



Village of Morton Grove

VILLAGE BOARD OF TRUSTEES REGULAR MEETING NOTICE/AGENDA

**TO BE HELD AT THE RICHARD T. FLICKINGER MUNICIPAL CENTER
SCANLON CONFERENCE ROOM**

**JANUARY 25, 2016
6:00 pm**

*(The hour between 6:00 and 7:00 pm is set aside for Executive Session
per 1-5-7A of the Village of Morton Grove Municipal Code.
If the Agenda does not include an Executive Session, the meeting will begin at 7:00 pm.)*

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Executive Session**

**THE BALANCE OF THE MEETING SHALL COMMENCE AT 7:00 PM
IN THE COUNCIL CHAMBERS
OF THE RICHARD T. FLICKINGER MUNICIPAL CENTER**

4. **Reconvene Meeting**
5. **Pledge of Allegiance**
6. **Roll Call**
7. **Approval of Minutes – Regular Meeting – January 11, 2016**
8. **Special Reports**
9. **Public Hearings**
10. **Residents' Comments (agenda items only)**

Richard T. Flickinger Municipal Center
6101 Capulina Avenue • Morton Grove, Illinois 60053-2985
Tel: (847) 965-4100 Fax: (847) 965-4162



Recycled Paper

- a. Appointment of New Community Relations Member/Chairperson Arcelia Pimentel

- b. Commission/Board/Committee appointments/reappointments are requested as follows:
- | | |
|-----------------------------|----------------|
| Firefighters' Pension Board | Hanna Sullivan |
|-----------------------------|----------------|

12. Clerk's Report – *Community Relations Commission*

13. Staff Reports

- a. **Village Administrator**

- ## 1) Miscellaneous Reports and Updates

- b. Corporation Counsel**

14. Reports by Trustees

- a. **Trustee Grear** – *Police Department, Community and Economic Development Department, Fire and Police Commission, Police Facility Committee, NIPSTA, Lehigh/Ferris TIF, Prairie View TIF (Trustee Witko)*

- b. **Trustee Minx** – *Natural Resource Commission, Plan Commission/Zoning Board of Appeals, Building Department (Trustee Pietron)*

- c. **Trustee Pietron** – *Public Works Department, Condominium Association, Economic Development Commission, Dempster Street Corridor Plan (Trustee Minx)*

- 1) **Resolution 16-05** (*Introduced January 25, 2016*)
 Authorizing the Execution of a Task Order with Ciorba Group, Inc. for Design Engineering Services for Sites I & J Development Drainage Engineering Project

- 2) **Resolution 16-06** (*Introduced January 25, 2016*)
Accepting the Public Improvements Constructed as Part of the Lexington Station Development

- d. **Trustee Ramos** – *Legal, Finance Department, Finance Advisory Commission, Traffic Safety Commission, Waukegan Road TIF, Capital Projects (Trustee Thill)*

- 1) **Ordinance 16-02** (*Introduced January 25, 2016*) (*Requesting Waive of Second Reading*)
Amending and Restating the Village of Morton Grove Retirement Plan Effective January
1, 2016

- 2) **Resolution 16-07** (*Introduced January 25, 2016*)
Authorizing the Execution of a Contract with Lauterbach and Amen, LLP for Actuarial Services for the Village of Morton Grove Police, Fire, and Municipal Retirement Funds

14. **Reports by Trustees (continued)**

- e. **Trustee Thill** – *Fire Department, Emergency Management Agency, RED Center, Environmental Health, Solid Waste Agency of Northern Cook County, Appearance Commission (Trustee Ramos)*
- f. **Trustee Witko** – *IT Communications, Strategic Plan Committee, Family and Senior Services Department, Chamber of Commerce, Advisory Commission on Aging (Trustee Grear)*
 - 1) **Resolution 16-08** (*Introduced January 25, 2016*)
Authorizing a Contractual Agreement with CDW-G to Provide for the Renewal of a Microsoft Enterprise Agreement for Microsoft Software Licensing for Operating and Productivity Software for All Village Desktop Computers

15. **Other Business**

16. **Presentation of Warrants - \$853,692.28**

17. **Residents' Comments**

18. **Executive Session** – Personnel Matters, Labor Negotiations, Pending Litigation, and Real Estate

19. **Adjournment** - *To ensure full accessibility and equal participation for all interested citizens, individuals with disabilities who plan to attend and who require certain accommodations in order to observe and/or participate in this meeting, or who have questions regarding the accessibility of these facilities, are requested to contact Susan or Marlene (847/470-5220) promptly to allow the Village to make reasonable accommodations.*

**MINUTES OF A REGULAR MEETING OF THE PRESIDENT
AND THE BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE
COOK COUNTY, ILLINOIS, HELD AT THE
RICHARD T. FLICKINGER MUNICIPAL CENTER
JANUARY 11, 2016**

CALL TO ORDER

- I & Village President Dan DiMaria called the meeting to order at 7:00 p.m. in the Council
- II. Chambers of Village Hall. A Police Department Color Guard, led by Commander Paul Yaras, presented and posted colors. Mayor DiMaria then led the Board and assemblage in the Pledge of Allegiance.

- III. Village Clerk Connie Travis called the roll. Present were: Trustees Bill Grear, Rita Minx, John Pietron, Ed Ramos, John Thill, and Janine Witko.

IV.

APPROVAL OF MINUTES

- a. Regarding the Minutes of the December 14, 2015 Regular Board Meeting, Trustee Minx moved to approve the Minutes as presented, seconded by Trustee Witko. **Motion passed unanimously** via voice vote.

V.

SPECIAL REPORTS

1. **Swearing In Ceremony for New Police Officer Daniel Dahm**

- a. Mayor DiMaria said that this is a special evening, as one of Morton Grove's own, Daniel Dahm, is sworn in. He said the Dahm family has a long tradition of serving Morton Grove, adding that he respects the Dahm family and is very proud of Daniel.
- b. Fire and Police Commission Chairman Mike Simkins agreed, saying this is especially gratifying to him, because he saw Daniel grow up. The fact that this is the third generation of the Dahm family to serve Morton Grove is near and dear to his heart. Chairman Simkins invited trustee liaison Bill Grear, Chief Mike Simo, Mayor DiMaria, and Daniel and his family to the podium.
- c. Mr. Simkins gave a brief bio: Daniel started his employment with the Village as of last Monday, and also began his training at the Suburban Law Enforcement Police Academy that day. Daniel was born and raised in Morton Grove, graduated from Niles West High School in 2007, and attended Carthage College in Kenosha, where he received his Bachelor's Degree in Criminal Justice. As mentioned, Dan's family has a long history with Morton Grove, and Dan is happy to carry on the tradition. He has been working as a CSO for the Morton Grove Police Department and is well prepared to serve his Village as a police officer.

V. **SPECIAL REPORTS** (continued)

Mr. Simkins swore Dan in to the applause and congratulations of the Board and the assemblage.

2. **Presentation of the Government Finance Officers Association Award for the Certificate of Achievement in Financial Reporting**

- a. Village Administrator Czerwinski said he had received notice that the Village received this award for the 2014 Budget year. The certificate reflects that Morton Grove has the appropriate processes and reporting methods, and went through the appropriate steps to finalizing its budget. This Award reflects all prior years' of the Village receiving it and is displayed in the Finance Department. Mr. Czerwinski thanked the staff of the Finance Department for all their hard work.

VI. **PUBLIC HEARINGS**

NONE

VII. **RESIDENTS' COMMENTS** (Agenda Items Only)

NONE

VIII. **PRESIDENT'S REPORT**

- 1. Mayor DiMaria sought concurrence for his Administrative Appointment of Hanna Sullivan as the Village's new Finance Director/Treasurer.

Trustee Pietron moved to concur with these appointments, seconded by Trustee Minx. **Motion passed unanimously** via voice vote.

- a. Mayor DiMaria said that Ms. Sullivan comes to Morton Grove from the Winnetka Finance Department. He said that she has a strong sense of Customer Service and felt she would be excellent in this position.
- b. Ms. Sullivan commented that she went to school at Loyola Academy and her career has been in Government Finance. She thanked the Board and said she looked forward to this opportunity.
- 2. Mayor DiMaria then presented **Resolution 16-01, Authorizing the Appointment of Delegates to the Intergovernmental Personnel Benefit Cooperative (IPBC)**.
 - a. He explained that the IPBC is instrumental in providing cost-effective health and life insurance benefits to Village employees. As a member, the Village is required to have delegates to represent it in IPBC matters. This resolution authorizes the Village Administrator and the Finance Director/Treasurer as the Village's representatives.

VIII.

PRESIDENT'S REPORT (continued)

Trustee Pietron moved to approve Resolution 16-01, seconded by Trustee Minx.

Motion passed: 6 ayes, 0 nays.

Tr. Grear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

3. Mayor DiMaria also presented **Resolution 16-02, Authorizing the Appointment of a Delegate and Alternate Delegate to the Intergovernmental Risk Management Agency (IRMA).**

- a. He explained that this resolution is required by IRMA and authorizes the Village Administrator as the Risk Manager and the Finance Director as the Alternate.

Trustee Grear moved to approve Resolution 16-02, seconded by Trustee Witko.

Motion passed: 6 ayes, 0 nays.

Tr. Grear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

4. Next, Mayor DiMaria presented **Resolution 16-03, Authorizing the Appointment of a Delegate and Alternate Delegate to the Illinois Municipal Retirement Fund (IMRF).**

- a. He explained that this resolution is required by IMRF and authorizes the Finance Director/ Treasurer and the Village Administrator as the Village's representatives to IMRF.

Trustee Pietron moved to approve Resolution 16-03, seconded by Trustee Minx.

Motion passed: 6 ayes, 0 nays.

Tr. Grear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

5. Mayor DiMaria reminded everyone that the registration period is now open for the next session of the Police Department's Citizens Academy. The session begins on March 22 and will be held every Tuesday evening until May 24. Applications will be accepted through February 12, 2016. Anyone interested in applying should do so as soon as possible via the Village's website or by contacting Officer Gina Lietz at 847-470-5200.

6. **Mayoral Update: A Look Back at 2015's Accomplishments and a Review of 2016's Goals**

- a. Mayor DiMaria stated that he is proud that the Village Board and staff work as a team, sharing the goal of providing high-quality municipal services and public improvements in a fiscally responsible manner, while developing and supporting economic activities in order to preserve and enhance an excellent quality of life for the community. He noted that each member of the Board brings a unique perspective to the collective work of setting Village policy, and said that, despite differences of opinions, the Board's goal is to work together for the residents and businesses of Morton Grove.

VIII.

PRESIDENT'S REPORT (continued)6. Mayoral Update (continued)

Mayor DiMaria said that 2015 was one of the best years yet in moving Morton Grove forward.

- c. He praised the Public Works Department, led by Andy DeMonte, and said that their efforts make all of our lives better. In 2015, Public Works responded to two extreme summer storms and 32 winter (ice and snow) storms. The Village had its first "boil order" in decades in 2015 when a large water main broke, releasing two million gallons of water into the forest preserves. Amazingly, Public Works got the break fixed and returned Morton Grove's water system to normal within hours. The boil order lasted 2.5 days and was a health safety precaution.
- d. Public Works also collected 1,237 tons of leaves; trimmed 1,444 parkway trees; removed 183 dead or diseased trees; planted 113 parkway trees; repaired 72 water main breaks; replaced and repaired 569 signs and 61 sign poles; used 4,038 tons of roadway salt; used 104 tons of cold mix patch and 587 tons of hot mix asphalt to help keep streets pot-hole free; repaired 11 alleys; and helped residents obtain over 875 free rain barrels from the Metropolitan Water Reclamation District.
- e. As far as Public Safety, Mayor DiMaria complimented the Police and Fire Departments, led by Chief Michael Simo and Chief Tom Friel respectively, as they are committed to innovative operations and forming relationships with community partners.
- f. In 2015, the Police Department initiated a Citizens Police Academy attended by 20 residents; hosted a Police Department open house event; participated in the first Morton Grove Police Department National Night Out; and upgraded the video cameras in the lock-up areas. Further, Deputy Chief Brian Fennelly successfully completed Advanced Administrative Training at the FBI National Academy, and Officers Lietz and Tabor attended numerous events and met with hundreds of residents and businesses as part of the department's community outreach efforts.
- g. Morton Grove's Fire Department benefitted from a new \$585,000 fire engine, successfully put into service in July, which allowed for the replacement of a 1978 Pierce Arrow engine.
- h. In 2015, the Fire Department responded to 3,713 calls for emergency service with an average response time of four minutes from dispatch to arrival. This included 2,106 calls for emergency medical services and 1,607 fire/rescue/service calls, including 37 fires. \$3.8 million of property was saved from damage in actual fire incidents. The Fire Department paramedics participated in a program to significantly cut the time needed to get heart attack patients from their home to the operating room, in an effort to increase survivability. The Department's thermal imaging technology was updated so that firefighters can better detect fires and hazards in zero visibility (even through most walls). The Fire Prevention Bureau provided fire safety and injury prevention education to over 1,000 school-aged children and scores of seniors. Public safety staff participated in 22,700 hours of technical training, including participation in coordinated "Active Shooter" response training, simulating the extraction and transport of mass casualty gunshot victims from public venues. The Village utilized the Mass Notification system seven times in 2015 in order to keep the community better informed as to ongoing events.
- i. In terms of economic development and business services, probably the biggest news of 2015 is the announcement that Moretti's is coming to Morton Grove! Moretti's is part of the Ala Carte Entertainment Group, known throughout Chicagoland for top-notch successful restaurants and

VIII.

PRESIDENT'S REPORT (continued)6. **Mayoral Update** (continued)

entertainment venues. The new Morton Grove Moretti's restaurant and catering facilities will be over 10,000 square feet and will bring, not only new tax revenue, but also new jobs, new dining options, and it will be the catalyst for additional businesses in the Village.

- j. Also in 2015, the new Audi dealership at Waukegan and Golf had a great first year. Their beautiful 60,000 square foot facility now brings in substantial property tax revenue to the Village and to School District 67, in addition to substantial sales tax revenue.
- k. The Board also approved in 2015 a redevelopment agreement for a new \$46 million mixed-use retail and residential development at 8700 Waukegan Road. The project is currently proceeding through the zoning approval process, with construction anticipated to start in spring of 2016.
- l. As to the 2015 accomplishments of the Administration, Mayor DiMaria said that neither he nor the Board members micro-manage Village staff. However, the single most important decision he made in 2015 was appointing Ralph Czerwinski as Village Administrator. Ralph's work ethic, his passion for excellence, his focus on problem-solving, and his commitment to staff and residents are well-known and well appreciated.
- m. In 2015, the marketing and branding initiative was completed, resulting in the Village's new tagline and logo. Efforts to improve communication with residents included live streaming of Village Board meetings, hosting three successful neighborhood outreach events, and an increase in the Village's Facebook page of over 42% in followers.
- n. Mayor DiMaria said the Village faces big issues, challenges, and opportunities in 2016. Springfield is a mess, and that financial crisis can greatly impact the Village. The world is increasingly becoming more dangerous and terrorism can occur anywhere. The mayor said that we cannot control these things, but we can and must be prepared. So, for 2016, the Village's first goal is to maintain its excellent public services. The Village will also continue its efforts to upgrade its infrastructure, including working with the Village of Niles to evaluate alternative water supplies. The Village will focus its efforts to cost-effectively maintain its infrastructure with a near- and long-term focus.
- o. Another goal will be to review our organization, our operations, and our processes to reduce expenses without impacting vital services. And in 2016, the Village will also focus on customer service and resident communications, including improving the database for its mass communication system. The system is only as good as the information it has. Mayor DiMaria said the administration will work with residents and businesses to obtain both correct and current email addresses and phone numbers. In 2016, the Village will also begin integrating its new logo throughout its communications with residents and businesses, and the final goal of 2016 is to continue efforts to attract successful businesses to Morton Grove.
- p. Mayor DiMaria said the most frequent feedback he gets from residents is "What's going on with the Prairie View Shopping Center?" and "We need a full service grocery store." These are his top priorities. The Board and staff have worked and will continue to work with the owner of the shopping center and prospective retailers to revitalize what was once the Village's most productive commercial center. The mayor said he was optimistic and believed everyone's hard work would ultimately pay off. This will be Morton Grove's best year yet!

IX.

CLERK'S REPORT

Clerk Travis had no report.

X.

STAFF REPORTSA. Village Administrator:

1. Village Administrator Czerwinski thanked the Police Department for providing the color guard this evening. He also thanked the Village Board for their appointment of Hanna Sullivan as Finance Director, adding that she will be a great asset for the Village.
2. Mr. Czerwinski said he wanted to publicly acknowledge the great job done by Fire Chief Tom Friel, filling the void as Finance Director until the Village could hire someone. He also thanked Ed McKee, a part-time accounting professional who helped immensely during the budget process, and noted that "we'll keep your phone number close."
3. Mr. Czerwinski thanked Boyle Wong for updating the Village's website, noting that, in the future both the website and the Village's Facebook page will, from time to time, offer a "Morton Grove Spotlight" feature highlighting things that are good or things people need to know about. He added that the Village's newsletter came out recently with a new format, and that, too, will include a "Morton Grove Spotlight" section when appropriate. The "spotlight" idea came from Trustee Thill.
4. Mr. Czerwinski said that the ability to "mass communicate" with residents is crucial. He said the Village has a good system, but the Village needs the cooperation of its residents in order for the system to work as efficiently as it should. To that end, Mr. Czerwinski said the Village will make the sign-up process as easy as possible for residents. They only need to call Village Hall. While they're at it, they can also sign up for the Village's e-newsletter and the Economic Development e-newsletter. Both of these e-newsletters are ways in which the Village can very quickly deliver important news to its residents and businesses.
5. Mr. Czerwinski announced that the Secretary of State's office is no longer mailing license plate renewal/registration forms. He said it's very important that people check their license plate expiration date and go online to renew the plates at least a month in advance. Mr. Czerwinski said this is a shocking change, but one that will save the State \$450,000 a month. He added that Mayor DiMaria had brought this information to his attention.
6. On behalf of the Morton Grove Public Library, Mr. Czerwinski announced that a Senior Spelling Bee would be held on March 16, 2016 at 10:00 a.m. at the Library. This is open to people who are age 50 and older. Culver's is co-sponsoring this event. The winner and runner-up will advance to a regional spelling bee. This information will be posted on the Village's website and its Facebook page.

B. Corporation Counsel:

Corporation Counsel Liston had no report.

XI.

TRUSTEES' REPORTS**A. Trustee Gear:**

1. Trustee Gear presented **Resolution 16-04, Authorizing Membership for the Morton Grove Police Department in the Northeastern Illinois Regional Crime Laboratory (NIRCL)**.
 - a. He explained that Village currently relies on the Illinois State Police Crime Laboratory in Chicago for crime lab services. Due to the heavy usage of this lab by other law enforcement agencies, including the Chicago Police Department, the processing times for evidence analysis are extremely long, and the lab's ability to conduct sophisticated analyses on Morton Grove PD evidence submissions is limited. The NIRCL is a private crime lab serving approximately 42 member law enforcement agencies. Its turnaround time and ability to conduct sophisticated analyses is significantly faster and better, resulting in better overall service to the crime victims and the residents of the Village. This lab is the only full service private crime laboratory in the Chicago metro area.
 - b. Trustee Gear said this agreement will automatically renew on May 1 of each year unless the Village adopts a resolution to terminate the membership agreement. Cost of membership is \$33,716 annually.

Trustee Gear moved to adopt Resolution 16-04, seconded by Trustee Minx.

Motion passed: 6 ayes, 0 nays.

Tr. Gear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

2. Trustee Gear welcomed Ms. Sullivan and congratulated Daniel Dahm, who he's known for many years.
3. Trustee Gear thanked the residents for giving him the opportunity to serve them, saying he tries to answer everyone's questions as honestly as possible, and if he doesn't know the answer to a question, he'll say so, and try to find the right person to answer the question. He said he feels that the relationship between the Board and the staff is like that of a family.

B. Trustee Minx:

Trustee Minx had no formal report, and agreed with Trustee Gear's assessment of the nature of the relationship between the Village Board and staff. She said it's the main reason why Morton Grove is a good place in which to work, raise a family, and retire!

XI.

TRUSTEES' REPORTS (continued)C. Trustee Pietron:

Trustee Pietron noted that, in the corporate world, it's the CEO of the company that sets the tone; in terms of the Village, it's the mayor. He said Mayor DiMaria has set the tone for the Village in terms of his honesty, progressiveness, and confidence in his staff.

D. Trustee Ramos:

Trustee Ramos congratulated Mayor DiMaria for the strong leadership he provides, and encouraged him to "keep it up!"

E. Trustee Thill:

Trustee Thill complimented Mayor DiMaria on his "state of the Village" report, calling it exciting and well-done.

F. Trustee Witko:

Trustee Witko had no report, but passed on a warning to residents from ComEd to be on the alert for scam artists claiming to be ComEd representatives seeking payment. These scam artists are trying to frighten people by telling them their service will be discontinued unless a payment is made. They instruct the resident to wire funds or buy a prepaid credit card and call them with the PIN from the card.

Trustee Witko said ComEd wants to protect its customers from these types of deceptive schemes. It's not ComEd's practice to ask a customer to purchase a prepaid credit card. If customers are ever unsure about the status of their accounts, they should always contact ComEd for verification. People who believe they have been the target of a phone scam are urged to contact the Illinois Attorney General's office at 1-800-386-5438.

Trustee Minx also noted that, if something appears to be too good to be true, it's probably not. There are other types of scams out there about winning or inheriting money, where victims are asked to first provide money before their winnings or inheritance can be released. If anyone feels they are a victim of such a scam, they should call the Morton Grove Police Department.

XII.

OTHER BUSINESS

NONE

XIII.

WARRANTS

1. Trustee Ramos presented the Warrant Register for December 28, 2015, in the amount of \$906,308.07. He moved that the Warrants be approved as presented. Trustee Pietron seconded the motion.

Motion passed: 6 ayes, 0 nays.

Tr. Grear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

2. Trustee Ramos presented the Warrant Register for January 11, 2016 in the amount of \$682,700.20. He moved that the Warrants be approved as presented, seconded by Trustee Witko.

Motion passed: 6 ayes, 0 nays.

Tr. Grear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

XIV.

ADJOURNMENT

Trustee Pietron moved to adjourn the meeting, seconded by Trustee Minx.

Motion passed: 6 ayes, 0 nays.

Tr. Grear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

The meeting adjourned at 7:48 p.m.

PASSED this 25th day of January, 2016.

Trustee Gear	_____
Trustee Minx	_____
Trustee Pietron	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

APPROVED by me this 25th day of January, 2016.

Daniel P. DiMaria, Village President
Board of Trustees, Morton Grove, Illinois

APPROVED and FILED in my office this 26th day of January, 2016.

