



City of East Moline Committee of the Whole

City Council Chambers
915 16th Avenue
East Moline, IL 61244

DATE: MONDAY, November 7th, 2016

TIME: Immediately Following the Regular Council Meeting

1	Enterprise Zone Intergovernmental Agreement	Girdler
2	Enterprise Zone Ordinance	Girdler
3	11th Street, 12th Street, 27th Ave Ct. - Consultant Design	Kammler
4	8th Street & 9th Street Improvements - Consultant Design	Kammler
5	Tax Levy	Petersen



COMMITTEE OF THE WHOLE

Title Enterprise Zone Intergovernmental Agreement

Date: November 7, 2016

Agenda Item #1 Presented By: Darin Girdler, City Administrator

Description:

This agreement furthers the establishment of the new Quad City Enterprise Zone in cooperation with Moline, Rock Island, Silvis, Milan and the County. This is a necessary step in applying for certification by the Illinois Department of Commerce and Economic Opportunity.

FINANCIAL

Is this a budgeted item? Yes No

Line Item# _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/(Over): _____

Funding Sources:

Departments:

Is this item in the CIP? Yes No CIP Project Number: _____



COMMITTEE OF THE WHOLE

Any previous Council actions:

Action

Date

Recommendation:

Approval of Ordinance

Required Action:

ORDINANCE _____ RESOLUTION X NO ACTION REQUIRED _____

Regular Meeting Date for Action November 21, 2016

Additional Comments:

MOTION BY _____ BY _____ SECONDED _____

TO _____

CITY COUNCIL VOTES

VOTES	HELEN HEILAND	GARY ALMBLADE	NANCY MULCAHEY	ED DEJAYNES	HUMBERTO AGUILAR	ROBERT CHEFFER	GARY WESTBROOK
YES							
NO							
SENT							
ABSTAIN							

QUAD CITY ENTERPRISE ZONE INTERGOVERNMENTAL AGREEMENT

THIS AGREEMENT entered into as of January 1, 2017, by and among the Cities of East Moline, Moline, Rock Island, and Silvis and the Village of Milan and Rock Island County (hereinafter collectively, "Jurisdictions).

WITNESSETH:

WHEREAS, the State of Illinois has enacted the "Illinois Enterprise Zone Act" 20 ILCS 655/1 *et seq.* (hereinafter referred to as "*Act*") to alleviate distressed economic conditions in certain depressed areas; and,

WHEREAS, the health, safety and welfare of the residents of the Jurisdictions are dependent, in part, upon a healthy private sector and its investment within the Quad City Enterprise Zone and the Jurisdictions; and,

WHEREAS, the development, growth and expansion of the private sector is essential for the retention and growth of the tax base of all taxing districts having jurisdiction in the Quad City Enterprise Zone, and the provision of job opportunities for their citizens and therefore a cooperative and continuous partnership between government and private sector is required; and,

WHEREAS, there are certain areas in the Jurisdictions that need the particular attention of government, business and labor to attract private sector investment and directly aid the residents thereof; and,

WHEREAS, the Jurisdictions have determined it to be in their best interests to join together to work cooperatively to provide for the development, growth and expansion of the private sector within the region by means of relaxed government controls and tax incentives made available through the Act; and,

WHEREAS, Article 10 of the Illinois Constitution of 1970 provides that units of local government may contract or otherwise associate among themselves to obtain or share services and to exercise, combine, or transfer any power or function in any manner not prohibited by law; and,

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.* provides that any power or powers, privileges or authority which may be exercised by a public agency, may be exercised jointly to the extent no law prohibits such joint exercise of their respective powers, privileges or authority.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN AND IN FURTHER CONSIDERATION OF THE RECITALS HEREIN ABOVE SET FORTH, IT IS HEREBY AGREED BETWEEN THE JURISDICTIONS, AS FOLLOWS:

Section 1. The foregoing preambles are hereby adopted as if fully restated herein.

Section 2. Description. The area legally described on *Exhibit A* attached hereto and made a part hereof and any areas subsequently certified from time to time by the State of Illinois, or its designated agency or department, are hereby designated an Enterprise Zone pursuant to and in accordance with the Act, subject to certification by the State as in the Act provided, and shall be known as the Quad City Enterprise Zone (hereinafter referred to as “*Enterprise Zone*” or “*Zone Area*”). Any future additions of territory to the Quad City Enterprise Zone shall be as permitted by the Act and shall be subject to the terms and conditions of this Agreement.

Section 2. Qualifications as an Enterprise Zone. The Quad City Enterprise Zone and the Jurisdictions hereby declare and affirm that the Zone Area is qualified for designation as an Enterprise Zone in accordance with the provisions of the Act, and further affirm that:

A. The entire area is a contiguous area, and is entirely within the corporate limits of the Jurisdictions.

B. The entire area comprises a minimum of one-half square mile and not more than fifteen (15) square miles in total area.

C. The area, as lying within the corporate boundaries of the Quad City Enterprise Zone, meets at least three (3) of the criteria as listed in as defined in subsection f. of the Illinois Enterprise Zone Act, as amended, (20 ILCS 655/1 *et seq.*) and any additional criteria established by the Illinois Department of Commerce and Economic Opportunity.

D. On November 1, 2016, a public hearing was conducted within the proposed Enterprise Zone on the questions of whether to create the Enterprise Zone, what local plans, tax incentives and other programs should be established in connection with said Enterprise Zone, and what the boundaries thereof should be, and that public notice was given in at least one newspaper of general circulation within the proposed Enterprise Zone, not more than twenty (20) days nor less than five (5) days before the hearing; and,

F. The area meets the qualifications of Section 4 of the Act.

Section 3. Term. The term of the proposed Enterprise Zone shall commence on January 1, 2018 upon designation and certification by the Illinois Department of Commerce and Economic Opportunity (“DCEO”) pursuant to Section 5.3 of the Act, and shall remain in effect

for a period of fifteen (15) calendar years and subject to review after thirteen (13) calendar years for an additional ten-year extension to commence on the first day of the 16th calendar year.

Section 4. Zone Management. Upon designation as an Enterprise Zone by DCEO, a Zone Management Board (ZMB) shall be formed and comprised of the Administrator, Manager or Economic Development Staff of each Village and City, and County member of the Quad City Enterprise Zone.

- A. The ZMB will be the governing body of the Enterprise Zone and will be responsible for all decisions within the Enterprise Zone.
- B. The ZMB shall elect a chairman.
- C. The ZMB will create the position of Zone Administrator (ZA).
- D. The ZMB may create the position of Assistant Zone Administrator (AZA).
- E. The ZMB will select the Zone Administrator, who shall be employed by the County or a municipality which is party to this Agreement.

Section 5. Zone Administration. The ZA will be responsible for the duties and tasks listed below as needed:

- A. Supervise the implementation of the provisions of this Ordinance and the Act.
- B. Act as a liaison between the Quad City Enterprise Zone and DCEO, and any other state, federal, and local agencies whether public or private.
- C. Request a copy of the map/boundaries of the Enterprise Zone on the websites of each member and shall provide an electronic copy of such map to DCEO.
- D. The Zone Administrator shall be responsible to collect and aggregate the following information:
 - (i) The estimated cost of each building project, broken down into labor and materials.

(ii) Within sixty (60) days of the end of a project, the actual cost of each building project, broken down into labor and materials.

(iii) On or before April 1 of each year, file a copy of the ZMB's fee schedule with DCEO. Zone Administrators shall charge no more than 0.5% of the cost of building materials of the project associated with the specific Enterprise Zone, with a maximum fee of not more than \$50,000.

E. The ZA may select and recommend to the ZMB an individual to be hired as an Assistant Zone Administrator (AZA).

F. Conduct an ongoing evaluation of the Enterprise Zone programs and submit such evaluative reports on an annual basis to the ZMB.

G. The ZA shall perform such other duties as identified and assigned by the ZMB to effectively implement the goals of the Enterprise Zone, as hereinafter set forth.

Section 6. Enterprise Zone Benefits. Pursuant to the Act, projects submitted and approved by the Zone Management Organization may be eligible for the following benefits:

A. Sales Tax Credits. Retailers' Occupation Tax; Each retailer who makes a qualified sale of building materials to be incorporated into real estate in the Quad City Enterprise Zone for the purpose of remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed by the State of Illinois under and pursuant to Retailers' Occupation Tax Act (35 ILCS 120/5k), subject to the following conditions:

(i) The municipality/county in the Quad City Enterprise Zone has issued a building or other permit required by any of the applicable codes or ordinances of the municipality/county in the Quad City Enterprise Zone and the total amount of the project as per building or zoning permit exceeds \$20,000;

(ii) The Enterprise Zone Administrator of the Enterprise Zone has issued a certificate of approval, prior to the start of construction, a copy of which is required to be provided to the applicable retailer at the time of sale and maintained by such retailer in its books and records for the purposes of documenting any such deduction;

(iii) The deduction allowed hereby shall be limited to and shall only apply to any remodeling, rehabilitation or new construction of any commercial, industrial, or manufacturing building or structure within the Zone.

B. Permit Fees. In the case of any and all permit fees required and charged by the Cities of East Moline and Silvis and the Village of Milan for the rehabilitation, expansion or new construction of any commercial, industrial, manufacturing or community development assisted projects within the Zone Area, such permit fees (but not the permits themselves) shall be waived in their entirety. The permit fee waiver herein provided for shall include all fees charged for building, plumbing, electrical, zoning, demolition, and excavation permits which a building permit is otherwise required and has been obtained for such rehabilitation, expansion or new construction, but shall not include such permit fees charged for the mere repair or replacement of connection with such rehabilitation, expansion, or new construction. "Mere repair or replacement of electrical, plumbing or mechanical systems" for purposes of this Ordinance means electrical, plumbing or mechanical work but no alteration to buildings or parts thereof other than work set forth in the most recent edition of the building code as adopted by the respective local jurisdiction.

C. All other benefits as permitted by the Act and as approved by DCEO and the Zone Management Organization.

Section 7. Assurances. The Quad City Enterprise Zone and the Jurisdictions agree to participate in the Enterprise Zone to the extent outlined in their respective ordinances, this Agreement, the Enterprise Zone application as may be required by DCEO and the Act.

Section 8. Amendment. This Agreement may be amended by a vote of a number equal to one more than a majority of members duly appointed or elected to the Zone Management Organization. A notice and a copy of the proposed amendment must be provided to each member of the Zone Management Board and the Zone Administrator no less than thirty (30) business days prior to the date upon which the proposed amendment is to be acted upon.

