to comply with mandatory provisions of any law concerning Workers' Compensation, unemployment insurance, social security or disability benefits
Wrongful termination of an employee
Coercion, demotion, reassignment, discipline or harassment of an employee
Discrimination against an employee
An Exclusion for Mold or a Sublimit May Apply
A Terrorism Exclusion May Apply

Binding Requirements:

DESCRIPTION
Subject To Signed Acceptance/Rejection Notices should be completed, signed and returned to us at time of binding coverage.
Subject To application signed and dated by an official of the entity and the agent/broker must be received within thirty (30) days of binding coverage.

City of Marengo

Program Details (Cont.)

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
TRIA Premium of \$1,383 is applicable to General Liability, Public Officials' Liability, Employment Practices Liability, Law Enforcement Liability, Commercial Automobile Liability, Commercial Automobile Physical Damage, Commercial Property, Commercial Inland Marine and Umbrella and it is shown under Property LOB.
Total Premium includes General Liability Premium of \$10,205 and Law Enforcement Liability Premium of \$5,454
General Liability Features and Benefits -
"Pay On Behalf" Form
Additional Insureds by Written Agreement, Contract or Permit
Chartered Aircraft Liability
Contractual Liability
Extended Property Damage
Host Liquor Liability
Premises / Operations
Products / Completed Operations
Special Events (subject to company approval)
Supplementary Payments - Bail Bonds
Supplementary Payments - Daily Loss of Earnings
Watercraft Liability
Broadened Definition of Who Is Insured
Law Enforcement Liability Features and Benefits:
"Pay On Behalf" Form
Canine and Equine Exposures
Civil Rights Violations
False Arrest/Wrongful Imprisonment
False or Improper Service or Process
Property Damage

Premium	\$15,659.00
ESTIMATED PROGRAM COST	\$15,659.00

Subject to Audit: Not Auditable

City of Marengo

Program Details

Coverage: Package - Automobile
Carrier: Argonaut Insurance Company
Policy Period: 11/1/2017 to 11/1/2018

Coverage:

DESCRIPTION	AMOUNT	COVERED AUTOS
Liability Limit	\$1,000,000	1
Uninsured Motorist	\$50,000	2
Underinsured Motorist	\$50,000	2
Automobile Medical Payments	\$10,000	2
Physical Damage:	-	
- Comprehensive	ACV	10
- Collision	ACV	10

Deductibles/SIRs:

COVERAGE	AMOUNT
Physical Damage:	-
- Comprehensive	\$500
- Collision	\$500

Covered Autos:

SYMBOL	SYMBOL NAME	DESCRIPTION OF COVERED DESIGNATION SYMBOLS
1	Any Auto	Can only be used for Liability insurance. Its use provides coverage for any auto with which the insured has contact, including owned and non-owned, hired vehicles, and newly acquired vehicles. It includes coverage for non-owned auto, no-fault insurance, uninsured motorists, or physical damage insurance
2	Owned Autos Only	Only those autos you own (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos you acquire ownership of after the policy begins.
3	Owned Private Passenger Autos Only	Only the private passenger autos you own. This includes those private passenger autos you acquire ownership of after the policy begins.
4	Owned Autos Other Than Private Passenger Autos Only	Only those autos you own that are not of the private passenger type (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos not of the private passenger type you acquire ownership of after the policy begins.
5	Owned Autos Subject To No-Fault	Only those autos you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those autos you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.

City of Marengo

Program Details (Cont.)

Covered Autos:

SYMBOL	SYMBOL NAME	DESCRIPTION OF COVERED DESIGNATION SYMBOLS
6	Owned Autos Subject To A Compulsory Uninsured Motorists Law	Only those autos you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those autos you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists' requirement.
7	Specifically Described Autos	Only those autos described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any trailers you don't own while attached to any power unit described in Item Three).
8	Hired Autos Only	Only those autos you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent, or borrow from any of your employees, partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Nonowned Autos Only	Only those autos you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes autos owned by your employees, partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.
19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those autos that are land vehicles and that would qualify under the definition of mobile equipment under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

Exclusions include, but are not limited to:

DESCRIPTION
Excluded Drivers
Expected or Intended Injury
Contractual - added back as noted
Workers' Compensation
Employers' Liability
Property Damage to Property Owned or Transported by you
Pollution
Other standard policy exclusions apply
Terrorism Exclusion - May Apply
An Exclusion for Mold or a Sublimit May Apply

Binding Requirements:

DESCRIPTION
Subject To Signed Acceptance/Rejection Notices should be completed, signed and returned to us at time of binding coverage.
Subject To application signed and dated by an official of the entity and the agent/broker must be received within thirty (30) days of binding coverage.
Subject To Sign and date UM form

City of Marengo

Program Details (Cont.)

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
TRIA Premium of \$1,383 is applicable to General Liability, Public Officials' Liability, Employment Practices Liability, Law Enforcement Liability, Commercial Automobile Liability, Commercial Automobile Physical Damage, Commercial Property, Commercial Inland Marine and Umbrella and it is shown under Property LOB.
Automobile Physical Damage: Comprehensive OCN: 1,209,560 Collision OCN: 1,209,560
The Insured should continue to submit all change request to their agent and the agent should submit copies of all requests to Trident to insure accurate record keeping and claims verification.
Premium Breakdown: Automobile Liability - \$8,471 Automobile Physical Damage - \$4,151

Auto Disclaimer:

Commercial Auto policies utilize a set of coverage symbols to stipulate a category of covered autos. One or more symbols are assigned to each coverage purchased indicating which autos that coverage applies to. Please refer to your policy and make certain that you read and understand the various auto symbols and associated descriptions. Specific symbols may apply to either a particular kind of vehicle or the vehicle's ownership status. The symbols could also differ depending upon whether the coverage is for liability or physical damage. Also, in certain circumstances, an insurance company may agree to provide coverage for an auto scenario that is not described in the auto symbols. When this occurs, a unique symbol and related description is used. If you have any questions regarding the auto symbols or associated descriptions contained in your policy, please contact us.

Premium	\$12,622.00
ESTIMATED PROGRAM COST	\$12,622.00

Subject to Audit: Not Auditable

Auditable Exposures:

DESCRIPTION	EXPOSURE
Automobile Liability	30 - Total Units
Automobile Physical Damage: Comprehensive & Collision Each	30 - Units

City of Marengo

Program Details

Coverage: Package - Umbrella
Carrier: Argonaut Insurance Company
Policy Period: 11/1/2017 to 11/1/2018

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Umbrella	Occurrence	Not Applicable	Not Applicable

Defense Limitations:

COVERAGE TYPE	DEFENSE COST DOLLAR LIMIT	DEFENSE COST TYPE / COMMENTS
Aggregate	Applies	In addition to Policy Limit, and if so: Limited

Coverage:

DESCRIPTION	AMOUNT
Each Occurrence, Offense, Accident, or Wrongful Act	\$7,000,000
Annual Aggregate	\$7,000,000

Underlying Policies:

COVERAGE	DESCRIPTION	LIMIT	CARRIER	EFFECTIVE DATE	EXPIRATION DATE
General Liability	General Liability	\$1,000,000	Argonaut Insurance Company	11/1/2017	11/1/2018
Public Officials' Liability	Public Officials' Liability	\$1,000,000	Argonaut Insurance Company	11/1/2017	11/1/2018
Employment Practices Liability	Employment Practices Liability	\$1,000,000	Argonaut Insurance Company	11/1/2017	11/1/2018
Law Enforcement Liability	Law Enforcement Liability	\$1,000,000	Argonaut Insurance Company	11/1/2017	11/1/2018
Commercial Automobile Liability	Commercial Automobile Liability	\$1,000,000	Argonaut Insurance Company	11/1/2017	11/1/2018

City of Marengo

Program Details (Cont.)

Exclusions include, but are not limited to:

DESCRIPTION
Workers' Compensation, Auto No Fault, Uninsured/ Underinsured Motorists, Disability, and Unemployment Compensation Laws
Pollution (Hostile Fire Exception)
Asbestos
Physical Damage to Property in Insured's Care, Custody, or Control
Auto First-party Coverage
Pollution (Auto)
Products Recall
Employment Related Practices Exclusion
Total Pollution Exclusion
Professional Liability Exclusion
Retained Limit
An Exclusion for Mold or a Sublimit May Apply
A Terrorism Exclusion May Apply

Binding Requirements:

DESCRIPTION
Subject To Signed Acceptance/Rejection Notices should be completed, signed and returned to us at time of binding coverage.
Subject To application signed and dated by an official of the entity and the agent/broker must be received within thirty (30) days of binding coverage.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
TRIA Premium of \$1,383 is applicable to General Liability, Public Officials' Liability, Employment Practices Liability, Law Enforcement Liability, Commercial Automobile Liability, Commercial Automobile Physical Damage, Commercial Property, Commercial Inland Marine and Umbrella and it is shown under Property LOB.

Premium	\$9,241.00
ESTIMATED PROGRAM COST	\$9,241.00

Subject to Audit: Not Auditable

City of Marengo

Program Details

Coverage: Package - Public Officials' Liability & Employment Practice Liability

Carrier: Argonaut Insurance Company

Policy Period: 11/1/2017 to 11/1/2018

Form Number:

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Public Officials Liability	Claims Made	11/8/1985	11/8/1985
Employment Practices Liability	Claims Made	11/8/1985	11/8/1985

Defense Limitations:

DEFENSE COST DOLLAR LIMIT	DEFENSE COST TYPE / COMMENTS
Applies	In addition to Policy Limit, and if so: Limited

Coverage:

DESCRIPTION	AMOUNT
Public Officials Liability	-
-Per Wrongful Act	\$1,000,000
-Annual Aggregate	\$3,000,000
Employment Practices Liability -	-
-Per Wrongful Employment Act	\$1,000,000
-Annual Aggregate	\$3,000,000

Deductibles/SIRs:

COVERAGE	AMOUNT
Public Officials Liability - Each Wrongful Act	\$10,000
Public Water Utility	\$10,000
Sewer System	\$10,000
Employment Practices Liability - Each Wrongful Act	\$10,000

Claims Made Coverage:

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within ([Days To Extend]) days of the expiration date. The cost of this extended reporting period is [Percent Cost]% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within ([Days To Report]) days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

City of Marengo

Program Details (Cont.)

Definition of Claim:

DESCRIPTION
Refer to attached policy form

Incident or Claim Reporting Provision:

DESCRIPTION
Refer to attached policy form

Extended Reporting Period (ERP) Options*:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH	% OF EXPIRING PREMIUM
Refer to attached policy form	--	--		--

*If ERP coverage is desired, then that request must be in writing to the carrier.

Run Off Provisions:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH	% OF EXPIRING PREMIUM
Refer to attached policy form	--	--		--

Additional Coverage:

DESCRIPTION	AMOUNT
Public Officials P.E. 2 -	
Public Water Utility	Included
Sewer System	Included

Exclusions include, but are not limited to:

DESCRIPTION
Employment Related Wrongful Acts - Excluded
An Exclusion for Mold or a Sublimit May Apply
A Terrorism Exclusion May Apply

Binding Requirements:

DESCRIPTION
Subject To Signed Acceptance/Rejection Notices should be completed, signed and returned to us at time of binding coverage.
Subject To application signed and dated by an official of the entity and the agent/broker must be received within thirty (30) days of binding coverage.

City of Marengo

Program Details (Cont.)

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
TRIA Premium of \$1,383 is applicable to General Liability, Public Officials' Liability, Employment Practices Liability, Law Enforcement Liability, Commercial Automobile Liability, Commercial Automobile Physical Damage, Commercial Property, Commercial Inland Marine and Umbrella and it is shown under Property LOB.
Total Premium includes Public Officials' Liability Premium of \$1,132 and Employment Practices Liability Premium of 6,341
Public Officials' Liability Features and Benefits:
"Pay On Behalf" Form
Civil Rights Violations
Licensing & Permitting Coverage
Zoning Coverage

Premium **\$7,473.00**

ESTIMATED PROGRAM COST **\$7,473.00**

Subject to Audit: Not Auditable

City of Marengo

Program Details

Coverage: Crime
Carrier: Citizens Insurance Company of America
Policy Period: 11/1/2017 to 11/1/2018

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Crime	Discovery	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	AMOUNT
Employee Theft	\$500,000
Funds Transfer Fraud	\$100,000
Money and Securities Outside the Premises	\$100,000
Inside the Premises - Theft of Money and Securities	\$100,000
Inside the Premises - Robbery or Burglary of Other Property	\$100,000
Computer Fraud	\$100,000
Forgery or Alteration	\$100,000
Money Orders and Counterfeit Paper Currency	\$10,000

Deductibles/SIRs:

COVERAGE	AMOUNT
Employee Theft	\$2,500
Funds Transfer Fraud	\$1,000
Money and Securities Outside the Premises	\$1,000
Inside the Premises - Theft of Money and Securities	\$1,000
Inside the Premises - Robbery or Burglary of Other Property	\$1,000
Computer Fraud	\$1,000
Forgery or Alteration	\$1,000
Money Orders and Counterfeit Paper Currency	\$250

Endorsements include, but are not limited to:

DESCRIPTION
Government Crime Policy - CR 00 26 05/01/2006
Add Faithful Performance Of Duty Coverage - CR 25 19 05/01/2006
Delete Employee Exclusions - CR 02 02 10/01/2010
Government Crime Policy Declarations - CR DS 04 08/01/2007

City of Marengo

Program Details (Cont.)

Endorsements include, but are not limited to:

DESCRIPTION
Illinois Changes -
Include Treasurer or Tax Collector -
Government Action Exclusion -
Excl Nuclear Hazard -
Excl Pollution -
Excl War & Military Action -
Excl Indirect Loss -

Exclusions include, but are not limited to:

DESCRIPTION
Third Party Employee Dishonesty
Government Action Exclusion
Accounting or Arithmetic Errors
Voluntary Parting of Property
Loss in which the existence of such loss is only proved by a profit and loss comparison or inventory records
Any theft or criminal act committed by a partner of the insured
Loss Due to Employee Dishonesty

Binding Requirements:

DESCRIPTION
Client Authorization to bind

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Option with lower Employee Theft limit of \$100,000 and \$1,000 Deductible is available at premium of \$1100 Annual Installment.