Connie J. Travis, Village Clerk
Village of Morton Grove, Cook County, Illinois

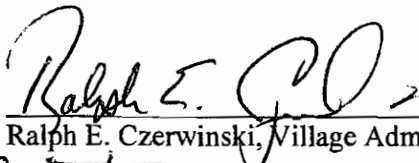
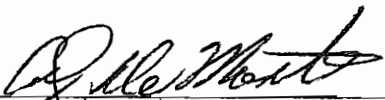
Minutes by: Teresa Cousar

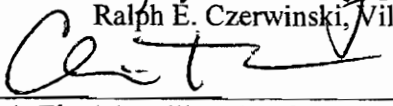
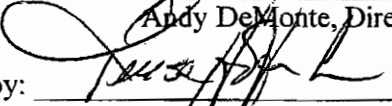
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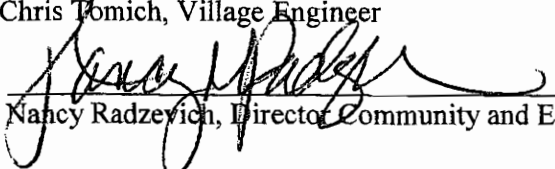
Resolution 16-05

AUTHORIZING THE EXECUTION OF A TASK ORDER WITH CIORBA GROUP, INC. FOR DESIGN ENGINEERING SERVICES FOR SITES I & J DEVELOPMENT DRAINAGE ENGINEERING PROJECT

Introduced:	January 25, 2016
Synopsis:	To authorize the Village Engineer to execute a task order with Ciorba Group, Inc. for design engineering services for Sites I & J Development Drainage Engineering Project.
Purpose:	To design improvements to construct a storm sewer system to serve areas identified as Sites I & J in the Lehigh/Ferris Framework Plan adopted in November 2008.
Background:	The Lehigh/Ferris Framework Plan was adopted in 2008 to define an implementable long-term vision for redevelopment within the Lehigh/Ferris Subarea. Sites I and J are identified in the Lehigh/Ferris Framework Plan as property parcels bounded by the river/railroad, Dempster Street, Narragansett Avenue, and Hennings Court. Metropolitan Water Reclamation District (MWRD) will require a separate storm sewer system to service new development in this area. It is consistent with the Village's development code to have the separate storm sewer system and in the Village's best interest to construct these regional stormwater management measures that will serve this and other future development in this area.
Programs, Departments or Groups Affected	Public Works, Community and Economic Development.
Fiscal Impact:	\$32,613.40
Source of Funds:	2016 Lehigh-Ferris TIF Account 151079-571029.
Workload Impact:	The management and supervision of this contract will be performed by the Engineering Division of Public Works and Community and Economic Development Departments as part of their normal operations.
Administrator Recommendation:	Approval as presented.
Special Considerations or Requirements:	None

Respectfully submitted:  Reviewed by: 
Ralph E. Czerwinski, Village Administrator Andy DeMonte, Director Public Works

Prepared by:  Reviewed by: 
Chris Tomich, Village Engineer Teresa Hoffman Liston, Corporation Counsel

Reviewed by: 
Nancy Radzevich, Director Community and Economic Development

RESOLUTION 16-05

AUTHORIZING THE EXECUTION OF A TASK ORDER WITH CIORBA GROUP, INC. FOR DESIGN ENGINEERING SERVICES FOR SITES I & J DEVELOPMENT DRAINAGE ENGINEERING PROJECT

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule unit of government under the provisions of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to its government affairs, including but not limited to the power to tax and incur debt; and

WHEREAS, Lehigh/Ferris Framework Plan was adopted in 2008 to define an implementable long-term vision for redevelopment within the Lehigh/Ferris Subarea; and

WHEREAS, Sites I and J are identified in the Lehigh/Ferris Framework Plan as property parcels bounded by the river/railroad, Dempster Street, Narragansett Avenue, and Hennings Court; and

WHEREAS, a separate storm sewer system will be required by the Metropolitan Water Reclamation District of Greater Chicago (MWRD) for new development in this area; and

WHEREAS, it is consistent with the Village's development code to have a separate storm sewer system; and

WHEREAS, it is in the Village's best interest to design and construct these regional stormwater management measures to facilitate future development in this area; and

WHEREAS, the design engineering required for this project is beyond the expertise and capacity of Village staff, so the Village will need to procure engineering services for this work; and

WHEREAS, Resolution 15-66, approved on October 26, 2016, authorized staff to negotiate a task order contract with Ciorba Group, Inc. for professional engineering services; and

WHEREAS, Village staff has negotiated a scope of services from Ciorba Group, Inc. to develop up to three design alternates of a storm sewer system to drain the areas bounded by the river/railroad, Dempster Street, Narragansett Avenue, and Hennings Court (attached Exhibit "1"), recommend the alternate with the highest benefit to cost ratio, and design construction plans and specifications for the design alternate preferred by the Village in the not-to-exceed amount of \$32,613.40 and

WHEREAS, the 2016 Adopted Budget contains an allocation of \$4,300,000 in the Lehigh-Ferris TIF Fund Account 151079-571029 for potential projects within or adjacent to the Lehigh-Ferris TIF District, of which the full amount is unobligated.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS AS

FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing WHEREAS clauses into this Resolution as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: The Corporate Authorities hereby authorize the Village Engineer to execute a task order for Ciorba Group, Inc. to complete design engineering for Sites I & J Development Drainage Engineering Project in the not-to-exceed amount of \$32,613.40.

SECTION 3: This Resolution shall be in full force and effect upon its passage and approval.

PASSED THIS 25th DAY OF JANUARY 2016

Trustee Grear	_____
Trustee Minx	_____
Trustee Pietron	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

APPROVED BY ME THIS 25th DAY OF JANUARY 2016

Daniel P. DiMaria, Village President
Village of Morton Grove
Cook County, Illinois

ATTESTED and FILED in my office
This 26th DAY OF JANUARY 2016

Connie Travis, Village Clerk
Village of Morton Grove
Cook County, Illinois

EXHIBIT "1"

Attachment C

TASK ORDER

In accordance with Article 35 of the Consulting Services Contract dated 11/1/2015 ("Contract") between the Village of Morton Grove ("VILLAGE") and Ciorba Group, Inc. ("CONSULTANT"), the CONSULTANT is authorized by the VILLAGE to perform the following task order as follows:

1 Contracted Services:

Sites I & J Development Drainage Engineering (See attached detailed description)

2 Time of Performance (attach schedule if appropriate):

January 27, 2016 through June 24, 2016(See attached detailed work breakdown structure)

3 CONSULTANT's Compensation:

Not to exceed \$32,613.40

All other terms and conditions remain unchanged.

VILLAGE

CONSULTANT

Signature

Signature

Village Engineer

President

Date

Date

EXHIBIT "1"

SITES I & J DEVELOPMENT DRAINAGE ENGINEERING VILLAGE OF MORTON GROVE 1/18/2016

The Village of Morton Grove has committed itself to conveying Village-owned property parcels comprising at 6415 Dempster Street, as well as three other properties fronting Narragansett Avenue and Ferris Avenue for the purpose of redevelopment. The Village assisted the developer in obtaining approval from the Metropolitan Water Reclamation District to make a temporary connection to the Village's combined sewer for the purposes of draining the development. This approval was contingent upon the Village obtaining a Watershed Management Ordinance permit for the final design of storm sewer discharge for the development that is tributary to the North Branch of the Chicago River. The Village of Morton Grove is requesting a review of alternative routes for the final discharge, review of regional detention considerations, and design of the selected route. The following tasks will be performed as part of this task order:

- Perform a topographic survey of the associated properties bounded by Dempster Street (north), Ferris Avenue (east), Hennings Court (south), and the Metra right of way (west). Include spot survey of key offsite drainage structures in order to assess alternatives that include connection to the 96" relief sewer.
- Prepare a concise technical memorandum comparing the scope, schedule, and budget of the following 3 route alternatives:
 1. Outfall to North Branch of the Chicago River via easement in Metra right of way behind the triangle property at the corner of Lincoln Avenue and Dempster Street.
 2. Outfall to 96" relief sewer on Lincoln Avenue, south of the Metra right of way.
 3. Outfall to the 96" relief sewer at the intersection of Narragansett Avenue and Capulina Avenue.
- Include in the technical memorandum a discussion of regional detention / stormwater management plan for future developments bounded by Dempster Street, Ferris Avenue, Hennings Court, and Narragansett Avenue.
- Preparation of Design Documents and Cost Estimate at Concept, Preliminary, Pre-Final, and Final Submittal detail.
- Permitting with the Metropolitan Water Reclamation District and as required with the Army Corps of Engineers and the Illinois Department of Natural Resources.
- Coordination with Metra, permitting agencies, and the Village, including incorporation of submittal review comments.

The project deliverables are proposed to include:

Technical Memorandum

See bullet points above for discussion of content.



CIORBA GROUP | Consulting Engineers

EXHIBIT "1"

Plans

Cover Sheet

General Notes

Summary of Quantities

Existing Utility & Removal Plan

Proposed Storm Sewer Plan & Profile

Proposed Detention Facilities

Erosion Control Plan

Restoration Plan

Details

Specifications

Front End documents

General Provisions

Special Provisions

Ciorba's engineering fee for this work order will be \$32,613.40 calculated based on contract hourly rates as shown in the following tables.



CIORBA GROUP | Consulting Engineers

EXHIBIT "1"**CIORBA GROUP** | Consulting EngineersCost Estimate of
Consultant ServicesFirm Ciorba Group, Inc
Client Village of Morton GroveDate 01/18/16County Cook
Job No. 20458.03

ITEM	MANHOURS	PAYROLL	(+R) TIMES PAYROLL	DIRECT COSTS	SERVICES BY OTHERS (E)	TOTAL (C+D+E)	% OF GRAND TOTAL
	(A)	(B)	(C)	(D)			
Meetings, Data Collection & Coordination	32	\$ 3,622.00				\$ 3,622.00	11.11%
Topographic Survey	70	\$ 5,532.00		\$ 390.00		\$ 5,922.00	18.16%
Water Resources	109	\$ 10,637.00		\$ 407.50		\$ 11,044.50	33.86%
Engineering Plans	48	\$ 4,776.00		\$ 407.50		\$ 5,183.50	15.89%
QC/QA	6	\$ 1,044.00				\$ 1,044.00	3.20%
Project Management & Administration	8	\$ 1,392.00				\$ 1,392.00	4.27%
Huff and Huff					\$ 4,405.40	\$ 4,405.40	13.51%
TOTALS	273	\$ 27,003.00		\$ 1,205.00	\$ 4,405.40	\$ 32,613.40	100.00%

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STAFF HOURS
Village of Morton Grove
Sites I & J Development Drainage Engineering

M:\Markets and Clients\Municipalities\Monterey_Grove\Proposals\PO20458.03_8415 Dempster Street Drainage\Revision 2\Dempster CGI\CECS - DLM (NON_IDOT) REV1.xlsx
Work Breakdown Structure
1/16/2018
Page 1 of 4

EXHIBIT "1"

STAFF HOURS Village of Morton Grove Sites I & J Development Drainage Engineering

Task Sub-Task	Activity	Grand Total	Senior Project Manager	Senior Project Engineer	Project Engineer	Staff Engineer II	Party Chief	Instrument Person / Rod Man
021	Process Survey Information	Subtotal: 6					6	
	Down Loading Total Station (1-2 hrs per down load every 2-3 days of topo)	2					2	
	Drafting Existing Conditions (4,000 ft per day)	4					4	
3.	Water Resources	Task Total: 109	2	10	29	68		
031	Stormwater Facility Design	Subtotal: 51		4	13	34		
	Storm Sewer	8			8			
	Detention Design	8		4		4		
	Drainage Sheets	22			2	20		
	Drainage Details	4			2	2		
	Erosion and Sediment Control Plans	5			1	4		
	Landscaping Plans	4				4		
034	Reports / Location Drainage Studies	Subtotal: 16			8	8		
	Drainage Tech Memo	16			8	8		
035	Permits	Subtotal: 42	2	6	8	26		
	Permit - ACOE	18	2	6		10		
	Permit- MWRDGC	12			4	8		
	Permit - Other (Metra)	12			4	8		

EXHIBIT "1"

STAFF HOURS Village of Morton Grove Sites I & J Development Drainage Engineering

Task Sub-Task	Activity	Grand Total	Senior Project Manager	Senior Project Engineer	Project Engineer	Staff Engineer II	Party Chief	Instrument Person / Rod Man
4. Engineering Plans	Task Total:	48			24	24		
055 Contract Plans	Subtotal:	22			10	12		
	Title Sheet	2				2		
	General Notes	4			2	2		
	Summary of Quantities	4			2	2		
	Disposition of Comments - 3 Submittals	12			6	6		
058 Quantity Calculations	Subtotal:	8			2	6		
	Quantities (Water Resources)	8			2	6		
059 Specifications & Estimates	Subtotal:	16			12	8		
	Specifications	12			6	6		
	Estimate of Time (Pre-final & Final)	2			2			
	Estimate of Cost (Pre-final & Final)	4			4			



EXHIBIT "1"
IN-HOUSE DIRECT COSTS
Village of Morton Grove
Sites I & J Development Drainage Engineering
PHASE II

Topographic Survey

Description	Unit	Unit Cost	Quantity	Extended Cost
Vehicle (day)	day	\$ 65.00	6	\$ 390.00
Total:				\$ 390.00

Water Resources

Description	Unit	Unit Cost	Quantity	Extended Cost
CADD Charges	hour	\$ 15.00	20	\$ 300.00
Copies	sheet	\$ 0.10	750	\$ 75.00
Full Size Prints	sheet	\$ 1.25	26	\$ 32.50
Total:				\$ 407.50

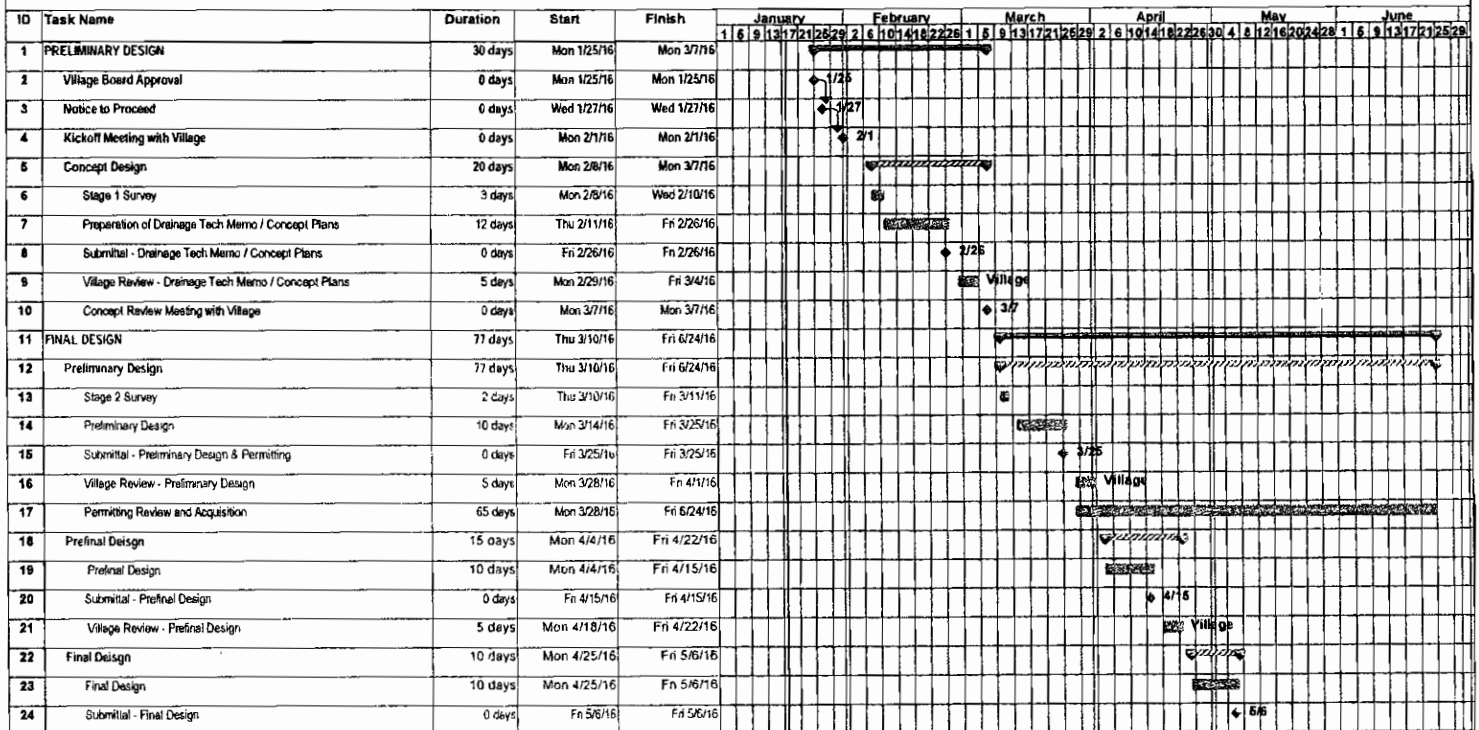
Engineering Plans

Description	Unit	Unit Cost	Quantity	Extended Cost
CADD Charges	hour	\$ 15.00	20	\$ 300.00
Copies	sheet	\$ 0.10	750	\$ 75.00
Full Size Prints	sheet	\$ 1.25	26	\$ 32.50
Total:				\$ 407.50



EXHIBIT "1"

VILLAGE OF MORTON GROVE SITES I & J DEVELOPMENT DRAINAGE



DESIGN SCHEDULE	PRELIMINARY & FINAL PHASES	16 JAN 2016	Task		Project Summary		Manual Summary Rollup	
			Milestone		Group By Summary		Manual Summary	
			Summary		Inactive Task		Start-only	
			Rolled Up Task		Inactive Task		Finish-only	
			Rolled Up Milestone		Inactive Milestone		Progress	
			Rolled Up Progress		Inactive Summary		Deadline	
			Split		Manual Task			
			External Tasks		Duration-only			

EXHIBIT "1"

STAFF HOURS Village of Morton Grove Sites I & J Development Drainage Engineering

Task Sub-Task	Activity	Grand Total	Senior Project Manager	Senior Project Engineer	Project Engineer	Staff Engineer II	Party Chief	Instrument Person / Rod Man
5. QC/QA		Task Total:	6	6				
090 QC/QA		Subtotal:	6	6				
	Water Resources (3 Plan Submittals, 2 Hr Each)		6	6				
6. Project Management & Administration		Task Total:	8	8				
100 Project Management & Administration		Subtotal:	8	8				
	Project Administration		4	4				
	Project Management		4	4				



EXHIBIT "1"



CIORBA GROUP | Consulting Engineers

FIRM NAME Ciorba Group, Inc. DATE 01/18/16
PRIME/SUPPLEMENT Prime
Client Village of Morton Grove

ESCALATION FACTOR 0.00%

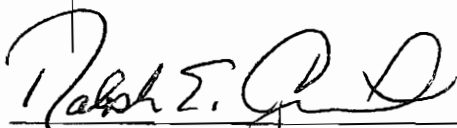
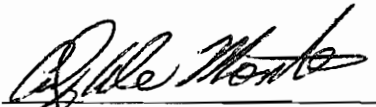
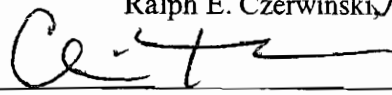
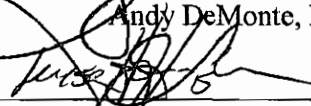
CLASSIFICATION	CURRENT RATE	ESCALATED RATE
Principal	\$180.00	\$180.00
Senior Project Manager	\$174.00	\$174.00
Senior Project Engineer	\$132.00	\$132.00
Project Engineer	\$117.00	\$117.00
Senior Engineer	\$94.00	\$94.00
Staff Engineer II	\$82.00	\$82.00
Staff Engineer I	\$74.00	\$74.00
Engineering Technician II	\$74.00	\$74.00
Engineering Technician I	\$58.00	\$58.00
Senior Structures Engineer	\$106.00	\$106.00
Structures Engineer	\$78.00	\$78.00
Senior CADD Technician	\$97.00	\$97.00
Resident Engineer III	\$122.00	\$122.00
Resident Engineer II	\$94.00	\$94.00
Resident Engineer I	\$83.00	\$83.00
Construction Engineer I	\$74.00	\$74.00
Party Chief	\$90.00	\$90.00
Instrument Person / Rod Man	\$66.00	\$66.00

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Legislative Summary

Resolution 16-06

ACCEPTING THE PUBLIC IMPROVEMENTS CONSTRUCTED AS PART OF THE LEXINGTON STATION DEVELOPMENT

Introduced:	January 25, 2016
Synopsis:	To accept the public improvements constructed within the public right-of-way as part of Lexington Station development.
Purpose:	To ensure the public improvements within the Village's rights-of-way are constructed in substantial conformance with the plans and specifications approved by the Village's building and engineering departments and a stipulation of what will be perpetually operated and maintained by the Village.
Background:	Lexington Station is a Planned Unit Development located within the Trafalgar Square Planned Unit Development and the Village of Morton Grove. Lexington Station improvements included small areas of sidewalk and grass parkway, short lengths of curb and gutter, small asphalt pavement patches and parkway trees within the Village's right-of-way. Construction work was completed in November 2015. The developer has provided the required maintenance agreement for the repair or replacement of defective materials and workmanship for two years from the effective date of the Village's acceptance of these improvements. The Municipal Code includes a process for accepting these public improvements and the developer has satisfied the requirements. Passage of this resolution constitutes formal acceptance of these improvements.
Programs, Departments or Groups Affected	Public Works.
Fiscal Impact:	None.
Source of Funds:	N/A
Workload Impact:	Maintenance obligations specified in the Municipal Code and conforming to the policies of the Public Works Department will be provided by the Public Works Department on these accepted improvements as part of their normal operations.
Administrator Recommendation:	Approval as presented.
First Reading:	N/A
Special Considerations or Requirements:	None
Respectfully submitted:	Reviewed by:
 Ralph E. Czerwinski, Village Administrator	 Andy DeMonte, Director Public Works
Prepared by:	Reviewed by:
 Chris Tomich, Village Engineer	 Teresa Hoffman Liston, Corporation Counsel

RESOLUTION 16-06

ACCEPTING THE PUBLIC IMPROVEMENTS CONSTRUCTED AS PART OF THE LEXINGTON STATION DEVELOPMENT

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule unit of government under the provisions of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to its government affairs, including but not limited to the power to tax and incur debt; and

WHEREAS, Lexington Station is a planned unit development located within the Trafalgar Square Planned Unit Development and the Village of Morton Grove; and

WHEREAS, public improvements, including sidewalk, curb and gutter and parkway trees, have been depicted on "Concord Drive Public Improvement Acceptance Exhibit" issued December 18, 2015, and Public Improvement Warranty Bond issued December 18, 2015, which are attached hereto as Exhibit "A", have been constructed according to the plans and specifications approved by the Village's building and engineering department; and

WHEREAS, the Village staff has recommended these public improvements and rights-of-way be accepted by the Corporate Authorities.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS AS FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing WHEREAS clauses into this Resolution as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: The public improvements and rights-of-way as set forth in Exhibit "A" are hereby accepted for ownership and maintenance by the Village of Morton Grove subject to the code requirements and regulations of the Village of Morton Grove.

SECTION 3: The Village Administrator or his designee is authorized to take all steps necessary to release all performance guarantees on behalf of the Village when appropriate.

SECTION 4: This Resolution shall be in full force and effect upon its passage and approval.

PASSED THIS 25th DAY OF JANUARY 2016

Trustee Gear	_____
Trustee Minx	_____
Trustee Pietron	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

APPROVED BY ME THIS 25th DAY OF JANUARY 2016

Daniel P. DiMaria, Village President
Village of Morton Grove
Cook County, Illinois

ATTESTED and FILED in my office
This 26th DAY OF JANUARY 2016

Connie Travis, Village Clerk
Village of Morton Grove
Cook County, Illinois

EXHIBIT "A"

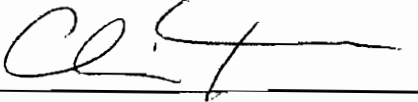
CERTIFICATE OF CONFORMANCE OF CONSTRUCTED IMPROVEMENTS

Development Legal Name: Planned Unit Development at Lexington Station (8320-8342 Concord Drive)

Developer: Lexington Station LLC

I, Chris Tomich, as Village Engineer of Morton Grove, certify all improvements required to be constructed or installed in, or upon, such streets or thoroughfares in connection with the approval of the plat of subdivision by the village board of trustees, have been fully completed and the construction or installation thereof has been approved by him, and that provisions regarding the performance and maintenance guarantees have been met.