Section 9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers this ____ day of _____, 2017.

Rock Island County, Illinois

By: _____
Chairman

Attest:

Board Secretary

City of East Moline, Illinois, a municipal corporation

By: _____
Mayor

Attest:

City Clerk

City of Moline, Illinois, a municipal corporation

By: _____
Mayor

Attest:

City Clerk

City of Rock Island, Illinois, a municipal corporation

By: _____
Mayor

Attest:

City Clerk

City of Silvis, Illinois, a municipal corporation

By: _____
Mayor

Attest:

City Clerk

Village of Milan, Illinois, a municipal corporation

By: _____
Village President

Attest:

Village Clerk



COMMITTEE OF THE WHOLE

Title Enterprise Zone Ordinance

Date: November 7, 2016

Agenda Item #2 Presented By: Darin Girdler, City Administrator

Description:

This ordinance affirms the establishment of the new Quad City Enterprise Zone in cooperation with Moline, Rock Island, Silvis, Milan and the County. This is a necessary step in applying for certification by the Illinois Department of Commerce and Economic Opportunity.

FINANCIAL

Is this a budgeted item? Yes ___ No x

Line Item# _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/(Over): _____

Funding Sources: _____

Departments: _____

Is this item in the CIP? Yes ___ No x CIP Project Number: _____



COMMITTEE OF THE WHOLE

Any previous Council actions:

Action

Date

_____	_____
_____	_____

Recommendation:

Approval of Ordinance

Required Action:

ORDINANCE X RESOLUTION _____ NO ACTION REQUIRED _____

Regular Meeting Date for Action November 21, 2016

Additional Comments:

MOTION BY _____ BY _____ SECONDED _____
TO _____

CITY COUNCIL VOTES

VOTES	HELEN HEILAND	GARY ALMBLADE	NANCY MULCAHEY	ED DEJAYNES	HUMBERTO AGUILAR	ROBERT CHEFFER	GARY WESTBROOK
YES							
NO							
SENT							
ABSTAIN							

Council Bill/General Ordinance No. _____
Sponsor: _____

AN ORDINANCE

AFFIRMING the Establishment of an Enterprise Zone within the County of Rock Island, Illinois.

WHEREAS, the Illinois Enterprise Zone Act, as amended, (20 ILCS 655/1 *et seq.*) (the “Act”) authorizes the submission of applications to establish an “Enterprise Zone”, as defined therein, for the purposes of attracting private sector investment thereby stimulating business and industrial growth and stimulating neighborhood revitalization by means of relaxing government controls and tax incentives; and

WHEREAS, the Cities of East Moline, Moline, Rock Island and Silvis, the Village of Milan; and, the County of Rock Island (collectively, “Quad City Enterprise Zone”) have come together for purpose of designating an area as an Enterprise Zone for certification by the Illinois Department of Commerce and Economic Opportunity.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY/COUNTY OF _____ ILLINOIS, as follows:

Section 1 - The City/County of _____, as a member of the Quad City Enterprise Zone, hereby commits to its participation in the designation and establishment of an Enterprise Zone, as hereinafter described, subject to the approval of the Illinois Department of Commerce and Economic Opportunity.

Section 2 – The term of the proposed Enterprise Zone shall commence on January 1, 2018 upon designation and certification by the Illinois Department of Commerce and Economic Opportunity (“DCEO”) pursuant to Section 5.3 of the Act, and shall remain in effect for a period of fifteen (15) calendar years and subject to review after thirteen (13) calendar years for an additional ten-year extension to commence on the first day of the 16th calendar year.

Section 3 – The City/County of _____ hereby approves the designation of an area by the Quad City Enterprise Zone for certification by DCEO, as an Enterprise Zone, as legally described in *Exhibit A* and as depicted on the map in *Exhibit B*, which exhibits are attached to this Ordinance and made a part hereof.

Section 4 – The City/County _____ of, as a member of the Quad City Enterprise Zone, hereby declares and affirms that the proposed Enterprise Zone area, as lying within the corporate boundaries of the Quad City Enterprise Zone, is qualified for designation as an Enterprise Zone in accordance with the provisions of the Act, and further affirms and finds that:

- A. The entire area is a contiguous area, and is entirely within the corporate limits of the villages, cities and identified county limits, being the Quad City Enterprise Zone.
- B. The entire area comprises a minimum of one-half square mile and not more than fifteen (15) square miles in total area.
- C. The area, as lying within the corporate boundaries of the Quad City Enterprise Zone, meets at least three (3) of the criteria as listed and as defined in subsection f. of the Illinois Enterprise Zone Act, as amended, (20 ILCS 655/1 *et seq.*) and any additional criteria established by the Illinois Department of Commerce and Economic Opportunity.
- D. On November 1, 2016, the Quad City Enterprise Zone conducted a public hearing within the proposed Enterprise Zone area on the questions of whether to create the Enterprise Zone, what local plans, tax incentives and other programs should be established in connection with said Enterprise Zone, and what the boundaries thereof should be, and that public notice was given in at least one newspaper of general circulation within the proposed Enterprise Zone, not more than twenty (20) days nor less than five (5) days before the hearing; and,
- E. The area meets the qualifications of Section 4 of the Act.

Section 5 – The City/County of _____ hereby approves the following incentives under the Act:

- A. Each retailer whose place of business is within the corporate limits of the Quad City Enterprise Zone and who makes a sale of building materials to be incorporated into real estate located in the Enterprise Zone by remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed pursuant to the “Municipal Retailers’ Occupation Tax Act”; provided, however, that such remodeling, rehabilitation, or new construction is of the nature and scope for which a building permit is required and has been obtained. The incentive provided by this Section shall commence the first day of the calendar month following the month in which the Enterprise Zone is designated and certified, and shall continue for the term of the Enterprise Zone. (Building Material Sales Tax Exemption found in the Retailers’ Occupation Tax Act [35 ILCS 120/5k and 51]).
- B. In the case of any and all permit fees required and charged by the Cities of East Moline and Silvis and the Village of Milan for the rehabilitation, expansion or new construction of any commercial, industrial, manufacturing or community development assisted projects within the Zone Area, such permit fees (but not the permits themselves) shall be waived in their entirety. The permit fee waiver herein provided for shall include all fees charges for building, plumbing, electrical, zoning, demolition, and excavation permits which a building permit is otherwise required and has been obtained for such rehabilitation, expansion or new construction, but shall not include such permit fees charged for the mere repair or replacement of connection with such rehabilitation, expansion, or new construction. "Mere repair or

replacement of electrical, plumbing or mechanical systems" for purposes of this Ordinance means electrical, plumbing or mechanical work but no alteration to buildings or parts thereof other than work set forth in the most recent edition of the building code as adopted by the respective local jurisdiction.

Section 6 – Upon designation as an Enterprise Zone by DCEO, a Zone Management Board (ZMB) shall be formed and comprised of the Administrator, Manager or Economic Development Staff of each Village and City, and County member of the Quad City Enterprise Zone.

- A. The ZMB will be the governing body of the Enterprise Zone and will be responsible for all decisions within the Enterprise Zone.
- B. The ZMB shall elect a chairman.
- C. The ZMB will create the position of Zone Administrator (ZA).
- D. The ZMB may create the position of Assistant Zone Administrator (AZA).
- E. The ZMB will select the Zone Administrator, who shall be employed by the County or a municipality which is party to this Agreement.

Section 7 – The ZA will be responsible for the duties and tasks listed below as needed:

- A. Supervise the implementation of the provisions of this Ordinance and the Act.
- B. Act as a liaison between the Quad City Enterprise Zone and DCEO, and any other state, federal, and local agencies whether public or private.
- C. Request a copy of the map/boundaries of the Enterprise Zone on the websites of each member and shall provide an electronic copy of such map to DCEO.
- D. The Zone Administrator shall be responsible to collect and aggregate the following information:
 - (i) The estimated cost of each building project, broken down into labor and materials.
 - (ii) Within sixty (60) days of the end of a project, the actual cost of each building project, broken down into labor and materials.
 - (iii) On or before April 1 of each year, file a copy of the ZMB's fee schedule with DCEO. Zone Administrators shall charge no more than 0.5% of the cost of building materials of the project associated with the specific Enterprise Zone, with a maximum fee of not more than \$50,000.
- E. The ZA may select and recommend to the ZMB an individual to be hired as an Assistant Zone Administrator (AZA).
- F. Conduct an ongoing evaluation of the Enterprise Zone programs and submit such evaluative reports on an annual basis to the ZMB.
- G. The ZA shall perform such other duties as identified and assigned by the ZMB to effectively implement the goals of the Enterprise Zone, as hereinafter set forth.

Section 8 – The City/County of _____ hereby approves the following activities which have been identified as initial goals of the Quad City Enterprise Zone:

- A. To identify available sites and vacant or underused buildings for new or expanding businesses.
- B. To market available sites and buildings on the Location One Information System (LOIS) website (or a similar site).
- C. To assist businesses and Enterprise Zone residents in receiving available local, state, or federal economic development incentives and benefits.
- D. To hold educational forums and programs for Enterprise Zone communities, businesses and residents to explain and promote program benefits and incentives.
- E. To coordinate available and future economic development incentives within the Enterprise Zone.

Section 9 – All ordinances, resolutions, motions or parts thereof in conflict herewith shall be and the same are hereby repealed.

Section 10 – This Ordinance shall be in full force and effect from and after passage, approval, and if required by law, publication in the manner provided for by law.