Premium	\$1,440.00
ESTIMATED PROGRAM COST	\$1,440.00

City of Marengo

Premium Summary

The estimated program cost for the options are outlined in the following table:

LINE OF COVERAGE		EXPIRING PROGRAM		PROPOSED PROGRAM	
		CARRIER	EXPIRING COST	CARRIER	ESTIMATED COST
Package	Premium Estimated Cost Annualized Cost TRIA Premium	Argonaut Great Central Insurance Company (Argo Group)	\$70,854	Argonaut Insurance Company (Argonaut Insurance Company)	\$71,641 \$1,383
Crime	Premium Estimated Cost Annualized Cost TRIA Premium	Citizens Insurance Company of America (Hanover Insurance Companies)	\$1,074	Citizens Insurance Company of America (Hanover Insurance Companies)	\$1,440
AJGRMS Fee			\$11,575		\$11,575
Total Estimated Program Cost			\$83,503		\$84,656

Quote from **Argonaut Insurance Company (Argonaut Insurance Company)** is valid until **11/1/2017**
 Quote from **Citizens Insurance Company of America (Hanover Insurance Companies)** is valid until
11/1/2017

Gallagher is responsible for the placement of the following lines of coverage:

Package
Crime

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

City of Marengo

Payment Plans

CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
Argonaut Insurance Company (Argonaut Insurance Company)	Package	Annual Pay	Agency Bill
Citizens Insurance Company of America (Hanover Insurance Companies)	Crime	Annual Installment	Agency Bill

City of Marengo

Coinsurance Illustration

Coinsurance Formula:

Insurance Carried ÷ Insurance Required x Loss - Deductible = **Settlement**

Example of Coinsurance formula applied to a hypothetical loss situation:

Property Value	=	\$1,000,000
Coinsurance Amount	=	80%
Deductible	=	\$500
Insurance Required	=	\$800,000 (80% of \$1,000,000)
Insurance Carried	=	\$400,000
Loss Incurred	=	\$200,000

Settlement determined by applying the coinsurance formula:

\$400,000

$\frac{(\text{Insurance Carried})}{(\text{Insurance Required})} \times \$200,000 (\text{Loss}) - \$500 (\text{Deductible}) = \$99,500 \text{ Settlement}$

\$800,000

(Insurance Required)

Note: If the property in the above example is insured for the full insurance required (\$800,000), the insured will recover \$199,500. In the above example, the insured will suffer a \$100,000 penalty for not being insured to the proper limit.

City of Marengo

Changes / Developments

It is important that we be advised of any changes in your operations that may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Changes in any operation such as expansion to other states or new products.
2. Mergers and/or acquisition of new companies.
3. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
4. Circumstances which may require increased liability insurance limits.
5. Any changes in fire or theft protection, such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to same.
6. Immediate advice of any changes to scheduled equipment such as contractors' equipment, electronic data processing, etc.
7. Property of yours that is in transit, unless we have previously arranged for the insurance.
8. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed, or occupied.

No Changes and/or Developments

Signature:

Title:

Date:

Proposal Disclosures

City of Marengo

Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer IMPORTANT: The proposal, and any executive summaries included with or supplementing the proposal outlines certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

Compensation Disclosure One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional compensation if stipulated underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the particular insurance company and/or through the particular intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in certain commission rates. These additional commissions, commonly referred to as "supplemental commissions" are frequently known as of the effective date of the applicable insurance placement, but some insurance companies pay this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage placed through Gallagher.
3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.
4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility is utilized in the placement of a client's account, the facility may earn and retain customary brokerage commission or fees for its work.
5. Gallagher assists its clients in procuring premium finance quotes and unless prohibited by law may earn compensation for this optional value-added service.
6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.
7. Gallagher strives to find appropriate coverage at a competitive price for our clients. In order to achieve these goals, we gather and analyze data about our clients and their insurance coverage. This

Proposal Disclosures (Cont.)

data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our clients. This data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please contact Gallagher via e-mail at Compensation_Complaints@ajg.com or by regular mail at:

AJG Chief Compliance Officer
Arthur J. Gallagher & Co.
2850 Golf Rd., 8th Floor
Rolling Meadows, IL 60008

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Actuarial Disclaimer

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher Risk Management Services, Inc.. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

City of Marengo

Insurance Company Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING	ADMITTED / NON-ADMITTED
Argonaut Insurance Company	A XIII	Admitted
Underwriters at Lloyd's, London	A XV	Admitted
Citizens Insurance Company of America	A XV	Admitted

If the above indicated coverage is placed with a Non-Admitted Carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

*The above A.M. Best Rating was verified on the date the proposal document was created.

Guide to Best Ratings Rating Levels and Categories

LEVEL	CATEGORY	Financial Size Categories <i>(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)</i>			
A++, A+	Superior	FSC I	Up to 1,000	FSC IX	250,000 to 500,000
A, A-	Excellent	FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
B++, B+	Good	FSC III	2,000 to 5,000	FSC XI	750,000 to 1,000,000
B, B-	Fair	FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
C++, C+	Marginal	FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
C, C-	Weak	FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
D	Poor	FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
E	Under Regulatory Supervision	FSC VIII	100,000 to 250,000		
F	In Liquidation				
S	Suspended				

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

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Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Insurance Company Ratings and Admitted Status (Cont.)

BEST'S FINANCIAL STRENGTH RATING GUIDE – (FSR)			
<p>A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.</p>			
Best's Financial Strength Rating (FSR) Scale			
Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
<p>* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".</p>			
FSR Non-Rating Designations			
Designation Symbols	Designation Definitions		
E	Status assigned to insurance companies that are publicly placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal ongoing insurance operations; an impaired insurer.		
F	Status assigned to insurance companies that are publicly placed in liquidation by a court of law or by a forced liquidation; an impaired insurer.		
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.		
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AMBRS.		
Rating Disclosure – Use and Limitations			
<p>A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance and business profile or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AMBRS) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AMBRS.</p>			
<p>BCRs are distributed via the AMBRS website at www.ambest.com. For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Understanding Best's Credit Ratings" available at no charge on the AMBRS website. BCRs are proprietary and may not be reproduced without permission.</p>			
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Client Signature Requirements

City of Marengo

Coverages For Consideration

Overview

- A proposal for any of the coverages can be provided.
- The recommendations and considerations summarized in this section are not intended to identify all exposures.
- Since Gallagher does not handle your complete insurance program, these recommendations only reflect items within our scope of responsibility.

Other Coverage Considerations

- Cyber Risk

City of Marengo

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 9/21/2017, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

		LINE OF COVERAGE	CARRIER
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Package - Property Including Inland Marine General Liability including Law Enforcement Liability Automobile Umbrella Public Officials' Liability & Employment Practice Liability	Argonaut Insurance Company (Argonaut Insurance Company)
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	TRIA Coverage	
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	Crime	Citizens Insurance Company of America (Hanover Insurance Companies)
<input type="checkbox"/> Accept	<input type="checkbox"/> Reject	TRIA Coverage	

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

Producer/ Insured Coverage Amendments and Notes:

Client Initials

City of Marengo

Client Authorization to Bind Coverage

Provide Quotations or Additional Information on the Following Coverage Considerations:

Other Coverage Considerations

Yes No Cyber Risk

Note: Selecting the “Reject All or Accept All” option will override any selections that you have made above

Reject All Accept All for Consideration

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed \$20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

By: _____
Print Name (Specify Title)

Signature

Date: _____

Appendix



Next-Generation eRiskHub[®]

The dangers of data breaches are far reaching, and the severity of these is being felt at all levels. You hear about the large ones like Anthem, Target and Sony, but in reality any organization that houses valuable information is a potential target from a range of vulnerabilities such as hackers to rogue employees. As an Arthur J. Gallagher & Co. client, you will receive complimentary access to the Gallagher eRiskHub; a dynamic cyber risk management tool that can help your organization be more proactive in assessing your cyber risk posture.

All Gallagher clients have access to the Gallagher eRiskHub, and if you have not registered for access we recommend you do so today.

To access the Gallagher eRiskHub now:

1. Navigate to <https://eriskhub.com/gallagher>
2. Complete the new user registration at the bottom of the page. You pick your own user ID and password. The access code is **08167**
3. After registering, you can access the hub immediately using your newly created credentials in the member login box located in the top right of the page.

Key Features of the Gallagher eRiskHub:

- **Gallagher Cyber Risk Due Diligence** — A six-step process designed to walk our clients through a simple thought-provoking framework to encourage organizational communication, establish clear direction, and highlight priorities to better understand your cyber risk profile.
- **Security & Privacy Training** — An overview of best practices for creating an effective security training program for your employees.
- **News Center** — Keep up to date on what is going on in the world of cyber risk through handpicked articles, feeds and blogs.
- **Learning Center** — An extensive collection of white papers, articles, webinars, videos and blog posts on a variety of topics. Looking for something specific? Try the search box in the top right of the page to search the entire Gallagher eRiskHub.
- **Risk Manager Tools** — A collection of tools with many different purposes such as researching known breach events, calculating your potential cost of a breach event and downloading free sample policies your organization can use as templates.
- **eRisk Resources** — Information on third-party vendors that can assist your organization with improving your overall cyber risk.

If you have any questions about the Gallagher eRiskHub, please reach out to Adam Cottini at adam_cottini@ajg.com or the eRiskHub support staff at support@eriskhub.com.

Gallagher Cyber Liability Practice

Adam Cottini
250 Park Avenue
New York, NY 10177
212.994.7048
www.ajg.com/cyber

City of Marengo

Claims Reporting By Policy

Direct Reporting

Immediately report all claims for the following lines of coverage to the insurance carrier.

Package

Argonaut Insurance Company

Phone#: 877-474-8808

Fax#: 877-312-8842

Email: claims@tridentinsurance.net

Crime:

Hanover Insurance Company

440 Lincoln Street

Worcester, MA 01653

Attn: Bond Claims Dept

City of Marengo

Bindable Quotations & Compensation Disclosure Schedule

Client Name: City of Marengo

COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM ¹	COMM.% OR FEE ²	WHOLESALE, MGA OR INTERMEDIARY		
				NAME ³	COMM.% OR FEE ⁴	AJG OWNED? YES/NO
Package Property Including Inland Marine General Liability including Law Enforcement Liability Automobile Umbrella Public Officials' Liability & Employment Practice Liability	Argonaut Insurance Company (Argonaut Insurance Company)	\$26,646 \$15,659 \$12,622 \$9,241 \$7,473	0 % 0 % 0 % 0 % 0 %	Trident Insurance Services, LLC	*	No
Package/ Auto / Umbrella	Underwriters at Lloyd's, London	\$80,000	0 %	BRIT Global Specialty USA	*	No
Crime	Citizens Insurance Company of America (Hanover Insurance Companies)	\$1,440	0 %	Arthur J Gallagher – Bond Dept	20 %	Yes
AJGRMS Fee			\$11,575			

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. Please refer to the [Compensation Disclosure](#) or contact your Gallagher representative for additional information.

1 If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.

2 The commission rate is a percentage of annual premium excluding taxes & fees.

* Gallagher is receiving _____% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

3 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

4 * The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.

Attachments



Compensation Agreement

City of Marengo & Arthur J Gallagher Risk Management Services, Inc.

THIS COMPENSATION AGREEMENT is made and entered into and effective the 1st day of November, 2017 (“Effective Date”) by and between CITY OF MARENGO, an IL Municipality (“Client”), and ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC., an Illinois corporation (“Gallagher”).

I. TERM AND TERMINATION

This Agreement shall commence on the Effective Date for a term of one (1) year and shall automatically renew on the first anniversary of the Effective Date and annually thereafter for additional one- (1) year terms but may be terminated by either party at any time upon thirty (30) days prior written notice.

II. OBLIGATIONS OF GALLAGHER

Gallagher will provide the services set out on Exhibit A attached hereto (collectively, the “Services”) to Client. If the Services include the placement of insurance coverages, Gallagher will use its commercial best efforts to secure such insurance coverages on Client’s behalf. In the event an insurance company cancels or refuses to place such insurance coverages, Gallagher will use its commercial best efforts to obtain the coverage from another insurance company.

III. OBLIGATIONS OF CLIENT

Client shall remunerate Gallagher its usual and customary brokerage commission for the Services. In addition to or in lieu of commission, Client shall pay Gallagher an annual fee of \$11,575 for the Services, which such fee may be revised at the time of renewal of this Agreement by the execution of an amendment to this Agreement signed by the parties hereto. If work is required to be performed in addition to the Services, Client agrees to compensate Gallagher for such additional work at its usual and customary rates. So long as the terms and conditions of the Services are substantially similar and Gallagher's performance is acceptable, in subsequent years the annual fee shall be increased 5% over the prior year, and shall be payable and earned as provided herein.

IV. DISCLOSURES

A. In addition to such fees and commissions provided herein, Gallagher may also receive investment income on fiduciary funds temporarily held by it, such as premiums or return premiums. Other parties, such as excess and surplus lines brokers, wholesalers, reinsurance intermediaries, underwriting managers, captive managers and similar parties, some of which may be owned in whole or in part by Gallagher’s corporate parent, may earn and retain usual and customary commissions and fees in the course of providing insurance products to clients. Gallagher may also participate in contingent and supplemental commission arrangements with insurance companies. Contingent commission arrangements provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. Supplemental commissions, unlike contingents, are known at the effective date of the policy, but are typically paid later and apart from when usual and customary commission is paid. Any such fees or commission will not constitute compensation to Gallagher under Section III. above.

