

NOTICE OF SPECIAL MEETING OF THE COMMITTEE OF THE WHOLE

A Special Meeting of the Committee of the Whole is scheduled for
Tuesday, June 5, 2018, beginning at 6:45 p.m. in

Council Chambers
Village Hall of Tinley Park
16250 S. Oak Park Avenue
Tinley Park, Illinois

A copy of the agenda for this meeting is attached hereto.

Kristin A. Thirion
Clerk
Village of Tinley Park

MEETING NOTICE

VILLAGE OF TINLEY PARK

SPECIAL MEETING OF THE COMMITTEE OF THE WHOLE

NOTICE IS HEREBY GIVEN that a Special Committee of the Whole Meeting of the Village of Tinley Park, Cook and Will Counties, Illinois will be held on Tuesday, June 5, 2018, beginning at 6:45 p.m. in Council Chambers, located in the Tinley Park Village Hall, 16250 South Oak Park Avenue, Tinley Park, Illinois 60477.

The agenda is as follows:

1. CALL MEETING TO ORDER
2. CONSIDER APPROVAL OF THE MINUTES OF THE SPECIAL COMMITTEE OF THE WHOLE MEETING HELD ON MAY 15, 2018.
3. DISCUSS QUEEN OF HEARTS RAFFLES.
4. DISCUSS MONTHLY REVENUE REPORT – APRIL 2018.
5. DISCUSS ONLINE TRAVEL COMPANIES (OTC) HOTEL TAX.
6. DISCUSS AGREEMENT WITH GOVERNMENT CONSULTING SERVICE OF ILLINOIS (GCSI) FOR REPRESENTATION REGARDING GOVERNMENT RELATIONS SERVICES – STATE OF ILLINOIS.
7. DISCUSS PRINTER/COPIER REPLACEMENT.
8. DISCUSS STAFF APPOINTMENTS.
9. RECEIVE COMMENTS FROM THE PUBLIC.

ADJOURNMENT
KRISTIN A. THIRION
VILLAGE CLERK

MINUTES
Special Meeting of the Committee of the Whole
May 15, 2018 - 6 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present: B. Younker, Village Trustee - President Pro-Tem
C. Berg, Village Trustee
W. Brady, Village Trustee
M. Glotz, Village Trustee
M. Mangin, Village Trustee
M. Pannitto, Village Trustee

Members Absent: None

Other Board Members Present: J. Vandenberg, Village President
K. Thirion, Village Clerk

Staff Present: D. Niemeyer, Village Manager
P. Carr, Assistant Village Manager
C. Faricelli, Interim Police Chief
F. Reeder, Fire Chief
B. Bettenhausen, Village Treasurer
M. Zonsius, Assistant Village Treasurer
K. Workowski, Public Works Director
J. Urbanski, Assistant Public Works Director
P. Wallrich, Interim Community Development Director
D. Framke, Marketing Director
P. Connelly, Village Attorney
L. Valley, Executive Assistant to the Manager and Trustees
R. Zimmer, Executive Assistant to the Mayor
L. Godette, Deputy Village Clerk
L. Carollo, Commission/Committee Secretary

Item #1 - The Special Meeting of the Committee of the Whole was called to order at 6 p.m.

President-Pro Tem Younker stated that Trustee Mangin is participating in this meeting electronically by telephone conference call. Trustee Mangin is prevented from physically attending this meeting due to employment purposes. Trustee Mangin acknowledged his participation via telephone conference call.

Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE MEETINGS OF THE COMMITTEE OF THE WHOLE HELD ON MARCH 12, 2018 AND MARCH 13, 2018 – Motion was made by Trustee Pannitto, seconded by Trustee Berg, to approve the minutes of the Committee of the Whole Meetings held on March 12, 2018 and March 13, 2018. Vote by voice call. President-Pro Tem Younker declared the motion carried.

Item #3 – DISCUSS INSURANCE BROKER REQUEST FOR QUALIFICATIONS - The Village of Tinley Park recently gave (IRMA) Intergovernmental Risk Management Agency a revocable notice of withdrawal and the Village has until August 31, 2018, to decide on an alternate pool or private insurance for the Village's liability and property insurance for the next renewal, which would be January 1, 2019.

Staff recommends the process of a broker RFQ (Request for Qualifications) as an alternative to hiring a paid advisor. The RFQ process would consist of a selection of two (2) brokers to solicit competition. The broker would be compensated only if the Village decided to accept one of the insurance bids the broker brought to the Village. The Village would agree to a three (3) year contract with the broker if the broker successfully brought in an insurance bid the Village approved.