ADOPTED this ____ day of _____, 2016, pursuant to a roll call vote as follows:

CITY/COUNTY OF, ILLINOIS

Mayor/President/Chair

Date

Passed: _____

Approved: _____

Attest: _____

City/County Clerk



COMMITTEE OF THE WHOLE

Title 11th Street, 12th Street, 27th Ave Ct. - Consultant Design

Date: November 7, 2016

Agenda Item 3 Presented By: Tim Kammler, Director of Engineering

Description:

11th Street and 12th Street are in need of substantial improvements to both underground utilities and the roadway itself between 20th and 21st Avenues. The water main in this area is old and has had numerous breaks, and there are also issues with the sewer facilities. The roadway surface is falling apart and sides are badly undermined. Additionally, the utilities on 27th Avenue Ct. east of 7th Street are suffering from multiple breaks and deterioration as well. To address these infrastructure deficiencies, a utility and street improvement project has been programmed in the 2017 CIP. Improvements are scheduled to include replacement of water mains and services, replacement and/or lining of sanitary sewers, replacement/reconstruction of manholes, repairs and/or replacement to portions of storm drainage infrastructure, street patching, resurfacing, and related work. In the case of 11th and 12th Streets, concrete curbs are to be added to help prevent further undermining of the street edges in the future. Without sufficient in-house staff, the Engineering Department consistently requires consultant assistance for design and construction engineering services, and this project was budgeted accordingly in East Moline's 2017 CIP. A contract proposal has been obtained from Shive-Hattery Engineering to perform the professional services required for the survey, design, and bid-letting phase this project. This proposal is attached for review and consideration along with two maps to provide more information on the project locations. Final plans and a bid letting schedule will be brought before Council in the Spring for final presentation and approval.

FINANCIAL

Is this a budgeted item? Yes No

Line Item# 2017 Budget Title: Water CIP Construction, Sewer CIP Construction

Amount Budgeted: \$80,000 (for Professional Services)

Actual Cost: \$49,500 (survey and design)

Under/(Over): _____

Funding Sources:

Water Funds _____

Sewer Funds _____

Departments:

Engineering _____

Is this item in the CIP? Yes No CIP Project Number: ENGR-17-01, ENGR-17-02



27th Ave Ct. Utility & Roadway Improvements

28TH AV

27TH AV CT



PROFESSIONAL SERVICES AGREEMENT

Tim Kammler, Director of Engineering
City of East Moline
120 13th Avenue
East Moline, IL 61244

PROJECT: East Moline 11th and 12th Streets and 27th Avenue Court Utility and Street Improvements

PROJECT LOCATION: East Moline, IL

DATE OF AGREEMENT: November 1, 2016

11th and 12th Streets from 20th Avenue to 21st Avenue

This project is the reconstruction of 11th and 12th Streets from 20th Avenue to 21st Avenue. It is our understanding that this is a full pavement reconstruction and includes replacing the water main. The replacement water main will be the same size as the existing main and the existing service lines will not be replaced.

Our services for this portion of the project will include topographic and boundary survey, design and preparation of construction documents for the roadway and water main and assist with bidding services.

27th Avenue Court east of 7th Street

The City is also constructing a water main replacement and an asphalt overlay of the roadway on 27th Avenue Court east of 7th Street. It is our understanding the project will include replacement of water main, patching and a three (3) inch asphalt overlay of the roadway. The curb and gutter will remain and no storm or sanitary sewer work will be part of this project. We have assumed no surface drainage corrections beyond what can be accommodated with the overlay and that the overlay will terminate at the intersection returns. We have also assumed the replacement water main will be the same size as the existing main and that the existing service lines will not be replaced.

Our services will include design and preparation of construction documents for the water main and overlay of the roadway, and assist with bidding services.

SCOPE OF SERVICES

Provide land surveying, design and construction documents to be used for bidding and constructing the project.

A. Preliminary Design and Construction Documents

1. Meet with the City to review City's requirements and objectives for the project.
2. Conduct a topographic and boundary survey at 11th and 12th Streets. Lidar and/or aerial photography will be used as the base drawing for 27th Avenue Court.
3. Design of the reconstruction (60% complete plan set) and prepare an engineer's opinion of probable project cost. Included in the opinion of probable cost will be a cost comparison between full width concrete or concrete curb and gutter with asphalt pavement for 11th and 12th Streets.
4. Meet with the City to review the design documents, and the engineer's opinion of probable project cost.



5. Prepare the final construction and bidding documents incorporating your review comments.
6. Provide two (2) signed sets and a .pdf of the documents to the City for your records.

B. Bidding Services

1. Issue the construction and bidding documents to contractors for bidding purposes.
2. Answer contractors' questions during the bidding period and issue addenda, if necessary.
3. Attend the bid opening and review the bids received.
4. Prepare and submit a letter stating our recommended course of action.

ASSUMPTIONS

Overall Project

1. The City will provide front end bidding documents and special provisions to be edited for this project.

11th and 12th Streets from 20th Avenue to 21st Avenue

1. All improvements will be constructed within the right of way and no easements will be required.
2. No permits will be required from the IEPA as the utilities are not increasing in size.
3. No sidewalks will be added.
4. No sanitary sewer replacement.
5. Project budget of \$510,000

27th Avenue Court east of 7th Street

1. Curb and gutter are to remain.
2. No corrections to the drainage beyond what can be accommodated with the overlay are included in this project.
3. No storm and/or sanitary sewer will be replaced on this project.
4. No topographic and/or boundary surveys will be performed, design will be done using LIDAR and aerials.
5. All improvements will be constructed within the right of way and no easements will be required.
6. The overlay will stop at the returns.
7. Project budget of \$200,000.

CLIENT RESPONSIBILITIES

It will be your responsibility to provide the following:

- A. Identify a Project Representative with full authority to act on behalf of the Client with respect to this project. The Client Project Representative shall render decisions in a timely manner in order to avoid delays of Shive-Hattery's services.
- B. Legal, accounting, and insurance counseling services or other consultants, including geotechnical, or vendors that may be necessary. The Client shall coordinate these services

with those services provided by Shive-Hattery.

- C. Provide to Shive-Hattery any available drawings, survey plats, testing data and reports related to the project, either hard copy or electronic media. Electronic media is preferred.
- D. Unless specifically included in the Scope of Services to be provided by Shive-Hattery, the Client shall furnish tests, inspections, permits and reports required by law, regulation or code including but not limited to hazardous materials, structural, mechanical, chemical, air pollution and water pollution tests.
- E. Payment of all permitting fees, if applicable.

SCHEDULE

We are prepared to begin our services upon your authorization. We will consider the receipt of this proposal executed by you as notice to proceed. We will complete this project based on the following schedule:

Design Plans Submitted to City	8 weeks after receipt of signed Work Authorization
Construction & Bidding Documents to City	2 weeks after receipt of the City's Review Comments
Bidding	In accordance with the agreed upon bidding period

COMPENSATION

Description	Fee Type	Fee	Estimated Expenses	Total
Scope of Services Item A & B	Fixed Fee	\$49,500	Included	\$49,500

Fee Types:

- Fixed Fee - We will provide the Scope of Services for the fee amounts listed above.

Expenses:

- Included – Expenses have been included in the Fee amount.

The terms of this proposal are valid for 30 days from the date of this proposal.

ADDITIONAL SERVICES

The following are additional services you may require for your project. We can provide these services but they are not part of this proposal at this time.

1. Attendance at additional meetings.
2. Revisions to the design after the design and/or construction documents have been approved by the City.
3. Preparation of right of way acquisition and/or easement documents, if necessary.
4. Negotiation of easements and/or right of way acquisition.
5. Construction Services
 - a. Prepare the construction contract between the City and the awarded Contractor.

- b. Schedule and conduct a pre-construction meeting in a City of East Moline facility.
 - c. Review payment requests, change orders and related documents, recommending action as requested by the City.
 - d. Attend construction progress meetings.
 - e. Provide construction staking.
 - f. Provide on-site observation and documentation.
 - g. Complete a project walk through and punch list development when the contractor is substantially completed with the construction.
 - h. Complete a final walk through after the contractor has completed the items on the punchlist.
 - i. Preparation of records drawings based upon contractor marked up drawings. Provide the City with one reproducible copy of record construction drawings.
 - j. Complete the project closeout documentation.
6. Provide other surveying and/or engineering services that are not listed in the Scope of Services as requested by the client.

OTHER TERMS

STANDARD TERMS AND CONDITIONS

Copyright © Shive-Hattery March 2016

PARTIES

"S-H" shall mean Shive-Hattery, Inc., Shive-Hattery A/E Services, P.C., or Design Organization, a Division of Shive-Hattery, Inc. "CLIENT" shall mean the person or entity executing this Agreement with "S-H."

LIMITATION OF LIABILITY AND WAIVER OF CERTAIN DAMAGES

The CLIENT agrees, to the fullest extent of the law, to limit the liability of S-H, its officers, directors, shareholders, employees, agents, subconsultants, affiliated companies, and any of them, to the CLIENT and any person or entity claiming by or through the CLIENT, for any and all claims, damages, liabilities, losses, costs, and expenses including reasonable attorneys' fees, experts' fees, or any other legal costs, in any way related to the Project or Agreement from any cause(s) to an amount that shall not exceed the compensation received by S-H under the agreement or fifty thousand dollars (\$50,000), whichever is greater. The parties intend that this limitation of liability apply to any and all liability or cause of action, claim, theory of recovery, or remedy however alleged or arising, including but not limited to negligence, errors or omissions, strict liability, breach of contract or warranty, express, implied or equitable indemnity and all other claims, which except for the limitation of liability above, the CLIENT waives.

CLIENT hereby releases S-H, its officers, directors, shareholders, employees, agents, subconsultants, affiliated companies, and any of them, and none shall be liable to the CLIENT for consequential, special, exemplary, punitive, indirect or incidental losses or damages, including but not limited to loss of use, loss of product, cost of capital, loss of goodwill, lost revenues or loss of profit, interruption of business, down time costs, loss of data, cost of cover, or governmental penalties or fines.

INDEMNIFICATION

Subject to the limitation of liability in this Agreement, S-H agrees to the fullest extent permitted by law, to indemnify and hold harmless the CLIENT, its officers, directors, shareholders, employees, contractors, subcontractors and consultants against all claims, damages, liabilities, losses or costs, including reasonable attorneys' fees, experts' fees, or other legal costs to the extent caused by S-H's negligent performance of service under this Agreement and that of its officers, directors, shareholders, and employees.

The CLIENT agrees to the fullest extent permitted by law, to indemnify and hold harmless S-H, its officers, directors, shareholders, employees, agents,, subconsultants, and affiliated companies against all damages, liabilities, losses, costs, and expenses including, reasonable attorneys' fees, expert's fees, and any other legal costs to the extent caused

by the acts or omissions of the CLIENT, its employees, agents, contractors, subcontractors, consultants or anyone for whom the CLIENT is legally liable.