- B. Gallagher's fees under this Agreement shall be fully earned on the execution of this Agreement (and any renewal thereof), and payable on invoicing. Client is responsible for payment of premiums for all insurance placed by Gallagher on its behalf. If any amount is not paid in full when due, including premium payments to insurance companies, that nonpayment will constitute a material breach of this Agreement that will allow Gallagher to immediately terminate this Agreement, at its option, without notice to Client.
- C. Where applicable, insurance coverage placements which Gallagher makes on Client's behalf, may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees, to the Internal Revenue Service (federal), various state(s) departments of revenue, state regulators, boards or associations. In such cases, Client is responsible for the payment of such taxes and/or fees, which will be identified separately by Gallagher on invoices covering these placements. Under no circumstances will these taxes or other related fees or charges be offset against the amount of Gallagher's brokerage fees or commissions referred to herein.
- D. Gallagher will be operating only as Client's broker, obtaining a variety of coverage terms and conditions to protect the risks of Client's enterprise. Gallagher will seek to bind those coverages based upon Client's authorization, however, Gallagher can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact Gallagher with questions on these or any other issues of concern.

V. LIMITATION OF LIABILITY

Gallagher's liability to Client, arising from any negligent acts or omissions of Gallagher, whether related to the Services provided hereunder or not, shall not exceed \$20 million in the aggregate. Without limiting the foregoing, Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above.

ARTHUR J. GALLAGHER RISK
MANAGEMENT SERVICES, INC.

CITY OF MARENGO

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit A

Services

Perform risk management services, which Client may from time to time need or require. The services include:

A. Brokerage Placement Services

- Identify available marketplace coverages and program needs to insure and/or minimize risks
- Compile underwriting data and information to prepare market specifications
- Evaluate and analyze insurance quotations – each company reviewed for financial stability, solvency, and service record
- Negotiate with underwriters to achieve broadest coverages at best price
- Prepare proposal to explain coverages, limits, and exclusions
- Bind coverages and confirm placement
- Secure policies and review for accuracy

B. Administrative Services

- Marketing plan 120 days prior to renewal
- Prepare schedule of insurance
- Billing
- Certificates of Insurance
- Review audits and endorsements for correctness
- Establish insurance calendar “to do” list and schedule meetings
- Maintain market relationships
- Research new markets or coverage concepts and determine their applicability
- Instruct accounting personnel of procedures for audit to make best use of record keeping
- Annual/Stewardship report
- Issue auto ID cards
- Premium and cost allocations to various departments
- Internal audit and management review
- Committee meetings

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

	I hereby elect to purchase terrorism coverage for a prospective premium of \$1,383.
	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

Trident Insurance Services, LLC
Company

Print Name

4635205-01
Policy Number

Date

TRIDENT INSURANCE SERVICES: Statement of Values for: **Name of Entity**

Instructions: Submit complete information for each building, save file and e-mail with Trident application to underwriting@tridentpublicrisk.com.

Information for the Columns below (in bold red) is required for quotation.

Loc#	Bldg#	Occupancy	Address	City	State	Zip	Bldg +3%	Cnts +3%	Total +3%	Valuation	Construction	Protection Class	Year Built	Sq. Ft.	ITV		Bldg Updates - Year				
															\$/Sq. Ft.	Stories	Roof	Wiring	Plumbing	Heating	
1	1	Marengo City Hall	132 East Prairie Street	Marengo	IL	60152	2,278,360	256,470	2,534,830	RC	NC	3	1961	9495	233						
1	2	Marengo Police Department	142 East Prairie Street	Marengo	IL	60152	604,610	70,040	674,650	RC	NC	3	1940	2167	271						
1	3	Police Station Annex	142 East Prairie Street	Marengo	IL	60152	490,280	44,290	534,570	RC	NC	3	2005	2021	236						
2	1	Marengo Public Works	835 - 837 West Grant Highway	Marengo	IL	60152	1,266,900	353,290	1,620,190	RC	JM	3	1985	14138	87						
2	2	Storage Barn	835 - 837 West Grant Highway	Marengo	IL	60152	55,620	0	55,620	RC	Frame	3	1940	2220	24						
2	3	Small Building	835 - 837 West Grant Highway	Marengo	IL	60152	56,650	8,240	64,890	RC	Frame	3	1950	529	104						
3	1	Degrit Building	1350 North State Street	Marengo	IL	60152	1,505,860	2,024,980	3,530,840	RC	NC	3	1967	812	1,800						
3	2	Bar Screen Building	1350 North State Street	Marengo	IL	60152	534,570	2,678,000	3,212,570	RC	NC	3	1967	682	761						
3	3	Blower Building	1350 North State Street	Marengo	IL	60152	204,970	6,180	211,150	RC	NC	3	1967	684	291						
3	4	Control Lab Office	1350 North State Street	Marengo	IL	60152	419,210	89,610	508,820	RC	NC	3	1967	1561	261						
3	5	Old Township Garage	1350 North State Street	Marengo	IL	60152	356,380	72,100	428,480	RC	NC	3	1967	3840	90						
3	6	Round Barn	1350 North State Street	Marengo	IL	60152	458,350	0	458,350	RC	NC	3	1967	9161	49						
3	7	Digester Building	1350 North State Street	Marengo	IL	60152	178,190	0	178,190	RC	NC	3	1967	319	542						
3	8	Light Poles (13)	1350 North State Street	Marengo	IL	60152	32,960	0	32,960	RC	NC	3	1992	0	0						
3	9	Sludge Storage	1350 North State Street	Marengo	IL	60152	710,700	0	710,700	RC	Frame	3	1967	10098	68						
3	10	Oxidation Ditch	1350 North State Street	Marengo	IL	60152	1,581,050	829,150	2,410,200	RC	NC	3	1992	11521	133						
3	11	Flow Splitter Clarifier	1350 North State Street	Marengo	IL	60152	36,050	0	36,050	RC	NC	3	1967	45	778						
3	12	Clarifier No. 1	1350 North State Street	Marengo	IL	60152	465,560	219,390	684,950	RC	NC	3	1967	1963	230						
3	13	Clarifier No. 2	1350 North State Street	Marengo	IL	60152	465,560	219,390	684,950	RC	NC	3	1967	1963	230						
3	14	Ras Pump Station	1350 North State Street	Marengo	IL	60152	202,910	27,810	230,720	RC	NC	3	1967	270	730						
3	15	Chlorine Contact Tank	1350 North State Street	Marengo	IL	60152	187,460	0	187,460	RC	NC	3	1967	1634	111						
3	16	Digester West	1350 North State Street	Marengo	IL	60152	560,320	215,270	775,590	RC	NC	3	1967	615	885						
3	17	Digester East	1350 North State Street	Marengo	IL	60152	560,320	215,270	775,590	RC	NC	3	1967	615	885						
3	18	Biosolids Management Building	1350 North State Street	Marengo	IL	60152	1,274,110	1,527,490	2,801,600	RC	NC	3	2005	6044	205						
3	19	Splitter	1350 North State Street	Marengo	IL	60152	32,960	0	32,960	RC	NC	3	1967	30	1,067						
3	20	Sequencing Batch Reactor	1350 North State Street	Marengo	IL	60152	3,835,720	637,570	4,473,290	RC	NC	3	0	0	0						
4	1	Frame Gazebo	300 Taylor Street	Marengo	IL	60152	45,320	0	45,320	RC	Frame	3	1990	754	58						
4	2	Frame Storage Building	300 Taylor Street	Marengo	IL	60152	25,750	7,210	32,960	RC	Frame	3	1960	271	92						
4	3	Light Poles (10)	300 Taylor Street	Marengo	IL	60152	33,990	0	33,990	RC	NC	3	1990	0	0						
5	1	Well No. 6	840 Greenlee Street	Marengo	IL	60152	251,320	55,620	306,940	RC	NC	3	1980	610	400						
6	1	Lift Station No. 3	240 N. Prospect Street	Marengo	IL	60152	119,480	18,540	138,020	RC	NC	3	1980	18	6,444						
7	1	Water Tower	200 South Street	Marengo	IL	60152	1,137,120	8,240	1,145,360	RC	NC	3	1962	1661	665						
7	2	Control Building	200 South Street	Marengo	IL	60152	27,810	31,930	59,740	RC	Frame	3	1962	280	96						
8	1	Lift Station No. 2	416 Stevenson Street	Marengo	IL	60152	13,390	15,450	28,840	RC	NC	3	1970	9	1,444						
9	1	Lift Station No. 1	800 N. State Street	Marengo	IL	60152	93,730	127,720	221,450	RC	NC	3	1970	95	958						
10	1	Well No. 8	501 Nicole Drive	Marengo	IL	60152	67,980	29,870	97,850	RC	JM	3	2003	168	393						
11	1	Well No. 7	250 Lynn Drive	Marengo	IL	60152	180,250	29,870	210,120	RC	NC	3	1990	676	259						
12	1	Pump Station	105 Lynn Drive	Marengo	IL	60152	261,620	129,780	391,400	RC	JM	3	2003	1288	197						
12	2	Ground Storage tank	105 Lynn Drive	Marengo	IL	60152	683,920	29,870	713,790	RC	NC	3	2003	5914	112						
13	1	Vacant Land	180 Eighth Avenue	Marengo	IL	60152	192,610	0	192,610	RC	Frame	3	1955	1845	101						
13	2	Vacant Land	180 Eighth Avenue	Marengo	IL	60152	31,930	0	31,930	RC	Frame	3	1955	440	70						
14	1	Lift Station No. 4	0 Briden Drive	Marengo	IL	60152	71,070	24,720	95,790	RC	NC	3	1980	18	3,833						
15	1	Light Poles (6)	Municipal Drive	Marengo	IL	60152	26,780	0	26,780	RC	NC	3	1992	0	0						
16	1	Parking Lot - East Washington	East Washington	Marengo	IL	60152	3,090	0	3,090	RC	NC	3	1992	0	0						
17	1	87 Street Lights (per inventory list)	Various	Marengo	IL	60152	353,805	0	353,805	RC	NC	3	0	0	0						
							21,976,595	10,003,360	31,979,955												

**CITY OF MARENGO
2017-2018 PUBLIC WORKS DEPARTMENT EQUIPMENT SCHEDULE**

Item Number	Year	Item	Make	Serial #	Value	Value Type
		(1) Self-Propelled Mower	Toro		\$500	
		(1) Parts Washer	SAFETY KLEEN		\$350	
		(1) Pressure Washer	Alokota		\$1,400	
		(1) 200 amp D/c Portable Welder	Miller		\$2,000	
		(1) Generator EM 1800	Honda		\$1,200	
		(1) Compactor	Homelite		\$600	
		(1) Gas Powered Generator	LG		\$2,100	
		(1) Trailer Mounted Air Compressor			\$5,000	
		(1) D/C Welder			\$1,200	
		(1) Sewer Tile Cutter			\$600	
		(1) Utility Trailer with accessories	Miller		\$3,100	
		(2) Cutting Torches and Tanks W/REACTIONED TANKS	ACETYLENE		\$800	
		(1) Torch and Guages	PROPANE		\$600	
		(1) Welder	Miller		\$2,500	
		(1) Model 09 14"	Stihl		\$150	
		(1) Model 025 16"	Stihl		\$250	
		(1) Hand-Held Blowers BG85C & BG86C	Stihl		\$400	
		(1) 20 Foot Extension Ladder			\$500	
		(2) Power Painters	Wagner		\$250	
		(2) Carbon Monoxide Detector			\$2,900	
		(1) 2 Ton Floor Jack			\$75	
		(1) 10 Ton Floor Jack			\$600	
		(1) 2 1/2 Ton Floor Jack			\$100	
		(1) 4 inch Trash Pump Small			\$600	
		(1) Fan	Pelsue		\$400	
		(1) Waterline Defroster	Magikist		\$2,000	
		(2) 5000 BTU Air Conditioners			\$1,000	
		(1) Water Main 1/4 Inch Tapping Machine			\$1,200	
		(1) Water Main 1 Inch Tapping Machine			\$1,200	
		(1) Balance Scale (Lab) (91)	Mettler		\$2,500	
		(1) PH, DO, Ammonia/Nitrogen, Chloride & Fluoride Meter Lab			\$2,800	
		(1) Magnum 046	Stihl		\$750	
		(1) Stihl MS440	Stihl		\$600	
		(1) Air Grease			\$1,200	
		(1) Jack Hammer		16188M180	\$870	
		(1) Furnace Lab	Muffle		\$300	
		(2) Self Contained Life Pack Apparatus			\$1,600	
		(1) Mobile Trailer Water Tank			\$900	
		(1) Chain Saw 200 MS200T	Stihl		\$400	
		(1) Flow Proportional Effluent Sampler			\$1,500	
		(2) Frostman Refrigerators			\$600	
		(1) Dishwasher Lab			\$450	
		(1) Incubator Lab			\$1,200	
		3 1/2 HP Borewel Pump			\$700	
		(6) Magnetic Detector (Wand Type)			\$4,450	
		(1) Surveyor Level and Noc			\$600	
		(1) Flow Meter	ISCO		\$1,500	
		(1) 24 Hr Portable Sampler	ISCO		\$1,200	
		(3) Partner Saw \$1200 Each	Stihl		\$4,800	
		(1) Water main Cutter			\$1,000	
		(1) Paint Striper			\$2,500	
		(1) Hosting tripod, winch and harness Oxygen meter			\$3,400	
		(1) Air Compressor			\$450	
		(1) Air Impact Tool			\$310	
		(1) Small Mortar Mixer			\$350	
		(1) Printer WWTP			\$450	
		(1) Aluminium Trenching Box			\$8,000	
		(1) Hammerhead Mole			\$5,000	
		(1) Mounting Bracker Lights			\$450	
		(1) Grinder 42911B	Dayton		\$400	
		(1) Grinder 42912B	Dayton		\$500	
		(3) Snow Plows (\$5500 Each) T12,14, and 15			\$16,500	
		(2) Snow Plows (\$3500 Each) T1 and 72			\$7,000	
		(2) Snow Plows 12' T16 and 17 \$12,000 ea			\$24,000	
		(2) Sanders/Spreaders			\$2,400	
		(4) Sanders Spreaders (\$2700 each) stainless			\$10,800	