The broker would be expected to obtain at least ten (10) insurance bids in addition to the following:

- Prepare applications and insurance policy specifications for review and approval by the Village to be submitted to underwriters.
- Analyze underwriters' quotes to determine adherence to specifications and the premium quote is fair and reasonable within the marketplace.
- Assist the Village in negotiations with insurers, review contracts, validate premium invoices and coordinate claim procedures.

Due to time constraints, the Village would need to approve two (2) brokers at the Village Board Meeting on June 5, 2018. The Committee of the Whole received a copy of the RFQ for review and further consideration. President Pro-Tem Younker asked the Committee of the Whole if there were any comments. Trustee Berg asked D. Niemeyer, Village Manager if he received a quote from Alliant Mesirow. Mr. Niemeyer stated staff has communicated with advisors, brokers, Mesirow and the Horton Group and staff has not received any formal proposals. Mr. Niemeyer stated any interested parties will receive a copy of the (Request for Proposal) RFP. In regard to time constraints, Trustee Berg asked if staff would have sufficient time to select two (2) brokers. Mr. Niemeyer stated staff has a timetable and would adhere to it with ample time following Village Board approval. President Pro-Tem Younker asked if there was any further discussion. No one came forward.

Motion was made by Trustee Berg, seconded by Trustee Glotz, to recommend in lieu of the RFQ process to select Alliant Mesirow as the broker be brought forward for future Village Board approval. Vote by voice. Trustee Pannitto voted no. Trustee Mangin voted no. President Pro-Tem Younker declared the motion carried.

Item #4 – DISCUSS STAFF APPOINTMENTS - Each spring the Mayor appoints and the Village Board approves annual appointments of all full-time employees and a selection of part-time positions. Mr. Niemeyer stated this is an unusual practice and annual appointments are unnecessary. Illinois is an at-will state. An at-will employee may be dismissed for any legal reason. The practice of annual appointments is frequently raised as an issue of concern among prospective recruitment candidates and current employees may become distracted if they are concerned about appointments each year. Ultimately, if an employee is performing below standards and actions have not been corrected, it is the Department Head and Village Manager's duty to ensure appropriate action is taken. Mr. Niemeyer recommends dissolution of annual appointments by the Village Board. The initial appointment of an employee by the Mayor and Village Board would remain in effect. If the Village Board decides to continue some annual appointments, the Village Manager and Department Heads could continue to be annually reappointed. Trustee Pannitto asked how long the Village has had the practice of the Mayor and Village Board approving annual appointments and the reasoning of the practice. P. Connelly, Village Attorney suggested if the Committee of the Whole is interested in dissipating annual appointments per Mr. Niemeyer's recommendation Mr. Connelly could begin working with the Mr. Niemeyer on changes to the Village Code.

Item #5 – DISCUSS EMERGENCY MEDICAL SERVICE REQUEST FOR PROPOSAL - Per the direction of the Village Board on November 21, 2017, staff was instructed to explore RFP (Request for Proposal) options for the ambulance contract in Tinley Park. The current ambulance agreement expires on July 31, 2018. On April 9, 2018, the Village issued an RFP for ambulance services. On May 3,

2018, the Village received three (3) responses to the RFP; Kurtz (AMR) Paramedic Services, Trace Ambulance and Metro Paramedic Service. Kurtz (AMR) Paramedic Services is the current provider of EMS services. Several concerns were raised about paramedic compensation and benefits along with retention of personnel. An EMS task force was formed and developed a list of priority concerns included in the base proposal. In addition to a new contract for EMS, the Tinley Park Fire Department (TPFD) will begin ALS/BLS licensure to further complement the EMS service. Once licensed, the TPFD will respond with ALS/BLS First Responders calls for service. After review of the RFPs, staff recommends the Village enter into a contract with Kurtz Ambulance Service, which has met all service requirements of the RFP. The Village will have an immediate cost savings of over \$400,000 the first year and over \$1.5 million during the three (3) year contract term. This cost savings will help fund ALS/BLS licensure and various other Public Safety programs. President Pro-Tem Younker asked the Committee if there were any questions. President Pro-Tem Younker suggested continued monitoring of the ambulance service and utilizing the qualified personnel the TPFD currently employs, as the issue should not be entering into a contract with the most cost effective service, rather an emphasis on safety as the foremost priority. P. Carr, Assistant Village Manager stated there is a plan to transition into the Fire Department and the ambulance service would be under the supervision of the Fire Department moving forward upon ALS/BLS licensure.