HAZARDOUS MATERIALS - INDEMNIFICATION

To the fullest extent permitted by law, CLIENT agrees to defend, indemnify, and hold S-H, its officers, directors, shareholders, employees, agents, consultants and affiliated companies, and any of them harmless from and against any and all claims, liabilities, losses, costs, or expenses including reasonable attorney's fees, experts' fees and any other legal costs (including without limitation damages to property, injuries or death to persons, fines, or penalties), arising out of, or resulting from the discharge, escape, release, or saturation of smoke, vapors, soot, fumes, acids, alkalies, toxic chemicals, liquids, gases, polychlorinated biphenyl, petroleum contaminants, spores, biological toxins, or any other materials, irritants, contaminants, or pollutants in or into the atmosphere, or on, onto, upon, in, or into the surface or subsurface of soil, water, or watercourses, objects, or any tangible or intangible matter, whether sudden or not.

STANDARD OF CARE

Services provided by S-H under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances on projects of similar size, complexity, and geographic location as that of the Project. Nothing in this Agreement is intended to create, nor shall it be construed to create, a fiduciary duty owed by either party to the other party.

BETTERMENT

The CLIENT recognizes and expects that certain change orders may be required to be issued as the result in whole or part of imprecision, incompleteness, omissions, ambiguities, or inconsistencies in S-H's drawings, specifications, and other design, bidding or construction documentation furnished by S-H or in other professional services performed or furnished by S-H under this Agreement (herein after in this Betterment section referred to as S-H Documentation). If a required item or component of the Project is omitted from S-H's Documentation, the CLIENT is responsible for paying all costs required to add such item or component to the extent that such item or component would have been required and included in the original S-H Documentation. In no event will S-H be responsible for costs or expense that provides betterment or upgrades or enhances the value of the Project.

RIGHT OF ENTRY

The CLIENT shall provide for entry for the employees, agents and subcontractors of S-H and for all necessary equipment. While S-H shall take reasonable precautions to minimize any damage to property, it is understood by the CLIENT that in the normal course of the project some damages may occur, the cost of correction of which is not a part of this Agreement.

PAYMENT

Unless otherwise provided herein, invoices will be prepared in accordance with S-H's standard invoicing practices then in effect and will be submitted to CLIENT each month and at the completion of the work on the project. Invoices are due and payable upon receipt by the CLIENT. If the CLIENT does not make payment within thirty (30) days after the date the invoice was mailed to the CLIENT, then the amount(s) due S-H shall bear interest due from the date of mailing at the lesser interest rate of 1.5% per month compounded or the maximum interest rate allowed by law. In the event that S-H files or takes any action, or incurs any costs, for the collection of amounts due it from the client, S-H shall be entitled to recover its entire cost for attorney fees and other collection expenses related to the collection of amounts due it under this Agreement. Any failure to comply with this term shall be grounds for a default termination.

TERMINATION

Either party may terminate this Agreement for convenience or for default by providing written notice to the other party. If the termination is for default, the non-terminating party may cure the default before the effective date of the termination and the termination for default will not be effective. The termination for convenience and for default, if the default is not cured, shall be effective seven (7) days after receipt of written notice by the non-terminating party. In the event that this Agreement is terminated for the convenience of either party or terminated by S-H for the default of the CLIENT, then S-H shall be paid for services performed to the termination effective date, including reimbursable expenses due, and termination expenses attributable to the termination. In the event the CLIENT terminates the Agreement for the default of S-H and S-H does not cure the default, then S-H shall be paid for services performed to the termination notice date, including reimbursable expenses due, but shall not be paid for services performed after the termination notice date and shall not be paid termination expenses. Termination expenses shall include expenses reasonably incurred by S-H in connection with the termination of the Agreement or services, including, but not limited to, closing out Project records, termination of subconsultants and other persons or entities whose services were retained for the Project, and all other expenses directly resulting from the termination.

INFORMATION PROVIDED BY OTHERS

S-H shall indicate to the CLIENT the information needed for rendering of services hereunder. The CLIENT shall provide to S-H such information, including electronic media, as is available to the CLIENT and the CLIENT's consultants and contractors, and S-H shall be entitled to rely upon the accuracy and completeness thereof. The CLIENT recognizes that it is difficult for S-H to assure the accuracy, completeness and sufficiency of such client-furnished information, either because it is provided by others or because of errors or omissions which may have occurred in assembling the information the CLIENT is providing. Accordingly, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless S-H, its officers, directors, shareholders, employees, agents, subconsultants and affiliated companies, and any of them, from and against any and all claims, liabilities, losses, costs, expenses (including reasonable attorneys' fees, experts' fees, and any other legal costs) for injury or loss arising or allegedly arising from errors, omissions or inaccuracies in documents or other information provided by the CLIENT.

UNDERGROUND UTILITIES

Information for location of underground utilities may come from the CLIENT, third parties, and/or research performed by S-H or its subcontractors. S-H will use the standard of care defined in this Agreement in providing this service. The information that S-H must rely on from various utilities and other records may be inaccurate or incomplete. Therefore, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless S-H, its officers, directors, shareholders, employees agents, subconsultants, affiliated companies, and any of them for all claims, losses, costs and damages arising out of the location of underground utilities provided or any information related to underground utilities by S-H under this Agreement.

CONTRACTOR MATTERS

CLIENT agrees that S-H shall not be responsible for the acts or omissions of the CLIENT's contractor, or subcontractors, their employees, agents, consultants, suppliers or arising from contractor's or subcontractors' work, their employees, agents, consultants, suppliers or other entities that are responsible for performing work that is not in conformance with the construction Contract Documents, if any, prepared by S-H under this Agreement. S-H shall not have responsibility for means, methods, techniques, sequences, and progress of construction of the contractor, subcontractors, agents, employees, agents, consultants, or others entities. In addition, CLIENT agrees that S-H is not responsible for safety at the project site and that safety during construction is for the CLIENT to address in the contract between the CLIENT and contractor.

SHOP DRAWING REVIEW

If, as part of this Agreement S-H reviews and approves Contractor submittals, such as shop drawings, product data, samples and other data, as required by S-H, these reviews and approvals shall be only for the limited purpose of checking for conformance with the design concept and the information expressed in the contract documents. This review shall not include review of the accuracy or completeness of details, such as quantities, dimensions, weights or gauges, fabrication processes, construction means or methods, coordination of the work with other trades or construction safety precautions, all of which are the sole responsibility of the Contractor. S-H's review shall be conducted with reasonable promptness while allowing sufficient time in S-H's judgment to permit adequate review. Review of a specific item shall not indicate that S-H has reviewed the entire assembly of which the item is a component. S-H shall not be responsible for any deviations from the contract documents not brought to the attention of S-H in writing by the Contractor. S-H shall not be required to review partial submissions or those for which submissions of correlated items have not been received.

OPINIONS OF PROBABLE COST

If, as part of this Agreement S-H is providing opinions of probable construction cost, the CLIENT understands that S-H has no control over costs or the price of labor, equipment or materials, or over the Contractor's method of pricing, and that S-H's opinions of probable construction costs are to be made on the basis of S-H's qualifications and experience. S-H makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

CONSTRUCTION OBSERVATION

If, as part of this Agreement S-H is providing construction observation services, S-H shall visit the project at appropriate intervals during construction to become generally familiar with the progress and quality of the contractors' work and to determine if the work is proceeding in general accordance with the Contract Documents. Unless otherwise specified in the Agreement, the CLIENT has not retained S-H to make detailed inspections or to provide exhaustive or continuous project review and observation services. S-H does not guarantee the performance of, and shall have no responsibility for, the acts or omissions of any contractor, its subcontractors, employees, agents, consultants, suppliers or any other entities furnishing materials or performing any work on the project.

S-H shall advise the CLIENT if S-H observes that the contractor is not performing in general conformance of Contract Documents. CLIENT shall determine if work of contractor should be stopped to resolve any problems.

OTHER SERVICES

The CLIENT may direct S-H to provide other services including, but not limited to, any additional services identified in S-H's proposal. If S-H agrees to provide these services, then the schedule shall be reasonably adjusted to allow S-H to provide these services. Compensation for such services shall be at S-H's Standard Hourly Fee Schedule in effect at the time the work is performed unless there is a written Amendment to Agreement that contains an alternative compensation provision.

OWNERSHIP & REUSE OF INSTRUMENTS OF SERVICE

All reports, plans, specifications, field data and notes and other documents, including all documents on electronic media, prepared by S-H as instruments of service shall remain the property of S-H. The CLIENT shall not reuse or make any modifications to the plans and specifications without the prior written authorization of S-H. The CLIENT agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless S-H its officers, directors, shareholders, employees, agents, subconsultants and affiliated companies, and any of them from any and all claims, losses, costs or damages of any nature whatsoever arising out of, resulting from or in any way related to any unauthorized reuse or modifications of the construction documents by the CLIENT or any person or entity that acquires or obtains the plans and specifications from or through the CLIENT without the written authorization of S-H.

DISPUTE RESOLUTION

If a dispute arises between S-H and CLIENT, the executives of the parties having authority to resolve the dispute shall meet within thirty (30) days of the notification of the dispute to resolve the dispute. If the dispute is not resolved within such thirty (30) day time period, CLIENT and S-H agree to submit to non-binding mediation prior to commencement of any litigation and that non-binding mediation is a precondition to any litigation. Any costs incurred directly for a mediator, shall be shared equally between the parties involved in the mediation.

EXCUSABLE EVENTS

S-H shall not be responsible for any event or circumstance that is beyond the reasonable control of S-H that has a demonstrable and adverse effect on S-H's ability to perform its obligations under this Agreement or S-H's cost and expense of performing its obligations under this Agreement (an "Excusable Event"), including without limitation, a change in law or applicable standards, actions or inactions by a governmental authority, the presence or encounter of hazardous or toxic materials on the Project, war (declared or undeclared) or other armed conflict, terrorism, sabotage, vandalism, riot or other civil disturbance, blockade or embargos, explosion, epidemic, quarantine, strike, lockout, work slowdown or stoppage, accident, act of God, failure of any governmental or other regulatory authority to act in a timely manner, unexcused act or omission by CLIENT or contractors of any level (including, without limitation, failure of the CLIENT to furnish timely information or approve or disapprove of S-H's services or work product promptly, delays in the work caused by CLIENT, CLIENT's suspension, breach or default of this Agreement, or delays caused by faulty performance by the CLIENT or by contractors of any level). When an Excusable Event occurs, the CLIENT agrees S-H is not responsible for damages, nor shall S-H be deemed to be in default of this Agreement, and S-H shall be entitled to a change order to equitably adjust for S-H's increased time and/or cost to perform its services due to the Excusable Event.