**CITY OF MARENGO
2017-2018 POLICE DEPARTMENT EQUIPMENT SCHEDULE**

Item Number	Year	Item	Make	Serial #	Value	Value Type
		(6) Vehicle Printers	Zebra, RW420	AZRCC151179151 AZRCC142418690 AZRCC132366330 AZRCC132366326 AZRCC133174466 AZRCC133174467	\$5,130	
		(4) Laptop Computer CF-31	Panasonic	3ATYB19623	\$19,600	
		(7) Led Co docking stations (for laptops)		P27-004658 P27-004659 P27-004660 ? ? ?	\$5,800	
		(1) Internal CD-ROM drive	Panasonic		\$370	
		(7) Squad partitions	Setina		\$2,800	
		(6) Consoles for equipment				
		(7) Federal signal sirens Model PA300			\$1,750	
		(7) Federal siren Speakers			\$800	
		(5) Light Bars	Street Hawk		\$1,900	
		(3) Scanners			\$1,650	
Weapons						
	1999	AR15 with scope Model# AR15	Colt	LE002734	\$1,200	
	2000	AR15 Model# AR15	Colt	LE003906	\$1,200	
		(6) .45 Pistol	Ithaca Gun Co. Ithaca Gun Co. Ithaca Gun Co. Remington Remington Colt	789570 1777878 2406268 1674430 1876752 997070	9000 LESO	
		Semi- Auto Rifle Model # AR15 (HBAR)	Colt	17238	\$1,000	
		Pump Action Shot Gun Model # 590A1	Mossberg	U111150	\$700	
		Semi-Auto Rifle Model # M1 Garand (Honor Guard Weapon)	Springfield	1826051	\$600	
		Taser X 26 With Cam		X00 509 400	\$1,300	
		Taser X26P		X120072PV	\$964	
		Taser X26P		X120072KX	\$964	
		Taser X26		X00 507 445	\$900	
		(5) M-16	Colt Colt Colt FN Mfg. Inc. FN Mfg. Inc.	5679468 6420356 6469246 7358469 7358482	? LESO	
		(5) M-14	Winchester	1183530 1182535 1131531 1228835 1135190	? \$690	
		DBT Shield IIIA190	Diamondback Tactical		\$1,900	
Weapon Storage Room						
		(1) Heavy Duty Shelving Unit	Edsal		\$115	
		(1) Welded Cabinet w/ 2 Full Shelves, 12 Rifle Kit, Storage T	TGS		\$1,150	
Light Bars						
		(3) Light Bars Model: X132H525A		271490 143269	\$3,000	
Car Radios						
		(3) Car Radios, Model #XTL 5000, 10-34 WATT, 764-870MH	Kenwood	500CHK1629 500CHK0414 514CHK1831	\$1,500	
		(5) Portable Radios Model #MT500	Motorola	23AGQ2518 23AGQ2519 23AGQ2520 23AGQ2521 23AGQ2522	\$4,500	
		(1) Battery Charger	Motorola		\$50	
		(1) Portable Radio w/Charger, Model #GP30	Motorola	174FTU5140	\$200	

	(16) Portable Radios - Model #HT750	Motorola		\$14,400
	(1) VHF Radio Single Frequency (City Frequency), Model #M	Motorola	475FLY1460	\$200
	(10) Portable Radios Model # 729 P25			\$7,000
	(3) Car Radios, Model # XTL 2500 (Includes XTL2500 Radio, Radio Control Head, Microphone, Antenna and Speaker)	Motorola	514CHK1594 514CHK1587 514CHK1649	
	(21) Lithium Ion Batteries (PMNN4403B)	Motorola	500001647E1C 500001643652 5000016434CA 50000164808C 500001648088 5000015A9E15 5000015A7B74 5000014D3C58 5000014D4772 5000014D4AC5 5000014D3C55 5000014D3ADA 500001508076 5000014D6314 5000014D500F 5000014D452D 5000014FC28A 5000014D62B8 5000014FA81B 5000014CD022 5000015019AB	\$438
	(16) APEX Antenna	Motorola	PMAF4002A	\$132
	(16) PSM IP55 (Public Safety Speaker Microphone)	Motorola	PMMN4061B	\$1,811
	(1) Multi Unit Charger (MNTN7065B)	Motorola	5342MKJ010225	\$598
	(14) Single Unit Charger	Motorola	NNTN7079A	\$1,208
	(16) Radio Clips	Motorola		
	(16) Tall Antenna	Motorola		
	(16) APX6000 700/800 Portable Model 2.5 Radios	Motorola	755CSH0090 755CSH0088 755CSH0094 755CSH0080 755CSH0079 755CSH0091 755CSH0092 755CSH0086 755CSH0089 755CSH0093 755CSH0085 755CSH0084 755CSH0083 755CSH0082 755CSH0081 755CSH0087	\$31,956
Domestic Preparedness Inventory				
	(1) Bag Model: CompuRover AW	Low Pro		\$200
	(1) Digital Camera Model: Power Shot S5iS	Canon	6626211604	\$200
	(1) Range Finder Model: RX1	Leupold	R129046P	\$300
	(1) GPS Model: GPSMap 60CSx	Gamin	118341436	\$250
	(1) Tool Kit	Kobalt		\$100
	(1) SD Card Model: 2 GB 2028-901	SanDisk	SDSDB-2048-A11	\$40
	(1) Clip Board			\$5
	(1) Graph Paper			\$8
	(3) Pens Model: RT		Uni-Power Tank	\$12
	(1) i9		364VKLN9HH	\$40
	(1) Car Charger for Use With Micro-USB Devices (Model KPS200BMCU)			\$15
	(1) i576		64VKC145F	\$70
Digital Cameras				
	(1) Cyber-Shot - DSC-S750	Sony		\$120
	(1) Cyber-Shot - DSC-S750	Sony		\$120
	(1) Cyber-Shot - DSC-S750	Sony		\$120
	(1) Memory Stick PRO Duo - 2GB - MagicGate	SanDisk		\$40
	(2) Memory Stick PRO Duo - 2GB - MagicGate	SanDisk		\$40
	(4) Black Camera Carrying Cases - (Hard Plastic)			\$100
In-Squad Cameras				
	(1) Camera (in-Squad) - DVM-800	Digital Ally	iD0300A9	\$3,500

	(1) Camera (in-Squad) - DVM-800	Digital Ally	iD030A7D	\$3,500
	(1) Camera (in-Squad) - DVM-800	Digital Ally	iD039296	\$3,500
	(1) Camera (in-Squad) - DVM	Digital Ally		\$1,500
	(1) Color Monitor for Cameras - Model: Syncmaster204BW	Samsung	HA30HVZP500345V	\$140
Department Inventory - General				
	(1) VPT Bolt Cutter (Equipment is in M-3)			\$35
	(1) Sensor FST	ALCO	21709	\$200
	(1) Human Transport Belt			\$60
	(1) Breathalyzer ECR II	INTOXIMETERS		\$6,800
	(1) Hard Drive EIDE - Western Digital - Model #WD1600JBR	WD Caviar	WCA28128926	\$160
Stream Flashlights				
	Flashlights Model #: Streamlight SL-20X LED	Streamlight	513436 513509 513510 510557 513513	\$500
Radar Equipment				
	(2) Dir. Golden Eagle II X 1575, Radar. Equipment		XE05201 ?	\$3,800
	(2) Stalker Dual DSR, Radar. Equipment		DC097053 ?	\$3,998
	(3) Decatur Directional Handheld			\$2,400
	(1) Stalker Dual Radar			\$1,999
	(1) BEE Radar			\$510
Conference Room				
	(3) Metal File Cabinets (4 drawer - letter size)			\$600
	(1) Wood Laminate Credenza			\$430
	(1) Wood Laminate Oval Conference Table			\$515
	(7) Office Chairs			\$1,078
	(1) DVD Player	Magnavox		\$80
	(2) Omni Vision VCR's	Panasonic		\$125
	(1) Cork Bulletin Board (5' X 7')			\$60
	(1) Mouse	Dell		\$20
	(1) Keyboard Model# L100	Dell		\$30
	(1) Clerical Computer Stand			\$200
	(1) Metal Pedestal Sign			\$100
	(1) Computer- Poweredge SC440	Dell		\$400
	(1) phone	Meridian		\$35
	(1) Fire Extinguisher	Sentry		\$85
	(2) Computer Speakers	Dell		\$30
	(1) Computer- Dimension 9200	Dell		\$400
Evidence Room at PD				
	(2) Metal 4 Drawer Lateral File Cabinets			\$400
	(1) 4-Drawer Letter size Metal Filing Cabinet W/padlock			\$260
	(1) Combination File Cabinet w/Locks - 4 Drawer			\$260
	(3) Metal Storage Lockers w/locks			\$570
	(1) 4 Drawer Legal Size Metal File Cabinet			\$200
	(1) 7 foot Laminate Wood Table			\$150
	(1) Keyboard	Microsoft		\$40
	(1) Mouse	Dell		\$20
	(1) 15" Monitor	Dell		\$300
	(1) Computer	Dell	J428 C8F3	\$400
	(1) Air Purifier	Honeywell		\$150
Sergeant's Office				
	(1) Camera Monitor	Daewoo		\$200
	(1) Computer	Dell	00045-126-827-757	\$400
	(1) Keyboard	Dell		\$40
	(1) Monitor	Dell		\$300
	(1) Mouse	Dell		\$20
	(1) 960 Printer	HP	MX11S1106W	\$85
	(1) Under Monitor Surge Protector			\$20
	(2) Computer Speakers	Labtech		\$30
	(1) Stinger Flashlight with Charger	Streamlight		\$100
	(1) Nite Tracker Rechargeable Spotlight			\$40
	(1) Microline Printer 321, Model #GE8253P	Okidata		\$200
	(1) 4 Drawer Metal Letter Size File Cabinet			\$200
	(1) Refrigerator	Danby		\$100
	(1) Large Cork Bulletin Board			\$60
	(1) PBT Sensor III	Alco	1058542	\$200
	(1) HT1000 6-Battery Charger	Motorola	MTB1177A	\$30
	(1) Credenza/File Cabinet - 4 Drawer - Side Files			\$430

	(1) Desk			\$400
	(1) Desk Chair			\$150
	(2) Side Chairs			\$120
	(1) Electronic Sound Level Meter	Quest	305015V	\$125
	(1) Calibrator	Quest	306017U	\$100
	(1) 6 Shelf Wooden Book Case			\$280
	Misc. Books-ILCS Set			\$250
	(1) Computer	HP	2UA4031MBQ	\$409
Detective's Office				
	(2) Desks			\$860
	(2) Office Chairs			\$300
	(1) Wooden Credenza Desk - 2 Filing Drawers Each Side			\$430
	(1) Metal 4 Drawer File Cabinet			\$200
	(1) 5 Shelf Wooden Book Case			\$300
	Misc. Books/Reference			\$250
	(1) EOS 35mm Camera	Canon	8623726	\$300
	(1) 50mm Lens -	Canon	3700406C	\$100
	(1) Small Microcassette Recorder			\$35
	(1) Nightvision Monocular Scope - Model #NE160	ITT	35395	\$200
	(1) HT1000 Battery Charger			\$30
	(1) Compaq NX9030 Laptop	HP		\$700
	(1) Think Pad Laptop	Lenovo		\$700
	(2) Battery Mouse			\$40
	(2) Monitors (17")	Dell		\$600
	(2) Keyboards	Dell		\$80
	(1) Color Laser Jet 2600n - Color Printer	HP		\$200
	(1) Computer	HP	2UA4031MC	\$409
Administrative Assistant's Office				
	(1) Large Cork Bulletin Board			\$60
	(1) 5 Drawer Metal Lateral Filing Cabinet			\$600
	(1) Fire King 4 Drawer Metal Legal Size File Cabinet w/lock			\$1,800
	(1) 4 Drawer Legal Size Metal File Cabinet			\$200
	(1) 4 Drawer Letter Size Metal File Cabinet			\$135
	(1) 2 Drawer Letter Size File Cabinet			\$200
	(1) Executive Wood Laminate Desk w/ Side Cabinet (2 Draw			\$430
	(1) Wood Laminate Computer Desk			\$300
	(1) SX4000 Correctable Typewriter	Brother		\$135
	(1) EL1801P Calculator w/Tape	Sharp		\$40
	(1) Desk Chair			\$160
	(2) Side Chairs			\$120
	(1) 17" Monitor	Dell		\$300
	(1) Mouse	HP		\$20
	(1) Ergonomic Keyboard	Adesso		\$50
	(1) CPU	HP	MXL6100J67	\$400
	(1) Officejet 4630 Printer	HP		\$150
	(1) SD360 ID Printer Model# PX30	Datacard		\$2,040
	(1) Surge Protector	Interex		\$30
Chief's Office				
	(1) 5 Shelf Wooden Bookcase			\$300
	Reference Books, etc.			\$250
	(1) Round Conference Table			\$460
	(4) Conference Chairs			\$200
	(1) Executive Black Leather Chair			\$200
	(1) Side Chair			\$50
	(1) Executive Wood Desk			\$450
	(1) Wood Laminate Executive Desk w/Hutch - 4 Drawer			\$1,000
	(2) 2 Drawer Metal File Cabinet w/lock - Legal Size			\$400
	(2) 4 Drawer Metal File Cabinet - Letter Size			\$250
	(1) Wood Laminate Credenza			\$430
	(1) Large Cork Bulletin Board			\$60
	(1) Paper Shredder	ATIVA		\$70
	(1) Deskjet 6940 Color Printer	HP		\$100
	(1) 17" Monitor	Dell		\$300
	(1) Mouse	Dell		\$20
	(1) Keyboard	Dell		\$40
	(1) Radio Charger	Motorola		\$30
	(1) Computer	HP	2UA4031M9J	\$409
Patrol Room				
	(1) Deskjet 3052A	HP	MYOC718046	\$85
	(1) Optiplex 360 Computer	Dell	0144-553-760-368	\$160
	(1) Optiplex 320 Computer	Dell	80045-532-517-431	\$160