Motion was made by Trustee Pannitto, seconded by Trustee Glotz, to recommend Emergency Medical Service Request for Proposal brought forward for future Village Board approval. Vote by voice. President Pro-Tem Younker declared the motion carried.

Item #6 – DISCUSS EMERGENCY SANITARY SEWER REPAIR - MIDLOTHIAN CREEK NEAR WILLOW LANE AND FOREST GLEN DRIVE

- While Airy's was cleaning, televising and performing manhole inspections on the Village's sanitary sewer system near Willow Lane Drive and Forest Glen Drive, they observed excessive bank erosion near two (2) of the Village's sanitary manholes located in the wooded areas along the Midlothian Creek and the Village's sanitary manholes on the south side of the creek have been exposed due to erosion issues. One of these manholes is the southern manhole of the siphon system used to convey wastewater under the creek.

Further investigation confirmed that the bank of the creek adjacent to the manholes is in need of stabilization to prevent further erosion and the potential failure of these structures. After a site visit, reviewing photos and discussing the project with the engineers, an agreement was reached on a method to re-stabilize the creek bank and the maintenance that needs to be provided to the two (2) sanitary manholes adjacent to the creek bank. An in-town, proven contractor on multiple projects for the Village, Airy's was contacted and has provided a contract to address the necessary improvements.

Funds are included in the Water and Sewer Fund to restore an existing utility easement that will be needed to access the project, epoxy coat two (2) existing Village sanitary sewer manholes that have been damaged and exposed due to erosion issues, raise the rim elevations and install bolt-down frame and lids so that they are above the 100-year flood elevation, pour flowable fill and place rip rap over the siphon pipe and stabilize the creek bank, as well as test and assess the siphon to ensure it is operating properly.

Staff recommends consider authorizing the Village Manager for the emergency repairs of the sanitary infrastructure and bank stabilization along the Midlothian Creek in an amount not to exceed \$55,000.

Motion was made by Trustee Pannitto, seconded by Trustee Glotz, to recommend emergency sanitary sewer repair - Midlothian Creek near Willow Lane and Forest Glen Drive be brought forward for future Village Board approval. Vote by voice. President Pro-Tem Younker declared the motion carried.

Item #7 – RECEIVE UPDATE ON STRATEGIC PLAN - Mr. Niemeyer presented the updated Strategic plan, discussing major highlights included below.

- Downtown Development - Plaza study is approximately 80% complete, expect spring 2019 start. Banging Gavel to submit plans June 2018. Working with North Street. Payments received for plans from Blackstone Loft and South Street. Oak Park Playbook and Tax Increment Finance (TIF) scheduled for approval May 15, 2018.
- Water Meter Replacement - Approximately 85% complete; completion July 2018.
- Mental Health Center - State to complete final appraisals and plans to demolish buildings. Staff interviewing developers.
- Freedom Pond - Project is approximately 95% complete; completion fall 2018.
- Staffing Studies - Village Hall Staffing Study in process of implementation. Police Staffing Study to hire three (3) new police officers in addition to four (4) police officer positions.
- Hotel Convention Center - New developer expected to attain more business.
- Branding Commission - Completion of twenty (20) items of Branding Action Plan.
- Security Cameras - 183rd and Harlem installation complete and awaiting training. 191st and Harlem installation has begun.
- Fire Station 47 - Architect selection complete. Working on temporary structure and design phase of new station.
- Hiring Process - Human Resources streamline with automation and outreach civil service candidates, improve HR/PD investigation. New fire recruitment testing process. Eight (8) candidates for police commander.
- Neighborhood Watch Program - Successful program - 225 participants.
- Advanced Staff Training - Customer service training November 2017. Training in fall 2018 for improved efficiency, performance evaluation training. Mid-level management implementation for succession.

President Vandenberg asked Mr. Niemeyer to rate level of success for the Village in completing key goals. Mr. Niemeyer stated the Village has made significant strides in major initiatives. The Strategic Plan has helped to focus on the vision for Tinley Park. President Pro-Temp Younker asked if the Committee had any questions regarding the Strategic Plan. No one came forward.