ASSIGNMENT

Neither party to this Agreement shall transfer, sublet or assign any rights under or interest in this Agreement (including but not limited to monies that are due or monies that may be due) without the prior written consent of the other party.

SEVERABILITY, SURVIVAL AND WAIVER

Any provision of this Agreement later held to be unenforceable for any reason shall be deemed void, and all remaining provisions shall continue in full force and effect. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the CLIENT and S-H shall survive the completion of the services hereunder and the termination of this Agreement. The failure of a party to insist upon strict compliance of any term hereof shall not constitute a waiver by that party of its rights to insist upon strict compliance at a subsequent date.

GOVERNING LAW

This Agreement shall be governed pursuant to the laws in the state of the locale of the S-H office address written in this Agreement.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of S-H to provide equal employment opportunities for all. S-H enforces the following acts and amendments as presented by Federal government or State governments: Title VII of the Civil Rights Act of 1965, Age Discrimination in Employment ACT (ADEA), Americans With Disabilities Act (ADA), Iowa Civil Rights Act of 1965, and Illinois Human Rights Act [775ILCS 5]. S-H will not discriminate against any employee or applicant because of race, creed, color, religion, sex, national origin, gender identity, sexual orientation, marital status, ancestry, veteran status, or physical or mental handicap, unless related to performance of the job with or without accommodation.

COMPLETE AGREEMENT

This Agreement constitutes the entire and integrated agreement between the CLIENT and S-H and supersedes all prior negotiations, representations and agreements, whether oral or written. If the CLIENT issues a Purchase Order of which this Agreement becomes a part, the terms of this Agreement shall take precedence in the event of a conflict of terms.

SIGNATURES

Original, facsimile, or electronic signatures by the parties are deemed acceptable for binding the parties to the Agreement. The CLIENT representative signing this Agreement warrants that he or she is authorized to enter into this Agreement on behalf of the CLIENT.

AGREEMENT

This proposal shall become the Agreement for Services when accepted by both parties. Original, facsimile, electronic signatures or other electronic acceptance by the parties (and returned to Shive-Hattery) are deemed acceptable for binding the parties to the Agreement. The Client representative signing this Agreement warrants that he or she is authorized to enter into this Agreement on behalf of the Client.

Thank you for considering this proposal. We look forward to working with you. If you have any questions concerning this proposal, please contact us.

Sincerely,

SHIVE-HATTERY, INC.



Marti Ahlgren, PMP

mahlgren@shive-hattery.com



Gregory J. Schaapveld, P.E.

gschaapveld@shive-hattery.com

AGREEMENT ACCEPTED AND SERVICES AUTHORIZED TO PROCEED

CLIENT: City of East Moline

BY: _____ **TITLE:** _____

(signature)

PRINTED NAME: _____ **DATE ACCEPTED:** _____

MNA/GJS/mna



COMMITTEE OF THE WHOLE

Title 8th Street & 9th Street Improvements - Consultant Design

Date: November 7, 2016

Agenda Item 4 Presented By: Tim Kammler, Director of Engineering

Description:

Downtown portions of 8th Street and 9th Street, between 15th - 17th Avenue, are in need of improvements to the uneven deteriorated roadway. In the case of 8th Street, partial curb and gutter replacement along with a resurfacing of the existing roadway should suffice, but 9th Street will require an in-depth reconstruction of the roadway section to properly repair. Funds for these improvements have been part of the CIP for a number of years and have finally come due in 2017, accordingly. As 9th Street fronts East Moline City Hall, staff has programmed a portion of the funds for minor aesthetic improvements such as box-outs of the old bricks in the street surface, sidewalk replacement and hard-scaping, and perhaps items such as a few benches or planters, budget permitting. The thought is to bring additional low-cost, low-maintenance aesthetic appeal to the block of city hall so that citizens and elected officials alike may take more pride in this important facility. The Engineering Department consistently requires consultant assistance for design and construction engineering services, and this project was budgeted accordingly in East Moline's 2017 CIP. A contract proposal has been obtained from Shive-Hattery Engineering to perform the professional services required for the survey, design, and bid-letting phase this project. A professional "street-scape" plan is part of the proposed services. This proposal is attached for review and consideration along with a maps showing the project locations. Final plans and a bid letting schedule will be brought before Council in the Spring for final presentation and approval.

FINANCIAL

Is this a budgeted item? Yes No

Line Item# 2017 Budget Title: Non-Home Rule Construction

Amount Budgeted: \$60,000 (for professional services)

Actual Cost: \$31,000 (survey, planning, design)

Under/(Over): _____

Funding Sources:

Non-Home Rule Sales Tax Funds _____

Departments:

Engineering _____

Is this item in the CIP? Yes No CIP Project Number: ENGR-17-04, ENGR-17-05



COMMITTEE OF THE WHOLE

Any previous Council actions:

Action

Date

N/A

Recommendation:

Approve consultant contract for professional engineering services as proposed.

Required Action:

ORDINANCE _____ RESOLUTION _____ X NO ACTION REQUIRED _____

Regular Meeting Date for Action _____

Additional Comments:

MOTION BY _____ BY _____ SECONDED _____
TO _____

CITY COUNCIL VOTES

VOTES	HELEN HEILAND	GARY ALMBLADE	NANCY MULCAHEY	ED DEJAYNES	HUMBERTO AGUILAR	ROBERT CHEFFER	GARY WESTBROOK
YES							
NO							
SENT							
ABSTAIN							



8th Street & 9th Street
Roadway Improvements



15TH AV

16TH AV

17TH AV

9TH ST

8TH ST

PROFESSIONAL SERVICES AGREEMENT

Tim Kammler, Director of Engineering
City of East Moline
120 13th Avenue
East Moline, IL 61244

PROJECT: East Moline 8th and 9th Street Roadway and Roadside Improvements

PROJECT LOCATION: East Moline, IL

DATE OF AGREEMENT: November 1, 2016

8th Street

The City is resurfacing 8th Street between 15th and 17th Avenues. It is our understanding that the project will include an asphalt roadway improvements and repairs to curb and gutters. The project does not include improvements to the sidewalk, aesthetic improvements, or replacement of storm, sanitary or water. Utility structures and portions of the curb and gutter may be replaced dependent on their condition. The project will terminate at the intersection returns to preserve that pavement and contain the project within the City's right of way.

Our services will include design and preparation of construction documents for the roadway, and assistance with bidding services.

9th Street

This project is the reconstruction of 9th Street between 15th and 17th Avenue. It is our understanding that the project will include a reconstruction of the roadway and sidewalks. The existing brick pavers will be removed and replaced with an asphalt roadway, new curb and gutter and a new sidewalk. No sanitary, storm or water improvements are included in this project, however some utility structures may be replaced depending on their condition. The construction will include some aesthetic improvements. The goal will be to reuse some of the existing pavers in the design of the aesthetic improvements and may also include planting areas, benches, lighting and/or other amenities to be determined during the conceptual phase of this project. The project will terminate at the intersection returns to preserve that pavement and contain the project within the City's right of way.

Our services for 9th Street will include topographic and boundary survey, conceptual design of the aesthetic improvements, design and preparation of construction documents and assistance with bidding services.

SCOPE OF SERVICES

Provide land surveying, design and construction documents to be used for bidding and constructing the project.

A. Conceptual Design, Preliminary Design and Construction Documents

1. Meet with the City to review City's requirements and objectives for the project.
2. Conduct a topographic and boundary survey for the project site for 9th Street. Lidar and/or aerial photography will be used as the base drawing for 8th Street.
3. Create two (2) concepts for the aesthetic improvements and preliminary engineer's opinions of probable construction cost for each concept for 9th Street.
4. Meet with you to review the conceptual design for 9th Street.



5. Refine the conceptual design by incorporating comments into a final conceptual design which will be submitted to you for your review and approval for 9th Street.
6. Design the reconstruction (60% complete plan set) and prepare/update an engineer's opinion of probable project cost.
7. Meet with the City to review the design documents and the engineer's opinion of probable project cost.
8. Prepare the final construction and bidding documents incorporating your review comments.
9. Provide two (2) signed sets and a pdf of the documents to the City for your records.

B. Bidding Services

1. Issue the construction and bidding documents to contractors for bidding purposes.
2. Answer contractors' questions during the bidding period and issue addenda, if necessary.
3. Attend the bid opening and review the bids received.
4. Prepare and submit a letter stating our recommended course of action.

ASSUMPTIONS

Overall Project

1. The City will provide front end bidding documents and special provisions to be edited for this project.

8th Street

1. Not all curb and gutter will be replaced.
2. No storm, water or sanitary sewer will be replaced on this project. Some utility structures may be replaced depending on their condition.
3. Lidar and/or aerial photography will be used as the base drawing.
4. All improvements will be constructed within the right of way, no easements will be required.
5. The project will terminate at the intersection returns.
6. The design will not require Illinois DOT permitting.
7. The project budget is \$80,000.

9th Street

1. All improvements will be constructed within the right of way and no easements will be required.
2. No storm water or sanitary will be replaced, some utility structures may be replaced depending on their condition.
3. The project will terminate at the intersection returns.
4. The design will not require Illinois DOT permitting.
5. The project budget is \$450,000.

CLIENT RESPONSIBILITIES

It will be your responsibility to provide the following:

- A. Identify a Project Representative with full authority to act on behalf of the Client with respect to this project. The Client Project Representative shall render decisions in a timely manner in order to avoid delays of Shive-Hattery’s services.
- B. Legal, accounting, and insurance counseling services or other consultants, including geotechnical, or vendors that may be necessary. The Client shall coordinate these services with those services provided by Shive-Hattery.
- C. Provide to Shive-Hattery any available drawings, survey plats, testing data and reports related to the project, either hard copy or electronic media. Electronic media is preferred.
- D. Unless specifically included in the Scope of Services to be provided by Shive-Hattery, the Client shall furnish tests, inspections, permits and reports required by law, regulation or code including but not limited to hazardous materials, structural, mechanical, chemical, air pollution and water pollution tests.
- E. Payment of all permitting fees, if applicable.