	(2) Flat Screen 17" Monitors	Dell		\$600
	(2) Keyboards	Dell		\$80
	(2) Mouse	Dell		\$40
	(1) Digital Camera, Model #MVC-FD83/FD88	Sony	360394	\$100
	(2) Mavica Digital Cameras	Sony	360392 360394	\$200
	(2) Desk/Hutch Combination			\$1,000
	(3) Office Style Chairs			\$450
	(2) Regular Chairs			\$80
	(12) Drug ID Kits			\$174
	(3) Cork Bulletin Boards			\$150
	(1) Clock	Seth Thomas		\$50
	(2) JBL Speakers			\$200
	(1) 6 Shelf Book Case			\$200
	(1) Four Position Hand Gun Locker			\$400
	(1) Digital Scale Model # LB3000	American Weigh		\$30
Jail/Booking				
	(1) EG/IR - Model #5000	Intoximeter	ALCUSA027082-DT-E	\$300
	(2) Boxes of Mouth Pieces for Breathalyzer			\$172
	(1) Portable Breathalyzer Tester -Sensor III	Alco	1058542	\$200
	Misc. Finger/Palm Printing Equipment			\$50
	(7) Video Cameras - Model #YVBL200	Panasonic		\$7,000
	(1) Desk			\$150
	(2) Filing Cabinets (2) Cafeteria Style Chairs			\$466
	(1) Desk Chair			\$40
	(1) Model #TP~3800XCH-ED Identi Touch Print 3000	Live Scan	1006-00380	\$39,067
	(1) Phone	Nortel		\$50
	(1) Wood Desk			\$200
Locker Rooms				
	(20) Lockers			\$3,800
	(1) 4 Drawer Fire Proof Cabinet			\$325
	(2) Dummies for Training			\$600
	(1) 2 Door Storage Cabinet			\$280
	(8) Green Safety Cones			\$160
Electrical Room				
	(1) Cabinet with Electronics	Motorola		\$3,000
	(1) Owan Transfer Switch			\$800
Miscellaneous Equipment in PD				
	(1) Vacuum	Dyson		\$400
	(1) 5 Gallon Shop Vac	Master Mechanic		\$100
	(1) Industrial Floor Cleaner/Scrubber Malchine			\$500
	(1) Video Camera Enclosures - Model #EH4500	Pelco		\$220
	(1) Aluminum Steel Ladder	Werner		\$85
	(1) 2 Wheel Dolly			\$100
	(5) Rechargeable Flashlights with AC & DC	Stinger	502039 502019 502002 502006 501993	\$500
	(5) Orange Safety Wands	Stinger		\$30
	(1) Flashlight Charger	Streamlight	1X001283	\$20
	(1) Phone	Meridian		\$35
	(1) Printer Model # T640	Lexmark		\$80
	(1) 5 Tier Free Standing Shelving Unit			\$80
	(1) Mater Mechanic Tool Box	True Value		\$40
	(1) 5 Shelf Bathroom Storage Cabinet			\$100
Records				
	(2) 4'X 6" Grease Board			\$340
	(2) Cork Bulletin Boards			\$120
	(1) 3500 Digital Time Clock	Pyramid		\$210
	(1) Audio Monitor, Model #EQA-1	Louroe Electronics	66500	\$300
	(3) Caller ID Box	Radioshack		\$57
	(1) Federal Signal Tornado Siren, Model #SS2000			\$250
	(9) Metal 4 Drawer Letter Size File Cabinets			\$1,800
	(8) Card Files			\$160
	(1) Clerical Desk			\$300
	(1) Desk Chairs			\$150
	(1) 4 drawer cabinet with desk top			\$250
	(1) Computer Table (Storage)			\$250
	(1) Shredder - Model #Powershred 320-2	Fellowes		\$200

	(2) UPS 1000VA- USB XL 120V (Battery Back-Up for Dispatch & Servers)	APC Smart		\$600
	(1) Netgear 24 Port Switch (Used for High Speed Internet Connection) Model #JFS524			\$215
	(1) Firebox X-15 - (Used for High Speed Internet Connection) Model #FRBXX15W	Watchguard		\$500
	(1) Server - Poweredge T320	Dell		\$440
	(1) Blue Hard Drive (Western Digital) - Model #WD1600JBRTL	WD Caviar	WCAS28128926	\$100
	(1) Copier/Scanner- Model #MP4000SP	RICOH		\$2,000
	(1) Fire Extinguisher	Sentry		\$85
	(1) Wood Bond Box			\$50
	(1) Lloyd's Clock Radio			\$30
	(1) Computer	Lenovo		\$640
	(1) 56K Modem	US Robotics		\$80
	(1) Flat Screen Monitors	Dell		\$150
	Camera Equipment			\$100
	(1) Phone	Meridian		\$35
	(1) Speaker System	Norcon		\$250
	(1) Paper Cutter	Premier		\$130
	(1) Radio Scanner Devices	Astron		\$150
	(1) 2 Door Legal Size File Cabinet			\$200
Records Storage Room				
	(1) DVR161 18 Channel Digital Video Recorder with Built-in C	Clinton		\$5,900
	(1) M810-120 One Channel Digital Video Recorder with 120C	Sanyo		\$725
	(2) 160GB HDD Extra Storage for DVR 161 For A Total of 48	Clinton		\$35
	(1) LTR-52327SX Stand Alone CD-CDRW Drive	Liteon		\$65
	(8) Metal 4 Drawer Letter Size File Cabinets			\$1,600
	(2) Metal 4 drawer File Cabinets			\$800
	(1) 5 Drawer Letter Size File Cabinet			\$270
	(1) Storage Desk			\$400
	(1) 13" Color Television Monitor			\$100
	(1) ASK-101 Audio Surveillance System	Louroe		\$275
	(1) Meridian Phone			\$35
	(1) CK-101 Control Keyboard (For Pan/Tilt/Zoom Camera Co	Clinton		\$180
	(2) CC627 Pan/Tilt/Zoom Weather Proof Dome Cameras With Color/Day/Night 25 x Cameras	Clinton		\$400
	(3) VFCD 954 Color Ceiling Mount Dome Cameras	Clinton		\$300
	(1) CD731 Color Ceiling Mount Dome Camera	Clinton		\$100
	(3) GE; CM1500-2.5-S Color Corner Mount Vandal Proof Car			\$1,227
	(1) 12DC-9 Camera Power Supply	Clinton/MC		\$10
	(1) 24AC/4 Camera Power Supply	Clinton/MC		\$10
	(1) Radio	Philips		\$25
	(1) DVD/Video Player	JVC		\$85
Radio Equipment				
	(5) Portable Radios Model #MT500	Motorola	23AGQ2518 23AGQ2519 23AGQ2520 23AGQ2521 23AGQ2522	\$4,500
	(1) Battery Charger	Motorola		\$50
	(1) Portable Radio w/Charger, Model #GP30	Motorola	174FTU5140	\$200
	(16) Portable Radios - Model #HT750	Motorola		\$14,400
	(1) VHF Radio Single Frequency (City Frequency), Model #M	Motorola	475FLY1460	\$200
	(10) Portable Radios Model # 729 P25			\$7,000
Kitchen				
	(1) Microwave - White	Magic Chef		\$230
	(1) Gallery Refrigerator/Freezer	Frigidaire		\$700
	(1) Water Dispenser			\$90
	(1) 2 Burner Coffee Pot	Bunn		\$300
	(1) Toaster Oven	Hamilton Beach		\$40
	(1) 4 Slice Toaster	Sunbeam		\$25
	(1) Pizza Oven	Pizzazz		\$35
	(1) George Foreman Grill	George Foreman		\$20
	(1) Television	Panasonic		\$50
	(1) Tables			\$150
	(4) Chairs			\$100
	(1) Cofee Maker	Keurig		\$70
Hallway				
	(2) Cork Board			\$400
	(1) Dry Erase Board with Shelf			\$50

	(1) Desk with 20 Mailboxes and 3 Shelves			\$300
	(2) Fire Extinguishers	Sentry		\$170
	(1) AED	Zoll		\$1,599
Lobby				
	(1) Drug Collection Unity	Med Return II		\$695
Vehicle Equipment				
	(5) Tactical First Aid Kits			\$595
	(4) Trunk Organizers	Pro-Guard	D3805	\$800
	(10) Snowbrooms	Hopkins	2610 XM	\$95

\$300,975

**CITY OF MARENGO
2017-2018 WATER & SEWER DEPARTMENT EQUIPMENT SCHEDULE**

Item Number	Year	Item	Make	Serial #	Value	Value Type
		Wastewater Generator	Katolight			
		(1) 855 Lawn Tractor	John Deere		\$17,500	
		(1) 5Hp Snow Blower	Craftsman		\$650	
		(1) Weed Eater	Stihl FS250		\$640	
		(1) Lawn Edger	Snapper ET300c		\$300	
		(1) 22" Electric Headger	Black & Decker		\$95	
		(1) Speedy Green Hand Spreader	Scoot's		\$25	
		(3) Hand Pump Sprayers	3gal		\$35	
		(1) 30" Bow Saw			\$28	
		(1) Lopping Shears			\$40	
		(1) Tree Trimming Extension Saw			\$65	
		(10) Square Point Shovels			\$100	
		(10) Round Point Shovels			\$100	
		(3) Snow Shovels			\$33	
		(1) Pick Axe			\$72	
		(1) Long Handle			\$25	
		(2) Garden Claw Short Handles			\$15	
		(2) Hand Prunners			\$35	
		(2) Lawn Rakes			\$28	
		(1) 32' Extension Ladder			\$1,375	
		(1) 20' Extension Ladder			\$950	
		(1) 8' Step Ladder			\$325	
		(1) 6' Step Ladder			\$260	
		(1) Step Stool			\$80	
		(1) 10 Gallon Portable Air Tank			\$45	
		(1) 26 Gallon Dayton Air Compressor			\$775	
		(3) Two Wheel Hand Cart			\$180	
		(1) Circular Power Saw	Makita		\$135	
		(1) 1/2" - 18V Cordless Drill	Makita		\$230	
		(1) Electric Drill	DeWalt		\$235	
		(1) Electric Grinder	DeWalt		\$120	
		(1) Porter/Cable Tiger Saw			\$385	
		(1) Sawzall	DeWalt		\$220	
		(1) 2 Ton Floor Jack			\$300	
		(1) 6 Ton Bottle Jack			\$50	
		(1) 167 Piece Mechanics Tool Set			\$165	
		(1) 122 Piece Mechanics Tool Set			\$150	
		(1) 5 Piece Standard Box Wrenches			\$50	
		(1) 5 Piece Metric Box Wrenches			\$50	
		(1) 6 Piece Standard Off-Set Wrenches			\$60	
		(1) Hand Held Jig Saw	Ryobi		\$150	
		(1) Drill Hole Saw Set			\$150	
		(1) Screw Extraction Set			\$70	
		(1) 36" Aluminium Pipe Wrench			\$212	
		(1) 24" Steel Pipe Wrench			\$83	
		(3) 18" Steel Pipe Wrench			\$83	
		(2) 14" Steel Pipe Wrench			\$37	
		(3) 8" Steel Pipe Wrench			\$24	
		(1) 48" Bolt Cutter			\$290	
		(1) Electrical Tool Box - (Voltage Tester, Amp Meter, Misc. Tools)			\$800	
		(2) Shop Vacs			\$200	
		North State Lift Station Generator	Generator			
		(2) Wagon Carts			\$500	
		(1) Pro 5000 Portable Generator	Onan		\$900	
		(1) Hack Saw			\$35	
		(1) File Set			\$150	
		(1) Claw Hammer			\$55	
		(1) Ball Peen Hammer			\$35	
		(1) 3Lb. Hammer			\$50	
		(1) 10Lb. Hammer			\$78	
		(1) Dremmel Kit			\$175	
		(1) Rethread Kit	Craftsman		\$650	
		(1) 3.5Hp 3" Diaphragm Pump (Old)			\$2,200	
		(1) 3.5Hp 3" Diaphragm Pump (New))			\$2,200	
		(1) Snap Ring Pliers Set			\$350	
		(1) Gear / Bearing Puller			\$275	
		(1) 30 Piece Tap And Die Set			\$150	
		(1) 3Ft. Level			\$30	
		(1) 1/4" To 1 1/8" Assorted Box Wrenches			\$180	
		(1) Standard Allen Wrench Set			\$24	
		(1) Metric Allen Wrench Set			\$22	

	(1) Tin Snips			\$35
	(1) Bry Bar			\$36
	(5) Adjustable Crescent Wrenches (Various Sizes)			\$280
	(1) Cold Chisel Set			\$83
	(1) Wood Chisel Set			\$55
	(1) Bench Grinder			\$275
	(1) Bench Vise			\$285
	(1) 13 Piece 1/2" Drive Socket Set			\$120
	(1) 21 Piece 3/4" Drive Socket Set			\$330
	(1) Stanley Screw Driver Set			\$45
	(2) Standard Pliers			\$25
	(2) Channel Lock Pliers			\$25
	(1) Come-A-Long			\$500
	(2) Hand Saws			\$35
	(2) Vise Grips			\$15
	(2) Utility Knives			\$10
	(2) Drill Indexes			\$150
	(1) Flood Work Light W/Stand			\$75
	(1) Confine Space Entry Tripod			\$850
	(1) Electric Air Blower			\$150
	(3) Self Containing Breathing Apparatus			\$3,500
	(1) Tool Box			\$1,200
	(1) Assorted Metric Box Wrenches			\$250
	(1) Assorted Standard Box Wrenches			\$250
	(2) Vise Grips			\$15
	(1) Channel Locks			\$30
	(1) Putty Knife			\$7
	(2) Utility Knives			\$10
	(1) 5 Assorted Screw Drivers			\$80
	(1) Hammer			\$45
	(1) Tape Measure			\$20
	(2) Adjustable Wrenches			\$20
	(1) 8" Level			\$8
	(1) Tubing Cutter			\$60
	(1) Portable Electric Mixer			\$800
	(1) Electric Portable Hoist			\$10,000
	(1) Karcher Pressure Washer			\$6,000
	(3) 125Psi Air Compressor			\$5,000
	(1) Tool Box			\$1,000
	(3) Nose Ring Pliers			\$55
	(3) Nut Drivers			\$70
	(1) Vise Grips			\$15
	(9) Assorted Screw Drivers			\$90
	(1) Adjustable Wrench			\$20
	(1) Set Assorted Allen Wrenches			\$25
	(7) Assorted Allen Sockets			\$35
	(1) Set Metric Sockets			\$140
	(1) Set 9/16" To 1 1/4" Box Wrenches			\$250
	(1) 8" Pipe Wrench			\$25
	(7) Assorted Punches			\$100
	(3) Chisels			\$30
	(1) Wire Brush			\$7
	(8) L E D flashlights			\$560
	(1) Gear / Bearing Puller			\$480
	(1) Funnel			\$5
	(1) Balloon Light			\$2,000
	(1) Set Of Pump Packing Tools			\$150

\$71,815

PUBLIC OFFICIALS LIABILITY COVERAGE PART

Various provisions in this *Coverage Part* restrict coverage. Read the entire Coverage Part carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Part the words *you* and *your* refer to the *Public Entity* shown first as *Named Insured* in the *Declarations*. The words *we*, *us* and *our* refer to the company providing this insurance.