Signed



Date

1/19/14



HAEGER ENGINEERING
 1200 N. 10th Street, Suite 200, Lincoln, NE 68502 • (402) 441-8800 • Fax (402) 441-8801
 www.haeger-engineering.com

CONCORD DRIVE PUBLIC IMPROVEMENT ACCEPTANCE EXHIBIT
 LEXINGTON STATION
 PROJECT NUMBER: 1718/2019
 DATE: 10/27/2019
 DRAWN BY: [Signature]

- LEGEND**
- Concord Drive Parkway Restoration (\$165 SY)
 - Concord Drive Concrete Sidewalk (\$1,075 SF)
 - Concord Drive Detectable Warning (\$15 LF)
 - Pavement Patch Adjacent to Curb and Gutter (\$23 SY)
 - Concord Drive Parkway Tree (3 Each)
 - Concord Drive Curb & Gutter (\$330 LF)
 - Concord Drive Relocated Street Sign (1 Each)
 - Limits of Concord Drive Improvements for Acceptance

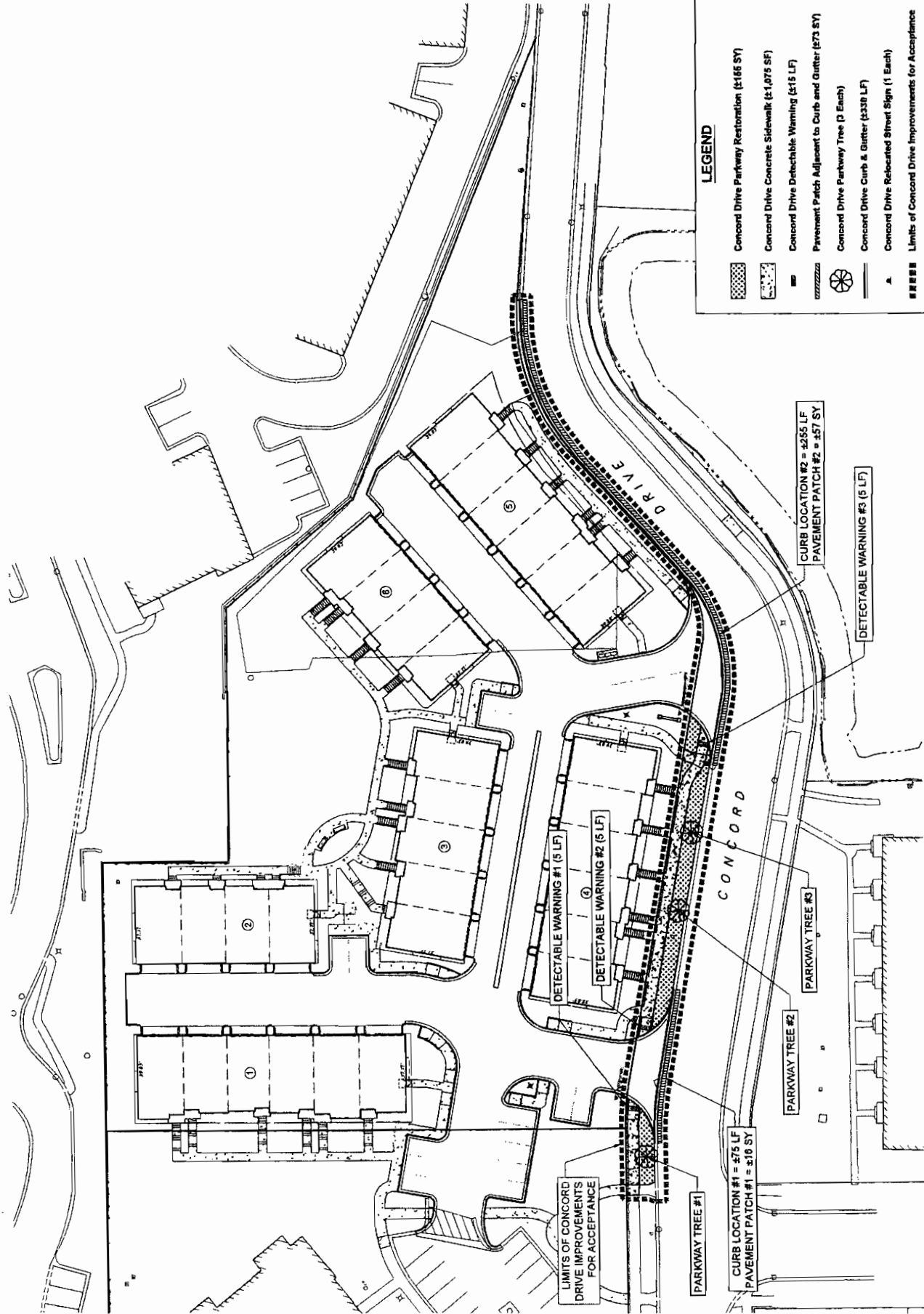


EXHIBIT "A"



PUBLIC IMPROVEMENT WARRANTY BOND (CONCORD DR. R.O.W. NOT INCLUDING ACCESS DRIVES) HAEGER ENGINEERING, LLC

Consulting Engineers and Land Surveyors

Project: LEXINGTON STATION
Location: Morton Grove, Illinois
Project #: 10097E

Prepared: T A S
Checked: T A S
Date: 12/18/15

1. IMPROVEMENTS IN THE CONCORD DRIVE R.O.W. (NOT INCLUDING ACCESS DRIVES)

Item No.	Description	Quantity	Unit	Unit Price	Total Amount
1.01	1-1/2" HMA SURFACE COURSE (24" WIDE PATCH ADJ TO CURB)	73	SY	\$12.00	\$876.00
1.02	5" P.C.C. SIDEWALK OVER 4" CA-6 AGGREGATE BASE COURSE	1,075	SF	\$4.50	\$4,837.50
1.03	CURB & GUTTER, B6.12	200	LF	\$20.00	\$4,000.00
1.04	CURB & GUTTER, B6.12, DEPRESSED	130	LF	\$25.00	\$3,250.00
1.05	ADA COMPLIANT DETECTABLE WARNING SURFACE, 24" WIDTH	15	LF	\$50.00	\$750.00
1.06	PARKWAY RESTORATION (6" TOPSOIL, SEED & BLANKET)	155	SY	\$3.00	\$465.00
1.07	RELOCATED STREET SIGN	1	EA	\$200.00	\$200.00
1.08	PARKWAY TREES	3	EA	\$450.00	\$1,350.00
				TOTAL	\$15,728.50
				10% OF TOTAL FOR WARRANTY BOND AMOUNT	\$1,572.85

WARRANTY BOND

Great American Insurance Company
301 E. Fourth Street
Cincinnati, OH 45202

Bond No. CA4099119

KNOW ALL MEN BY THESE PRESENTS, that we, Lexington Station, LLC, as Principal, and Great American Insurance Company, licensed to do business in the State of Illinois, as Surety, are held and firmly bound unto the Village of Morton Grove (Obligee), in the penal sum of One Thousand, Five Hundred Seventy-Two and 85/100 Dollars (\$1,572.85), lawful money of the United States of America, for the payment of which sum, well and truly to be made, the Principal and Surety do bind themselves, their heirs, executors, administrators, and successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal entered into a Resolution with the Obligor dated January 25, 2016 for Two Year Maintenance bond for specific Public improvements made at Lexington Station ("Work").

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall maintain and remedy said Work free from defects in materials and workmanship for a period of Two year(s) commencing on 25th day of January, 2016 (the "Maintenance Period"), then this obligation shall be void; otherwise it shall remain in full force and effect.

Notwithstanding the provisions of the Resolution, the term of this bond shall apply from 25th day of January, 2016, until 25th day of January, 2018, and may be extended by the Surety by Continuation Certificate. However, neither nonrenewal by the Surety, nor the failure or inability of the Principal to file a replacement bond in the event of nonrenewal, shall itself constitute a loss to the obligee recoverable under this bond or any renewal or continuation thereof. The liability of the Surety under this bond and all continuation certificates issued in connection therewith shall not be cumulative and shall in no event exceed the amount as set forth in this bond or in any additions, riders, or endorsements properly issued by the Surety as supplements thereto.

FURTHERMORE, any dispute regarding the enforceability of this WARRANTY bond will be bound by the laws of the State of Texas. Any claims made against this bond must be presented, via certified mail, return receipt requested, within 30 days of the expiration date listed above to the following address: Great American Insurance Company, deliveries only use.

Sealed with our seals and dated this 20th day of January, 2016.

PRINCIPAL

Lexington Station, LLC

Witness

, Title


Witness: Hina Azam

Great American Insurance Company


Attorney-in-Fact: William Reidinger


Agreed and acknowledged this _____ day of _____, 20____

By: _____
, Obligor

State of ... Illinois
County of ... Cook ss.:

Surety
Company
Acknowledgment:

On this 20th day of January 2016., before me personally appeared... William Reidinger..., to be known, whom being by me duly sworn, did depose and say: that he/she resides at... Schaumburg, IL..., that he/she is the Attorney In Fact of... Great American Insurance Company..., the corporation described in and which executed the annexed instrument; that he/she knows the corporate seal of said corporation that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; that he/she signed his/her name thereto by like order; and that the liabilities of said corporation do not exceed its assets as ascertained in the manner provided by law.


Notary Public in and for the above County and State.

My commission expires... 02/23/2019



GREAT AMERICAN INSURANCE COMPANY®

Administrative Office: 301 E 4TH STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by
this power of attorney is not more than 1

Bond No. CA4099119

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below its true and lawful attorney-in-fact, for it and in its name, place and stead to execute on behalf of the said Company, as surety, the specific bond, undertaking or contract of suretyship referenced herein; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below. The bond number on this Power of Attorney must match the bond number on the bond to which it is attached or it is invalid.

Name	Address	Limit of Power
William Reidinger	One Century Centre, 1750 East Golf Road Schaumburg, IL 60173	\$100,000,000.00

Principal: Lexington Station, LLC
Obligee: Village of Morton Grove

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 25th day of January, 2016.

Attest

GREAT AMERICAN INSURANCE COMPANY



Atty L C. B.
Assistant Secretary

David C. Kitchen
Divisional Senior Vice President

DAVID C. KITCHIN (877-377-2405)

STATE OF OHIO, COUNTY OF HAMILTON - ss:

On this 25th day of January, 2016, before me personally appeared DAVID C. KITCHIN, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is a Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.



Susan A. Kohorst
Notary Public, State of Ohio
My Commission Expires 05-16-2020

Susan A. Kohorst

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated June 9, 2008.

RESOLVED: That the Divisional President, the several Divisional Senior Vice Presidents, Divisional Vice Presidents and Divisional Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.

RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract of suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

CERTIFICATION

I, STEPHEN C. BERAHA, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of June 9, 2008 have not been revoked and are now in full force and effect.

Signed and sealed this 25th day of January, 2016.



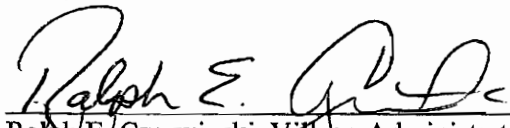
Atty L C. B.
Assistant Secretary

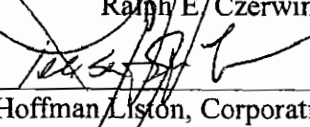
Legislative Summary

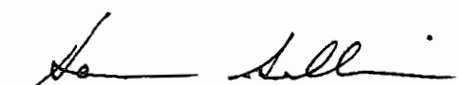
Ordinance 16-02

AMENDING AND RESTATING THE VILLAGE OF MORTON GROVE RETIREMENT PLAN EFFECTIVE JANUARY 1, 2016

Introduced:	January 25, 2016
Synopsis:	To authorize amendments and reinstatement of the Village of Morton Grove General Employees Retirement Plan.
Purpose:	The Internal Revenue Service requires general employees retirement plans to be periodically reviewed.
Background:	The Village of Morton Grove General Employees Retirement Plan provides retirement benefits for employees other than sworn police officers and firefighters hired prior to January 1, 2005 (employees hired after this date participate in the IMRF Retirement Plan). The plan was initially established in 1965 and has been periodically amended since that time. In order to comply with changes within the Internal Revenue Code, and to continue to qualify under Sections 401a and 501a of the Internal Revenue Code, the Village seeks to amend the plan and for convenience has restated the plan to incorporate all amendments approved prior to this time. These changes have been recommended by the Village's Special Counsel and must be approved and submitted to the Internal Revenue Service prior to January 31, 2016. The IRS also requires all affected employees receive notice of these changes. The Village has subsequently applied and posted notice of these changes to the affected Village employees.
Programs, Departments or Groups Affected	Police Department and general public.
Fiscal Impact:	A "user fee" of \$2,500 will need to be submitted in connection with the amendment for the U.S. Treasury for the IRS user fee.
Source of Funds:	General Fund
Workload Impact:	The management and supervision of this contract will be performed by the Administration, Legal, and Finance Departments as part of their normal operations.
Administrator Recommendation:	Approval as presented.
First Reading:	Due to the strict timeline imposed by the IRS, staff is requesting the second reading be waived. Submission of the Plan must be completed by January 31, 2016.
Special Considerations or Requirements:	None

Respectfully submitted: 
Ralph E. Czerwinski, Village Administrator

Prepared by: 
Teresa Hoffman Liston, Corporation Counsel

Reviewed by: 
Hanna Sullivan, Finance Director/Treasurer

ORDINANCE 16-02

AMENDING AND RESTATING THE VILLAGE OF MORTON GROVE RETIREMENT PLAN EFFECTIVE JANUARY 1, 2016

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois is a home rule unit of government under the provisions of Article 7 of the Constitution of the State of Illinois, can exercise any power and perform any function pertaining to the government affairs, including but not limited to the power to tax and incur debt; and

WHEREAS, the Village, has established a pension plan for the benefit of its eligible civilian (non-sworn) employees with a group annuity deposit administration contract on December 21, 1965, effective January 1, 1966; and

WHEREAS, the plan was subsequently amended and restated by the Village effective January 1, 1981, and has periodically been amended thereafter including January 1, 2008; and

WHEREAS, in order for the plan to continue to qualify under Sections 401a and 501a of the Internal Revenue Code of 1986, the Village desires to further amend the plan effective January 1, 2016, and for convenience deemed it desirable to restate the provisions of the plan in its entirety rather than amend specific provisions; and

WHEREAS, in addition to restated the plan to include all prior approved amendments, the Village desires to amend the plan in certain minor respects so it complies with technical changes to the Internal Revenue Code including certain minimum distribution rules and IRS required limitation of pension benefits.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS AS FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing WHEREAS clauses into this Ordinance as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: The Corporate Authorities do hereby approve and adopt the Village of Morton Grove Retirement Plan as amended and restated effective January 1, 2016, in substantial conformity with Exhibit "A".

SECTION 3: The Village President is hereby authorized and empowered to sign the Retirement Plan and all related documents and the Village Clerk is hereby authorized to attest such signature.

SECTION 4: The Village Administrator and the Director of Finance/Treasurer and/or their designees are hereby authorized to take all steps necessary to implement the Village of Morton Grove Retirement Plan as amended and restated.

SECTION 5: This Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form according to law.

PASSED this 25th day of January 2016.

Trustee Gear	_____
Trustee Minx	_____
Trustee Pietron	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

APPROVED by me this 25th day of January 2016.

Daniel P. DiMaria, Village President
Village of Morton Grove
Cook County, Illinois

APPROVED and FILED in my office
this 26th day of January 2016.

Connie Travis, Village Clerk
Village of Morton Grove
Cook County, Illinois

VILLAGE OF MORTON GROVE

RETIREMENT PLAN

(as amended and restated effective January 1, 2016)

Jay P. Tarshis
Arnstein & Lehr LLP
120 South Riverside Plaza
Suite 1200
Chicago, IL 60606

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VILLAGE OF MORTON GROVE

RETIREMENT PLAN

(as amended and restated effective January 1, 2008)

The Village of Morton Grove and the Board of Library Directors of the Village of Morton Grove (hereinafter referred to collectively as the "Employers" and individually as an "Employer") established a retirement plan referred to as the "Village of Morton Grove Retirement Plan" (the "Plan") effective January 1, 1966, for the benefit of their respective eligible employees. Each of the Employers are a municipality or semi-governmental agency, and the Plan is a "governmental plan" within the meaning of Section 414(d) of the Internal Revenue Code of 1986 and Section 3(52) of the Employee Retirement Income Security Act of 1974.

The Plan was subsequently amended and restated by the Employers effective January 1, 1981 and periodically amended thereafter. In order for the Plan to continue to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, the Employers now desire to further amend the Plan, effective January 1, 2016 (unless a different effective date is indicated), and for convenience deem it desirable to restate the provisions of the Plan in their entirety rather than amend specific provisions piecemeal.

NOW, THEREFORE, pursuant to the provisions of Section 16.1 of the Plan and in accordance with resolutions duly adopted by each of the Employers, the Employers hereby amend the terms and conditions of the Plan in the form and manner hereinafter contained.

ARTICLE I

Definition of Terms

Unless the context otherwise clearly indicates, the following terms shall be construed as hereinafter defined:

1.1 The term "Accrued Benefit" shall mean an amount equal to the greater of (a) the monthly normal retirement benefit payable commencing at a Participant's normal retirement date determined in accordance with Section 5.3 (based on the Participant's Average Monthly Compensation and Years of Benefit Accrual at his termination of employment), or (b) an annuity which can be purchased on a single premium basis with a Participant's Mandatory Employee Contributions together with interest thereon at the rate of five percent (5%) per annum from the date of contribution to the Participant's termination of employment. This interest rate shall be changed according to Section 411(c)(2)(D) of the Code and the Regulations thereunder. The annuity provided in (b) above shall be payable in the same form as the Participant's monthly normal retirement benefit.

The Accrued Benefit of any Participant electing to participate in the Illinois Municipal Retirement Fund, 40 ILCS 5/7-101 et seq. ("IMRF"), as herein provided, shall be frozen effective December 31, 2004. The benefit of any Participant who elects to participate in IMRF shall be paid in the manner and at such time as shall be otherwise provided in the Plan.

1.2 The term "Actuarial Equivalent" shall mean an amount equal in terms of present value based on the following actuarial assumptions: pre-retirement investment return — 7%; post—retirement investment return — 8%; and mortality — UP 1984 Table set back 3 years for both males and females. The annual compensation of active Participants is assumed to increase at the rate of five percent (5%) per annum, compounded annually. Total base salary is assumed to increase at the rate of 4% per year. Participants are assumed to terminate their employment due to causes other than retirement, death or Permanent Disability based on the following schedule:

Employee Withdrawal Rate
Per 1,000 Employees

25	54
30	48
35	44
40	39
45	31
50	16
55	4
60 and over	0

For Plan Years beginning after December 31, 1999, solely for purposes of satisfying Section 415(b)(2)(E) of the Code and the limitations of Article XX of the Plan, the term "Actuarial Equivalent" shall have the meaning provided below.

1. For purposes of determining the amount of a distribution in a form other than in an annual benefit that is non-decreasing for the life of the Participant or, in the case of a qualified pre-retirement survivor annuity, the life of the Participant's spouse; or that decreases during the life of a Participant merely because of the death of the surviving annuitant (but only if the reduction is to a level not below 50% of the annual benefit payable before the death of the surviving annuitant) or merely because of the cessation or reduction of social security supplements or qualified disability payments, Actuarial Equivalence will be determined on the basis of the Applicable Mortality Table (defined below) and Applicable Interest Rate under IRC §417(e), if it produces a benefit greater than that determined under the preceding paragraph. The preceding paragraphs of this Section will not apply to the extent that they would cause any benefits under the Plan to fail to satisfy the requirements of IRC §415(b) or Regs. §1.401(a)(4)-6 and Regs. §1.411(c)-1(c).

The term "Applicable Interest Rate" is the rate of interest on Thirty Year Treasury securities as specified by the Commissioner for the "Look Back Month" for the "Stability Period." The Look Back Month applicable to the Stability Period is the fourth (4th) calendar month preceding the first day of the Stability Period. The Stability Period is the calendar year that contains the "Annuity Starting Date" for the distribution and for which the Applicable Interest Rate remains constant. The Annuity Starting Date is the first day of the first period for which an amount is paid as an annuity or any other form of payment. A Plan amendment that changes the date for determining the Applicable Interest Rate (including an indirect change as a result of a change in Plan Year) shall not be given effect with respect to any distribution during the period commencing one year after the later of the amendment's effective date or adoption date, if, during such period and as a result of such amendment, the Participant's distribution would be reduced. The Applicable Mortality Table is set forth in Rev. Rul. 2001-62, 2001-53, I.R.B. 632.

1.3 The term "Anniversary Date" shall mean December 31 of each year.

1.4 The term "Average Monthly Compensation" shall mean the monthly average compensation of the Participant during the forty-eight (48) consecutive months during which the Participant received his highest compensation, divided by forty-eight (48) to determine the monthly average. If a Participant has less than forty-eight (48) consecutive months of employment with an Employer then the average shall be determined by dividing his total compensation during his total consecutive months of employment by the number of months in such period.

For purposes of determining a Participant's Average Monthly Compensation, compensation shall be determined in accordance with Section 1.7.

1.5 The term "beneficiary" or "designated beneficiary" means the person(s) or entity to whom the benefits of a deceased Participant are payable.

1.6 The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.7 The term "compensation" shall mean all remuneration paid by the Employer on behalf of any employee for each Plan Year for services rendered to an Employer, but excluding:

(a) Any compensation paid to the Participant for overtime work, bonuses, lump sum payments for an employee's non-use of paid days off and holidays (such as sick days, vacation days and "floating" holidays) or any other non-recurring forms of compensation;

(b) All distributions and Employer contributions made on behalf of an employee under this Plan or any other employee benefit plan maintained by an Employer;

(c) Any compensation paid in a form other than cash; and

(d) Any compensation, other than bonuses, accrued and unpaid for any incomplete pay period in which the Plan Year ends (which shall be included in compensation for the Plan Year in which paid).

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning after December 31, 1995, the annual compensation of each employee other than a "grandfathered Participant" (defined below) taken into account under the Plan shall not exceed the OBRA '93 annual compensation limit. The OBRA '93 annual compensation limit is \$150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with section 401(a)(17)(B) of the Internal Revenue Code. The cost-of living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

For plan years beginning after December 31, 1995, any reference in this Plan to the limitation under section 401(a)(17) of the Code shall mean the OBRA '93 annual compensation limit set forth in this provision.

If compensation for any prior determination period is taken into account in determining an employee's benefits (other than a grandfathered Participant) accruing in the current plan year, the compensation for that prior determination period is subject to the OBRA '93 annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first plan year beginning after December 31, 1995, the OBRA '93 annual compensation limit is \$150,000, as adjusted.

For limitation years beginning after December 31, 1997, compensation paid or made available during such limitation year shall include any elective deferral (as defined in Code Section 402(g)(3)) and any amount which is contributed or deferred by the Employer at the election of the employee and which is not includible in the gross income of the employee by reason of Section 125, 457 and (for limitation years beginning on or after January 1, 2001) Code Section 132(f)(4).

The term "415 Compensation" shall include the Participant's wages, salaries, fees for professional services and other amounts for personal services actually rendered in the course of employment with an Employer maintaining the Plan (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses and in the case of a Participant who is an employee within the meaning of Code Section 401(c)(1) and the regulations thereunder, the Participant's earned income (as described in Code Section 401(c)(2) and the regulations thereunder)) paid during the limitation year, not to exceed, however, Two Hundred Thousand Dollars (\$200,000) (unless adjusted in the same manner as permitted under Code Section 415(d)).

"415 Compensation" shall exclude (1) (A) contributions made by the Employer to a plan of deferred compensation to the extent that, before the application of the Code Section 415 limitations to the Plan, the contributions are not includible in the gross income of the employee for the taxable year in which contributed, (B) contributions made by the Employer to a plan of deferred compensation to the extent that all or a portion of such contributions are recharacterized as a voluntary employee contribution; (C) Employer contributions made on behalf of an employee to a simplified employee pension plan described in Code Section 408 (k) to the extent such contributions are deductible by the employee under Code Section 219 (a) . (D) any distributions from a plan of deferred compensation regardless of whether such amounts are includible in the gross income of the employee when distributed except that any amounts received by an employee pursuant to an unfunded non-qualified plan to the extent such amounts are includible in the gross income of the employee; (2) amounts realized from the exercise of a non-qualified stock option or when restricted stock (or property) held by an employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture; (3) amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and (4) other amounts which receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are not includible in the gross income of the employee) . or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of any annuity contract described in Code Section 403(b) (whether or not the contributions are excludible from the gross income of the employee).

"415 Compensation" shall exclude Employer contributions to a Plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, other than contributions through a salary reduction agreement to a cash or deferred plan under Code Section 401(k) or 457, a simplified employee pension plan under Code Section 402(h)(1)(B), a cafeteria plan under Code Section 125, a tax deferred annuity under Code Section 403(b) or (for Plan Years beginning on or after January 1, 2001) elective amounts that are not includible in income under Code Section 132(f)(4). Except as otherwise provided, the provisions of this paragraph shall be effective for the Plan Year beginning on or after January 1, 1998.

For each "grandfathered Participant" (defined below) the amount of compensation includible for purposes of determining a Participant's benefits hereunder shall not be less than the amount of compensation determined under the Plan immediately prior to the effective date of the OBRA '93 annual compensation limit.

The term "grandfathered Participant" means an eligible employee who becomes a Participant in the Plan prior to January 1, 1996.

1.8 The term "continuous service" shall mean the period, of employment with an Employer. An employee shall not be credited with any continuous service for periods prior the first hour of service with an Employer, notwithstanding any amounts attributable to such prior service received as a rollover amount in accordance with Article XIX. A

"year of continuous service" or "year of service" shall mean a period of twelve (12) consecutive months during which the employee has completed at least 1,000 hours of service for an Employer. For purposes of determining eligibility to participate in the Plan, the period of twelve (12) consecutive months shall commence on the employee's employment commencement date and each subsequent anniversary of such date. For purposes of determining the Vested percentage of a Participant's Accrued Benefit, the period of twelve (12) consecutive months shall be the plan year.

Anything hereinabove to the contrary notwithstanding, continuous service shall not include:

(a) In the case of a Participant who has incurred a one-year break in service, years of continuous service before such one-year break in service for purposes of determining under Section 7.1 the Vested percentage of Accrued Benefits which accrued subsequent to such break in service, until the employee has completed a year of continuous service following his return to employment as required by Section 2.3; and

(b) For purposes of determining a Participant's Accrued Benefit, continuous service shall not include any periods of service with an Employer during which the Participant was in an ineligible classification of employees as provided in Section 1.10.

1.9 The term "Effective Date" shall mean the effective date of this amendment and restatement, January 1, 2016, except as otherwise herein provided.

1.10 The term "eligible employee" shall mean all employees who (1) commence employment with an Employer prior to the "Transition Date" (defined below) (or who are considered employees for purposes of Section 414(n) of the Code), and (2) have completed one (1) year of continuous service, exclusive of (i) the Village Administrator of the Village of Morton Grove, (ii) persons employed by an Employer in the capacity of a firefighter or police officer and (iii) employees whose employment is governed by the terms of a collective bargaining agreement between employee representatives (within the meaning of Code Section 7701(a)(46)) and an Employer under which retirement benefits were the subject of good faith bargaining between the parties, unless such agreement expressly provides for coverage under this Plan. Employees who attain age sixty (60) before they first performed an hour of service for an Employer shall be considered eligible employees for plan years commencing after December 31, 1987 if they satisfy the requirements for an eligible employee after such date.

Notwithstanding anything to the contrary herein provided, any employee who commences employment with an Employer on or after the Transition Date shall participate in IMRF, and shall not be eligible to participate in the Plan.

An eligible employee who commences employment with an Employer prior to the Transition Date (including a Participant in the Plan) who has at least one (1) hour of service with an Employer after the Transition Date, may elect to participate in IMRF

effective as of the Transition Date, in lieu of participating in the Plan. The election by an eligible employee to participate in IMRF shall (1) be irrevocable once made, (2) be on such forms as shall be provided by the Employer, (3) be made not later than ninety (90) days after the Transition Date, and (4) conform with such other requirements as may be prescribed by the Employer and IMRF.