SCHEDULE

We are prepared to begin our services upon your authorization. We will consider the receipt of this proposal executed by you as notice to proceed. We will complete this project based on the following schedule:

Design Plans Submitted to City	8 weeks after receipt of signed Work Authorization
Construction & Bidding Documents to City	2 weeks after receipt of the City’s Review Comments
Bidding	In accordance with the agreed upon bidding period

COMPENSATION

Description	Fee Type	Fee	Estimated Expenses	Total
Scope of Services Item A & B	Fixed Fee	\$31,000	Included	\$31,000

Fee Types:

- Fixed Fee - We will provide the Scope of Services for the fee amounts listed above.

Expenses:

- Included – Expenses have been included in the Fee amount.

The terms of this proposal are valid for 30 days from the date of this proposal.

ADDITIONAL SERVICES

The following are additional services you may require for your project. We can provide these services but they are not part of this proposal at this time.

1. Attendance at additional meetings.
2. Additional concepts for the aesthetic elements of the project.

3. Additional design if more aesthetic elements are asked to be designed and incorporated into the project. Our fee has assumed a project budget of \$450,000 and therefore a limited budget for aesthetic elements. If this assumption changes additional fees may be warranted and negotiated.
4. Revisions to the design after the design and/or construction documents have been approved by the City.
5. Preparation of right of way acquisition and/or easement documents, if necessary.
6. Negotiation of easements and/or right of way acquisition.
7. Construction Services
 - a. Prepare the construction contract between the City and the awarded Contractor.
 - b. Schedule and conduct a pre-construction meeting in a City of East Moline facility.
 - c. Review payment requests, change orders and related documents, recommending action as requested by the City.
 - d. Attend construction progress meetings.
 - e. Provide construction staking.
 - f. Provide on-site observation and documentation.
 - g. Complete a project walk through and punch list development when the contractor is substantially completed with the construction.
 - h. Complete a final walk through after the contractor has completed the items on the punchlist.
 - i. Preparation of records drawings based upon contractor marked up drawings. Provide the City with one reproducible copy of record construction drawings.
 - j. Complete the project closeout documentation.
8. Provide other surveying and/or engineering services that are not listed in the Scope of Services as requested by the client.

OTHER TERMS

STANDARD TERMS AND CONDITIONS

Copyright © Shive-Hattery March 2016

PARTIES

"S-H" shall mean Shive-Hattery, Inc., Shive-Hattery A/E Services, P.C., or Design Organization, a Division of Shive-Hattery, Inc.
"CLIENT" shall mean the person or entity executing this Agreement with "S-H."

LIMITATION OF LIABILITY AND WAIVER OF CERTAIN DAMAGES

The CLIENT agrees, to the fullest extent of the law, to limit the liability of S-H, its officers, directors, shareholders, employees, agents, subconsultants, affiliated companies, and any of them, to the CLIENT and any person or entity claiming by or through the CLIENT, for any and all claims, damages, liabilities, losses, costs, and expenses including reasonable attorneys' fees, experts' fees, or any other legal costs, in any way related to the Project or Agreement from any cause(s) to an amount that shall not exceed the compensation received by S-H under the agreement or fifty thousand dollars (\$50,000), whichever is greater. The parties intend that this limitation of liability apply to any and all liability or cause of action, claim, theory of recovery, or remedy however alleged or arising, including but not limited to negligence, errors or omissions, strict liability, breach of contract or warranty, express, implied or equitable indemnity and all other claims, which except for the limitation of liability above, the CLIENT waives.

CLIENT hereby releases S-H, its officers, directors, shareholders, employees, agents, subconsultants, affiliated companies, and any of them, and none shall be liable to the CLIENT for consequential, special, exemplary, punitive, indirect or incidental losses or damages, including but not limited to loss of use, loss of product, cost of capital, loss of

goodwill, lost revenues or loss of profit, interruption of business, down time costs, loss of data, cost of cover, or governmental penalties or fines.

INDEMNIFICATION

Subject to the limitation of liability in this Agreement, S-H agrees to the fullest extent permitted by law, to indemnify and hold harmless the CLIENT, its officers, directors, shareholders, employees, contractors, subcontractors and consultants against all claims, damages, liabilities, losses or costs, including reasonable attorneys' fees, experts' fees, or other legal costs to the extent caused by S-H's negligent performance of service under this Agreement and that of its officers, directors, shareholders, and employees.

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Services provided by S-H under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances on projects of similar size, complexity, and geographic location as that of the Project. Nothing in this Agreement is intended to create, nor shall it be construed to create, a fiduciary duty owed by either party to the other party.

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The CLIENT shall provide for entry for the employees, agents and subcontractors of S-H and for all necessary equipment. While S-H shall take reasonable precautions to minimize any damage to property, it is understood by the CLIENT that in the normal course of the project some damages may occur, the cost of correction of which is not a part of this Agreement.

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Unless otherwise provided herein, invoices will be prepared in accordance with S-H's standard invoicing practices then in effect and will be submitted to CLIENT each month and at the completion of the work on the project. Invoices are due and payable upon receipt by the CLIENT. If the CLIENT does not make payment within thirty (30) days after the date the invoice was mailed to the CLIENT, then the amount(s) due S-H shall bear interest due from the date of mailing at the lesser interest rate of 1.5% per month compounded or the maximum interest rate allowed by law. In the event that S-H files or takes any action, or incurs any costs, for the collection of amounts due it from the client, S-H shall be entitled to recover its entire cost for attorney fees and other collection expenses related to the collection of amounts due it under this Agreement. Any failure to comply with this term shall be grounds for a default termination.

TERMINATION

Either party may terminate this Agreement for convenience or for default by providing written notice to the other party. If the termination is for default, the non-terminating party may cure the default before the effective date of the termination and the termination for default will not be effective. The termination for convenience and for default, if the default is not cured, shall be effective seven (7) days after receipt of written notice by the non-terminating party. In the event that this Agreement is terminated for the convenience of either party or terminated by S-H for the default of the CLIENT, then S-H shall be paid for services performed

to the termination effective date, including reimbursable expenses due, and termination expenses attributable to the termination. In the event the CLIENT terminates the Agreement for the default of S-H and S-H does not cure the default, then S-H shall be paid for services performed to the termination notice date, including reimbursable expenses due, but shall not be paid for services performed after the termination notice date and shall not be paid termination expenses. Termination expenses shall include expenses reasonably incurred by S-H in connection with the termination of the Agreement or services, including, but not limited to, closing out Project records, termination of subconsultants and other persons or entities whose services were retained for the Project, and all other expenses directly resulting from the termination.

INFORMATION PROVIDED BY OTHERS

S-H shall indicate to the CLIENT the information needed for rendering of services hereunder. The CLIENT shall provide to S-H such information, including electronic media, as is available to the CLIENT and the CLIENT's consultants and contractors, and S-H shall be entitled to rely upon the accuracy and completeness thereof. The CLIENT recognizes that it is difficult for S-H to assure the accuracy, completeness and sufficiency of such client-furnished information, either because it is provided by others or because of errors or omissions which may have occurred in assembling the information the CLIENT is providing. Accordingly, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless S-H, its officers, directors, shareholders, employees, agents, subconsultants and affiliated companies, and any of them, from and against any and all claims, liabilities, losses, costs, expenses (including reasonable attorneys' fees, experts' fees, and any other legal costs) for injury or loss arising or allegedly arising from errors, omissions or inaccuracies in documents or other information provided by the CLIENT.

UNDERGROUND UTILITIES

Information for location of underground utilities may come from the CLIENT, third parties, and/or research performed by S-H or its subcontractors. S-H will use the standard of care defined in this Agreement in providing this service. The information that S-H must rely on from various utilities and other records may be inaccurate or incomplete. Therefore, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless S-H, its officers, directors, shareholders, employees agents, subconsultants, affiliated companies, and any of them for all claims, losses, costs and damages arising out of the location of underground utilities provided or any information related to underground utilities by S-H under this Agreement.

CONTRACTOR MATTERS

CLIENT agrees that S-H shall not be responsible for the acts or omissions of the CLIENT's contractor, or subcontractors, their employees, agents, consultants, suppliers or arising from contractor's or subcontractors' work, their employees, agents, consultants, suppliers or other entities that are responsible for performing work that is not in conformance with the construction Contract Documents, if any, prepared by S-H under this Agreement. S-H shall not have responsibility for means, methods, techniques, sequences, and progress of construction of the contractor, subcontractors, agents, employees, agents, consultants, or others entities. In addition, CLIENT agrees that S-H is not responsible for safety at the project site and that safety during construction is for the CLIENT to address in the contract between the CLIENT and contractor.

SHOP DRAWING REVIEW

If, as part of this Agreement S-H reviews and approves Contractor submittals, such as shop drawings, product data, samples and other data, as required by S-H, these reviews and approvals shall be only for the limited purpose of checking for conformance with the design concept and the information expressed in the contract documents. This review shall not include review of the accuracy or completeness of details, such as quantities, dimensions, weights or gauges, fabrication processes, construction means or methods, coordination of the work with other trades or construction safety precautions, all of which are the sole responsibility of the Contractor. S-H's review shall be conducted with reasonable promptness while allowing sufficient time in S-H's judgment to permit adequate review. Review of a specific item shall not indicate that S-H has reviewed the entire assembly of which the item is a component. S-H shall not be responsible for any deviations from the contract documents not brought to the attention of S-H in writing by the Contractor. S-H shall not be required to review partial submissions or those for which submissions of correlated items have not been received.

OPINIONS OF PROBABLE COST

If, as part of this Agreement S-H is providing opinions of probable construction cost, the CLIENT understands that S-H has no control over costs or the price of labor, equipment or materials, or over the Contractor's method of pricing, and that S-H's opinions of probable construction costs are to be made on the basis of S-H's qualifications and experience. S-H makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

CONSTRUCTION OBSERVATION

If, as part of this Agreement S-H is providing construction observation services, S-H shall visit the project at appropriate intervals during construction to become generally familiar with the progress and quality of the contractors' work and to determine if the work is proceeding in general accordance with the Contract Documents. Unless otherwise specified in the Agreement, the CLIENT has not retained S-H to make detailed inspections or to provide exhaustive or continuous project review and observation services. S-H does not guarantee the performance of, and shall have no responsibility for, the acts or omissions of any contractor, its subcontractors, employees, agents, consultants, suppliers or any other entities furnishing materials or performing any work on the project.

S-H shall advise the CLIENT if S-H observes that the contractor is not performing in general conformance of Contract Documents. CLIENT shall determine if work of contractor should be stopped to resolve any problems.