The word *insured* means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section VI).

SECTION I – COVERAGES

A. Insuring Agreement

We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as "damages" because of a "wrongful act" committed anywhere in the world to which this insurance applies. This insurance DOES NOT apply to any "claim" resulting from a "wrongful act" that commenced prior to the Retroactive Date shown in the declarations.

This insurance applies only to a "claim" for "damages" first made against any Insured during the policy period or any Extended Reporting Period we provide under SECTION V EXTENDED REPORTED PERIODS. A "claim" will be deemed to have been made when notice of such "claim" is received and recorded by you or your "designee" or by us, whichever comes first;

All "claims" arising out of the same "wrongful act" will be deemed to have been made at the time the first of those "claims" is made against any insured.

We will have the right and duty to defend the insured against any "suit" seeking "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" for a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any "wrongful act" and settle any "claim" or "suit" that may result. However:

- a. The amount we will pay for "damages" is limited as described in Section III Limits Of Insurance And Deductible; and
- b. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments (Section I. C.).

B. Exclusions

This insurance does not apply to:

1. Any "claim", or any portion of any "claim", alleging "bodily injury", "property damage", "personal injury", "advertising injury" or "employee benefits injury".
2. Any "claim" arising out of:
 - a. The issuance of bonds; or
 - b. Tax assessment or valuation of real, business or personal property; and/or
 - c. Tax collection.
3. Any "claim" arising out of:

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- a. a breach of contract; or
 - b. construction, architectural or engineering contracts, faulty preparation of bid specifications or any other procurement contract; or
 - c. liability which the Insured has assumed in a contract or agreement, except mutual aid agreements between political subdivisions. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.
4. Any "claim" made by, on behalf of, or for the benefit of the named insured against an "employee" or official of the named insured.
5. Any "claim" flowing from or originating out of:
- a. a dishonest, malicious, fraudulent or criminal act, error or omission by any person, or
 - b. a knowing violation of any law, statute or governmental regulation.
- This exclusion applies only to the insured(s) who committed or had knowledge of the fraudulent, criminal or dishonest act, error, omission or violation of law. However if it is later established by a judgment or other final adjudication that the allegation was not proven, we will reimburse the insured for the reasonable costs of defense
6. Any "claim" arising out of any failure or omission to purchase or to maintain insurance coverage or any self-insurance fund.
7. Any "claim", or any portion of any "claim", seeking "damages" for emotional distress or mental anguish.
8. Any "claim" arising out of employment or application for employment with any insured, or any other employment related policies or practices.
9. Any civil or criminal fines or penalties levied by any federal, state or local governmental regulatory agency or court.
10. Any "claim" arising out of:
- a. Any collective bargaining agreements; or
 - b. Any lockout, strike, picket line, replacement of workers or other labor disputes or labor negotiations, union grievances or any "claim" filed by or on behalf of a union.
11. Any "claim" based upon or attributable to an insured gaining any profit, advantage, or remuneration to which that insured is not legally entitled.
12. Any claim arising out of:
- a. Any prior and/or pending litigation as of the effective date of this Coverage Part set forth in the Declarations, or
 - b. Any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, regardless of the legal theory upon which such claim is predicated.
13. Any "claim" arising out of the:
- a. Actual or threatened sexual abuse or molestation or any other types of improper sexual acts or
 - b. The negligent:
 - i. Employment; or
 - ii. Investigation; or
 - iii. Supervision; or
 - iv. Reporting to the proper authorities or failure to so report; or
 - v. Retention;

Of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by paragraph a. above;

- c. Failure to protect any person from any acts or conduct described in a. above.
14. Any "claim" for relief that is equitable in nature and is not payable in money, or any request for equitable or injunctive relief, or the insured's cost to comply with any such non-monetary relief.

If a "suit" seeks both monetary "damages" and non-monetary relief, we will defend the "suit".

C. Supplementary Payments

1. We will pay, with respect to any "claim" we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$300 a day because of time off from work.
 - d. All costs taxed against the insured in the "suit" that resulted from a verdict covered by this policy.
 - e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the Limits of Insurance.

Our obligation to defend an insured and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

SECTION II - WHO IS AN INSURED

You are an insured, and

Each of the following is an insured but only for acts that are both within the scope of his or her duties for you, and motivated, at least in part, by a purpose to serve you:

1. Any member of the governing body of the named insured.
2. Any board, commission, agency, authority, administrative department, or other similar unit operated by you and under your jurisdiction and within your budget.
3. All your past, present, and future elected, appointed, or employed officials.
4. Any "employee" or authorized "volunteer" of the named insured.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a named insured in the Declarations.

SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds; or
 - b. "Claims" made or "suits" brought; or
 - c. Persons or organizations making "claims" or bringing "suits".
2. The most we will pay for all "claims", "suits" or actions covered by this Coverage Part is the ANNUAL AGGREGATE shown in the Declarations.
3. Subject to 2. above, the Each Wrongful Act Limit is the most we will pay for the sum of all "damages" arising out of any one "wrongful act".
4. Deductible
 - a. Our obligation to pay "damages" on your behalf and to pay "loss adjustment expense" applies only to the amount of "damages" and "loss adjustment expense" in excess of the Deductible shown in the Declarations. The Deductible shown in the Declarations applies to the total amount of all "damages" and related "loss adjustment expense" because of all "claims" resulting from any one "wrongful act".
 - b. The terms of this insurance, including those with respect to:
 - i. Our right and duty to defend any "suits" seeking those "damages"; and
 - ii. Your duties in the event of a "wrongful act", "claim", or "suit"Apply irrespective of the application of the Deductible amount.
 - c. We may pay any part, or all, of the Deductible amount applicable to "damages" and "loss adjustment expense" to effect settlement of any "claim" or "suit", and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.

If we file suit seeking recovery for amounts paid by us as a deductible which is to be reimbursed by you, then you are responsible for all costs of collection, including reasonable attorney's fees and interest on the amount in question in the full amount allowed by law.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - CONDITIONS

A. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

B. Duties of the Named Insured

1. The Named Insured in the Declarations, or if multiple entities are named, the first of such entities, shall be the sole agent, and shall act on behalf, of each insured with respect to all matters under this Coverage Part, including but not limited to:
 - a. Giving notice of any "claim";
 - b. Giving or receiving notice of cancellation;
 - c. Receiving any other written notice or correspondence from us;

- d. Consenting to the settlement of any "suit";
 - e. The receipt and acceptance of this Coverage Part and any endorsements to this Coverage Part;
 - f. The payment of any premium due under this Coverage Part;
 - g. The receipt of any return premiums that may become due under this Coverage Part; and
 - h. The exercise of any rights under Section V Extended Reporting Periods; and
2. Each insured agrees that the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, shall act on their behalf.

C. Duties In The Event Of A "Claim", "Suit" or "Wrongful Act"

1. You must see to it that we are notified of a "wrongful act" which may result in a "claim" covered by this Coverage Part as soon as practicable *after* the "wrongful act" is known by you, or your "designee".

To the extent possible, notice should include:

- a. How, when and where the "wrongful act" took place;
- b. The names and addresses of any injured persons or witnesses; and
- c. The nature and location of any injury or damage arising out of the "wrongful act".

Notice of a "wrongful act" is not notice of a "claim".

2. If a "claim" is made or "suit" is brought against any insured, you must:
- a. Record the specifics of the "claim" or "suit" and the date received as soon as you, or your "designee" is notified of it;
 - b. Notify us as soon as practicable after you or your "designee" learns of the "claim" or "suit".

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

3. You and any other involved insured must:
- a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
 - b. Authorize us to obtain records and other information;
 - c. Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

4. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent

5. Notice given by or on behalf of:

- a. The insured;
- b. The injured person;
- c. Any other claimant;

to a licensed agent of ours with particulars sufficient to identify the insured shall be deemed notice to us.

D. Assignment

Assignment of interest under this Coverage Part shall not bind us until our consent is endorsed hereon; however, subject otherwise to the terms hereof, this Coverage Part shall cover the estate, heirs, legal representative or assigns of the insured in the event of the insured's death, bankruptcy, insolvency or being adjudged incompetent.

E. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

1. To join us as a party or otherwise bring us into a "suit" asking for "damages" from an insured; or
2. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for "damages" that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

F. Other Insurance

The insurance provided by this Coverage Part is excess over any other collectible insurance. We will have no duty to defend the insured against any "suit" or "claim" for "damages" if any other insurer has a duty to defend the insured against that "suit".

When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of:

1. The total amount that all other insurance would pay in the absence of this insurance; and
2. The total of all deductible and self-insured amounts under the other insurance.

If we share the loss, we will do so by equal share contribution if allowed by the other insurance. If equal share contribution is not permitted, we will contribute by the ratio our limit bears to the total applicable limits of all insurance.

G. Conformity to Statute

This Coverage Part is intended to be in full conformity with the laws of the state in which it is issued. If any provision of this Coverage Part (including endorsements which modify the Coverage Part) conflicts with any law, it is changed to comply with that law.

H. Premium Audit

Unless required by law, premiums for this Coverage Part shall not be subject to audit.

I. Consent To Settle

We will not settle any "suit" without your consent. If, however, you refuse to consent to any settlement recommended by us and elect to contest the "claim" or to continue any legal proceedings in connection with such "claim," then:

1. We will not be obligated to pay defense costs incurred by you subsequent to such refusal and
2. If a settlement or adverse judgment occurs subsequent to such refusal, we will not be obligated to pay any amount in excess of the amount for which the "claim" could have been settled prior to such refusal.

Such amounts are subject to the provisions of Section III Limits of Insurance and Deductible of this Coverage Part.

J. Representations

By accepting this Coverage Part, you agree:

1. The application and the declarations are the basis of this Coverage Part and are to be considered as incorporated in and constituting part of this Coverage Part.

2. The statements in your application are accurate and complete;
3. Those statements are representations you made to us; and
4. We have issued this Coverage Part in reliance upon your representations.

K. Transfer Of Rights Of Recovery Against Others To Us

If an insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. No insured should do anything after a "wrongful act" to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

L. When We Do Not Renew

If we decide not to renew this Coverage Part we will mail or deliver to the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, written notice of the non-renewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing as required by state law will be sufficient proof of notice. Proof of mailing requirements may vary by state.

M. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom "claim" is made or "suit" is brought.

N. Title of Paragraphs

The titles of the various paragraphs of this Coverage Part and endorsements, if any, attached to this Coverage Part, are inserted solely for convenience or reference and are not deemed in any way to affect the provisions to which they relate.

SECTION V - EXTENDED REPORTING PERIODS

A. We will provide one or more Extended Reporting Periods, as described below, if:

1. This Coverage Part is cancelled or not renewed; or
2. We renew or replace this Coverage Part with insurance that:
 - a. Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
 - b. Does not apply to "wrongful acts" on a claims-made basis.

B. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" for:

1. "Wrongful Acts" that first occur before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect Extended Reporting Periods may not be cancelled.

C. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 90 days. Please refer to Section IV - Conditions, C. Duties in the Event of a "Claim", "Suit" or "Wrongful Act", for your responsibilities when reporting an incident to us. The Basic Extended Reporting Pe-

riod does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

- D. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
- E. A Supplemental Extended Reporting Period of 12, 24 or 36 months is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in paragraphs C. and D. above, ends.
1. You must give us a written request for the endorsement within 90 days after the end of the policy period. If you have chosen to purchase a Supplemental Extended Reporting Period for a period of less than 36 months, you may extend the period for up to a combined total of 36 months if you request the extension in writing no later than 60 days before the expiration of the Supplemental Extended Reporting Period originally elected.
 2. The Supplemental Extended Reporting Period(s) will not go into effect unless you pay the additional premium, determined in accordance with our rates, promptly when due. The additional premium for each 12-month Supplemental Extended Reporting Period will be equal to 50% of the annual premium for this Coverage Part.
 3. The insurance afforded for "claims" first made during the Supplemental Extended Reporting period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period(s) starts.
- F. The Limit of Liability that applies to the Supplemental Extended Reporting period is equal to the limit entered on the declarations in effect at the end of the policy period.