A manager who participated in the IRC §457 deferred compensation plan sponsored by the Village prior to the Transition Date may elect to participate in IMRF or this Plan, in each case effective as of the Transition Date. A manager electing to participate in the Plan, effective as of the Transition Date, shall not be credited with any period of employment prior to the Transition Date for purposes of determining his Years of Benefit Accrual. The term "manager" means the Assistant Village Administrator and any Department Head of the Village.

The term "Transition Date" means the date on which the Employers' election to participate in IMRF was effective, January 1, 2005.

The term "leased employee" means, for plan years beginning after December 31, 1996, any person (other than an employee of the recipient Employer) who pursuant to an agreement between the recipient Employer and any other person ("leasing organization") has performed services for the recipient Employer (or for the recipient Employer and related persons determined in accordance with Code Section 414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under the primary direction or control by the recipient Employer. Contributions or benefits provided a leased employee by the leasing organization which are attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer. A leased employee shall not be considered an employee of the recipient:

(a) if such employee is covered by a money purchase pension plan providing:

(i) a non-integrated employer contribution rate of at least 10% of compensation, as defined in Code Section 415(c)(3), but including amounts which are contributed by the Employer pursuant to a salary reduction agreement and which are not includible in the gross income of the Participant under Code Sections 125, 402(e)(3), 402(h)(1)(B), 403(b) or 457(b), and (for Plan Years beginning on and after January 1, 2001) Code Section 132(f)(2).

(ii) immediate participation; and

(iii) full and immediate vesting; and

(b) if leased employees do not constitute more than 20% of the recipient's non-highly compensated work force.

1.11 The term "Employer" as used herein shall mean the Village of Morton Grove and the Board of Library Directors of the Village of Morton Grove.

1.12 The term "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.13 The term "Group Contract" shall mean the group annuity contract or contracts entered into by the Employers with an Insurer for the purpose of paying benefits under the Plan and for the purpose of the investment of all contributions made under the Plan. The Group Contract shall be considered a part of the Plan, the terms of which are herein incorporated by reference.

1.14 The term "Hours of Service" means (1) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer for the performance of duties during the applicable computation period; (2) each hour for which an Employee is directly or indirectly compensated or entitled to compensation by the Employer (irrespective of whether the employment relationship has terminated) for reasons other than performance of duties (such as vacation, holidays, sickness, jury duty, disability, lay-off, military duty or leave of absence) during the applicable computation period (these hours will be calculated and credited pursuant to Department of Labor Regulation 2530.200b-2 which is incorporated herein by reference); (3) each hour for which back pay is awarded or agreed to by the Employer without regard to mitigation of damages (these hours will be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made). These hours will be credited to the Employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made. The same Hours of Service shall not be credited both under (1) or (2), as the case may be, and under (3) above.

Notwithstanding the above, (i) no more than 501 Hours of Service are required to be credited to an Employee on account of any single continuous period during which the Employee performs no duties (whether or not such period occurs in a single computation period); (ii) an hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable worker's compensation, or unemployment compensation or disability insurance laws; and (iii) Hours of Service are not required to be credited for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee.

For purposes of this Section, a payment shall be deemed to be made by or due from the Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly through, among others, a trust fund, or insurer, to which the Employer contributes or pays premiums and regardless of whether

contributions made or due to the trust fund, insurer, or other entity are for the benefit of particular Employees or are on behalf of a group of Employees in the aggregate.

An Hour of Service must be counted for the purpose of determining a Year of Service, a year of participation for purposes of accrued benefits, a 1-Year Break in Service, and employment commencement date (or reemployment commencement date). In addition, Hours of Service will be credited for employment with other Affiliated Employers. The provisions of Department of Labor Regulations 2530.200b-2(b) and (c) are incorporated herein by reference.

Hours of Service shall include hours during an approved leave of absence granted by an Employer to an Employee on or after August 5, 1993 pursuant to the Family and Medical Leave Act, if the Employee returns to work for an Employer at the end of such leave of absence.

1.15 The term "Insurer" shall mean a legal reserve life insurance company licensed to do business in the State of Illinois.

1.16 The term "maternity or paternity leave of absence" shall mean an absence from work from an Employer by reason of: (i) the pregnancy of the employee, (ii) the birth of a child of the employee, (iii) the placement of a child with the employee in connection with the Participant's adoption of such child including any trial period prior to adoption, or (iv) the caring for a child born to or adopted by the employee immediately following such birth or placement for adoption.

1.17 The term "Mandatory Employee Contribution" shall mean the contribution to the Plan required by each Participant pursuant to Article IV as a condition of participation in the Plan.

1.18 The term "Normal Retirement Date" shall mean the first day of the month coincident with or next following the earlier of: (i) the date on which the Participant has attained age sixty (60) and completed five (5) Years of Participation, (ii) the date on which the Participant completes thirty (30) years of continuous service, or (iii) the date on which the Participant attains age seventy (70).

The term "Early Retirement Date" shall mean the first day of any month which precedes by not more than ten (10) years the Participant's normal retirement date.

1.19 The term "One-Year Break In Service" shall mean the failure of an employee to complete more than 500 hours of service during a plan year.

1.20 The term "Period of Compensation" shall mean the period of twelve (12) consecutive months ending on April 30 of each year.

1.21 The term "Permanent Disability" shall mean a disability suffered by a Participant which results from bodily injury or bodily or mental illness (whether or not occupational), to such an extent that in the opinion of his Employer, based upon

competent medical advice, the Participant can no longer engage, in any occupation or employment on behalf of the Employer for wage or profit for which he is reasonably fitted by education or experience.

1.22 The term "Plan Year" shall mean the 12-month plan year of the Plan. The plan year shall be the calendar year.

1.23 The term "qualified domestic relations order" shall mean a domestic relations order which creates or recognizes the existence of the right of an alternate payee (as defined below), or assigns to an alternate payee the right, to receive all or a portion of the benefits payable with respect to a Participant under the Plan, and which otherwise satisfies the requirement of a domestic relations order, as set forth below in this Section. The term "domestic relations order" shall mean a judgment, decree or order (including a property settlement agreement), made pursuant to a state domestic relations law, which relates to the provision of child support, alimony, maintenance or marital property rights to a spouse, child or other dependent of a Participant. A domestic relations order shall satisfy the foregoing requirements only if such order specifies (i) the name and last known mailing address of the Participant and each alternate payee (unless the Participant's Employer shall otherwise have knowledge or notice of such mailing addresses), (ii) the amount or percentage of the Participant's benefits to be paid to each alternate payee (and where required, the manner of determining the amount or percentage of benefits), (iii) the number of payments which are required to be made to the alternate payee, and (iv) each plan to which such order applies. A domestic relations order shall not satisfy the foregoing requirements if such order (A) requires the Plan to provide any type, form or option of benefit not otherwise provided under the Plan, (B) requires the Plan to provide increased benefits (determined on the basis of actuarial value), or (C) requires the payment of benefits to an alternate payee which are required to be paid to another alternate payee by a prior qualified domestic relations order.

1.24 The term "alternate payee" shall mean an individual who is entitled to receive all or a portion of a Participant's benefits by virtue of a qualified domestic relations order.

1.25 The term "Plan Administrator" or "Administrator" shall mean the Employers.

1.26 The term "Spouse" shall mean a person to whom a Participant is married and has been married for at least one (1) year on the Participant's "annuity starting date" (as defined below). Except as may be otherwise herein provided, a Participant who is not married for at least one (1) year on his annuity starting date shall be considered an unmarried Participant under the Plan. To the extent provided under a qualified domestic relations order, a former spouse shall be treated as a spouse if (and to the extent) provided for in such order. Individuals who have entered into a registered domestic partnership, civil union or other similar formal relationship recognized under state or local law that is not denominated as a marriage shall not be treated as "spouses" for any purpose of this Plan.

1.27 The term "termination of employment" means termination of employment with all Employers.

1.28 The term "Year of Benefit Accrual" shall mean a plan year in which the Participant shall be credited with a year of continuous service; provided, however, employees who were excluded from eligibility in the Plan because they had attained age sixty (60) before they first performed an hour of service for an Employer shall not be credited with a Year of Benefit Accrual for any continuous service prior to January 1, 1988. A Participant employed in an ineligible employment classification shall not be credited with any Years of Benefit Accrual for periods of employment in such ineligible classification. A Participant who elects to participate in IMRF while employed by the Employers shall not be credited with any Years of Benefit Accrual for periods of employment with an Employer on or after the Transition Date.

1.29 The term "Year of Participation" shall mean any Plan Year in which the employee is a Participant in the Plan and is credited with a year of continuous service.

1.30 The term "Vested" shall mean the portion of a Participant's Accrued Benefit that is non-forfeitable, as determined in accordance with Article VII. The portion of a Participant's Accrued Benefit which is not Vested shall be considered a "Forfeiture".

ARTICLE II.

Employees Entitled to Participate

2.1 Entry Date. No employee commencing employment with an Employer on or after the Transition Date shall be eligible to participate in the Plan. Each eligible employee shall become a Participant hereunder on the first day of the month next following the date on which he becomes an eligible employee. An eligible employee who is a Participant in the Plan as of the Effective Date shall continue to participate in the Plan.

2.2 Leave of Absence. An approved leave of absence means any authorized leave of absence as a result of illness, disability (except Permanent Disability), or national emergency requiring governmental or military service or entering the Armed Forces of the United States at any time through the operation of a compulsory military service law subsequent to the execution of this Agreement. Approved leaves of absences shall be granted by the Employers in a uniform and non-discriminatory manner. If the employee fails to return to active service with an Employer upon termination of his leave of absence (including the period in which his, reemployment rights are guaranteed by law after discharge from the Armed Forces) after being offered an opportunity to do so, then and in that event such employee shall be deemed to have terminated his employment as of the date of the termination of his leave of absence.

2.3 Break in Service. A Participant who incurs a one-year break in service subsequent to the Effective Date and who later reenters the service of an Employer must complete one (1) year of continuous service following the date of his

reemployment before he can again become a Participant under this Plan, at which time he shall be considered a Participant retroactive to the date of his reemployment.

2.4 Eligibility Determined by the Employers. In the event any questions arise as to the eligibility of an employee to participate in the Plan, such questions shall be decided by his Employer.

ARTICLE III. Employer Contributions

3.1 Annual Contribution. The amount of an Employer's annual contribution to the Plan shall, when added to the Mandatory Employee Contributions of its employees who are Participants, meet or exceed the minimum funding standards of ERISA and the Code (as may be applicable) for its employees who are Participants in the Plan. The amount and timing of each Employer's contribution to the Plan shall be determined based upon actuarial valuations and recommendations as to the amounts required to fund benefits under the Plan. Any dividends declared under the Group Contract and any Forfeitures shall be applied to reduce future Employer contributions.

A portion of the Plan assets attributable to Employer contributions (but not more than the original amount of those contributions) may be returned to an Employer if the Employer contributions are made because of a mistake of fact. The amount involved must be returned to the Employer within one (1) year of the date the Employer contributions are made by mistake or fact. Except as provided in Section 16.2, the assets of the Plan shall never be used for the benefit of the Employer and are held for the exclusive purpose of providing benefits to Participants and their beneficiaries and for paying reasonable expenses of administering the Plan. All Employer and Employee contributions under the Plan shall be forwarded by the Administrator to the Insurer for investment in the Group Contract.

3.2 Actuarial Assumptions. The actuarial assumptions upon which this Plan shall be governed are set forth in Section 1.2. The Plan's actuary shall have the right, from time to time, to make reasonable changes in the actuarial assumptions as he deems appropriate. Any change in the actuarial assumptions shall constitute an amendment to the Plan.

ARTICLE IV. Mandatory Employee Contributions

4.1 Mandatory Employee Contributions. Each employee who participates in the Plan shall be required, as a condition of participation in the Plan, to make Mandatory Employee Contributions to the Plan in the amount of two percent (2%) of their compensation, which shall be payable after commencing participation in the Plan. Mandatory Employee Contributions shall be made by payroll deduction or other acceptable method administered by the Employers. Commencing as of February 1, 1991, Mandatory Employee Contributions shall be treated as deductible (pre-tax) "pick up" contributions under Section 414(h) of the Code.

ARTICLE V.
Retirement Benefits

5.1 Monthly Retirement Benefit. Subject to the limitations and adjustments hereinafter set forth, each Participant shall be entitled to a monthly retirement income commencing at their normal retirement date determined by the formulae set forth in Section 5.3.

5.2 Adjustment to Current Compensation. If on any Anniversary Date a Participant shall be receiving compensation which has been increased or decreased, the Plan Administrator shall take appropriate steps to adjust the Participant's pension accordingly; provided, however, (i) no adjustment shall be made unless the increase or decrease in compensation would produce a difference of at least ten dollars (\$10.00) in a Participant's anticipated monthly normal retirement benefit, and (ii) no decrease in compensation shall be recognized unless (and until the amount of) such decrease shall continue for a period of two (2) plan years. All benefits shall be calculated to the nearest dollars.

5.3 Normal Retirement Benefit. The amount of monthly normal retirement benefit for any Participant at his normal retirement date shall be equal to (i) for a Participant whose termination of employment occurs prior to May 1, 1991, one and two-thirds percent (1-2/3%) of the Participant's Average Monthly Compensation multiplied by his total Years of Benefit Accrual, and (ii) for a Participant whose termination of employment occurs on or after May 1, 1991, the sum of (A) one and two-thirds percent (1-2/3%) of the Participant's Average Monthly Compensation multiplied by his total Years of Benefit Accrual not in excess of fifteen (15) Years of Benefit Accrual, plus (B) two percent (2%) of the Participant's Average Monthly Compensation multiplied by his total Years of Benefit Accrual in excess of fifteen (15) Years of Benefit Accrual; provided, however, (x) except in the case of a Participant who has at least thirty (30) Years of Benefit Accrual as of February 11, 1991, in no event shall a Participant's monthly normal retirement benefit exceed seventy-five percent (75%) of his Average Monthly Compensation, and (y) in the case of a Participant who has at least thirty (30) Years of Benefit Accrual as of February 11, 1991, in no event shall such Participant's monthly normal retirement benefit exceed eighty-five percent (85%) of his Average Monthly Compensation.

5.4 Early Retirement Benefit. A Participant who has not less than ten (10) years of service and who remains employed on his early retirement date may, upon the termination of his employment, elect to receive the payment of his Accrued Benefit commencing on or after an early retirement date specified by the Participant. In the event the payment of a Participant's Accrued Benefit commences after his early retirement date and prior to his normal retirement date, the Participant's Accrued Benefit shall be reduced by one-half percent (.5%) for each month by which the commencement of payment precedes his normal retirement date.

5.5 Continued Employment. A Participant may continue his employment beyond his normal retirement date, in which event no retirement benefit will be paid to

the Participant until his actual termination of employment, except as otherwise provided in Article XI. At the close of each plan year prior to his actual retirement, a Participant shall be entitled to a monthly normal retirement benefit equal to the greater of (i) the Actuarial Equivalent of the monthly retirement benefit the Participant was entitled to receive at the end of the prior plan year, or (ii) the Accrued Benefit determined as of the end of the plan year.

5.6 Disability Benefit. If a Participant suffers a Permanent Disability prior to his normal retirement date, he shall be entitled to receive his Accrued Benefit calculated as of the date of the occurrence of the disability. The disability benefit payable to a Participant pursuant to this Section 5.6 shall be paid commencing upon the Participant reaching the date which would have been his normal retirement date if he remained employed. Notwithstanding anything herein to the contrary, if the "Worker Compensation Payments" (as defined below) paid to a Participant during the period of his Permanent Disability are less than the Income Threshold (defined below), then a temporary life-only annuity (the "Disability Pension") shall be payable to the disabled Participant for the period commencing on the first day of the month following the Participant's termination of employment and terminating on the first to occur of (i) the Participant's death, or (ii) the Participant reaching his normal retirement date. The Disability Pension shall cease during any period that the Worker Compensation Payments equal or exceed the Income Threshold. The amount of the Disability Pension payable to a disabled Participant shall be equal to the difference between the Worker Compensation Payments payable to the disabled Participant and the Income Threshold. If the Worker Compensation Payments are paid to the disabled Participant other than on a monthly basis, then such payments received during each calendar year shall be assumed to have been received in equal monthly payments. Notwithstanding the foregoing, the Disability Pension paid to a disabled Participant during the period of his disability shall not exceed the Participant's Accrued Benefit, determined as of the date the payment of the Disability Pension commences.

The term "Income Threshold" means the quotient of fifty percent (50%) of the Participant's compensation at his termination of employment divided by twelve (12). In lieu of the payment of a Disability Pension, upon the occurrence of a Permanent Disability prior to his normal retirement date, a Participant shall be entitled to elect to receive a lump sum payment of his Mandatory Employee Contributions together with interest thereon at the rate of five percent (5%) per annum compounded annually, from the date of contribution to the Participant's termination of employment. This interest rate shall be periodically changed according to Section 411(c)(2)(D) of the Code and the Regulations thereunder.

The term "Worker Compensation Payments" shall mean the aggregate monthly disability benefits the Participant received from any of the following sources:

- (a) Primary Social Security benefits under the Federal Social Security Act or similar statute of any state or county; or

- (b) Family Social Security benefits under the Federal Social Security Act or similar statute of any state or county; or
- (c) Any workers' compensation act; or
- (d) Any employer liability law; or
- (e) Any occupational disease law; or
- (f) Any state or federally sponsored disability or retirement plan; or
- (g) Any employer or group policyholder sponsored salary continuation plan or sick leave pay plan; or
- (h) Any employer or policyholder sponsored long-term disability plan under a group policy; or
- (i) Any Veteran's Administration disability plan; or
- (j) Any disability benefit payable under any no fault insurance plan;

provided, however, that the payment received from any such source, exclusive of retirement benefits, are payable as a result of the total disability for which a benefit is payable under this Plan.

Either upon its own initiative or upon the request of a Participant or a member of his family, an Employer shall promptly make a determination as to whether or not a Participant has suffered a Permanent Disability. As a condition of receiving a Disability Pension, a Participant shall be required to provide adequate proof of total disability, submit to an independent medical examination and, upon the request of the Employer, periodically be re-examined by an independent physician. If the Employer should find that a Participant who is receiving a Disability Pension is, at any time prior to his normal retirement date, no longer Permanently Disabled, or the Participant fails to cooperate in verifying his disability, the Employer may direct that the Disability Pension be discontinued. Any disabled Participant who recovers from his Permanent Disability prior to his normal retirement date and is not subsequently reemployed by an Employer at the termination of the Permanent Disability shall be entitled to receive a retirement benefit pursuant to the provisions of Article VII based on his Years of Benefit Accrual and Vesting as of the date of his disability retirement; provided, however, such retirement benefit shall be reduced by the Actuarial Equivalent of the Disability Pension which the Participant has received. If a Participant is reemployed by an Employer, the retirement benefit payable upon subsequent retirement shall be based upon his Years of Benefit Accrual at his disability retirement plus his Years of Benefit Accrual subsequent to his date of reemployment; provided, however such benefits shall be reduced by the Actuarial Equivalent of the Disability Pension received by the Participant prior to his reemployment.

Notwithstanding the foregoing, a Participant who elects to participate in IMRF after the Transition Date shall not be entitled to a Disability Pension unless such Participant suffers a Permanent Disability prior to the Transition Date.

5.7 Return of Mandatory Employee Contributions. If a Participant's termination of employment shall not occur because of death or retirement after reaching normal retirement date or early retirement date, then in lieu of receiving his Vested Accrued Benefit, pursuant to a written election delivered to his Employer, a Participant may elect to receive a lump sum payment of his Mandatory Employee Contributions together with interest thereon at the rate of five per cent (5%) per annum compounded annually, from the date of contribution to the Participant's termination of employment. This interest rate shall be changed according to Section 411(c) (2) (D) of the Code and the Regulations thereunder.

5.8 Rollover Accounts . In addition to the benefits provided for under Sections 5.2, 5.4, 5.5, 5.6 and 5.7, a Participant's Accrued Benefit shall be increased by any amounts in a Rollover Account, as provided in Article XIX below.

5.9 Limitation on Benefits. Notwithstanding anything to the contrary herein provided, a Participant's normal retirement benefit shall be subject to the limitations provided in Article XX below.

ARTICLE VI. Pre-Retirement Death Benefit

6.1 Pre-Retirement Death Benefit. In the event of the death of a Participant prior to his termination of employment, such Participant's beneficiary shall be entitled to receive a monthly survivor's benefit (a "Survivor's Annuity") equal to the amount of the annuity which would have been payable if the Participant (i) had incurred a termination of employment as of the date of his death, (ii) was fully Vested in his Accrued Benefit regardless of the number of his years of continuous service, (iii) received his Accrued Benefit, payable as of the date of his death, in the form of a 50% joint and survivor annuity in an amount which is the Actuarial Equivalent of his normal form of retirement benefit payable at his normal retirement date, and (iv) died immediately thereafter. Payment of the Survivor's Annuity shall commence on the month following the Participant's death and shall continue for the life of the Participant's beneficiary. For purposes of the Survivor's Annuity, a Participant's beneficiary shall be determined in accordance with Section 11.3. A Participant's beneficiary may elect in writing to receive payment of the Participant's death benefit in any optional form of payment described in Section 11.1(c). Any such optional form of payment shall be the Actuarial Equivalent of the Survivor's Annuity.

ARTICLE VII. Termination Benefits

7.1 Determination of Benefits Upon Termination of Employment. If a Participant terminates his employment with an Employer prior to his early retirement

date or normal retirement date for any reason other than death or Permanent Disability, he shall be entitled to an amount equal to his Accrued Benefit multiplied by the percentage set forth in the vesting schedule below:

<u>Number of Years of Participation</u>	<u>Percentage of Participant's Accrued Benefit</u>
Less than 1	None
1 but less than 2	10%
2 but less than 3	20%
3 but less than 4	30%
4 but less than 5	40%
5 but less than 6	50%
6 but less than 7	60%
7 but less than 8	70%
8 but less than 9	80%
9 but less than 10	90%
10 or more	100%

In all events, a Participant shall be fully Vested upon attainment of his early retirement date or normal retirement date.

7.2 Service Upon Termination. Where, because of termination of employment, a Participant receives a distribution of:

(a) the present value of his entire Vested Accrued Benefit if the distribution shall not exceed Five Thousand Dollars (\$5,000); or

(b) the present value of his entire Vested Accrued Benefit which he shall elect to receive;

years of continuous service shall not, upon reemployment be taken into account under Section 1 above in determining the Participant's Years of Benefit Accrual and the Vested percentage of Accrued Benefits which accrued before such distribution unless the Participant shall repay the entire amount of such distribution with interest at five percent (5%) per annum compounded annually within five (5) years after the date of receipt of such distribution.

7.3 Amendment of Vesting Schedule. In the event the vesting schedule provided in Section 7.1 above is amended, any Participant who, as of the effective date of such amendment, has three (3) or more years of continuous service, may, by filing a written election with the Plan Administrator on or before sixty (60) days subsequent to the later of: (i) the date such amendment is adopted, (ii) receipt of written notice of such amendment, or (iii) the date on which the Participant is given written notice of the amendment, continue his vesting under the vesting schedule in effect prior to such amendment, in lieu of the vesting schedule as amended.

7.4 Forfeitures. Except as otherwise provided in this Article, all Accrued Benefits which are not Vested shall, following five (5) consecutive one-year breaks in service, be forfeited and applied as provided in Article X.

ARTICLE VIII.

Denial of Claims and Appeal Procedure

8.1 Claims Procedure. Claims for benefits under the Plan may be filed with the Administrator on forms supplied by the Employer. Written notice of the disposition of a claim shall be furnished to the claimant within 90 days after the application is filed. In the event the claim is denied, the reasons for the denial shall be specifically set forth in the notice in language calculated to be understood by the claimant, pertinent provisions of the Plan shall be cited, and, where appropriate, an explanation as to how the claimant can perfect the claim will be provided. In addition, the claimant shall be furnished with an explanation of the Plan's claims review procedure.

8.2 Claims Review Procedure. Any Employee, former Employee, or Beneficiary of either, who has been denied a benefit by a decision of the Administrator pursuant to Section 8.2 shall be entitled to request the Administrator to give further consideration to his claim by filing with the Administrator (on a form which may be obtained from the Administrator) a request for a hearing. Such request, together with a written statement of the reasons why the claimant believes his claim should be allowed, shall be filed with the Administrator no later than 60 days after the date notice of the benefit denial is delivered or mailed to the claimant. If the claimant appeals the benefit denial within such 60-day period, the Administrator shall then conduct a hearing within the next 60 days (180 days for a claim regarding Permanent Disability), at which the claimant may be represented by an attorney or any other representative of his choosing and at which the claimant shall have an opportunity to submit written and oral evidence and arguments in support of his claim. At the hearing (or prior thereto upon 5 business days written notice to the Administrator) the claimant or his representative shall have an opportunity to review all documents in the possession of the Administrator which are pertinent to the claim at issue and its disallowance. Either the claimant or the Administrator may cause a court reporter to attend the hearing and record the proceedings. In such event, a complete written transcript of the proceedings shall be furnished to both parties by the court reporter. The full expense of any such court reporter and such transcripts shall be borne by the party causing the court reporter to attend the hearing. A final decision as to the allowance of the claim shall be made by the Administrator within 60 days of receipt of the appeal (unless there has been an extension of 60 days due to special circumstances, provided the delay and the special circumstances occasioning it are communicated to the claimant within the 60 day period). Such communication shall be written in a manner calculated to be understood by the claimant and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE IX.
Valuation of the Fund

The net worth of the Group Contract shall be determined by its valuation at fair market value as of each Anniversary Date (hereinafter sometimes referred to as the "valuation date"). The valuation date shall be the same date used for computing the minimum funding costs of the Plan, regardless of whether a computation is made for the plan year.