OTHER SERVICES

The CLIENT may direct S-H to provide other services including, but not limited to, any additional services identified in S-H's proposal. If S-H agrees to provide these services, then the schedule shall be reasonably adjusted to allow S-H to provide these services. Compensation for such services shall be at S-H's Standard Hourly Fee Schedule in effect at the time the work is performed unless there is a written Amendment to Agreement that contains an alternative compensation provision.

OWNERSHIP & REUSE OF INSTRUMENTS OF SERVICE

All reports, plans, specifications, field data and notes and other documents, including all documents on electronic media, prepared by S-H as instruments of service shall remain the property of S-H. The CLIENT shall not reuse or make any modifications to the plans and specifications without the prior written authorization of S-H. The CLIENT agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless S-H its officers, directors, shareholders, employees, agents, subconsultants and affiliated companies, and any of them from any and all claims, losses, costs or damages of any nature whatsoever arising out of, resulting from or in any way related to any unauthorized reuse or modifications of the construction documents by the CLIENT or any person or entity that acquires or obtains the plans and specifications from or through the CLIENT without the written authorization of S-H.

DISPUTE RESOLUTION

If a dispute arises between S-H and CLIENT, the executives of the parties having authority to resolve the dispute shall meet within thirty (30) days of the notification of the dispute to resolve the dispute. If the dispute is not resolved within such thirty (30) day time period, CLIENT and S-H agree to submit to non-binding mediation prior to commencement of any litigation and that non-binding mediation is a precondition to any litigation. Any costs incurred directly for a mediator, shall be shared equally between the parties involved in the mediation.

EXCUSABLE EVENTS

S-H shall not be responsible for any event or circumstance that is beyond the reasonable control of S-H that has a demonstrable and adverse effect on S-H's ability to perform its obligations under this Agreement or S-H's cost and expense of performing its obligations under this Agreement (an "Excusable Event"), including without limitation, a change in law or applicable standards, actions or inactions by a governmental authority, the presence or encounter of hazardous or toxic materials on the Project, war (declared or undeclared) or other armed conflict, terrorism, sabotage, vandalism, riot or other civil disturbance, blockade or embargos, explosion, epidemic, quarantine, strike, lockout, work slowdown or stoppage, accident, act of God, failure of any governmental or other regulatory authority to act in a timely manner, unexcused act or omission by CLIENT or contractors of any level (including, without limitation, failure of the CLIENT to furnish timely information or approve or disapprove of S-H's services or work product promptly, delays in the work caused by CLIENT, CLIENT's suspension, breach or default of this Agreement, or delays caused by faulty performance by the CLIENT or by contractors of any level). When an Excusable Event occurs, the CLIENT agrees S-H is not responsible for damages, nor shall S-H be deemed to be in default of this Agreement, and S-H shall be entitled to a change order to equitably adjust for S-H's increased time and/or cost to perform its services due to the Excusable Event.

ASSIGNMENT

Neither party to this Agreement shall transfer, sublet or assign any rights under or interest in this Agreement (including but not limited to monies that are due or monies that may be due) without the prior written consent of the other party.

SEVERABILITY, SURVIVAL AND WAIVER

Any provision of this Agreement later held to be unenforceable for any reason shall be deemed void, and all remaining provisions shall continue in full force and effect. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the CLIENT and S-H shall survive the completion of the services hereunder and the termination of this Agreement. The failure of a party to insist upon strict compliance of any term hereof shall not constitute a waiver by that party of its rights to insist upon strict compliance at a subsequent date.

GOVERNING LAW

This Agreement shall be governed pursuant to the laws in the state of the locale of the S-H office address written in this Agreement.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of S-H to provide equal employment opportunities for all. S-H enforces the following acts and amendments as presented by Federal government or State governments: Title VII of the Civil Rights Act of 1965, Age Discrimination in Employment ACT (ADEA), Americans With Disabilities Act (ADA), Iowa Civil Rights Act of 1965, and Illinois Human Rights Act [775ILCS 5]. S-H will not discriminate against any employee or applicant because of race, creed, color, religion, sex, national origin, gender identity, sexual orientation, marital status, ancestry, veteran status, or physical or mental handicap, unless related to performance of the job with or without accommodation.

COMPLETE AGREEMENT

This Agreement constitutes the entire and integrated agreement between the CLIENT and S-H and supersedes all prior negotiations, representations and agreements, whether oral or written. If the CLIENT issues a Purchase Order of which this Agreement becomes a part, the terms of this Agreement shall take precedence in the event of a conflict of terms.

SIGNATURES

Original, facsimile, or electronic signatures by the parties are deemed acceptable for binding the parties to the Agreement. The CLIENT representative signing this Agreement warrants that he or she is authorized to enter into this Agreement on behalf of the CLIENT.

AGREEMENT

This proposal shall become the Agreement for Services when accepted by both parties. Original, facsimile, electronic signatures or other electronic acceptance by the parties (and returned to Shive-Hattery) are deemed acceptable for binding the parties to the Agreement. The Client representative signing this Agreement warrants that he or she is authorized to enter into this Agreement on behalf of the Client.

Thank you for considering this proposal. We look forward to working with you. If you have any questions concerning this proposal, please contact us.

Sincerely,

SHIVE-HATTERY, INC.



Marti Ahlgren, PMP

mahlgren@shive-hattery.com



Gregory J. Schaapveld, P.E.

gschaapveld@shive-hattery.com

AGREEMENT ACCEPTED AND SERVICES AUTHORIZED TO PROCEED

CLIENT: City of East Moline

BY: _____ **TITLE:** _____

(signature)

PRINTED NAME: _____ **DATE ACCEPTED:** _____

MNA/GJS/mna



COMMITTEE OF THE WHOLE

Title 2016 Tax Levy

Date: November 7, 2016

Agenda Item #6 Presented by: Megan Petersen, Finance Director

Description:

Attached is a proposed tentative levy for the 2016 tax year. The proposed levy shows an 11.11% increase in the tax rate from the prior year levy. The majority of the increase is attributed to the large increase in required contributions to the Police and Fire Pensions. An email message from the actuary for the pension funds explaining the reason for the jump in the required contributions has been provided. Also attached is a letter from the pension fund's investment consultant explaining the investment returns for 2015.

The levies for the other funds are consistent with the prior year's levies.

Since the proposed levy shows an increase larger than 5%, a public hearing will need to be held. With this being the case, a tentative levy needs to be approved tonight so we have sufficient time for the public hearing and to file the adopted levy by December 27.

FINANCIAL

Is this a budgeted item? Yes ___ No ___

Line Item# _____ Title: _____

Amount Budgeted: _____

Actual Cost: _____

Under/(Over): _____

Funding Sources:

Departments:

Is this item in the CIP? Yes ___ No ___ CIP Project Number: _____



COMMITTEE OF THE WHOLE

Any previous Council actions:

Action

Date

_____	_____
_____	_____

Recommendation:

Approve setting the tentative levy at 2.4251 which represents an 11.11% increase.

Required Action:

ORDINANCE _____ RESOLUTION _____ NO ACTION REQUIRED _____

Regular Meeting Date for Action _____

Additional Comments:

As a reminder, a tentative levy is just that, tentative. The Council may adopt a final levy that is lower but cannot adopt one that is higher than the tentative levy.

MOTION BY _____ BY _____ SECONDED _____

TO _____

CITY COUNCIL VOTES

VOTES	HELEN HEILAND	GARY ALMBLADE	NANCY MULCAHEY	ED DEJAYNES	HUMBERTO AGUILAR	ROBERT CHEFFER	GARY WESTBROOK
YES							
NO							
SENT							
ABSTAIN							

CITY OF EAST MOLINE FINAL TAX LEVY 2016

Estimated 2016 EAV

\$263,700,366

5.38%

Item #	2015		MAXIMUM RATE	PROPOSED 2016 TAX LEVY		RATE INCREASE (DECREASE)	AMOUNT INCREASE (DECREASE)
	Actual 2015 Tax Levy RATE	\$250,233,014 AMOUNT		RATE	AMOUNT		
GENERAL FUND 1	0.2500	\$637,000	0.2500	0.2416	\$637,000	(0.0084)	\$0
GARBAGE 2	0.0820	\$205,000	0.2000	0.0777	\$205,000	(0.0043)	\$0
STREET AND BRIDGE 3	0.0784	\$200,000	0.1000	0.0758	\$200,000	(0.0026)	\$0
TOWNSHIP STREET 3		\$50,000			\$50,000	-	\$0
FIRE PROTECTION 4	0.2000	\$510,000	0.2000	0.1934	\$510,000	(0.0066)	\$0
ADDITIONAL FIRE PROTECTION 5	-	\$0	0.0500	-	\$0	-	\$0
EMERGENCY SERVICES 6	0.0022	\$5,300	0.0500	0.0020	\$5,300	(0.0002)	\$0
POLICE PROTECTION 7	0.4000	\$1,020,000	0.4000	0.3868	\$1,020,000	(0.0132)	\$0
CROSSING GUARD 13	0.0188	\$47,000	0.0200	0.0178	\$47,000	(0.0010)	\$0
INSURANCE & TORT JUDGEMENT 14	0.1200	\$300,000		0.1138	\$300,000	(0.0062)	\$0
PUBLIC BENEFIT 15	0.0500	\$127,000	0.0500	0.0482	\$127,000	(0.0018)	\$0
MUNICIPAL AUDIT 16	0.0200	\$50,000		0.0190	\$50,000	(0.0010)	\$0
IMRF 17	0.0794	\$198,400		0.0642	\$169,400	(0.0152)	-\$29,000
FICA-SOCIAL SECURITY 18	0.0816	\$204,000		0.0733	\$193,400	(0.0083)	-\$10,600
FIREFIGHTER'S PENSION FUND 19	0.1314	\$328,806		0.2496	\$658,152	0.1182	\$329,346
POLICE OFFICER'S PENSION FUND 20	0.1978	\$494,509		0.4013	\$1,058,222	0.2035	\$563,713
LIBRARY 21	0.2500	\$637,000	0.2500	0.2484	\$655,000	(0.0016)	\$18,000
PARK FUND 22	0.0750	\$190,000	0.0750	0.0721	\$190,000	(0.0029)	\$0
LIBRARY BLDG & MAINTENANCE 23	0.0200	\$51,280	0.0200	0.0200	\$52,700	(0.0000)	\$1,420
Series 2011B GO ALT Bond 25	0.0758	\$189,285		0.0718	\$189,285	(0.0040)	\$0
PUBLIC COMFORT STATIONS 26	0.0002	\$500	0.0333	0.0002	\$500	(0.0000)	\$0
STREET LIGHTING 27	0.0500	\$127,000	0.0500	0.0482	\$127,000	(0.0018)	\$0
TOTAL LEVIED LAST YEAR	2.1826	\$5,572,080					
TOTAL PROPOSED LEVIES				2.4251	\$6,444,959	0.2425	\$872,879
GRAND TOTAL ALL LEVIES	2.1826	\$0		2.4251	\$6,444,959	0.2425	\$872,879
PERCENTAGE INCREASE						11.11%	

Megan Petersen

From: Art Tepfer <atepfer@tepferconsulting.com>
Sent: Monday, June 13, 2016 6:46 AM
To: Megan Petersen
Subject: Actuarial Work for Eat Moline - 2016
Attachments: EAST MOLINE FIRE 2015 GASB REPORT.pdf; East Moline Fire Funding Valuation Report -2016.pdf; Required Report 2015-East Moline Fire.doc; EAST MOLINE POLICE 2015 GASB REPORT.pdf; East Moline Police Funding Valuation Report-2016.pdf; Required Report 2015 East Moline Police.doc; Invoice 16633- East Moline Fire.pdf; Invoice 16632- East Moline Police.pdf

Thank you for your patience--

As promised, enclosed are all of the actuarial work for both funds for 2016.