SECTION VI - DEFINITIONS

- A. "Advertising Injury" means
1. The use of another's advertising idea in your advertisement; or
 2. Infringement of copyright, patent, slogan, trademark, trade secret, trade dress, or other intellectual property rights.
- B. "Bodily Injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time.
- C. "Claim" means written or oral demand, including a "suit", to hold the insured responsible for an alleged or actual wrongful act where payment of "damages" is sought.
- D. "Damages" means money "damages". "Damages" does not include any amount awarded as liquidated "damages" pursuant to any federal or state statute. "Damages" does not include punitive "damages", unless required by state law.
- E. "Designee" means one of your officers, your legal department or an employee you designate to give notice to us.
- F. "Employee(s)" includes a "leased worker".
- G. "Employee Benefits Injury" means injury that arises out of any act, error or omission in the administration of your "Employee Benefit Programs" or alleged violation of any employment related state or federal code, regulation or statute.
- H. "Employee Benefits Programs" means a program or programs of employee benefits maintained in connection with your business or operations, such as but not limited to, Group Life Insurance, Group Accident or Health Insurance, Pension Plans, Employee Stock Subscription Plans, Workers Compensation, Unemployment Insurance, Social Security and Disability Benefits.
- I. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business.
- J. "Loss adjustment expense" means expenses allocated to a specific loss, "claim" or "suit" we incur or the insured incurs with our consent for the investigation, negotiation, arbitration, adjustment, settlement or defense of any "claim" or

suit, whether paid by us or by the insured with our consent. "Loss adjustment expense" does not include salaries and expenses of our employees.

K. "Personal Injury" means:

1. False arrest, detention, imprisonment, abuse of process or malicious prosecution.
2. Wrongful entry or eviction, or other invasion of the right of private occupancy.
3. Defamation in any form or oral or written publication, in any manner, of material that violates a person's right of privacy;

L. "Property Damage" means:

1. Physical injury to tangible property including all resulting loss of use of that property; or
2. Loss of use of personal property that is not physically injured; or
3. Disappearance of tangible property (including money).
4. Impairment, deprivation or destruction of property, including loss of use thereof, resulting from proceedings in eminent domain, adverse possession, unlawful or unconstitutional taking of property or inverse condemnation, by whatever name called.

M. "Suit(s)" means a civil proceeding in which "damages" to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which "damages" are claimed and to which the insured must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which "damages" are claimed and to which the insured submits with our consent.

N. "Volunteer" means a person who:

1. Is not an "employee" of any insured; and
2. Donates his or her work; and
3. Acts at the direction of, and within the scope of duties determined by, an insured; and
4. Is not paid a fee, salary or other compensation by any insured or anyone else for their work performed for the insured.

O. "Wrongful Act" means any actual or alleged error, omission or breach of duty committed by any insured. All acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related -- either logically, causally or temporally -- shall be deemed to constitute one wrongful act, regardless of the number of "claims" or claimants.

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART – PUBLIC ENTITY EMPLOYEES

In return for the payment of premium and subject to the terms and conditions of this policy, we agree with you as follows:

INTRODUCTION

Various provisions in this Coverage Part restrict coverage. Read the entire Coverage Part carefully to determine rights, duties and what is and is not covered.

Throughout this coverage part the words *you* and *your* refer to the *Public Entity shown first as Named Insured in the Declarations*. The words *we*, *us* and *our* refer to the company providing this insurance.

The word *insured* means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section VI).

SECTION I – COVERAGES

A. Insuring Agreement

We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as damages because of a "wrongful employment act" committed anywhere in the world to which this insurance applies. This insurance DOES NOT apply to any "claim" resulting from a "wrongful employment act" that commenced prior to the Retroactive Date shown in the declarations.

This insurance applies only to a "claim" for "damages" first made against any insured during the policy period or any Extended Reporting Period we provide under SECTION V EXTENDED REPORTED PERIODS. A "claim" will be deemed to have been made when notice of such "claim" is received and recorded by you or your "designee" or by us, whichever comes first;

All "claims" arising out of the same "wrongful employment act" will be deemed to have been made at the time the first of those "claims" is made against any insured.

We will have the right and duty to defend the insured against any "suit" seeking "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" for a "wrongful employment act" to which this insurance does not apply. We may, at our discretion, investigate any "wrongful employment act" and settle any "claim" or "suit" that may result. However:

- a. The amount we will pay for "damages" is limited as described in Section III Limits Of Insurance And Deductible; and
- b. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments (Section I. C.).

B. Exclusions

This insurance does not apply to:

1. Any "claim", or any portion of any "claim", alleging "bodily injury", "property damage", "personal injury", "advertising injury" or "employee benefits injury".

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Argo Group US

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2. Any "claim" arising out of a breach of contract, including but not limited to amounts owed under any written employment-related contract or agreement or liability assumed under any contract or agreement.
3. Any "claim" arising out of:
 - a. a dishonest, malicious, fraudulent or criminal act, error or omission by any person, or
 - b. a knowing violation of any law, statute or governmental regulation.

This exclusion applies only to the insured(s) who committed or had knowledge of the fraudulent, criminal or dishonest act, error, omission or violation of law. However if it is later established by a judgment or other final adjudication that the was not proven, we will reimburse the Insured for the reasonable costs of defense

4. Any civil or criminal fines or penalties levied by any federal, state or local governmental regulatory agency or court.
5. Any "claim" arising out of:
 - a. Any collective bargaining agreements; or
 - b. Any lockout, strike, picket line, replacement of workers or other labor disputes or labor negotiations, union grievances or any "claim" filed by or on behalf of a union.
6. Any "claim" arising out of any liability based upon or attributable to any insured gaining profit, advantage, or remuneration to which that insured is not legally entitled.
7. Any "claim" arising out of any obligation of the Insured under the following laws and any subsequent amendments thereto, or any similar laws, rules or regulations:
 - a. Fair Labor Standards Act.
 - b. National Labor Relations Act.
 - c. Worker Adjustment and Retraining Notification Act.
 - d. Consolidated Omnibus Budget Reconciliation Act of 1985.
 - e. Employee Retirement Income Security Act of 1974.
 - f. The Pension Benefit Act,
 - g. The Occupational Safety and Health Act
 - h. Section 89 of the Internal Revenue Code

8. Any "claim" arising out of disputes over benefits made by anyone including any beneficiary, related to their employment or application for employment by you. This includes, but is not limited to, an employee benefit plan, welfare plan, retirement plan, self insurance fund, or any obligation under the Employee Retirement Income Security Act, or COBRA, and any subsequent amendments thereto or any similar local, state or federal law or regulation.
9. Any "claim" arising out of the cost of employment reinstatement, continued employment or complying with any order for, grant of, or agreement to provide injunctive or other non-monetary relief.
10. Any "claim" for relief that is equitable in nature and is not payable in money, or any request for equitable or injunctive relief, or the insured's cost to comply with any such non-monetary relief.

The most we will pay to defend any "suit" that is solely seeking non-monetary or equitable or injunctive relief is limited under Supplementary Payments (Section I.C.).

If a "suit" seeks both monetary damages and non-monetary relief, we will defend the "suit".

11. Any "claim" arising out of:
 - a. Any prior and/or pending litigation as of the effective date of this Coverage Part set forth in the Declarations, or

- b. Any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, regardless of the legal theory upon which such "claim" is predicated.

12. Any "claim" arising out of:

- a. The activities or operations of any school, school board, school district, or other similar educational unit, entity or institutions;
- b. The activities or operations of any boards, commissions, agencies, authorities, administrative departments or other similar units operated by, under the jurisdiction, and within the budget of an entity described in 1 above;
- c. The liability of any insured for their administration, supervision or oversight of any person, entity, department, agency, or institution described in 1 or 2 above.

C. Supplementary Payments

1. We will pay, with respect to any "claim" we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$300 a day because of time off from work.
 - d. All costs taxed against the insured in the "suit" that result from a verdict covered by this policy.
 - e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Our obligation to defend an insured and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

2. Non-Monetary Defense Limit

- a. The most we will pay for defense costs, to defend any and all "suits" brought that are solely seeking non-monetary or equitable or injunctive relief and/or for legal fees awarded to the plaintiff in such "suits" is \$50,000 per "suit". The most we will pay is \$50,000 in the aggregate for the policy period.
- b. We will not pay to defend any "suits" initiated by a governmental entity that are solely seeking non-monetary or equitable or injunctive relief.

This limit only applies when the "suit" would otherwise be covered by this Coverage Part, but for the fact it solely seeks non-monetary damages.

3. Equal Employment Opportunity Commission (EEOC) Defense Limit

While not a "claim" for "damages" otherwise covered by this Coverage Part, if we receive notification from you that an EEOC complaint has been filed against you during the policy period:

The most we will pay for defense costs to respond to an EEOC complaint or to attend related hearings and/or for legal fees that are awarded to a complainant is \$10,000 in excess of \$2,500 for each EEOC complaint that is filed against you. The most we will pay to defend any and all EEOC complaints filed against you during the policy period is \$50,000 in the aggregate.

These payments will not reduce the Limits of Insurance.

SECTION II -- WHO IS AN INSURED

You are an insured and.

Each of the following is an insured but only for acts that are both within the scope of his or her duties for you, and motivated, at least in part, by a purpose to serve you:

1. Any member of the governing body of the named insured.
2. Any board, commission, agency, authority, administrative department, or other similar unit operated by you and under your jurisdiction and within your budget.
3. All your past, present, and future elected, appointed, or employed officials..
4. Any employee or authorized volunteer of the named insured.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture, or any other entity, that is not shown as a named insured in the Declarations.

SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds; or
 - b. "Claims" made or "suits" brought; or
 - c. Persons or organizations making "claims" or bringing "suits".
2. The most we will pay for all "claims", "suits" or actions covered by this Coverage Part is the ANNUAL AGGREGATE shown in the Declarations.
3. Subject to 2. above, the Each "Wrongful Employment Act" Limit is the most we will pay for the sum of all "damages" arising out of any one "'wrongful employment act'".
4. Deductible
 - a. Our obligation to pay "damages" on your behalf and to pay "loss adjustment expense" applies only to the amount of "damages" and "loss adjustment expense" in excess of the Deductible shown in the Declarations. The Deductible shown in the Declarations applies to the total amount of all "damages" and related "loss adjustment expense" because of all "claims" resulting from any one "'wrongful employment act'".
 - b. The terms of this Insurance, including those with respect to:
 - i. Our right and duty to defend any "suits" seeking those "damages"; and
 - ii. Your duties in the event of a "'wrongful employment act'", "claim", or "suit"Apply irrespective of the application of the Deductible amount.
 - c. We may pay any part, or all, of the Deductible amount applicable to "damages" and "loss adjustment expense" to effect settlement of any "claim" or "suit", and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.

If we file suit seeking recovery for amounts paid by us as a deductible which is to be reimbursed by you, then you are responsible for all costs of collection, including reasonable attorney's fees and interest on the amount in question in the full amount allowed by law.

5. Back Wages Limit

Subject to the Aggregate Limit shown in the Declarations, the Back Wages Limit shown in the Declarations, after payment of the Back Wages Deductible shown in the Declarations, is the most we will pay under this Coverage Part for the sum of all "back wages" for any one "wrongful employment act", regardless of the number of:

- a. Insureds;
- b. "Claims" made or "suits" brought; or
- c. Persons or organizations making "claims" or bringing "suits".

This limit does not apply unless an amount is shown in the Declarations.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the Coverage Part period shown in the Declarations, unless the Coverage Part period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - CONDITIONS

A. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

B. Duties of the Named Insured

1. The Named Insured in the Declarations, or if multiple entities are named, the first of such entities, shall be the sole agent, and shall act on behalf, of each insured with respect to all matters under this Coverage Part, including but not limited to:
 - a. Giving notice of any "claim";
 - b. Giving or receiving notice of cancellation;
 - c. Receiving any other written notice or correspondence from us;
 - d. Consenting to the settlement of any "suit";
 - e. The receipt and acceptance of this Coverage Part and any endorsements to this Coverage Part;
 - f. The payment of any premium due under this Coverage Part;
 - g. The receipt of any return premiums that may become due under this Coverage Part; and
 - h. The exercise of any rights under Section V Extended Reporting Periods; and
2. Each insured agrees that the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, shall act on their behalf.

C. Duties in The Event Of A "Claim", "Suit" or "Wrongful Employment Act"

1. You must see to it that we are notified of a "wrongful employment act" which may result in a "claim" covered by this Coverage Part as soon as practicable after the "wrongful employment act" is known by you, or your "designee".

To the extent possible, notice should include:

- a. How, when and where the "wrongful employment act" took place;
- b. The names and addresses of any injured persons or witnesses; and

c. The nature and location of any injury or damage arising out of the "wrongful employment act".

Notice of a "wrongful employment act" is not notice of a "claim".

2. If a "claim" is made or "suit" is brought against any Insured, you must:

- a. Record the specifics of the "claim" or "suit" and the date received as soon as you, or your "designee" is notified of it;
- b. Notify us as soon as practicable after you or your "designee" learns of the "claim" or "suit".

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

3. You and any other involved Insured must:

- a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- b. Authorize us to obtain records and other information;
- c. Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.

4. No Insured will, except at that Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent

5. Notice given by or on behalf of:

- a. The Insured;
- b. The injured person;
- c. Any other claimant;

to a licensed agent of ours with particulars sufficient to identify the Insured shall be deemed notice to us.

D. Assignment

Assignment of interest under this Coverage Part shall not bind us until our consent is endorsed hereon; however, subject otherwise to the terms hereof, this Coverage Part shall cover the estate, heirs, legal representative or assigns of the Insured in the event of the Insured's death, bankruptcy, insolvency or being adjudged incompetent.

E. Legal Action Against Us

No person or organization has a right under this Coverage Part:

1. To join us as a party or otherwise bring us into a "suit" asking for damages from an Insured; or
2. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an Insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the Insured and the claimant or the claimant's legal representative.