ARTICLE X.
Forfeitures

As of each Anniversary Date, the amount of Forfeitures attributable to the employees of each Employer which occur during the plan year then ended, as determined under Article VII, shall be used to reduce the next succeeding Employer contributions to the Plan of the Employer whose employees gave rise to the Forfeiture by their termination of employment.

ARTICLE XI.
Payment of Benefits

11.1 Normal and Optional Forms for Payment of Retirement Benefits.

(a) The normal form for the payment of retirement benefits shall be a joint and survivor annuity for a married Participant and a single life annuity for an unmarried Participant. A Participant may elect an optional form for the payment of benefits in the form of either (i) a lump sum distribution, or (ii) an annuity other than the type which is the normal form for payment of benefits.

(b) The joint and survivor annuity which is the normal form of benefit for a married Participant shall be an annuity payable for the life of the Participant with a survivor annuity for the life of his spouse in an amount equal to fifty percent (50%) of the amount of the annuity payable during the joint lives of the Participant and his spouse. A joint and survivor annuity shall be payable pursuant to a single premium non-transferable annuity contract which shall be purchased from an Insurer selected by the Plan Administrator. Such annuity contract shall be delivered to the Participant and shall, by its terms, provide that payment thereunder shall commence not later than the date provided in Section 11.2 for delivery of such annuity contract, and that payments shall be payable in substantially equal installments not less frequently than annually for the joint life and survivor life of such Participant and his spouse.

(c) In addition to an annuity which is the normal form for the payment of retirement benefits, a Participant may elect to receive his retirement benefits paid in the form of (i) a single life annuity for the life of the Participant only, (ii) a joint and survivor annuity providing for equal monthly payments during the Participant's life and a survivor annuity for the life of his beneficiary in an amount equal to one hundred per cent (100%), seventy-five percent (75%) or fifty per

cent (50%) of the amount of the annuity payable during the joint lives of the Participant and his beneficiary, (iii) an annuity providing for monthly payments for the Participant's life and for a period of five (5) or ten (10) years certain, or (iv) a lump sum payment. All optional forms of benefit payment shall be the Actuarial Equivalent of the normal form of payment.

Benefits paid in the form of an annuity other than a joint and survivor annuity shall be payable pursuant to a single premium non-transferable annuity contract which shall be purchased from an Insurer selected by the Plan Administrator. Such annuity contract shall be delivered to the Participant and shall, by its terms, provide that payment thereunder shall commence not later than the date provided in Section 11.9 for delivery of such annuity contract and that payments shall not exceed the life expectancy of the Participant or the Participant and his beneficiary, as the case may be, on the date payments commence. The joint annuitant which a Participant may select shall, with the exception of the Participant's spouse, be limited to a person who is not more than thirty (30) years younger than the Participant. Anything to the contrary notwithstanding, if a Participant shall terminate employment after having attained age sixty-five (65), the Plan Administrator shall not permit the payment of benefits in the form of a joint and survivor annuity other than the normal form if, based on the Participant's life expectancy, less than one-half (1/2) of the, benefits to which the Participant is entitled will be payable to the Participant.

11.2 Time of Payment of Benefits. A Participant whose termination of employment occurs for reasons other than death, Permanent Disability or retirement after reaching his normal retirement date or early retirement date shall be entitled to receive the payment of his monthly retirement benefit commencing in the month following his termination of employment. Subject to the provisions of Section 11.9, a Participant's monthly retirement benefit shall be paid commencing no later than sixty (60) days after the last to occur of (i) the close of the plan year in which a Participant terminates employment, or (ii) the close of the plan year in which the Participant attains the earlier of age sixty-five (65) or normal retirement date.

11.3 Designation of Beneficiary. Each Participant shall have the right to designate a beneficiary or beneficiaries who shall receive his benefits under the Plan in the event of his death, such designation of beneficiary to be filed, in writing, with his Employer. Beneficiaries may be designated contingently or successively and any designation may be changed or revoked by the filing of such revocation or change of beneficiary in writing with the Employer. If a deceased Participant fails to designate a beneficiary or if the beneficiary designated by the deceased Participant dies before him or before complete distribution of the Participant's benefits under the Plan, the Plan Administrator shall direct distribution of the Participant's benefits in the following order of priority:

- (a) to the deceased Participant's spouse (if any);
- (b) to the legal representative or representatives (if any) of the estate of the last to die of the Participant and his beneficiary; or

(c) to or for the benefit of any one or more of the deceased Participant's relatives by blood, adoption or marriage.

11.4 Participant Information. Each Participant must file with his Employer, in writing, his post office address, the post office address of each of his beneficiaries, and each change of post office address. Any communication, statement or notice addressed to a Participant or beneficiary with postage prepaid at his last post office address filed with the Employer, or if no address is filed with the Employer, then at his last post office address as shown on the Employer's records, will be binding on the Participant and his beneficiary for all purposes of the Plan. The Employer shall not be required to search for or locate a Participant or beneficiary. If the Plan Administrator notifies a Participant or beneficiary that he is entitled to a distribution and also notifies him of the provisions of this Section, and the Participant or beneficiary fails to claim his benefits under the Plan and make his whereabouts known to the Employer within two (2) years after the notification, the benefits of the Participant and beneficiary will be disposed of as follows:

(a) If the whereabouts of the Participant is unknown, but the whereabouts of a Participant's beneficiary then is known to the Employer, distribution will be made to the beneficiary.

(b) If the whereabouts of the Participant and his beneficiary then is unknown to the Employer, but the whereabouts of one or more relatives by blood, adoption or marriage of the Participant is known to the Employer, the Plan Administrator may cause distribution of the Participant's benefits to be made to any one or more of such relatives and in such proportions as the Trustees determine.

11.5 Distribution for Minor or Disabled Beneficiary . When a Participant or the beneficiary of a Participant is under legal disability, or in the Plan Administrator's opinion is in any way incapacitated so as to be unable to manage his financial affairs, the Plan Administrator may direct payments or distributions to his legal representative, or to a relative or friend of such person for his benefit, or the Plan Administrator may direct payments or distributions for the benefit of the Participant or beneficiary in any way the Plan Administrator determines to be in such person's best interests.

11.6 Indemnification of Plan Administrator. The Administrator shall determine the identity of the distributees, and in so doing, may act upon such information as, on reasonable inquiry they may deem reliable with respect to heirship, relationship, survivorship, or any other fact relative to the distributee; and the Administrator shall be indemnified and saved harmless with respect to all payments required to be made hereunder (including but not limited to any payments made to a beneficiary or relative of a missing Participant pursuant to Section 11.4), if made in good faith and without actual notice or knowledge of the changed condition or status of any person receiving payments. The Administrator may rely on any list or notice furnished by an Employer as to the facts, the occurrence of any events, or the existence of any situation, and shall not be bound to inquire as to the basis of any such decision, list, or notice, and shall be

indemnified and saved harmless by the Employer for any action taken or suffered to be taken by him in reliance thereon.

11.7 Proper Payee of Benefits in Dispute. In the event any question or dispute shall arise as to the proper person or persons to whom any payment shall be made, the Administrator may withhold such payment until a determination of such question or dispute shall have been made, or until the Administrator shall have been adequately indemnified against loss to his satisfaction.

If the Employer or Administrator shall receive a domestic relations order relating to any Participant, the Administrator shall (a) promptly notify the Participant and each alternate payee (or his designated representative) of the receipt of such order and the procedure for determining the "qualified" status of such order, and (b) within a reasonable period of time determine whether such order is "qualified" and notify the Participant and each alternate payee (or his designated representative) of such determination.

11.8 Required Proof for Administrator. The Administrator may require such proof of death or evidence of the right of such person to receive payment of a deceased Participant or former Participant's benefits as the Administrator may deem desirable.

11.9 Distribution Requirements.

(a) General Rules.

(1) Precedence and Effective Date. The requirements of this Section 11.9 shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this plan. Unless otherwise specified, the provisions of this Section 11.9 apply to calendar years beginning after December 31, 2002.

(2) Requirements of Regulations Incorporated. All distributions required under this Section 11.9 shall be determined and made in accordance with § 401(a)(9) of the Internal Revenue Code, including the incidental death benefit requirement in § 401(a)(9)(G), and the Income Tax Regulations thereunder.

(3) Limits on Distribution Periods. As of the first distribution calendar year, distributions to a Participant, if not made in a single sum, may only be made over one of the following periods:

- (i) the life of the Participant;
- (ii) the joint lives of the Participant and a designated beneficiary;
- (iii) a period certain not extending beyond the life expectancy of the Participant; or

(iv) a period certain not extending beyond the joint life and last survivor expectancy of the Participant and a designated beneficiary.

(4) Time and Manner of Distribution.

(i) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, no later than the Participant's required beginning date.

(ii) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

A. If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70-1/2, if later.

B. If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

C. If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

D. If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse are required to begin, this Section 11.9(b)(2) other than Section 11.9(b)(2)(i) will apply as if the surviving spouse were the Participant.

For purposes of this Section 11.9(4)(ii) and Section (7) unless Section 11.9(b)(D) applies, distributions are considered to begin on the Participant's required beginning date. If Section 11.9(b)(D) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 11.9(b)(i). If distributions under an annuity meeting the requirements of this Section 11.9

commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 11.9(b)(i)), the date distributions are considered to begin is the date distributions actually commence.

(iii) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with the requirements of § 401(a)(9) of the Code and § 1.401(a)(9) of the regulations. Any part of the Participant's interest which is in the form of an individual account described in § 414(k) of the Code will be distributed in a manner satisfying the requirements of § 401(a)(9) of the Code and § 1.401(a)(9) of the regulations that apply to individual accounts.

(5) Determination of Amount to be Distributed Each Year.

(i) General Annuity Requirements. If the Participant's interest is to be paid in the form of annuity distributions under the plan, payments under the annuity shall satisfy the following requirements:

A. the annuity distributions will be paid in periodic payments made at uniform intervals not longer than one year;

B. the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 11.9(d) or (e) below;

C. once payments have begun over a period, the period will be changed only in accordance with Section 11.9(f) of this Section 11.9;

D. payments will be nonincreasing or increase only as follows:

1. by an annual percentage increase that does not exceed the percentage increase in an eligible cost-of-living index for a 12-month period ending in the year during which the increase occurs or a prior year;

2. by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage increases in an eligible

cost-of-living index since the annuity starting date, or if later, the date of the most recent percentage increase;

3. by a constant percentage of less than 5 percent per year, applied not less frequently than annually;

4. as a result of dividend or other payments that result from actuarial gains provided:

a. A. actuarial gain is measured not less frequently than annually.

b. the resulting dividend or other payments are either paid no later than the year following the year for which the actuarial experience is measured or paid in the same form as the payment of the annuity over the remaining period of the annuity (beginning no later than the year following the year for which the actuarial experience is measured).

c. the actuarial gain taken into account is limited to actuarial gain from investment experience.

d. the assumed interest rate used to calculate such actuarial gains is not less than 3 percent, and

e. the annuity payments are not increased by a constant percentage as described in (3) of this Section 11.9(c)(iv).

5. to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution period described in Section 11.9(c)(4) dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of § 414(p) of the Code;

6. to provide a final payment upon the Participant's death not greater than the excess of the actuarial present value of the Participant's accrued

benefit (within the meaning of § 411(a)(7) of the Code) calculated as of the annuity starting date using the applicable interest rate defined in Section 1.2 of the Plan and the applicable mortality table defined in Section 1.2 of the Plan (or, if greater, the total amount of employee contributions) over the total of payments before the Participant's death;

7. to allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Participant's death; or

8. to pay increased benefits that result from a plan amendment.

(ii) Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals. The amount that must be distributed on or before the Participant's required beginning date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 11.9(b)(2)(i) or (ii) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.

(iii) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such benefit accrues.

(6) Requirements for Annuity Distributions That Commence During Participant's Lifetime.

(i) Joint Life Annuities Where the Beneficiary is Not the Participant's Spouse. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary, annuity payments to be made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant, using

the table set forth in § 1.401(a)(9)-6. Q&A 2(c)(2), in the manner described in Q&A 2(c)(1), of the regulations, to determine the applicable percentage. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

(ii) Period Certain Annuities. Unless the Participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in § 1.401(a)(9)-9. Q&A-2, of the regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in § 1.401(a)(9)-9, Q&A, of the regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this section (d)2 or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in § 1.401(a)(9)-9, Q&A-3, of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

(7) Requirements for Minimum Distributions After the Participant's Death.

(i) Death After Distributions Begin. If the Participant dies after distribution of his or her interest begins in the form of an annuity meeting the requirements of this article, the remaining portion of the Participant's interest will continue to be distributed over the remaining period over which distributions commenced.

(ii) Death Before Distributions Begin.

A. Participant Survived by Designated Beneficiary.
If the Participant dies before the date distribution of his or

her interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in section 11.9(b)(2)(i) or (ii), over the life of the designated beneficiary or over a period certain not exceeding:

1. less the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

2. if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

B. No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

C. Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section 11.9(c)(2) will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 11.9(b)(2)(i).

(8) Changes to Annuity Payment Period.

- (i) Permitted Changes. An annuity payment period may be changed only in association with an annuity payment increase described in 11.9(c)(1)(iv) or in accordance with Section 11.9(f)(2).

- (ii) Reannuitization. An annuity payment period may be changed and the annuity payments modified in accordance with that change if the conditions in Section 11.9(f)(3) are satisfied, and:

A. the modification occurs when the Participant retires or in connection with a plan termination;

B. the payment period prior to modification is a period certain without life contingencies; or

C. the annuity payments after modification are paid under a qualified joint and survivor annuity over the joint lives of the Participant and a designated beneficiary, the Participant's spouse is the sole designated beneficiary, and the modification occurs in connection with the Participant's becoming married to such spouse.

(iii) Conditions. The conditions in this Section (11.9f)(3) are satisfied if:

A. the future payments after the modification satisfy the requirements of § 401(a)(9), § 1.401(a)(9) of the regulations, and this article (determined by treating the date of the change as a new annuity starting date and the actuarial present value of the remaining payments prior to modification as the entire interest of the Participant);

B. for purposes of § 415 and § 417 of the Code, the modification is treated as a new annuity starting date;

C. after taking into account the modification, the annuity (including all past and future payments) satisfies the requirements of § 415 of the Code (determined at the original annuity starting date, using the interest rates and mortality tables applicable to such date); and

D. the end point of the period certain, if any, for any modified payment period is not later than the end point available to the employee at the original annuity starting date under § 401(a)(9) of the Code and this article.

(9) Payments to a Surviving Child.

(i) Special Rule. For purposes of this Section 11.9(g), payments made to a Participant's surviving child until the child reaches the age of majority (or dies, if earlier), shall be treated as if such payments were made to the surviving spouse to the extent the payments become payable to the surviving spouse upon cessation of the payments to the child.

(ii) Age of Majority. For purposes of this Section 11.9(g), a child shall be treated as having not reached the age of majority if

the child has not completed a specified course of education and is under the age of 26. In addition, a child who is disabled within the meaning of § 72(m)(7) when the child reaches the age of majority shall be treated as having not reached the age of majority so long as the child continues to be disabled.

(10) Definitions.

(i) Actuarial Gain. The difference between an amount determined using the actuarial assumptions (*i.e.*, investment return, mortality, expense, and other similar assumptions) used to calculate the initial payments before adjustment for any increases and the amount determined under the actual experience with respect to those factors. Actuarial gain also includes differences between the amount determined using actuarial assumptions when an annuity was purchased or commenced and such amount determined using actuarial assumptions used in calculating payments at the time the actuarial gain is determined.

(ii) Designated Beneficiary. The individual who is designated by the Participant (or the Participant's surviving spouse) as the beneficiary of the Participant's interest under the plan and who is the designated beneficiary under § 401(a)(9) of the Code and § 401(a)(9)-4 of the regulations.

(iii) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 11.9(b)(2).

(iv) Eligible Cost-of-Living Index. An index described in paragraphs (b)(2), (b)(3) or (b)(4) of § 1.401(a)(9)-6, Q&A-14, of the regulations.

(v) Life Expectancy. Life expectancy as computed by use of the Single Life Table in § 1.401(a)(9)-9, Q&A-1, of the regulations.

(vi) Required Beginning Date.

A. The required beginning date is April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70-1/2 or the calendar year in which the Participant retires, except that benefit

distributions to a 5-percent owner must commence by April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2.

B. A Participant's accrued benefit will be actuarially increased to take into account the period after age 70-1/2 in which the Participant does not receive any benefits under the plan. The actuarial increase will begin on April 1 following the calendar year in which the employee attains age 70-1/2 (January 1, 1997 in the case of an employee who attains age 70-1/2 prior to 1996), and will end on the date on which benefits commence after retirement in an amount sufficient to satisfy § 401(a)(9). The amount of actuarial increase payable as of the end of the period for actuarial increases will be no less than the actuarial equivalent of the Participant's retirement benefits that would have been payable as of the date the actuarial increase must commence plus the actuarial equivalent of additional benefits accrued after that date, reduced by the actuarial equivalent of any distributions made after that date. The actuarial increase under this section is not in addition to the actuarial increase required for that same period under § 411 to reflect the delay in payments after normal retirement, except that the actuarial increase required under this section will be provided even during the period during which an employee is in § 203(a)(3)(B) service. For purposes of § 411(b)(1)(H), the actuarial increase will be treated as an adjustment attributable to the delay in distribution of benefits after the attainment of normal retirement age. Accordingly, to the extent permitted under § 411(b)(1)(H), the actuarial increase required under this Section 11.9 will reduce the benefit accrual otherwise required under § 411(b)(1)(H)(i), except that the rules on the suspension of benefits are not applicable.

(11) Transition Rules. Alternative Compliance with Certain Annuity Requirements in 2003, 2004 and 2005. Sections F-3 and F-3A of § 1.401(a)(9)-1 of the 1987 proposed regulations, A-1 of § 1.401(a)(9)-6 of the 2001 proposed regulations, § 1.401(a)(9)-6T of the temporary regulations, or a reasonable and good faith interpretation of the requirements of § 401(a)(9) of the Code (as elected by the Employer) apply in lieu of the requirements of Sections 11.9(c)(d) or (f) for purposes of determining minimum required distributions for calendar years 2003, 2004, 2005.

(12) TEFRA Election. Notwithstanding anything to the contrary herein provided, distribution on behalf of any Employee who has made a

designation under Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (a "Section 242(b)(2) Election") may be made in accordance with all of the following requirements (regardless of when such distribution commences):

(i) The distribution by the Plan is one which would not have disqualified the Plan under Code Section 401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984;

(ii) The distribution is in accordance with a method of distribution designated by the Employee whose interest in the Plan is being distributed or, if the Employee is deceased by a beneficiary of such Employee;

(iii) Such designation was in writing, was signed by the Employee or the beneficiary, and was made before January 1, 1984;

(iv) The Employee had accrued a benefit under the Plan as of December 31, 1983; and

(v) The method of distribution designated by the Employee or the beneficiary specifies the time at which distribution will commence, the period over which distributions will be made and in the case of any distribution upon the Employee's death, the beneficiaries of the Employee listed in order of priority.

A distribution upon death will not be covered by this transitional rule unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Employee

For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Employee or the beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in clauses (i) through (v) above.

If a designation is revoked, any subsequent distribution must satisfy the requirements of Section 401(a)(9) of the Code and the regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Plan must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Section 401(a)(9) of the Code and the regulations thereunder, but for the Section 242(b)(2) Election. For calendar years beginning after December 31, 1988, such distributions

must meet the minimum distribution incidental benefit requirements. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life).

In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Section 1.401(a)(9)-8, Q&A-14 and Q&A-15, shall apply.

ARTICLE XII.

Administrator's Powers, Rights and Duties

12.1 Investment Powers and Duties of the Administrator. All Employer and Mandatory Employee Contributions under the Plan shall be forwarded by the Administrator to the Insurer to be deposited in the Group Contract.

12.2 Defense of Plan. The Administrator may abandon, adjust, arbitrate, compromise, sue on, or defend, or otherwise deal with and settle claims in favor of or against the Plan hereunder.

12.3 Authority of Administrator. The Administrator may authorize any one Administrator to execute, endorse and deliver any instrument to be executed by the Administrators, and any person, firm, or corporation, including any brokerage house or bank, may rely upon and shall be protected in relying upon the signature of any one Administrator with the same force and effect as though all Administrators had signed.

12.4 Reliance on Administrator. No person, including insurance carriers, shall be obligated to see to the application of any money paid or property delivered to the Administrators, nor shall any such person be required to take cognizance of the provisions of the Plan, nor to question the authority of the Administrators to do any act as respects the Group Contract nor the authority of the Administrators to receive and receipt for any money becoming due and payable under the Group Contract.

ARTICLE XIII.

Funding

13.1 Funding Policy. The Plan has been established for the sole purpose of providing benefits to the Participants and their beneficiaries. In determining its investments hereunder, the Plan Administrator shall take account of the short and long range needs of the Plan as to the time benefits shall be payable and the requirements therefor. Benefits may be provided from time to time through any combination of investment media designated to provide the requisite liquidity, growth and security appropriate to the Plan.

13.2 Minimum Funding Standard Account. A "Minimum Funding Standard Account" shall be established and maintained to test, annually or at any point in time, the adequacy of the funding of the Plan. The account shall be charged and credited in accordance with ERISA and the Code, or, in the alternative, the Plan may establish and maintain an "alternative minimum funding standard account" in accordance with ERISA and the Code (as may be applicable). Contributions of the Employers under the Plan may be the lesser of the amount allowed under either calculation.

ARTICLE XIV. Loans to Participants

No loans to Participants are permitted under the Plan.

ARTICLE XV. Administration

15.1 Administration of the Plan. The Administrators shall administer the Plan in accordance with its terms and shall have all powers necessary to carry out the provisions of the Plan. The Administrators shall interpret the Plan and shall determine all questions arising in the administration, interpretation, and application of the Plan. These powers shall be exercised by the Administrators on a uniform basis without discrimination.

15.2 Adjustments. The Administrators shall have full power and authority to make equitable adjustments for any mistakes or errors made in the administration of the Plan.

15.3 Payment of Administrative Expenses. The expenses incurred by the Administrators in the administration of the Plan, including fees for legal services rendered to the Administrators, and all other proper charges and expenses of the Administrators and of their agents and counsel, may be paid from and shall be expenses of the Plan. To the extent such compensation, fees, charges and expenses are not paid from the Plan, they shall be paid by the Employers. All investment expenses and taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon the assets of the Plan or income thereof shall be paid from the Plan.

15.4 Annual Report of the Administrators. The Administrators shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions under the Plan, and all accounts, books, and records relating thereto shall be open to inspection and audit at all, reasonable times.

15.5 Administrators Protective Clause. An Administrator shall not be liable for the acts or omissions of a joint Administrator or fiduciary unless (a) the Administrator knowingly participates in, or knowingly attempts to conceal the act or omission of, another fiduciary and the Administrator knows the act or omission is a breach of a fiduciary responsibility by the other fiduciary; or (b) the Administrator has knowledge of a breach by the other fiduciary and shall not make reasonable efforts to remedy the

breach; or (c) the Administrator's breach of his own fiduciary responsibility permits the other fiduciary to commit a breach.

15.6 Fiduciary Responsibility. Anything to the contrary notwithstanding, the Administrators must (a) discharge their fiduciary duties for the exclusive purpose of providing benefits to Participants and their beneficiaries and to defray reasonable expenses of administering the Plan; (b) act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; (c) diversify all investments of the assets of the Plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and (d) act in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with the provisions of ERISA.

ARTICLE XVI. Amendment and Termination

16.1 Amendment of Plan. The Employers reserve the right at any time and from time to time to amend the Plan to any extent and in any manner that they deem advisable. All Participants and all persons claiming any interest hereunder shall be bound thereby; provided, however, that no such amendment:

(a) shall divest any person having an interest in the Plan, except that amendments may be so made if, in the opinion of its counsel, such action is necessary to meet the requirements of Sections 401 and 501 of the Code, as amended, or the corresponding provisions of any subsequent revenue law;

(b) shall have the effect of revesting in an Employer any interest in the assets of the Plan;

(c) shall cause or permit any property held subject to the terms of this Plan to be diverted for purposes other than the exclusive benefit of the present or future Participants and their beneficiaries; or

(d) shall eliminate an optional form of benefit or eliminate or reduce an "early retirement benefit" or a "retirement-type subsidy" (as such terms are defined by regulations to be promulgated by the Secretary of the Treasury).

In addition, no amendment to the Plan shall be effective to the extent it has the effect of decreasing a Participant's Accrued Benefit; provided, however, a Participant's Accrued Benefit may be reduced to the extent permitted by Code Section 412(c)(8). For purposes of this Section, a Plan amendment which has the effect of decreasing a Participant's Accrued Benefit or eliminating an optional form of benefit, with respect to benefits attributable to service before the amendment shall be treated as reducing an Accrued Benefit.