Trustee Glotz asked the timeline in regards to the insurance broker RFQ. It was discussed a Committee of the Whole Meeting should be scheduled to review it. Trustee Glotz stated in January 2018 developers for South Street, the mayor and staff reached an agreement, however, as yet the agreement has not moved forward. Trustee Glotz asked the Committee if anyone opposed the previous agreement with the developer. Mr. Niemeyer stated in February 2018 the agreement was denied. President Vandenberg stated negotiations are open and in his opinion a better term could be negotiated with the developer.

Item #8 – RECEIVE COMMENTS FROM THE PUBLIC - Diane Galante stated concerns with the ambulance service contract regarding fair compensation for EMS and asked for clarification on the insurance broker RFQ. Ms. Galante also expressed concerns regarding police staffing. C. Faricelli, Interim Police Chief stated more police officers are needed to reduce overtime for present officers rather than the absence of police in locations throughout Tinley Park. Chris Swick stated concerns regarding fair compensation for EMS and retaining EMS within Tinley Park. Jim Fuentes thanked the Village Board for the hard work and efforts regarding the Strategic Plan. Mr. Fuentes stated EMS personnel are committed to providing excellent service to their respective communities. Nancy O'Connor stated Tinley Park is under-protected at times when additional police service is needed when an incident occurs. Ms. O'Connor requested funding for police staff be the first priority within the Village. Mike Stuckly asked Mr. Niemeyer if the Village left IRMA if there would be insurance coverage for a specified timeframe.

Mr. Niemeyer stated IRMA would be obligated to the Village for the previously agreed upon specified term.

ADJOURNMENT

Motion was made by Trustee Pannitto, seconded by Trustee Glotz, to adjourn this Special Meeting of the Committee of the Whole. Vote by voice call. President Pro-Tem declared the motion carried and adjourned the meeting at 7:14 p.m.

lc

DRAFT



Interoffice Memo

Date: May 30, 2018

To: Trustee Michael Pannitto
Administration & Legal Committee

From: Clerk Kristin Thirion

Subject: Queen of Hearts Raffles - Ticket Sales/Drawings

Earlier this month, the Clerk's Office received a request from the Tinley Park Bulldogs Youth Baseball organization to move the ticket sales and drawings for their Queen of Hearts raffle to Durbins Restaurant and Lounge on Oak Park Avenue. The Bulldogs intend to conduct ticket sales at Durbins each day with drawings on Thursdays. This organization's Queen of Hearts Raffle was approved by the Village Board on April 3, 2018 under the condition that ticket sales and drawings were to take place at the Bulldog Concessions facility at Memorial Park, 6641 W. 171st Street.

Raffles licenses (sales and drawings) can only be conducted by nonprofit organizations. The Bulldogs have informed the Clerk's Office that there are several members of their organization that work at Durbins, including management staff that would oversee the raffle on behalf of the Bulldogs. Durbins would receive no money for hosting the raffle; the benefit to them would be the significant increase in business and traffic.

The Clerk's Office seeks direction from the Board with regard to Tinley Park Bulldog Youth Baseball's request to move the ticket sales and drawings for their Queen of Hearts Raffle to Durbins Restaurant and Lounge, a for-profit local business.

KAT/lg

RAFFLES CONDUCTED BY NONPROFIT ORGANIZATIONS

§ 132.30 RAFFLES AND CHANCES LICENSE.

There is hereby established a "Raffles and Chances License," which license shall be issued only to bona fide religious, charitable, labor, business, fraternal, educational or veterans' organizations that operate without profit to their members and which have been in existence continuously for a period of five years immediately before making application for the license as provided for in this subchapter and which have had during the entire five year period a bona fide membership engaged in carrying out their objectives and who have complied with the provisions of this subchapter and the provisions of the Raffles Act, ILCS Ch. 230, Act 15 § 0.01 et seq., as amended.

(Ord. 81-0-031, passed 6-30-81; Am. Ord. 2002-O-014, passed 3-26-02)

§ 132.31 LIMITATION ON VALUE OF PRIZE AWARDED.

A limitation in the amount of \$75,000 is hereby imposed upon the aggregate retail value of all prizes or merchandise awarded by a licensee in a single raffle. A limitation in the amount of \$75,000 maximum value is hereby imposed upon the maximum retail value of each prize awarded by a licensee in a single raffle. A limitation in the amount of \$125 is hereby imposed upon each raffle chance which is issued or sold in a single raffle. The number of days a licensee may sell chances for a single raffle is limited to 120 days prior to such raffle.