F. Other Insurance

The insurance provided by this Coverage Part is excess over any other collectible insurance. We will have no duty to defend the Insured against any "suit" or "claim" for "damages" if any other insurer has a duty to defend the Insured against that "suit".

When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of:

1. The total amount that all other insurance would pay in the absence of this insurance; and
2. The total of all deductible and self-insured amounts under the other insurance.

If we share the loss, we will do so by equal share contribution if allowed by the other insurance. If equal share contribution is not permitted, we will contribute by the ratio our limit bears to the total applicable limits of all insurance.

G. Conformity to Statute

This Coverage Part is intended to be in full conformity with the laws of the state in which it is issued. If any provision of this Coverage Part (including endorsements which modify the Coverage Part) conflicts with any law, it is changed to comply with that law.

H. Premium Audit

Unless required by law, premiums for this Coverage Part shall not be subject to audit.

I. Consent To Settle

We will not settle any "suit" without your consent. If, however, you refuse to consent to any settlement recommended by us and elect to contest the "claim" or to continue any legal proceedings in connection with such "claim," then:

1. We will not be obligated to pay defense costs incurred by you subsequent to such refusal, and
2. If a settlement or adverse judgment occurs subsequent to such refusal, we will not be obligated to pay any amount in excess of the amount for which the "claim" could have been settled prior to such refusal.

Such amounts are subject to the provisions of Section III Limits of Insurance and Deductible of this Coverage Part.

J. Representations

By accepting this Coverage Part, you agree:

1. The application and the declarations are the basis of this Coverage Part and are to be considered as incorporated in and constituting part of this Coverage Part.
2. The statements in your application are accurate and complete;
3. Those statements are representations you made to us; and
4. We have issued this Coverage Part in reliance upon your representations.

K. Transfer Of Rights Of Recovery Against Others To Us

If an insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. No insured should do anything after a "wrongful employment act" to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

L. When We Do Not Renew

If we decide not to renew this Coverage Part we will mail or deliver to the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, notice of the non-renewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing as required by state law will be sufficient proof of notice. Proof of mailing requirements may vary by state.

M. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the Named Insured in the Declarations, or if multiple entities are named, the first of such entities, this Insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom "claim" is made or "suit" is brought.

N. Title of Paragraphs

The titles of the various paragraphs of this Coverage Part and endorsements, if any, attached to this Coverage Part, are inserted solely for convenience or reference and are not deemed in any way to affect the provisions to which they relate.

SECTION V - EXTENDED REPORTING PERIODS

- A. We will provide one or more Extended Reporting Periods, as described below, if:
1. This Coverage Part is cancelled or not renewed; or
 2. We renew or replace this Coverage Part with insurance that:
 - a. Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
 - b. Does not apply to "wrongful employment acts" on a claims-made basis.
- B. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" for:
1. "Wrongful Employment Acts" that first occur before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.
- Once In effect Extended Reporting Periods may not be cancelled.
- C. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 90 days. Please refer to Section IV - Conditions, C, Duties in the Event of a "Claim", "Suit" or "Wrongful Employment Act", for your responsibilities when reporting an incident to us. The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".
- D. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
- E. A Supplemental Extended Reporting Period of 12, 24 or 36 months is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in paragraphs C. and D. above, ends.
1. You must give us a written request for the endorsement within 90 days after the end of the policy period. If you have chosen to purchase a Supplemental Extended Reporting Period for a period of less than 36 months, you may extend the period for up to a combined total of 36 months if you request the extension in writing no later than 60 days before the expiration of the Supplemental Extended Reporting Period originally elected.
 2. The Supplemental Extended Reporting Period(s) will not go into effect unless you pay the additional premium, determined in accordance with our rates, promptly when due. The additional premium for each 12-month Supplemental Extended Reporting Period will be equal to 50% of the annual premium for this Coverage Part.
 3. The insurance afforded for "claims" first made during the Supplemental Extended Reporting period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period(s) starts.
- F. The Limit of Liability that applies to the Supplemental Extended Reporting period is equal to the limit entered on the declarations in effect at the end of the policy period.

SECTION VI - DEFINITIONS

1. "Advertising Injury" means
 - a. The use of another's advertising idea in your advertisement; or
 - b. Infringement of copyright, patent, slogan, trademark, trade secret, trade dress, or other intellectual property rights.
2. "Back wages" means wages that would have been earned in the past if a person had been employed or promoted or received a wage increase. "Back wages", as used in this Coverage Part, includes future wages and overtime, but "back wages" does not include:
 - a. Any wage loss resulting from any lockout, strike, picket line, replacement of workers or other similar actions in connection with labor disputes, labor negotiations, or collective bargaining agreements; or
 - b. Any future wages or other compensation paid to reinstated or rehired "employees" or claimants due and payable beyond the date of reinstatement or rehire.
3. "Bodily Injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time.
4. "Claim" means written or oral demand, including a "suit", to hold the insured responsible for an alleged or actual "wrongful employment act" where payment of "damages" is sought.
5. "Damages" means money damages including "back wages". "Damages" does not include any amount awarded as liquidated damages pursuant to any federal or state statute. "Damages" does not include punitive damages, unless required by state law.
6. "Designee" means one of your officers, your legal department or an employee you designate to give notice to us.
7. "Employee" includes a "leased worker".
8. "Employee Benefits Injury" means injury that arises out of any act, error or omission in the administration of your "Employee Benefit Programs" or alleged violation of any employment related state or federal code, regulation or statute.
9. "Employee Benefits Programs" means a program or programs of employee benefits maintained in connection with your business or operations, such as but not limited to, Group Life Insurance, Group Accident or Health Insurance, Pension Plans, Employee Stock Subscription Plans, Workers Compensation, Unemployment Insurance, Social Security and Disability Benefits.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business.
11. "Loss adjustment expense" means expenses allocated to a specific loss, "claim" or "suit" we incur or the insured incurs with our consent for the investigation, negotiation, arbitration, adjustment, settlement or defense of any "claim" or suit, whether paid by us or by the insured with our consent. "Loss adjustment expense" does not include salaries and expenses of our employees.
12. "Personal Injury" means:
 - a. False arrest, detention, imprisonment, abuse of process or malicious prosecution.
 - b. Wrongful entry or eviction, or other invasion of the right of private occupancy.
13. "Property Damage" means:
 - a. Physical injury to tangible property including all resulting loss of use of that property; or

- b. Loss of use of personal property that is not physically injured; or
 - c. Disappearance of tangible property (including money).
 - d. Impairment, deprivation or destruction of property, including loss of use thereof, resulting from proceedings in eminent domain, adverse possession, unlawful or unconstitutional taking of property or inverse condemnation, by whatever named called.
14. "Suit" means a civil proceeding in which "damages" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which "damages" may be awarded and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which "damages" may be awarded and to which the insured submits with our consent.
15. "Volunteer " means a person who:
- a. Is not an "employee" of any insured; or
 - b. Donates his or her work; or
 - c. Acts at the direction of, and within the scope of duties determined by, an insured; and
 - d. Is not paid a fee, salary or other compensation by any insured or anyone else for their work performed for the insured.
16. "Wrongful employment act" means any actual or alleged wrongful dismissal, discharge, termination of employment, wrongful failure or refusal to employ or to promote, or violation of employment discrimination or workplace harassment laws.

All such acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related – either logically, causally or temporally – shall be deemed to constitute one Wrongful Employment Act, regardless of the number of "claims" or claimants. The entire Wrongful Employment Act will be considered to have been committed on the date of the first act, error or omission.

#9c

AGENDA SUPPLEMENT

TO: Mayor and City Council

FROM: Joshua Blakemore, Assistant City Administrator

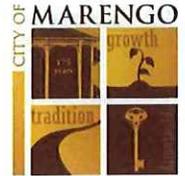
FOR: October 9, 2017 Regular City Council Meeting

RE: Update from Marengo Cemetery Board

In light of some of the comments and discussion from the last City Council meeting, the Marengo Cemetery Board requested to be placed on the October 9th City Council agenda. Brittany Richardson requested the matter be placed on the agenda so the Cemetery Board could respond to some of the questions and issues raised during the last City Council meeting. The Cemetery Board did not wish to provide any information for the Council packet but did say they would bring handouts for Monday's meeting. This matter is being placed on the agenda as an update from the Marengo Cemetery Board.



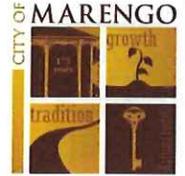
City of Marengo – Task Update Report



October 4, 2017		
Name of Project/ HR Green Project #	Tasks Accomplished	Tasks to be Completed
20009 Grant Highway/170570 ESCROW ACCOUNT Contract: \$3,820.50 Remaining: \$0	Traffic Impact Study Technical Memorandum completed on July 7, 2017.	Traffic Counts and TIS completed. Holding on submittal to IDOT for review until updated site plan is received from developer then set up meeting with IDOT to review concept plan and Route 20 improvements. Developer to submit site plan for review and submittal to IDOT.
General Consultations-Billable/170200	Gen Con 2017/18 Agreement submitted to Mayor and Staff for approval. <i>HR Green waiting signed document.</i>	T & M as requested. HR Green has contacted IDNR and is setting up potential meeting with City/HR Green and IDNR. HR Green met with City Staff on 09/27/17 to review ditch research to date. Meeting with EMA to be scheduled prior to meeting with IDNR.
Marengo Disposal Expansion/160249 ESCROW ACCOUNT Contract: \$12,092.00 Remaining: \$1,014.50	Fourth Review and Conditional Recommendation of Approval to City on 09/25/2017.	HR Green waiting updated OPC to set bond, easement docs and photometrics. City to review and approve electric plans, fence permit, Groundwater Protection permit and drain tile study waiver requests.
IL Rte. 23@Jane Adams Tollway – Interchange Phases 1 and II/ 88160345 Contract: \$2,657,409 Remaining: \$1,794,985	Work Performed September 2017 <ul style="list-style-type: none"> ▪ Continued the development of the proposed drainage plans. ▪ Continued to work on the Environmental tasks. ▪ Completed the Concept Report and 30% concept plans and submit to MCDOT, the Tollway, IDOT, and the City on September 21, 2017. 	October 2017 Tasks <ul style="list-style-type: none"> ▪ Continue the development of the cross sections. ▪ Continue to work on the proposed drainage plan and profiles. ▪ Initiate Location Drainage Study (LDS) ▪ Respond to all comments received from the Public Information Meeting. ▪ Anticipate Tollway comments related to Concept Report and 30% Plans – mid October 2017.



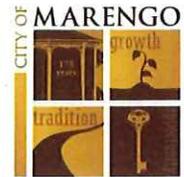
City of Marengo – Task Update Report



October 4, 2017		
Name of Project/ HR Green Project #	Tasks Accomplished	Tasks to be Completed
		<ul style="list-style-type: none"> ▪ Initiate the development of the removal plans. ▪ Initiate preparation of the Subsurface Exploration and Roadway Geotechnical Report.
Railroad St/Ritz Rd Water Main/ 86160244.01 ESCROW ACCOUNT Contract: \$47,000 Remaining: \$47,000	Full-Time Construction Observation Agreement to the City on 04/10/2017. Agreement approved by City on 04/20/17. IEPA, County, and City permits are in hand and approved.	Pre-construction meeting upon request by 300 West LLC. Escrow account confirmation is required. Estimated start in Oct. 2017.
Battery Storage of Marengo/86160189 ESCROW ACCOUNT Contract: \$9,895 Remaining: \$560.35	Received recorded copy of Plat of Easement and Maintenance Plan on 04/17/17 and 04/04/17 respectively. IDOT permit approved, awaiting forms to proceed. City/HRG approved. City issued Mass Grading/Site Development Permit on 06/01/2017.	City to ensure bond is received and form and amount of bond is correct. City to ensure all fees are paid. City/HRG to participate in Pre-construction meeting to be scheduled upon receipt of IDOT approval.
UniCarriers 240 Warehouse Addition/86160061.01 ESCROW ACCOUNT Contract \$7,500 Remaining: \$3,410.50	Conference Call with UniCarriers and their consultants, HR Green and City staff on 08/17/2017. Preliminary plans received for review on 09/08/2017. Final Engineering plans and documents received on 09/18/2017.	First Final Engineering Plan review to City on 10/02/2017.



City of Marengo – Task Update Report



October 4, 2017

Name of Project/ HR Green Project #	Tasks Accomplished	Tasks to be Completed
2017 Water Main Project/86140346.02 Contract: \$112,515 Remaining: \$17,207	Easement spreadsheet prepared by HR Green. 90% plans, specs and bid documents provided for City review on 09/22/2017. IDOT submittal on 09/27/2017.	Awaiting signed IEPA permit applications from City. (City may need to provide new signature authorizations to IEPA first). HR Green to provide letters and exhibits for temporary and permanent easements. HR Green and City to begin contacting residents regarding easements. HR Green awaiting review comments from City on 90% submittal, specs and IEPA Schedule B. Targeted bid date Nov/Dec 2017. Spring 2018 start with completion late summer 2018.
FPA Amendment and Sanitary Sewer Master Planning/86140148 (37-00-736.00) Contract: \$43,000 Remaining: \$0	HR Green finished the FPA Application and Sanitary Sewer Master Plan Report and submitted to the City for review and comment. Awaiting presentation to move forward.	Submit to CMAP/EPA after City council review in winter 2017/spring 2018.
Prospect Construction Observation/86130105 (40-00-36.00) Contract: \$277,089 Remaining: \$0	IDOT approvals and documentation for project acceptance and close out were sent to City staff on 05/02/17.	City to approve the paperwork as requested. HRG to provide final cost breakdowns for the local share once information is received by IDOT.

Items in bold are new

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- cc: Josh Blakemore, Interim City Administrator, City of Marengo
 Howard Moser, Director of Public Works, City of Marengo
 Anna Leyrer, Deputy City Clerk, City of Marengo
 Megan Lopez, Administrative Assistant, City of Marengo
 Chris Caldarella, Project Engineer, HR Green, Inc.