16.2 Termination. The Employers have established this Plan with a bona fide intention and expectation that it will make its contributions indefinitely; however, no Employer shall be under any obligation or liability whatsoever to continue its contributions or to maintain the Plan for any given length of time and any Employer may, in its sole and absolute discretion, anything herein to the contrary notwithstanding, discontinue its contributions at any time without any liability whatsoever for such discontinuance or termination, and the Employers or any one of them may, in their sole and absolute discretion, anything herein to the contrary notwithstanding, terminate the Plan or their participation in the Plan at any time without any liability whatsoever for such termination. Any residual assets of the Plan, after all liabilities to Participants and their beneficiaries have been satisfied, shall be returned to the Employers based (to the extent practicable) on the ratio of the difference of each Employer's contributions to the Accrual Benefits of the Employer's respective Participants.

16.3 Total Vesting Upon Termination. In the event of termination or partial termination of the Plan or if an Employer should permanently discontinue contributions under the Plan or withdraw from the Plan, the rights of all affected Participants to benefits accrued to the date of such termination, partial termination or permanent discontinuation of contributions shall not thereafter be subject to forfeiture, unless a Participant incurred a one-year break in service which was not followed by the re-employment of the.

16.4 Events of Plan Termination. The Plan shall terminate upon the delivery to the Administrator of a notice of termination executed by the Employers, specifying the date at which the Plan shall terminate.

The permanent discontinuation of contributions or withdrawal from the Plan by an Employer shall not, however, terminate the Plan as to the funds then held under the Plan or operate to accelerate any payment or distributions to or for the benefit of the Participants, but the Administrators shall continue to administer the Plan in accordance with the provisions hereof.

ARTICLE XVII. Miscellaneous

17.1 Participant's Rights. The adoption and maintenance of the Plan shall not be deemed to be a contract between an Employer and its employees. Nothing herein contained shall be deemed to give to any employee the right to be retained in the employment of an Employer or to interfere with the right of an Employer to discharge any employee at any time, nor shall it be deemed to give an Employer the right to require any employee to remain in its employment, nor shall it interfere with the employee's right to terminate his employment at any time.

17.2 Benefits Solely from Group Contract. All benefits payable under the Plan shall be paid or provided for solely from the Group Contract, and the Employers assume no liability or responsibility therefor. The Employers shall not in any way guarantee the assets of the Plan from loss or depreciation.

17.3 Status of Group Contract and Insurer. All right, title and interest in and to the Group Contract shall be vested in, and reside exclusively in the Administrator and no employee shall have any right, title or interest in or to the Group Contract or any other assets or investments of the Plan except to have the same held, invested and applied in accordance with the provisions of this Plan.

The obligations of the Insurer shall be governed solely by the provisions of the Group Contract and the Insurer shall not be required to perform any act not provided for or contrary to the provisions of the Group Contract. The Insurer shall not be bound by the provisions of the Plan; and, until notice of an amendment or termination of the Plan has been delivered to the Insurer, the Insurer shall be fully protected in assuming the Plan has not been amended or terminated according to the latest information which it has received.

17.4 Prohibition Against Diversion of Funds. No employee shall acquire any right in or title to any assets held in the Plan for his account, otherwise than by and through the payment thereof by the Administrator in the manner hereinbefore in this Plan provided; nor shall any employee have power to transfer, assign, anticipate, mortgage or otherwise encumber in advance either his interest in this Plan or other property held by the Administrator for his benefit under the terms of the Plan, except with respect to qualified domestic relations orders; nor shall the interest of such employee in the Plan or other property held by the Administrator for his benefit be subject to garnishment, attachment, or other seizure or sequestration for the payment of any debts or judgments against said employee (except qualified domestic relations orders), or be transferable by operation of law in the event of bankruptcy, insolvency or otherwise.

In the event, however, that any employee's benefits are garnished or attached by order of any court, the Administrator may bring an action for a declaratory judgment in a court of competent jurisdiction to determine the proper recipient of the benefits to be paid by the Plan. During the pendency of said action, any benefit that become payable shall be paid into the court as they become payable, to be distributed by the court to the recipient it deems proper at the close of said action.

In the event an Employer shall receive a domestic relations order relating to any employee, the Employer shall take such action as is required by Section 414(p) of the Code.

17.5 Certified Evidence. Evidence required of anyone under this Agreement may be by certificate, affidavit, endorsement or any other written instrument which the person acting in reliance thereon believes to be pertinent, reliable and genuine, and to have been signed, made or presented by the proper and duly authorized party or parties.

17.6 Named Fiduciaries and Allocation of Responsibility. Necessary parties to any accounting, litigation or other proceedings shall include only the Employers and the Administrator (if different than the Employers), and the settlement or judgment in any

such case in which the Administrator is duly served or cited shall be binding upon all persons entitled to benefits under the Plan, the estate of any such person, and upon all persons claiming by, through or under them.

17.7 Returned Distribution. If any check in payment of a benefit hereunder which has been mailed by regular United States mail to the last address of the payee furnished the Administrator is returned unclaimed, the Administrator shall discontinue further payments to such payee until the whereabouts of the payee are determined.

17.8 Return of Contribution. The principal or income of the assets held under the Plan shall not be paid to or reinvested in an Employer or be used for any purpose whatsoever other than the exclusive benefit of the Participants or their beneficiaries except where a contribution has been made by an Employer by a mistake of fact, in which event such contribution shall be returned to the Employer within one (1) year from the date the contribution is made in error.

17.9 Governing Law. This instrument shall be construed and enforced according to the laws of the State of Illinois, and all provisions hereof shall be administered according to the laws of said State except to the extent that such laws are superseded by the provisions of ERISA which are applicable to the Plan.

17.10 Merger or Consolidation. In the case of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, each employee will be entitled to receive a benefit immediately after the merger, consolidation or transfer (if the Plan then terminated) which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then terminated).

17.11 Notice Upon Distribution. On or before the end of the two week period commencing on the date of any "qualifying rollover distribution" (as such term is defined in Section 402(f) of the Code) from the Plan, the Administrator shall provide the recipient of such distribution with a written explanation as to how such distribution (i) may qualify for special income tax treatment and/or (ii) may be rolled over into certain other tax qualified retirement plans.

ARTICLE XVIII.

Special Rules Relating to Veterans Reemployment Rights Under USERRA

Effective on and after December, 1994, the following special provisions of this Section shall apply to an Employee or Participant who is reemployed in accordance with the reemployment provisions of USERRA following a period of qualifying military service (as determined under USERRA):

(a) Each period of qualifying military service served by an Employee or Participant shall, upon such reemployment, be counted toward determining the Employee's or Participant's Years of Benefit Accrual, Year of Participation and Year of Continuous Service with an Employer for all purposes of the Plan, including determining the amount of the Participant's Accrued Benefit and the

vested percentage in his Accrued Benefit. In addition, the survivors of any Participant who dies on or after January 1, 2007, while performing qualified military service, are entitled to any additional benefits (other than contributions relating to the period of qualified military service, but including vesting service credit for such period and any survivor benefits) that would have been provided under the Plan had the Participant resumed employment on the day preceding the Participant's death and then terminated employment on account of death.

(b) For all purposes under the Plan, the Participant shall be treated as having received compensation from an Employer based on the rate of compensation the Participant would have received during the period of qualifying military service, or if that rate is not reasonably certain, on the basis of the Participant's average rate of compensation during the 12-month period immediately preceding such period.

(c) Mandatory Employee Contributions shall not be subject to any otherwise applicable limitation under IRC Section 404(a) or 415, and shall not be taken into account in applying such limitations to either Participant or Employer contributions under the Plan or any other plan, with respect to the year in which such contributions are made, and such contributions shall be subject to these limitations only with respect to the year to which such contributions relate and only in accordance with Regulations prescribed by the Internal Revenue Service.

ARTICLE XIX.

Portability

19.1 Portability. This Article applies to distributions made after December 31, 2001. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this part, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution that is equal to at least \$500 paid directly to an eligible retirement plan specified by the distributee in a direct rollover. If an eligible rollover distribution is less than \$500, a distributee may not make the election described in the preceding sentence to rollover a portion of the eligible rollover distribution.

19.2 Definitions.

(a) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Internal revenue Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized

appreciation with respect to employer securities); and any other distribution(s) that is reasonably expected to total less than \$200 during a year.

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to (1) a traditional individual retirement account or annuity described in § 408(a) or (b) of the Code; (2) for taxable years beginning after December 31, 2001 and before January 1, 2007 to a qualified trust which is part of a defined contribution, defined benefit or annuity plan described in § 401(a) or § 403(a) or to an annuity contract described in § 403(b), if such plan or contract provides for separate accounting for amounts so transferred (including interest thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(b) **Eligible Retirement Plan:** An eligible retirement plan is an eligible plan under §457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan, an individual retirement account described in §408(a) of the Code, and individual retirement annuity described in §408(a) of the Code, an annuity plan described in §403(a) of the Code, an annuity contract described in §403(b) of the Code, or a qualified defined contribution plan described in §401(a) of the Code, that accepts the distributee's eligible rollover distribution.

(c) **Distributee:** A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse which is the alternate payee under a qualified domestic relations order, as defined in Section 414(P) of the Code, are distributees with regard to the interest of the spouse or former spouse. A distributee also includes the Participant's non-spouse designated beneficiary under Section 11.3 of the Plan. In the case of a non-spouse beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in §408(a) or §408(b) ("IRA") that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of §402(a)(11). Also, in this case, the determination of a required minimum distribution under §401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

(d) **Direct Rollover.** A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

ARTICLE XX.
Limitation on Benefits

20.1 The limitations of this Article shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided herein.

20.2 The Annual Benefit otherwise payable to a Participant under the Plan at any time shall not exceed the Maximum Permissible Benefit. If the benefit the Participant would otherwise accrue in a Limitation Year would produce an Annual Benefit in excess of the Maximum Permissible Benefit, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Maximum Permissible Benefit.

20.3 If the Participant is, or has ever been, a Participant in another qualified defined benefit plan (without regard to whether the Plan has been terminated) maintained by the Employer or a predecessor employer, the sum of the Participant's Annual Benefits from all such plans may not exceed the Maximum Permissible Benefit.

20.4 The application of the provisions of this Article shall not cause the Maximum Permissible Benefit for any Participant to be less than the Participant's Accrued Benefit under all the defined benefit plans of the Employer or a predecessor employer as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plan that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to § 415 of the Internal Revenue Code in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in § 1.415(a)-1(g)(4) of the Income Tax Regulations.

20.5 The limitations of this Article XX shall be determined and applied taking into account the rules in Section 20.7.

20.6 Definitions.

(a) Annual Benefit: A benefit that is payable annually in the form of a straight life annuity. Except as provided below, where a benefit is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this Article. For a Participant who has or will have distributions commencing at more than one annuity starting date, the Annual Benefit shall be determined as of each such annuity starting date (and shall satisfy the limitations of this Article as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regarding to § 1.401(1)-20, Q&A 10(d), and with regard to § 1.415(b)-1(b)(1)(iii)(B) and (C) of the Income Tax Regulations.

No actuarial adjustment to the benefit shall be made for (a) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the Participant's benefit were paid in another form; (b) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and post-retirement medical benefits); and (c) the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to § 417(e)(3) of the Internal Revenue Code and would otherwise satisfy the limitations of this Article, and the Plan provides that the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Article applicable at the annuity starting date, as increased in subsequent years pursuant to § 415(d). For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

The determination of the Annual Benefit shall take into account social security supplements described in § 411(a)(9) of the Internal Revenue Code and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant § 1.411(d)-4, Q&A-3(c), of the Income Tax Regulations, but shall disregard benefits attributable to employee contributions or rollover contributions.

Effective for distributions in plan years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a straight life annuity shall be made in accordance with Section 20.6(a) or (b) below.

(1) Benefit Forms Not Subject to § 417(e)(3): The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this Section 20.6(a) if the form of the Participant's benefit is either (1) a nondecreasing annuity (other than a straight life annuity) payable for a period of not less than the life of the Participant (or, in the case of a qualified pre-retirement survivor annuity, the life of the surviving spouse), or (2) an annuity that decreases during the life of the Participant merely because of (a) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (b) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in § 401(a)(11)).

(i) Limitation Years beginning before July 1, 2007. For Limitation Years beginning before July 1, 2007, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount: (I) the interest rate specified in Section 1.2

of the Plan and the mortality table (or other tabular factor) specified in Section 1.2 of the Plan for adjusting benefits in the same form; and (II) a 5 percent interest rate assumption and the applicable mortality table defined in Section 1.2 of the Plan for that annuity starting date.

(ii) Limitation Years beginning or after July 1, 2007. For Limitation Years beginning on or after July 1, 2007, the actuarially equivalent straight life annuity is equal to the greater of (1) the annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same annuity starting date as the Participant's form of benefit; and (2) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using a 5 percent interest rate assumption and the applicable mortality table defined in Section 1.2 of the Plan for that annuity starting date.

(2) Benefit Forms Subject to § 417(e)(3). The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this paragraph if the form of the Participant's benefit is other than a benefit form described in Section 20.6(a). In this case, the actuarially equivalent straight life annuity shall be determined as follows:

(i) Annuity Starting Date in Plan Years Beginning After 2005. If the annuity starting date of the Participant's form of benefit is in a plan year beginning after 2005, the actuarially equivalent straight life annuity is equal to the greatest of (I) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate specified in Section 1.2 of the Plan and the mortality table (or other tabular factor) specified in Section 1.2 of the Plan for adjusting benefits in the same form; (II) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5 percent interest rate assumption and the applicable mortality table defined in Section 1.2 of the Plan; and (III) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using the applicable interest rate defined in Section 1.2 of the Plan and the applicable mortality table defined in Section 1.2 of the Plan, divided by 1.05.

(ii) Annuity Starting Date in Plan Years Beginning in 2004 or 2005. If the annuity starting date of the Participant's form of benefit is a plan year beginning in 2004 or 2005, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount: (I) the interest rate specified in Section 1.2 of the Plan and the mortality table (or other tabular factor) specified in Section 1.2 of the Plan for adjusting benefits in the same form; and (II) a 5.5 percent interest rate assumption and the applicable mortality table defined in Section 1.2 of the Plan.

If the annuity starting date of the Participant's benefit is on or after the first day of the first plan year beginning in 2004 and before December 31, 2004, the application of this Section 20.6.1(b)(ii) shall not cause the amount payable under the Participant's form of benefit to be less than the benefit calculated under the plan, taking into account the limitations of this Article, except that the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greatest annual amount:

A. the interest rate specified in Section 1.2 of the Plan and the mortality table (or other tabular factor) specified in Section 1.2 of the Plan for adjusting benefits in the same form;

B. the applicable interest rate defined in Section 1.2 of the Plan and the applicable mortality table defined in Section 1.2 of the Plan; and

C. the applicable interest rate defined in Section 1.2 of the Plan (as in effect on the last day of the last plan year beginning before January 1, 2004, under the provisions of the Plan then adopted and in effect) and the applicable mortality table defined in Section 1.2 of the Plan.

(b) Compensation: Compensation shall mean information required to be reported under §§ 6041, 6051, and 6052 of the Internal Revenue Code (wages, tips, and other compensation as reported on Form W-2). Compensation is defined as wages, within the meaning of § 3401(a), and all other payments of compensation to an employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the employee a written statement under §§ 6041(d), 6051(a)(3), and 6052. Compensation shall

be determined without regard to any rules under § 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in § 3401(a)(2)).

For any self-employed individual, Compensation shall mean earned income.

Except as provided herein, for Limitation Years beginning after December 31, 1991, compensation for a Limitation Year is the compensation actually paid or made available during such Limitation Year. Compensation for a Limitation Year shall include amounts earned but not paid during the Limitation Year solely because of the timing of pay periods and pay dates, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated employees, and no compensation is included in more than one Limitation Year.

For Limitation Years beginning on or after July 1, 2007, compensation for a Limitation Year shall also include compensation paid by the later of 2-1/2 months after an employee's severance from employment with the Employer maintaining the plan or the end of the Limitation Year that includes the date of the employee's severance from employment with the Employer maintaining the plan, if:

(1) the payment is regular compensation for services during the employee's regular working hours, or compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a severance from employment, the payments would have been paid to the employee while the employee continued in employment with the employer;

(2) the payment is for unused accrued bona fide sick, vacation or other leave that the employee would have been able to use if employment had continued; or

(3) the payment is received by the employee pursuant to a nonqualified unfunded deferred compensation plan and would have been paid at the same time if employment had continued, but only to the extent includible in gross income.

Any payments not described above shall not be considered compensation if paid after severance from employment, even if they are paid by the later of 2-1/2 months after the date of severance from employment or the end of the Limitation Year that includes the date of severance from employment, except, (a) payments to an individual who does not currently perform services for

the Employer by reason of qualified military service (within the meaning of § 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service; or (b) compensation paid to a Participant who is permanently and totally disabled, as defined in Code § 22(e)(3), provided, salary continuation applies to all Participants who are permanently and totally disabled for a fixed or determined period, or the Participant was not a highly compensated employee, as defined in § 414(q), immediately before becoming disabled.

Back pay within the meaning of § 1.415(c)-2(g)(8), shall be treated as compensation for the Limitation Year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under the definition.

For Limitation Years beginning after December 31, 1997, Compensation paid or made available during such Limitation Year shall include amounts that would otherwise be included in Compensation but for an election under § 125(a), § 402(e)(3), § 402(h)(1)(B), § 402(k), or § 457(b).

For Limitation Years beginning after December 31, 2000, Compensation shall also include any elective amounts that are not includible in the gross income of the employee by reason of § 132(f)(4).

For Limitation Years beginning after December 31, 2001, Compensation shall also include deemed § 125 compensation. Deemed § 125 compensation is an amount that is excludable under § 106 that is not available to a Participant in cash in lieu of group health coverage under a § 125 arrangement solely because the Participant is unable to certify that he or she has other health coverage. Amounts are deemed § 125 compensation only if the Employer does not request or otherwise collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

Compensation shall not include amounts paid as compensation to a nonresident alien, as defined in § 7701(b)(1)(B), who is not a Participant in the plan to the extent the compensation is excludable from gross income and is not effectively connected with the conduct of a trade or business within the United States.

(c) Defined Benefit Dollar Limitation: Effective for Limitation Years ending after December 31, 2001, the Defined Benefit Dollar Limitation is \$160,000, automatically adjusted under § 415(d) of the Internal Revenue Code, effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a straight life annuity. The new limitation shall apply to Limitation Years ending with or within the calendar year of the date of the adjustment, but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The automatic annual adjustment of the Defined

Benefit Dollar Limitation under § 415(d) shall apply to Participants who have had a separation from employment.

(d) Employer: For purposes of this Article, Employer shall mean the Employer and all members of a controlled group of corporations, as defined in § 414(b) of the Internal Revenue Code, as modified by § 415(h), all commonly controlled trades or businesses (as defined in § 414(c), as modified, except in the case of a brother-sister group of trades or businesses under common control, but § 415(h)), or affiliated service groups (as defined in § 414(m)) of which the adopting Employer is a part, and any other entity required to be aggregated with the Employer pursuant to § 414(o) of the Internal Revenue Code.

(e) Formerly Affiliated Plan of the Employer: A plan that, immediately prior to the cessation of affiliation, was actually maintained by the Employer and, immediately after the cessation of affiliation, is not actually maintained by the Employer. For this purpose, cessation of affiliation means the event that causes an entity to no longer be considered the Employer, such as the sale of a member controlled group of corporations, as defined in § 414(b) of the Internal Revenue Code, as modified by § 415(h), to an unrelated corporation, or that causes a plan to not actually be maintained by the Employer, such as transfer of plan sponsorship outside a controlled group.

(f) High Three-Year Average Compensation: The average compensation for the three consecutive years of service (or, if the Participant has less than three consecutive years of service, the Participant's longest consecutive period of service, including fractions of years, but not less than one year) with the Employer that produces the highest average. A year of service with the Employer is the 12-consecutive month period defined in Section 1.8 of the Plan. In the case of a Participant who is rehired by the Employer after a severance from employment, the Participant's high three-year average compensation shall be calculated by excluding all years for which the Participant performs no services for and receives no compensation from the Employer (the break period) and by treating the years immediately preceding and following the break period as consecutive. A Participant's compensation for a year of service shall not include compensation in excess of the limitation under § 401(a)(17) of the Internal Revenue Code that is in effect for the calendar year in which such year of service begins.

(g) Limitation Year: A calendar year. All qualified plans maintained by the Employer must use the same Limitation Year. If the Limitation Year is amended to a different 12-consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.

(h) Maximum Permissible Benefit: The benefits of a Participant shall not exceed the Defined Benefit Dollar Limitation (adjusted where required, as provided below).

(1) Adjustment for Less Than 10 Years of Participation or Service: If the Participant has less than 10 years of participation in the plan, the Defined Benefit Dollar Limitation shall be multiplied by a fraction -- (i) the numerator of which is the number of Years (or part thereof, but not less than one year) of Participation in the plan, and (ii) the denominator of which is 10. In the case of a Participant who has less than ten Years of Service with the Employer, the Defined Benefit Compensation Limitation shall be multiplied by a fraction -- (i) the numerator of which is the number of Years (or part thereof, but not less than one year) of Service with the Employer, and (ii) the denominator of which is 10.

(2) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement Before Age 62 or after Age 65: Effective for benefits commencing in Limitation Years ending after December 31, 2001, the Defined Benefit Dollar Limitation shall be adjusted if the annuity starting date of the Participant's benefit is before age 62 or after age 65. If the annuity starting date is before age 62, the Defined Benefit Dollar Limitation shall be adjusted under Section 20.6.8(b)(i), as modified by Section 20.6.8(b)(iii). If the annuity starting date is after age 65, the Defined Benefit Dollar Limitation shall be adjusted under Section 20.6.8(b)(ii), as modified by Section 20.6.8(b)(iii).

(i) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement Before Age 62:

A. Limitation Years Beginning Before July 1, 2007. If the annuity starting date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning before July 1, 2007, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under Section 20.6.8(a) for years of participation less than 10, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate specified in Section 1.2 of the Plan and the mortality table (or other tabular factor) specified in Section 1.2 of the Plan; or (2) a 5-percent interest rate assumption and the applicable mortality table as defined in Section 1.2 of the Plan.

B. Limitation Years Beginning on or After July 1, 2007.

1. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both

Age 62 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under Section 20.6.8(a) for years of participation less than 10, if required) with actuarial equivalence computed using a 5 period interest rate assumption and the applicable mortality table for the annuity starting date as defined in Section 1.2 of the Plan (and expressing the Participant's age based on completed calendar months as of the annuity starting date).

2. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the lesser of the limitation determined under Section 20.6.8(b)(i)2.A, and the Defined Benefit Dollar Limitation (adjusted under Section 20.6.8(a) for years of participation less than 10, if required) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the plan at age 62, both determined without applying the limitations of this Article.

(ii) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement After Age 65:

A. Limitation Years Beginning Before July 1, 2007. If the annuity starting date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning before July

1, 2007, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under Section 20.6.8(a) for years of participation less than 10, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate specified in Section 1.2 of the Plan and the mortality table (or other tabular factor) specified in Section 1.2 of the Plan; or (2) a 5-percent interest rate assumption and the applicable mortality table as defined in Section 1.2 of the plan.

B. Limitation Years Beginning Before July 1, 2007.

1. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation at the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under Section 20.6.8 for years of participation less than 10, if required), with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table for that annuity starting date as defined in Section 1.2 of the Plan (and expressing the Participant's age based on completed calendar months as of the annuity starting date).

2. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation at the Participant's

annuity starting date is the lesser of the limitation determined under Section 20.6.8(b)(ii)II.A, and the Defined Benefit Dollar Limitation (adjusted under Section 20.6.8(a) for years of participation less than 10, if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Participant's annuity starting date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of this Article. For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the Participant's annuity starting date is the annual amount of such annuity payable to the Participant, computed disregarding the Participant's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Participant who is age 65 and has the same accrued benefit as the Participant.

(iii) Notwithstanding the other requirements of this Section 20.6.8(b), no adjustment shall be made to the Defined Benefit Dollar Limitation to reflect the probability of a Participant's death between the annuity starting date and age 62, or between age 65 and the annuity starting date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the annuity starting date. To the extent benefits are forfeited upon death before the annuity starting date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Participant's death if the Plan does not charge Participants for providing a qualified preretirement survivor annuity, as defined in § 417(c) the Internal Revenue Code, upon the Participant's death.

A. Minimum benefit permitted: Notwithstanding anything else in this Section to the contrary, the benefit otherwise accrued or payable to a Participant under this Plan shall be deemed not to exceed the Maximum Permissible Benefit if:

1. the retirement benefits payable for a Limitation Year under any form of benefit with respect to such Participant under this Plan and under all other defined benefit plans (without regard to whether a

plan has been terminated) ever maintained by the Employer do not exceed \$10,000 multiplied by a fraction – (I) the numerator of which is the Participant's number of Years (or part thereof, but not less than one year) of Service (not to exceed 10) with the Employer, and (II) the denominator of which is 10; and

2. the Employer (or a predecessor Employer) has not at any time maintained a defined contribution plan in which the Participant participated (for this purpose, mandatory employee contributions under a defined benefit plan, individual medical accounts under § 401(h), and accounts for postretirement medical benefits established under § 419A(d)(1) are not considered a separate defined contribution plan).