The following is included:

1. The funding actuarial valuation report for the year beginning January 1, 2016
2. The Required Report to the Municipality for the fiscal year ended December 31, 2015
3. The GASB 2015 Report for the fiscal year ended December 31, 2015

As we have discussed, the recommended contribution for each fund has gone up this year quite a bit. In fact, it has virtually doubled from last year's recommendations.

The major cause of this is the very poor investment return realized by each fund. Investment return is a very crucial element in the determination of the contribution amount. When we assume 7% and a fund earns 0% then the investment loss is easily measured. It is exactly what the fund should have earned if it earned the 7%. When a fund earns less than 0% (which happened to each fund this year) then the loss is even greater. This investment loss is the major cause of the increase this year. A slight additional loss was experienced by the Police because of the additional service granted to some participants.

All this aside, the asset loss is somewhat smoothed by the statutory funding rules in the calculation of the amortization of the unfunded liability.. But the full impact is felt in the experience measurement which is not smoothed. The financial impact is very noticeable in a small plan such as yours. Assets are supposed to increase (not decrease) and the impact is very obvious when compared to the actuarial liabilities. It is not surprising that the contributions have gone up so much because of the huge investment losses in these funds. You will also notice that the funded percentages have dropped significantly for each fund.

We chose not to lower our investment return assumption this year. (Doing so would have essentially added insult to injury). We are confident that the fund's Trustees will take notice of the impact this year and take action steps to address the issues. We are hoping that this year is an anomalous one and that the funds will return to a strong positive investment growth in the coming year.

I am available to assist you in any way with the City Council, if needed.



5117 JERSEY RIDGE ROAD • SUITE ONE • DAVENPORT, IOWA 52807
TEL: (563) 322-2322 • TOLL FREE: (800) 824-8668 • FAX: (563) 322-4966

August 12, 2016

Mayor John Thodos and City Council
City of East Moline
915 16th Ave.
East Moline, IL 61244

To the Honorable Mayor Thodos and City Council:

The Police and Fire Pension Boards have requested that we provide a response to the recent increase in unfunded liability for the pension plans. As the investment consultant, they feel it's only appropriate that we express our view of the investments. There are many perspectives of a pension plan, but our letter will focus on three: Investments, Returns, and Liabilities (Pensions).

The Pension Fund Trustee's decisions are based on the asset allocation the board has selected. Consisting of bonds and stocks, the plan's allocation has been selected by means of our counsel, dictated by the limits placed upon us by the state statute. Operating within these limits, we select, as appropriate, funds in various categories in an attempt to maximize return for a given level of risk. The categories we suggest our clients invest in are, as appropriate, the emerging markets, developed international markets, US stock markets (consisting of small, medium, and large US companies), and fixed income assets (bonds). The categories' performance fluctuates from year to year, and hopefully through the asset allocation, the fund can perform better on a long-term basis than by investing solely in bond funds which are safer but offer substantially less expected return.

The second conversation point is the returns experienced by the pension funds. As you may well know, returns can be quite volatile over short periods of time. Looking at longer time periods will show a smoother return experience; especially when looking at time periods of 5-, 10-, or 15-years. Actuaries attempt to smooth these annual returns in their calculations by looking at rolling 5-year periods.

Third, are the liabilities. Not specifically the employer contribution, but the required benefits paid out to the member of the pension, as well as the beneficiaries for the plan. A true pension benefit can or should be provided based on contributions, expected future contributions, and the returns experienced compared to the liabilities paid by the plan. The only time there should be an increase in benefits is when there is an excess, or when the

contributing parties (the city and members of the police and fire pension funds) can afford the increased liability versus the increased benefit. Instead, the state dictates increases which are then passed down to the city and to the police and fire pension funds, without any employer (municipality) input towards the affordability of the benefits. The lack of control of two items, the benefit increases, and the short term market moves (especially on the down side) can increase short-term liabilities in the obligation from the employer (the city). This is not intended to place blame on any one entity, but rather to help explain the many facets of a pension obligation and how fast, on a short-term basis, the liabilities can shift.

When looking at the returns over the past year, the funds experienced a negative return on an absolute basis (the fund lost money in the market), while also underperforming the actuarial assumption. The negative return is amplified because of the actuarial assumption; a negative 1% return feels like a negative 8% return to the actuary when they are projecting average returns of a positive 7%. The large increase in pension liability is due to the weak stock market coupled with the actuarial assumption.

Going forward, there is no way to determine what the stock market will do over the short-term. It is very possible that over the next 3-5 years we could continue to experience returns that are below the actuarial assumption. That would cause a continued increase in the contribution required from the city. Alternatively, if the stock market and economy continue to show signs of life, we may be able to decrease the contribution required from the city. Lastly, be careful not to confuse the returns used in the actuary's calculations with those experienced from 1/1/2016 to 7/31/2016, which are substantially higher. If the markets continue to cooperate, we may find that next year the required contribution will have gone back down to levels from previous years.

Sincerely,



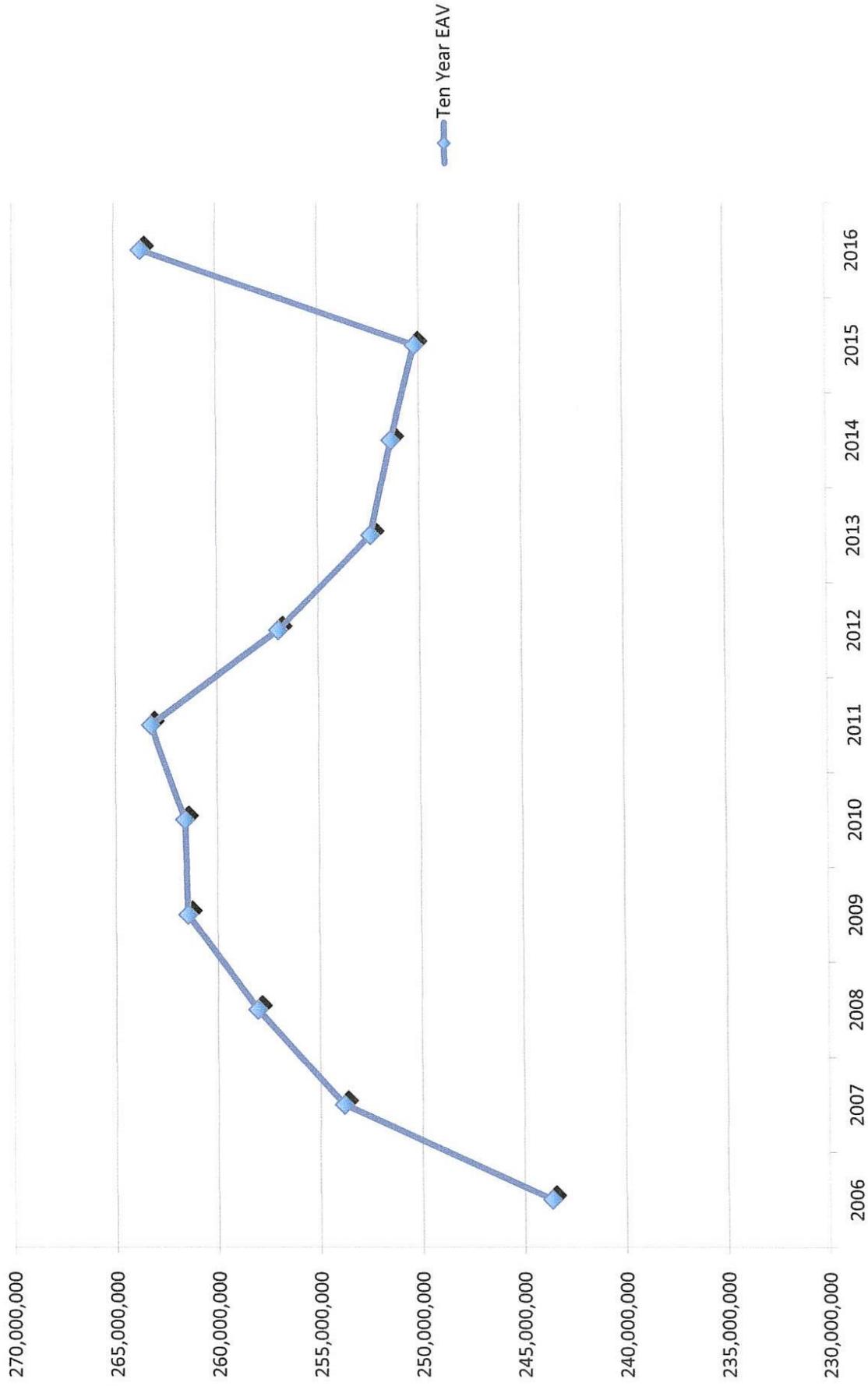
Donald R. Stanforth, President
Certified Investment Management Analyst®

DRS/skh



INVESTMENT CONSULTING
GROUP, INC.

Ten Year EAV



Ten Year Levy Rate