(i) Predecessor Employer: If the Employer maintains a plan that provides a benefit which the Participant accrued while performing services for a former Employer, the former Employer is a predecessor Employer with respect to the Participant in the plan. A former entity that antedates the Employer is also a predecessor Employer with respect to a Participant if, under the facts and circumstances, the Employer constitutes a continuation of all or a portion of the trade or business of the former entity.

(j) Severance from Employment: An employee has a severance from employment when the employee ceases to be an employee of the Employer maintaining the plan. An employee does not have a severance from employment if, in connection with a change of employment, the employee's new Employer maintains the plan with respect to the employee.

(k) Year of Participation: The Participant shall be credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (1) the Participant is credited with at least the number of hours of service (or period of service if the elapsed time method is used) for benefit accrual purposes, required under the terms of the plan in order to accrue a benefit for the accrual computation period, and (2) the Participant is included as a Participant under the eligibility provisions of the plan for at least one day of the accrual computation period. If these two conditions are met the portion of a year of participation credited to the Participant shall equal the amount of benefit accrual service credited to the Participant for such accrual computation period. A Participant who is permanently and totally disabled within the meaning of § 415(c)(3)(C)(i) of the Internal Revenue Code for an accrual computation period shall receive a Year of Participation with respect to that period. In addition, for a Participant to receive a Year of Participation (or part thereof) for an accrual computation period, the plan must be established no later

than the last day of such accrual computation period. In no event shall more than one Year of Participation be credited for any 12-month period.

(l) Year of Service: For purposes of Section 20.6., the Participant shall be credited with a Year of Service (computed to fractional parts of a year) for each accrual computation period for which the Participant is credited with at least the number of hours of service (or period of service if the elapsed time method is used) for benefit accrual purposes, required under the terms of the plan in order to accrue a benefit for the accrual computation period, taking into account only service with the Employer or a predecessor Employer.

20.7 Other Rules.

(a) Benefits Under Terminated Plans. If a defined benefit plan maintained by the Employer has terminated with sufficient assets for the payment of benefit liabilities of all plan Participants and a Participant in the plan has not yet commenced benefits under the plan, the benefits provided pursuant to the annuities purchased to provide the Participant's benefit under the terminated plan at each possible annuity starting date shall be taken into account in applying the limitations of this Article. If there are not sufficient assets for the payment of all Participant's benefit liabilities, the benefits taken into account shall be the benefits that are actually provided to the Participant under the terminated plan.

(b) Benefits Transferred From the Plan. If a Participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan maintained by the Employer and the transfer is not a transfer of distributable benefits pursuant to § 1.411(d)-4, Q&A-3(c), of the Income Tax Regulations, the transferred benefits are not treated as being provided under the transferor plan (but are taken into account as benefits provided under the transferee plan). If a Participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan that is not maintained by the Employer and the transfer is not a transfer of distributable benefits pursuant to § 1.411(d)-4, Q&A-3(c), of the Income Tax Regulations, the transferred benefits are treated by the Employer's plan as if such benefits were provided under annuities purchased to provide benefits under a plan maintained by the Employer that terminated immediately prior to the transfer with sufficient assets to pay all Participants' benefit liabilities under the plan. If a Participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan in a transfer of distributable benefits pursuant to § 1.411(d)-4, Q&A-3(c), of the Income Tax Regulations, the amount transferred is treated as a benefit paid from the transferor plan.

(c) Formerly Affiliated Plans of the Employer. A formerly affiliated plan of an Employer shall be treated as a plan maintained by the Employer, but the formerly affiliated plan shall be treated as if it had terminated immediately prior to

the cessation of affiliation with sufficient assets to pay Participants' benefit liabilities under the plan and had purchased annuities to provide benefits.

(d) Plans of a Predecessor Employer. If the Employer maintains a defined benefit plan that provides benefits accrued by a Participant while performing services for a predecessor Employer, the Participant's benefits under a plan maintained by the predecessor Employer shall be treated as provided under a plan maintained by the Employer. However, for this purpose, the plan of the predecessor Employer shall be treated as if it had terminated immediately prior to the event giving rise to the predecessor Employer relationship with sufficient assets to pay Participants' benefit liabilities under the plan, and had purchased annuities to provide benefits; the Employer and the predecessor Employer shall be treated as if they were a single Employer immediately prior to such event and as unrelated Employers immediately after the event; and if the event giving rise to the predecessor relationship is a benefit transfer, the transferred benefits shall be excluded in determining the benefits provided under the plan for the predecessor Employer.

(e) Special Rules. The limitations of this Article shall be determined and applied taking into account the rules in § 1.415(f)-1(d), (e) and (h) of the Income Tax Regulations.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

VILLAGE OF MORTON GROVE

By: _____

Its: _____

BOARD OF LIBRARY DIRECTORS OF THE
VILLAGE OF MORTON GROVE

By: Bahara J. Vavich

Its: BJV

Legislative Summary

Resolution 16-07

AUTHORIZING THE EXECUTION OF A CONTRACT WITH LAUTERBACH & AMEN, LLP FOR ACTUARIAL SERVICES FOR THE VILLAGE OF MORTON GROVE POLICE, FIRE, AND MUNICIPAL RETIREMENT FUNDS

Introduced:	January 25, 2016
Synopsis:	This Resolution will authorize the Village President to execute a contract with Lauterbach & Amen for actuarial services for the Village's Police, Fire, and Municipal Retirement Funds.
Purpose:	State law and sound public financial accounting practices require the Village to contract for actuarial services for its Police, Fire, and Municipal Retirement Funds . This allows the Village to assess the assets, liabilities, and annual funding requirements of each pension plan.
Background:	Asset values, liability projections, funding requirements for tax levy purposes, and other information useful in properly managing and reporting the pension funds financial performance. The actuarial services are for a period of three years starting with fiscal year ending December 31, 2015, fiscal year ending December 31, 2016, and fiscal year ending in December 31, 2017.
Programs, Departments or Groups Affected	Legal, Administration, and Finance Departments
Fiscal Impact:	Lauterbach & Amen's fees will be \$9,375 for each year and will encompass all the aforementioned retirement funds.
Source of Funds:	General Revenue Fund - Enterprise Fund
Workload Impact:	The Finance Department as part of their normal work activities will oversee the implementation of the contact and agreement.
Administrator Recommendation:	Approval as presented.
First Reading:	Not required.
Special Considerations or Requirements:	None


Respectfully submitted:


Ralph E. Czerwinski, Village Administrator

Prepared by:


Teresa Hoffman Lister, Corporation Counsel

Reveiwed by:


Hanna Sullivan, Finance Director/Treasurer

RESOLUTION 16-07

AUTHORIZING THE EXECUTION OF A CONTRACT WITH LAUTERBACH & AMEN, LLP FOR ACTUARIAL SERVICES FOR THE VILLAGE OF MORTON GROVE POLICE, FIRE, AND MUNICIPAL RETIREMENT FUNDS.

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule government under the provision of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to its government affairs, including but not limited to the power to tax and incur debt; and

WHEREAS, the Village is required by State Statute to have conducted annually an actuarial report of the Police, Fire, and Municipal Retirement Funds; and

WHEREAS, on November 11, 2015, the Village solicited proposals/bids from various actuarial firms for services; and

WHEREAS, on December 14, 2015, staff evaluated three proposals and found the services offered and pricing of the proposal from Lauterbach and Amen to be the most beneficial; and

WHEREAS, on January 5, 2016, Lauterbach & Amen, LLP drafted an engagement letter summarizing the actuarial services for the year ending December 31, 2015, at cost of \$9,375, December 31, 2016, at a cost of \$9,375, and December 31, 2017, at a cost of \$9,375. These fees will not exceed a combined total out-of-pocket expense for the Village of \$28,125 and includes all out-of-pocket reimbursable expenses. A copy of the contract and proposal are attached hereto; and

WHEREAS, Lauterbach & Amen, LLP has performed other services in the past which met or exceeded the expectations of the Village; and

WHEREAS, due to the recent transition in key staff members in the Finance Department, the Village Administrator has recommended the Village enter into a three-year contract with Lauterbach & Amen, LLP for actuarial services; and

WHEREAS, the Village President and Board of Trustees deems it to be in the best interest of the Village to obtain actuarial services from Lauterbach & Amen for a three year period beginning with the fiscal year ending December 31, 2015.

NOW, THEREFORE BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS AS FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing whereas clauses into this Resolution as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: The Village Administrator and/or his designee is hereby authorized to execute a contractual agreement with Lauterbach & Amen, LLP for actuarial services pursuant to terms and conditions consistent with their proposal dated January 5, 2016 (Exhibit "A") and the attached Professional Services Agreement dated January 25, 2016.

SECTION 3: The Village Administrator and/or his designee are hereby authorized to take all steps necessary to implement such contract.

SECTION 4: This resolution shall be in full force and effect upon its passage and approval.

PASSED this 25th day of January 2016.

Trustee Gear _____

Trustee Minx _____

Trustee Pietron _____

Trustee Ramos _____

Trustee Thill _____

Trustee Witko _____

APPROVED by me this 25th day of January 2016.

Daniel P. DiMaria, Village President
Village of Morton Grove
Cook County, Illinois

APPROVED and FILED in my office
this 26th day of January 2016.

Connie Travis, Village Clerk
Village of Morton Grove
Cook County, Illinois

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN VILLAGE OF MORTON GROVE AND
LAUTERBACH & AMEN, LLP
FOR ACTUARIAL SERVICES**

THIS AGREEMENT is dated as of the 25th day of January 2016 (“Agreement”) by and between the VILLAGE OF MORTON GROVE, an Illinois municipal corporation (“Village”) and Lauterbach & Amen LLP (“Consultant”).

IN CONSIDERATION OF the recitals and the mutual covenants and agreements set forth in the Agreement, and pursuant to the Village’s statutory and home rule powers, the parties agree as follows:

1 PARTIES:

The parties to this Agreement and the address and contact information for each is as follows:

Village: Village of Morton Grove
6101 Capulina Avenue
Morton Grove, IL 60053

Contact: Ralph E. Czerwinski,
Village Administrator (“Village Representative”)
847-663-3001
rczerwinski@mortongroveil.org

Consultant: Lauterbach & Amen LLP
27W457 Warreville Road,
Warrenville, Illinois, 60555

Contact: Todd Schroeder
630-393-1483
tschroeder@lauterbachamen.com

2 PERFORMANCE OF SERVICES:

- 2.1. Project Description. Consultant will provide all necessary services to perform the work in connection with the project identified in and consistent with the Proposal dated January 5, 2016, a copy of which is attached hereto as Exhibit “A” to this Agreement (hereafter referred to as “services”). The Consultant represents it is financially solvent, has the necessary financial resources, and is sufficiently experienced and competent to perform and complete the services set forth in Exhibit “A” in a manner consistent with the standards of professional practice recognized by the industry providing services of a similar nature.

- 2.2 Time of Performance. The Consultant's provision of Services shall commence on _____, 2016 (needs Village Board approval) (the "Commencement Date"). The Consultant shall diligently and continuously prosecute the Services until the completion of the work in accordance with deadlines established for particular tasks from time-to-time ("Time of Performance") The Time of Performance of this Agreement, unless terminated pursuant to the terms of this Agreement, shall expire on December 31, 2018. A determination of completion shall not constitute a waiver of any rights or claims the Village may have or thereafter acquire with respect to any breach hereof by the Consultant or any right of indemnification of the Village by the Consultant.
- 2.3 Early Termination. Notwithstanding any other provision hereof, the Village may terminate this Agreement at any time upon thirty (30) days prior written notice to the Consultant. In the event that this Agreement is so terminated, the Consultant shall be paid for services satisfactorily performed and reimbursable expenses actually incurred, if any, prior to termination, not exceeding the value of the services completed as determined as provided in this Agreement.
- 2.4 Suspension of Services. The Village may, at any time, with or without cause, suspend all or any portion of services for a period of up to 90 days ("suspended services"). Consultant shall immediately stop the performance of the suspended services, until such time as Village issues direction to Consultant to resume the suspended services. Consultant shall take such action as is reasonably necessary to protect the suspended services and take such additional action as directed by the Village.
- 2.5 Force Majeure. The Village shall not be responsible for delay in the performance of its obligations under this Agreement caused by a force majeure event. To the extent Contracted Services are delayed by a force majeure event, the Consultant will be entitled to an equitable adjustment of the time for performance. For purposes of this Agreement, a "force majeure event" is an occurrence or circumstance beyond the control of the claiming party and may include, but is not limited to extraordinary weather conditions, or other natural catastrophes, war, riots, strikes, lockouts, or other industrial disturbances.
- 2.6 Assignments; Coordination; Reporting. Assignments and tasks will be assigned to the Consultant by a Village Representative. Consultant shall regularly report to and will coordinate all work through the Village Representative and/or his designee.
- 2.7 Quality Control Plans. When required by the Exhibit "A", the Consultant shall execute a quality control plan acceptable to the Village which ensures the quality of its work products and activities. Prior to starting the performance of the services, Consultant shall submit its quality control plan for the services. Submission of the quality control plan to the Village will not replace in any way the Consultant's responsibility for quality control or for its work products and activities. Notwithstanding any review by the Village, Consultant shall be responsible for the quality of the Services.

- 2.8 Warranty of Services. The Consultant warrants the services shall be performed in accordance with the highest standards of professional practice, care, and diligence practiced by recognized consulting firms in performing services of a similar nature in existence at the Time of Performance. The warranty expressed shall be in addition to any other warranties expressed in this Agreement, or expressed or implied by law, which are hereby reserved unto the Village.
- 2.9 Mutual Cooperation. The Village agrees to cooperate with the Consultant in the performance of the services, including meeting with the Consultant and providing the Consultant with such non-confidential information that the Village may have that may be relevant and helpful to the Consultant's performance of the services. The Consultant agrees to cooperate with the Village in the performance of the services and with any other Consultants engaged by the Village.
- 2.10 Amendment. No amendment or modification to this Agreement shall be effective unless and until such amendment or modification is approved in writing by the Village Administrator and the Consultant.
- 2.11 No Additional Obligation. The Parties acknowledge and agree the Village is under no obligation under this Agreement or otherwise to negotiate or enter into any other or additional contracts or Agreements with the Consultant, or with any vendor solicited or recommended by the Consultant.

3 COMPENSATION AND METHOD OF PAYMENT:

- 3.1 Agreement Amount. The total amount billed by the Consultant for the Services under this Agreement shall not exceed twenty-eight thousand one hundred and twenty-five dollars (\$28,125.00) in total or nine thousand three hundred and seventy-five dollars (\$9,375.00) for services rendered for any fiscal year without the prior express written authorization of the Village Administrator. Said amount includes reimbursable expenses. Services in excess of Twenty Thousand Dollars (\$20,000) per year may be authorized only if approved by resolution of the Village's Board of Trustees.
- 3.2 Invoices and Payment. The Consultant shall submit invoices to the Village in an approved format for those portions of the Services performed and completed by the Consultant. The Village shall pay to the Consultant the amount billed for completed and approved work within thirty (30) days after its receipt and approval of an invoice for same.
- 3.3 Records. The Consultant shall maintain records showing actual time devoted and costs incurred, and shall permit the authorized representative of the Village to inspect and audit all data and records of the Consultant for work done under the Agreement. The records shall be made available to the Village at reasonable times during the Agreement period, and for three years after the termination of the Agreement.

- 3.4 **Claim For Additional Compensation.** If the Consultant wishes to make a claim for additional compensation as a result of action taken by the Village, the Consultant shall provide written notice to the Village of such claim within seven (7) days after occurrence of such action, and no claim for additional compensation shall be valid unless made in accordance with this Subsection. Any changes in the Agreement amount shall be valid only upon written amendment of this Agreement approved by the Village Administrator. Regardless of the decision of the Village relative to a claim submitted by the Consultant, the Consultant shall proceed with all of the services required to complete the services under this Agreement as determined by the Village without interruption.
- 3.5 **Taxes, Benefits and Royalties.** The Agreement amount includes all applicable federal, state, and local taxes of every kind and nature applicable to the services as well as all taxes, contributions, and premiums for unemployment insurance, old age or retirement benefits, pensions, annuities, or similar benefits and all costs, royalties and fees arising from the use on, or the incorporation into, the services, of patented or copyrighted equipment, materials, supplies, tools, appliances, devices, processes, or inventions. All claim or right to claim additional compensation by reason of the payment of any such tax, contribution, premium, costs, royalties, or fees is hereby waived and released by Consultant.

4 PERSONNEL AND SUBCONTRACTORS:

- 4.1 **Key Project Personnel.** Key Project Personnel identified in Exhibit "A" shall be primarily responsible for carrying out the Services on behalf of the Consultant. The key project personnel shall not be changed without the Village's prior written approval.
- 4.2 **Availability of Personnel.** The Consultant shall provide all personnel necessary to complete the Services including, without limitation, any Key Project Personnel identified in this Agreement. The Consultant shall notify the Village as soon as practicable prior to terminating the employment of reassigning or after receiving notice of the resignation of any key project personnel. The Consultant shall have no claim for damages and shall not bill the Village for additional time and materials charges as the result of any portion of the Services which must be duplicated or redone due to such termination or for any delay or extension of the Time of Performance as a result of any such termination, reassigning, or resignation.

- 4.3 Approval and Use of Subcontractors. The Consultant shall perform the services with its own personnel and under the management, supervision, and control of its own organization unless otherwise approved by the Village in writing. All subcontractors and subcontracts used by the Consultant shall be acceptable to and approved in advance by the Village. If any personnel or subcontractor fails to perform the services in a manner satisfactory to the Village, the Consultant shall immediately upon notice from the Village remove and replace such personnel or subcontractor. The Consultant shall have no claim for damages for compensation in excess of the amount contained in this agreement or for a delay or extension of the time of performance as a result of any such removal or replacement. The Village's approval of any subcontractor or subcontract shall not relieve the Consultant of full responsibility and liability for the provision, performance, and completion of the services as required by the Agreement. All services performed under any subcontract shall be subject to all of the provisions of this Agreement in the same manner as if performed by employees of the Consultant. For purposes of this Agreement, the term "Consultant" shall be deemed also to refer to all subcontractors of the Consultant, and every subcontract shall include a provision binding the subcontractor to all provisions of this Agreement.
- 4.4 Village Authority. Notwithstanding any provision of this Agreement, any negotiations or agreements with, or representations by the Consultant to any subcontractor, vendor, or third party shall be subject to the approval of the Village. The Village shall not be liable to any subcontractor, vendor or other third party for any Agreements made by the Consultant, purportedly on behalf of the Village, without the knowledge and approval of the Village.
- 4.5 Lien Waiver. Consultant shall promptly pay for all services, labor, materials and equipment used or employed by Consultant in the performance of the services and shall maintain all materials, equipment, structures, buildings, premises and property of Village free and clear of mechanic's or other liens. Consultant shall, if requested, provide Village with reasonable evidence that all services, labor, materials and equipment have been paid in full.
- 4.6 Safety and Hazardous Materials.
- A. Consultant acknowledges there may be hazardous substances, wastes, or materials as defined by applicable law ("Hazardous Materials") at the project site or otherwise associated with the services. In such cases, Consultant shall take appropriate precautions to protect and shall be solely and continuously responsible for the health, safety and welfare associated with its employees, subcontractors, agents, and those people under the supervision and control of the Consultant with the performance of the services.
 - B. Consultant's employees, agents, subcontractors and all employees of Consultant's employees, agents, subcontractors who perform the services shall be experienced and properly trained to perform the services under such conditions and shall take adequate precautions to protect human health and the environment in the performance of the services.

- C. In the event that Consultant observes a potentially hazardous condition relating to the services, Consultant shall bring such condition to the attention of Village.

5 RELATIONSHIP OF THE PARTIES:

- 5.1 Independent Contractor. The Consultant shall act as an independent contractor in providing and performing the services. Nothing in, nor done pursuant to, this Agreement shall be construed:
 - A. To create the relationship of principal and agent, employer and employee, partners, or joint venturers between the Village and Consultant; or
 - B. To create any relationship between the Village and any subcontractor of the Consultant.
- 5.2 Conflict of Interest. The Consultant represents and certifies to the best of its knowledge:
 - A. No employee or agent of the Village is interested in the business of the Consultant or this Agreement;
 - B. Neither the Consultant nor any person employed or associated with the Consultant has any interest that would conflict in any manner or degree with the performance of the obligations under this Agreement; and
 - C. Neither the Consultant nor any person employed by or associated with the Consultant shall at any time during the term of this Agreement obtain or acquire any interest that would conflict in any manner or degree with the performance of the obligations under this Agreement.
- 5.3 No Collusion. The Consultant represents and certifies the Consultant is not barred from contracting with a unit of federal, state or local government as a result of:
 - A. A delinquency in the payment of any tax administered by the Illinois Department of Revenue unless the Consultant is contesting, in accordance with the procedures established by the appropriate revenue act, its liability for the tax or the amount of the tax; or
 - B. A violation of either Section 33E-3 or Section 33E-4 of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E-1 et seq.
 - C. The Consultant represents the only persons, firms, or corporations interested in this Agreement as principals are those disclosed to the Village prior to the execution of this Agreement, and this Agreement is made without collusion with any other person, firm, or corporation. If at any time it shall be found the Consultant has, in procuring this Agreement, colluded with any other person, firm, or corporation, then the Consultant shall be liable to the Village for all loss or damage the Village may suffer, and this Agreement shall, at the Village's option, be null and void.

- 5.4 No Personal Liability. No elected or appointed official or employee of the Village shall be personally liable, in law or in contract, to the Consultant as the result of the execution of this Agreement.

6 INSURANCE AND INDEMNIFICATION:

- 6.1 Insurance. Contemporaneous with the Consultant's execution of this Agreement, the Consultant shall provide certificates and policies of insurance, all with coverage and limits acceptable to the Village, and evidencing at least the minimum insurance coverage and limits as set forth in Exhibit "B" to this Agreement. For good cause shown, the Village Administrator may extend the time for submission of the required policies of insurance upon such terms, and with such assurances of complete and prompt performance, as the Village Administrator may impose in the exercise of his sole discretion. Such certificates and policies shall be in a form acceptable to the Village and from companies with a general rating of A-, and a financial size category of Class X or better, in Best's Insurance Guide. Such insurance policies shall provide no change, modification in, or cancellation of, any insurance shall become effective until the expiration of thirty (30) days after written notice thereof shall have been given by the insurance company to the Village. The Consultant shall at all times during the term of this Agreement, maintain and keep the insurance coverage provided above in force, at the Consultant's expense.
- 6.2 Indemnification. The Consultant shall, without regard to the availability or unavailability of any insurance, either of the Village or the Consultant, indemnify, save harmless, and defend the Village, and its respective officials, employees, agents, volunteers and attorneys against any and all lawsuits, claims, demands, damages, liabilities, losses, and expenses, including attorneys' fees and administrative expenses, that arise, or may be alleged to have arisen, out of or in connection with, the Consultant's performance of, or failure to perform, the services or any part thereof, whether or not due or claimed to be due in whole or in part to the active, passive, or concurrent negligence or fault of the Consultant, except to the extent caused by the sole negligence of the Village. The Consultant further agrees to the extent that money is due the Consultant by virtue of this contract as shall be considered necessary in the judgment of the Village, may be retained by the Village to protect itself against said loss until such claims, suits, or judgments shall have been settled or discharged and/or evidence to that effect shall have been furnished to the satisfaction of the Village.

7 USE AND DISCLOSURE OF INFORMATION:

- 7.1 Confidential Information. The term "confidential Information" shall mean information in the possession or under the control of the Village relating to the technical, business or corporate affairs of the Village; property of the Village; user information, including, without limitation, any information pertaining to usage of the Village's computer systems, including and without limitation, any information obtained from server logs or other records of electronic or machine readable form; and the existence of, and terms and conditions of, this Agreement. Village confidential information shall not include information that can be demonstrated:

(i) to have been rightfully in the possession of the Consultant from a source other than the Village prior to the time the Village disclosed said information to the Consultant under this Agreement (“time of disclosure”);

(ii) to have been in the public domain prior to the time of disclosure; or

(iii) to have become part of the public domain after the Time of Disclosure by a publication or by any other means except an unauthorized act or omission or breach of this Agreement on the part of the Consultant.

- 7.2 No Disclosure of Confidential Information by the Consultant. The Consultant acknowledges it shall, in performing the services for the Village under this Agreement, have access to or be directly or indirectly exposed to confidential information. To the extent allowed by law, the Consultant shall hold confidential all confidential information and shall not disclose or use such Confidential Information without express prior written consent of the Village. The Consultant shall use reasonable measures at least as strict as those the Consultant uses to protect its own confidential information. Such measures shall include, without limitation, requiring employees and subcontractors of the Consultant to execute a non-disclosure agreement before obtaining access to confidential information.
- 7.3 Illinois Freedom of Information Act (FOIA). FOIA applies to public records in the possession of a party with whom the Village has contracted. The Village will have only a very short period of time from receipt of a FOIA request to comply with the request, and there is a significant amount of work required to process a request including collating and reviewing the information. Consultant will comply with all requests made by the Village for public records (as that term is defined by Section 2(c) of FOIA) in the Consultant’s possession and will provide the requested public records to the Village within two (2) business days of the request being made by the Village. The undersigned agrees to indemnify and hold harmless the Village from all claims, costs, penalty, losses and injuries (including but not limited to, attorney’s fees, other professional fees, court costs and/or arbitration or other dispute resolution costs) arising out of or relating to its failure to provide the public records to the Village under this Agreement.
- 7.4 GIS Data. The Village has developed digital map information through Geographic Information Systems Technology (“GIS data”) concerning the real property located within the Village. If necessary to the performance of the services and if requested to do so by the Consultant, the Village may supply the Consultant with access to the GIS data. In such case, the Consultant agrees as follows:
- A. Limited Access to and use of GIS data. The GIS data provided by a Village shall be limited to the scope of the work the Consultant is to provide for the Village, and the Consultant shall limit its use of the GIS data to its intended purpose of furtherance of the work;
 - B. Trade Secrets of the Village. The GIS data constitutes proprietary materials and trade secrets of the Village and shall remain the property of the Village;

- C. Consent of the Village Required. The Consultant will not provide or make available GIS data in any form to anyone without the prior written consent of the Village Administrator;
- D. Supply to Village. At the request of the Village, the Consultant shall supply the Village with any and all information that may have been developed by the Consultant based on the GIS data;
- E. No Guarantee of Accuracy. The Village makes no guarantee as to the accuracy, completeness, or suitability of the GIS data in regard to the Consultant's intended use thereof; and
- F. Discontinuation of Use. At such time as the Services have been completed to the satisfaction of or terminated by the Village, the Consultant shall cease its use of the GIS data for any purpose whatsoever; and, upon request, an authorized representative of the Village shall be afforded sufficient access to the Consultant's premises and data processing equipment to verify that all use of the GIS data has been discontinued.

7.5 Ownership. Designs, drawings, plans, specifications, photos, reports, information, observations, calculations, notes, and any other documents, data, or information, in any form, prepared, collected, or received by the Consultant in connection with any or all of the services to be performed under this Agreement ("documents") shall be and remain the exclusive property of the Village. At the Village's request, or upon termination of this Agreement, the Consultant shall cause the documents to be promptly delivered to the Village.

7.6 News Releases. The Consultant shall not issue any news releases or other public statements regarding the Services without prior approval from the Village Administrator.

8 COMPLIANCE WITH LAWS AND GRANTS:

- 8.1 General Compliance. Consultant shall give all notices, pay all fees, and take all other action that may be necessary to ensure the services are provided, performed, and completed in accordance with all required governmental permits, licenses, or other approvals and authorizations that may be required in connection with providing, performing, and completing the services, and with all applicable statutes, ordinances, rules, and regulations, including without limitation the Fair Labor Standards Act; any statutes regarding qualification to do business; any statutes prohibiting discrimination because of, or requiring affirmative action based on, race, creed, color, national origin, age, sex, or other prohibited classification, including, without limitation, the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq., and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. Consultant shall be solely liable for any fines or civil penalties that are imposed by any governmental or quasi-governmental agency or body that may arise, or be alleged to have arisen, out of or in connection with the Consultant's, or its subcontractors' performance of, or failure to perform, the services or any part thereof. Every provision required by law to be inserted into this Agreement shall be deemed to be inserted herein.
- 8.2 Grant Compliance. Consultant shall also comply with all conditions of any federal, state, or local grant received by the Village or consultant with respect to this Agreement or the services.
- 8.3 Sexual Harassment Policy. The Consultant represents and warrants that it has and follows a written sexual harassment policy in full compliance with Section 2-105(A)(4) of the Illinois Human Rights Act, 775 ILCS 5/2-105(A)(4).
- 8.4 Patriot Act Compliance. The Consultant represents and warrants neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specially Designated National and Blocked Person. The Consultant further represents and warrants the Consultant and its principals, shareholders, members, partners, or affiliates, as applicable, are not, directly or indirectly, engaged in, and are not facilitating the transactions contemplated by this Agreement on behalf of any person or entity named as a Specially Designated National and Blocked Person. The Consultant hereby agrees to defend, indemnify and hold harmless the Village, its respective corporate authorities, and elected or appointed officials, officers, employees, agents, representatives, engineers, volunteers, and attorneys, from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the representations and warranties in this subsection.
- 8.5 Equal Employment Opportunity Compliance. During the performance of this Agreement, Consultant as follows:

- A. It will not discriminate against any employee or applicant for employment on the basis of race, age, marital status, color, religion, sex, sexual orientation, physical or mental handicap unrelated to ability, national origin or ancestry or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minorities or women are underutilized and shall take appropriate affirmative action to rectify any such underutilization.
- B. If it hires additional employees in order to perform the services or any portion hereof, it shall determine the availability (in accordance with the Village's rules) of minorities and women in the area(s) from which they may reasonably recruit, and it will hire for each applicable job classification for which employees are hired in such manner that minorities and women are not underutilized.
- C. In all solicitations or advertisements for employees placed by it or on its behalf, it will state all applicants will be afforded equal opportunity without discrimination based on race, color, religion, sex, sexual orientation, national origin or ancestry, marital status, age physical or mental handicap unrelated to ability or an unfavorable discharge from the military.
- D. It shall submit reports as required by the Village's rules and furnish all relevant information as may from time-to-time be requested by the Village, and in all respects comply with the Illinois Human Rights Act and the Village's Rules.
- E. It shall permit access to all relevant books, records, accounts and work sites by personnel of the Village and the Village for purposes of investigation to ascertain compliance with the Illinois Human Rights Act and the Village's rules.
- F. It shall include verbatim or by reference the provisions of this clause in every subcontract it awards under which any portion of the contract obligations are undertaken or assumed so such provisions will be binding upon such subcontractor. In the same manner as with other provisions of this Agreement, the Consultant will be liable for compliance with applicable provisions of this clause by such subcontractors; and further it will promptly notify the Village or the Village in the event any subcontractor fails or refuses to comply therewith. In addition, no Consultant shall utilize any subcontractor declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations.
- G. If the Consultant has not complied with all provisions of the Illinois Human Rights Act, or the Rules and Regulations of the Illinois Department of Human Rights "Village", the Consultant may be declared ineligible for future contracts or subcontracts with the Village and this Agreement may be cancelled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation.

9 DEFAULT AND DISPUTE RESOLUTION:

- 9.1 Default. If it should appear at any time the Consultant has failed, refused or delayed to perform, the services any other requirement of this Agreement with diligence at a rate that assures completion of the services and full compliance of this Agreement, ("event of default"), and fails to cure any such event of default within ten (10) business days after the Consultant's receipt of written notice of such event of default from the Village, then the Village shall have the right, without prejudice to any other remedies provided by law or equity, to pursue any one or more of the following remedies:
- A. Cure by Consultant. The Village may require the Consultant, within a reasonable time, to complete or correct all or any part of the services that are the subject of the event of default; and to take any or all other action necessary to bring the Consultant and the services into compliance with this Agreement.
 - B. Termination of Agreement by Village. The Village may terminate this Agreement without liability for further payment of amounts due or to become due under this Agreement.
 - C. Withholding of Payment by Village. The Village may withhold from any payment, whether or not previously approved, or may recover from the Consultant, any and all costs, including attorneys' fees and administrative expenses, incurred by the Village as the result of any event of default by the Consultant or as a result of actions taken by the Village in response to any event of default by the Consultant.
- 9.2 Dispute Resolution. Any dispute related to this Agreement shall, upon request by either party, be submitted to a panel consisting of at least one representative of each party who shall have the authority to enter into an Agreement to resolve the dispute. In the event the panel is unable to reach a mutual resolution of the dispute, or has failed to convene within two weeks of the request of either party, either party may refer the matter to a court of appropriate jurisdiction. All communications between the parties or their representatives in connection with the attempted resolution of any dispute shall be confidential and deemed to have been delivered in furtherance of dispute settlement and shall be exempt from discovery and production, and shall not be admissible in evidence whether as an admission or otherwise, in any arbitration, judicial or other proceeding for the resolution of the dispute.
- 9.3 During the dispute resolution period, or if litigation ensues, pending any final judicial decision or settlement, Consultant shall proceed diligently with the services.

10 GENERAL PROVISIONS:

- 10.1 Notice.
- A. Any notice or communication required or permitted to be given under this Agreement shall be in writing and shall be delivered

- (i) personally to an authorized representative of the party;
- (ii) by certified mail addressed to the contact person listed in Section 1 of this Agreement, return receipt requested, and deposited in the U.S. Mail, postage prepaid;
- (iii) by facsimile to a number provided by the contact person listed in Section 1 of this agreement, and deposited in the U.S. Mail, postage prepaid the recipient; or
- (iv) by electronic internet mail ("e-mail") addressed to the contact person listed in Section 1 of this Agreement, and deposited in the U.S. Mail, postage prepaid.

B. Unless otherwise expressly provided in this Agreement, notices shall be deemed received upon the earlier of actual receipt or three business days following deposit in the U.S. mail.

C. By notice complying with the requirements of this Subsection, each Party shall have the right to change the address or the addressee, or both, for all future notices and communications to such party, but no notice of a change of addressee or address shall be effective until actually received. Notices and communications to the Village shall be addressed to the party listed in Section 1 of this Agreement.

- 10.2 Assignment. This Agreement may not be assigned by the Village or by the Consultant without the prior written consent of the other party.
- 10.3 Third Party Beneficiary. No claim as a third party beneficiary under this Agreement by any person, firm, or corporation other than the Consultant shall be made or be valid against the Village.
- 10.4 Provisions Severable. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
- 10.5 Time. Time is of the essence in the performance of this Agreement.
- 10.6 Governing Laws. This Agreement shall be interpreted according to the laws of the State of Illinois.
- 10.7 Binding Effect. The terms of this Agreement shall bind and inure to the benefit of the Parties hereto and their agents, successors, and assigns.
- 10.8 Entire Agreement. This Agreement constitutes the entire Agreement between the parties and supersedes any and all previous or contemporaneous oral or written Agreements and negotiations between either of the Village and the Consultant with respect to the Proposal and the Services.

- 10.9 Waiver. No waiver of any provision of this Agreement shall be deemed to or constitute a waiver of any other provision of this Agreement (whether or not similar) nor shall any such waiver be deemed to or constitute a continuing waiver unless otherwise expressly provided in this Agreement.
- 10.10 Remedies. No remedies or rights conferred upon the Village by this Agreement are intended to be exclusive of any remedy or right provided by law or equity, but each shall be cumulative and shall be in addition to every other remedy or right given herein or now or hereafter existing at law or in equity.
- 10.11 Survival of Terms. Articles on Indemnity, Confidential Information and Rights in Data shall survive termination of this Agreement.
- 10.12 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if any invalid or unenforceable provision were omitted.
- 10.13 Exhibit. Exhibits "A" (Consultant's proposal dated January 8, 2016) and "B" (insurance requirements) are attached hereto, and by this reference incorporated in and made a part of this Agreement. In the event of a conflict between the Exhibits and the text of this Agreement, the text of this Agreement shall control.
- 10.14 Rights Cumulative. Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other such rights, remedies, and benefits allowed by law.
- 10.15 Counterpart Execution. This Agreement may be executed in several counterparts, each of which, when executed, shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

SIGNED:

By: Ralph E. Czerwinski, Village Administrator
Village of Morton Grove

By: Todd Schroeder
Lauterbach & Amen, LLP

EXHIBIT "A"



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

27W457 WARRENVILLE RD. • WARRENVILLE, ILLINOIS 60555

PHONE 630.393.1483 • FAX 630.393.2516

www.lauterbachamen.com

January 5, 2016

Members of the Board of Trustees
Village of Morton Grove
Morton Grove, Illinois

We are pleased to confirm our understanding of the services we are to provide for the Village of Morton Grove, Illinois for the fiscal years ending December 31, 2015, 2016 and 2017. It is our understanding that Lauterbach & Amen, LLP will prepare the Police, Fire and Municipal Employee Retirement Fund Actuarial Reports for the Village.

You agree to assume all management responsibilities for the actuarial services we provide; you will oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; you will evaluate the adequacy and results of the services; and you will accept responsibility for them.

Lauterbach and Amen, LLP does not assume any management responsibilities for the Village. These services cannot be relied upon to detect errors, irregularities, or illegal acts that may exist. However, we will inform you of any such matters that may come to our attention.

Fees for our services are as follows:

	Fiscal Year End December 31, 2015	Fiscal Year End December 31, 2016	Fiscal Year End December 31, 2017
Actuarial Financial Statement Reporting			
• Preparation of Fire Pension Tax Levy Actuarial Valuation	\$2,000	\$2,000	\$2,000
• Preparation of Fire Pension GASB 67/68 Actuarial Valuation	\$1,750	\$1,750	\$1,750
• Preparation of Police Pension Tax Levy Actuarial Valuation	\$2,000	\$2,000	\$2,000
• Preparation of Police Pension GASB 67/68 Actuarial Valuation	\$1,750	\$1,750	\$1,750
• Preparation of Municipal Employee Retirement Fund Actuarial Valuation	\$1,000	\$1,000	\$1,000
• Preparation of Municipal Employee Retirement Fund GASB 67/68 Actuarial Valuation	\$875	\$875	\$875
• Attendance at Meeting to Present Results	Included	Included	Included
Total Annual Actuary's Reports	\$9,375	\$9,375	\$9,375



We appreciate the opportunity to be of service to the Village of Morton Grove, Illinois and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return it to us.

Cordially,

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Village of Morton Grove, Illinois:

Accepted by: _____

Title: _____



EXHIBIT “B”

INSURANCE COVERAGES

A. Worker’s Compensation and Employer’s Liability with limits not less than:

(1) Worker’s Compensation: Statutory;

(2) Employer’s Liability:

\$500,000 injury-per occurrence

\$500,000 disease-per employee

\$500,000 disease-policy limit

Such insurance shall evidence that coverage applies in the State of Illinois.

B. Comprehensive Motor Vehicle Liability with a combined single limit of liability for bodily injury and property damage of not less than \$1,000,000 for vehicles owned, non-owned, or rented. All CONSULTANT employees shall be included as insureds.

C. Comprehensive General Liability with coverage written on an “occurrence” basis and with limits no less than:

\$2,000,000 Bodily Injury and Property Damage Combined Single Limit Coverage is to be written on an “occurrence” bases.

Coverages shall include:

- Broad Form Property Damage Endorsement

- Blanket Contractual Liability (must expressly cover the indemnity provisions of the Contract)

D. Professional Liability Insurance. With a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate and covering CONSULTANT against all sums that CONSULTANT may be obligated to pay on account of any liability arising out of the Contract.

E. Umbrella Policy. The required coverages may be in any combination of primary, excess, and umbrella policies. Any excess or umbrella policy must provide excess coverage over underlying insurance on a following-form basis such that when any loss covered by the primary policy exceeds the limits under the primary policy, the excess or umbrella policy becomes effective to cover such loss.

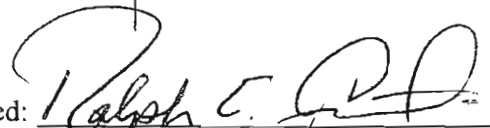
F. VILLAGE as Additional Insured. The VILLAGE shall be named as an Additional Insured on all policies except for: Worker’s Compensation and Professional Liability. Each such additional Insured endorsement shall identify the Village as follows: Village of Morton Grove, including its Board members and elected and appointed officials, its officers, employees, agents, attorneys, CONSULTANTs, and representatives


Legislative Summary

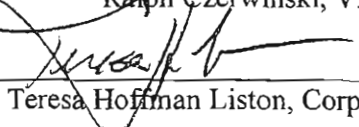
Resolution 16-08

AUTHORIZING A CONTRACTUAL AGREEMENT WITH CDW-G TO PROVIDE FOR THE RENEWAL OF A MICROSOFT ENTERPRISE AGREEMENT FOR MICROSOFT SOFTWARE LICENSING FOR OPERATING AND PRODUCTIVITY SOFTWARE FOR ALL VILLAGE DESKTOP COMPUTERS

Introduction:	January 25, 2016
Synopsis:	To authorize an enterprise-wide software agreement with Microsoft Corporation through CDW-G, the current State of Illinois contract reseller for operating and productivity software.
Purpose:	To maintain sufficient licensing of operating and productivity software according to the software's terms and conditions. The Microsoft Enterprise Agreement will allow the Village to maintain licensing compliance as well as maintain software updates, upgrades, and technical support.
Background:	The Village of Morton Grove is required to maintain licensing for the software it uses in daily operations. The operating system, individual applications, and connectivity to servers all maintain their own licensing scheme. The Enterprise Agreement renewal includes an annual maintenance support cost for updates and upgrades (Microsoft Software Assurance), as well as the license costs. The licenses and software maintenance structure was originally established in 2008. This type of agreement licenses the enterprise as an entire fleet as opposed to individual purchases. The Enterprise Agreement has advantages over individual purchases including lower platform costs, distributed payments, anniversary period renewals, and software upgrade assurances. This payment covers the license and maintenance period of January 1, 2016, through December 31, 2016.
Programs, Departments or Groups Affected	All Departments.
Fiscal Impact:	The 2016 licensing and software maintenance expense is \$39,691.60.
Source of Funds:	Funds from the Information Technology division fiscal year 2016 is allocated for this Agreement.
Workload Impact:	The Information Technology division as part of their normal work activities will oversee and coordinate the management of this contract.
Administrator Recommendation:	Approval as presented
First Reading:	None required.
Special Considerations or Requirements:	None.

Respectfully submitted: 
Ralph Czerwinski, Village Administrator

Prepared by: 
Boyle Wong, Information Systems Manager

Reviewed by: 
Teresa Hoffman Liston, Corporation Counsel

RESOLUTION 16-08

AUTHORIZING A CONTRACTUAL AGREEMENT WITH CDW-G TO PROVIDE FOR THE RENEWAL OF A MICROSOFT ENTERPRISE AGREEMENT FOR MICROSOFT SOFTWARE LICENSING FOR OPERATING AND PRODUCTIVITY SOFTWARE FOR ALL VILLAGE DESKTOP COMPUTERS

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule unit of government under the provisions of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to government affairs, including but not limited to the power to tax and incur debt; and

WHEREAS, the Village of Morton Grove utilizes and relies on Microsoft Corporation software to operate Village business; and

WHEREAS, the Village's use of Microsoft Corporation software is based on its compliance with the software's terms and conditions; and

WHEREAS, the Village is required to maintain a valid license for all software in use; and

WHEREAS, the Information Technology Division determined the Village needs to maintain and update its Microsoft operating and productivity software; and

WHEREAS, the Village established an Enterprise Agreement licensing structure with Microsoft in 2008 through Resolution 08-62 in order to comply with the Village's use of Microsoft Corporation software and maintain and expand the existing Enterprise Agreement for the period of January 1, 2016, through December 31, 2016; and

WHEREAS, the State of Illinois has negotiated with Microsoft volume pricing levels which provide a deep discount for licensing software for the State and all units of local government; and

WHEREAS, in order to take advantage of these pricings, the Village must purchase from a large account reseller of Microsoft Software products since Microsoft does not sell directly to governmental units; and

WHEREAS, CDW-G of Vernon Hills, Illinois, is an approved large account reseller of Microsoft Software products and will honor the current pre-negotiated State of Illinois reseller pricing and contract #CMS6945110 for Microsoft Enterprise Agreement licensing; and

WHEREAS, the Information Technology Division recommends renewing the Microsoft Enterprise Agreement through CDW-G of Vernon Hills, Illinois in order to maintain sufficient Microsoft Corporation software licenses through CDW-G to support the Village's business.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS AS FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing WHEREAS clauses into this Resolution as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: The Village President of the Village of Morton Grove is hereby authorized to execute, and the Village Clerk to attest, a contract with CDW-G, 230 N. Milwaukee Avenue, Vernon Hills, Illinois, for the amount of \$39,691.60 based upon operating and productivity software for one hundred twenty (120) Village desktop computers and two hundred (200) cloud services licenses.

SECTION 3: The Village Administrator and/or his designees are authorized to take all steps necessary to finalize negotiations for said contract and implement its terms and conditions.

SECTION 4: This Resolution shall be in full force and effect upon its passage and approval.

PASSED THIS 25th day of January 2016.

Trustee Grear	_____
Trustee Pietron	_____
Trustee Minx	_____
Trustee Thill	_____
Trustee Ramos	_____
Trustee Witko	_____

APPROVED BY ME THIS 25th day of January 2016

Daniel P. DiMaria, Village President
Village of Morton Grove
Cook County, Illinois

ATTESTED AND FILED in my office
this January 26, 2016

Connie Travis, Village Clerk
Village of Morton Grove
Cook County, Illinois



CDWG.com | 800.594.4239

OE400SPS

SALES QUOTATION

Quote No.	App. Order No.	Date
GSJD696	264730	1/11/2016

BILL TO:
VILLAGE OF MORTON GROVE
6101 CAPULINA AVE

SHIP TO:
VILLAGE OF MORTON GROVE
Attention To: BOYLE WONG
6101 CAPULINA AVE

Accounts Payable
MORTON GROVE, IL 60053-2985

MORTON GROVE, IL 60053-2985
Contact: BOYLE WONG 847.663.6114

Customer Phone #847.965.4100

Customer P.O. # EA PAYMENT QUOTE

ACCOUNT MANAGER		SHIPPING METHOD	TERMS	EXEMPTION CERTIFICATE
PHILIPPE STAPP 866.551.9995		ELECTRONIC DISTRIBUTION	Net 30 Days-Govt State/Local	E9998-1491-05
QTY	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
120	3285085	MS EA WIN ENT SA W/MDOP UPG Mfg#: CX2-00093-SLG Contract: Illinois Microsoft CMS6945110 Electronic distribution - NO MEDIA	34.70	4,164.00
120	3591483	MS EA OFFICE 365 PLAN E3 ADD DCAL Mfg#: AAA-10722-12-SLG Contract: Illinois Microsoft CMS6945110 Electronic distribution - NO MEDIA	71.41	8,569.20
120	2084657	MS EA CORE CAL SA PLAT DCAL SLG Mfg#: W06-01069-SLG Contract: Illinois Microsoft CMS6945110 Electronic distribution - NO MEDIA	28.27	3,392.40
120	2084642	MS EA OFFICE PRO PLUS SA PLAT SLG Mfg#: 269-12442-SLG Contract: Illinois Microsoft CMS6945110 Electronic distribution - NO MEDIA	77.63	9,315.60
80	3571549	MS EA OFFICE 365 PLAN E3 SUB P/USER Mfg#: AAA-10842-12-SLG Contract: Illinois Microsoft CMS6945110 Electronic distribution - NO MEDIA	178.13	14,250.40
SUBTOTAL				39,691.60
FREIGHT				0.00
TAX				0.00

US currency

TOTAL 39,691.60

CDW Government
230 North Milwaukee Ave.
Vernon Hills, IL 60061

Fax: 312.752.3630

Please remit payment to:
CDW Government
75 Remittance Drive
Suite 1515
Chicago, IL 60675-1515

(c) to or for the benefit of any one or more of the deceased Participant's relatives by blood, adoption or marriage.

11.4 Participant Information. Each Participant must file with his Employer, in writing, his post office address, the post office address of each of his beneficiaries, and each change of post office address. Any communication, statement or notice addressed to a Participant or beneficiary with postage prepaid at his last post office address filed with the Employer, or if no address is filed with the Employer, then at his last post office address as shown on the Employer's records, will be binding on the Participant and his beneficiary for all purposes of the Plan. The Employer shall not be required to search for or locate a Participant or beneficiary. If the Plan Administrator notifies a Participant or beneficiary that he is entitled to a distribution and also notifies him of the provisions of this Section, and the Participant or beneficiary fails to claim his benefits under the Plan and make his whereabouts known to the Employer within two (2) years after the notification, the benefits of the Participant and beneficiary will be disposed of as follows:

(a) If the whereabouts of the Participant is unknown, but the whereabouts of a Participant's beneficiary then is known to the Employer, distribution will be made to the beneficiary.

(b) If the whereabouts of the Participant and his beneficiary then is unknown to the Employer, but the whereabouts of one or more relatives by blood, adoption or marriage of the Participant is known to the Employer, the Plan Administrator may cause distribution of the Participant's benefits to be made to any one or more of such relatives and in such proportions as the Trustees determine.

11.5 Distribution for Minor or Disabled Beneficiary . When a Participant or the beneficiary of a Participant is under legal disability, or in the Plan Administrator's opinion is in any way incapacitated so as to be unable to manage his financial affairs, the Plan Administrator may direct payments or distributions to his legal representative, or to a relative or friend of such person for his benefit, or the Plan Administrator may direct payments or distributions for the benefit of the Participant or beneficiary in any way the Plan Administrator determines to be in such person's best interests.

11.6 Indemnification of Plan Administrator. The Administrator shall determine the identity of the distributees, and in so doing, may act upon such information as, on reasonable inquiry they may deem reliable with respect to heirship, relationship, survivorship, or any other fact relative to the distributee; and the Administrator shall be indemnified and saved harmless with respect to all payments required to be made hereunder (including but not limited to any payments made to a beneficiary or relative of a missing Participant pursuant to Section 11.4), if made in good faith and without actual notice or knowledge of the changed condition or status of any person receiving payments. The Administrator may rely on any list or notice furnished by an Employer as to the facts, the occurrence of any events, or the existence of any situation, and shall not be bound to inquire as to the basis of any such decision, list, or notice, and shall be