(Ord. 81-0-031, passed 6-30-81; Am. Ord. 2002-O-014, passed 3-26-02; Am. Ord. 2003-O-075, passed 9-2-03; Am. Ord. 2011-O-012, passed 3-22-11)

§ 132.32 VALIDITY.

Licenses issued pursuant to this subchapter shall be valid for one raffle only and may be suspended or revoked by the Corporate Authorities of the Village of Tinley Park for any violation of this subchapter or the Raffles Act, ILCS Ch. 230, Act 15 § 0.01 et seq., as amended.

(Ord. 81-0-031, passed 6-30-81; Am. Ord. 2002-O-014, passed 3-26-02) Penalty, see § 132.99

§ 132.33 TIME FOR ISSUANCE.

The President and Board of Trustees of the Village of Tinley Park shall act upon any application for licenses submitted to and pursuant to the provisions of this subchapter within 30 days from the date such application shall have been filed with the Village Clerk.

(Ord. 81-0-031, passed 6-30-81; Am. Ord. 2002-O-014, passed 3-26-02)

§ 132.34 SALE OF RAFFLE CHANCES.

Raffle chances authorized to be issued or sold pursuant to the provisions of this subchapter may be sold only within the boundaries specified on the license.

(Ord. 81-0-031, passed 6-30-81; Am. Ord. 2002-O-014, passed 3-26-02) Penalty, see § 132.99

§ 132.35 LICENSE RESTRICTIONS.

A license issued pursuant to the provisions of this subchapter shall be subject to the following restrictions:

(A) No person, firm or corporation shall conduct a raffle governed by the provisions of this subchapter without first having obtained a license therefor as provided for in this subchapter;

(B) An application for license pursuant to the provisions of this subchapter must specify the area or areas within the village within which raffle chances may be sold or issued, the time period during which raffle chances may be sold or issued, and the time and place for the determination of the winning chance;

(C) The license issued pursuant to the provisions of this subchapter must specify the area or areas within the village within which raffle chances may be sold or issued, the time period during which raffle chances may be sold or issued, and the time and place for the determination of the winning chance;

(D) An application for license pursuant to the provisions of this subchapter must contain a sworn statement attesting to the not-for-profit character of the prospective licensee organization and that the organization meets all the requirements of this subchapter and the Raffles Act, ILCS Ch. 230, Act 15 § 0.01 et seq., as amended, and must be signed by the

presiding officer and secretary of such organization.

(Ord. 81-0-031, passed 6-30-81; Am. Ord. 2002-O-014, passed 3-26-02) Penalty, see § 132.99

§ 132.36 DENIAL OF LICENSE.

The following are ineligible for any license issued pursuant to this subchapter:

- (A) Any person who has been convicted of a felony;
- (B) Any person who has been a professional gambler or gambling promoter;
- (C) Any person who is not of good moral character;
- (D) Any firm or corporation in which a person defined in divisions (a), (b) or (c) has a proprietary, equitable or credit interest, or in which such a person is active or employed;
- (E) Any organization in which a person defined in subparagraphs (a), (b) or (c) is to participate in the management or operation of a raffle as defined in this subchapter; and
- (F) Any organization which fails to meet all the requirements of this subchapter and the Raffles Act, ILCS Ch. 230, Act 15 § 0.01 et seq., as amended.

(Ord. 81-0-031, passed 6-30-81; Am. Ord. 2002-O-014, passed 3-26-02) Penalty, see § 132.99

§ 132.37 RAFFLE RESTRICTIONS.

Each raffle conducted pursuant to a Raffle and Chances License issued as provided for in this subchapter shall be subject to the following restrictions:

- (A) The entire net proceeds of any raffle must be exclusively devoted to the lawful purposes of the organization permitted to conduct the raffle;
- (B) No person except the bona fide member of the sponsoring organization may participate in the management or operation of the raffle;
- (C) No person may receive any remuneration or profit for participating in the management or operation of the raffle;
- (D) A licensee may rent a premise on which to determine the winning chances in a raffle only from an organization which is also licensed under the provisions of this subchapter;

(E) Raffle chances may be sold or issued only within the area specified on the license and winning chances may be determined only at those locations specified on the license;

(F) No person under the age of 18 years may participate in the conducting of raffles or chances. A person under the age of 18 years may be within the area where winning chances are being determined only when accompanied by his parent or guardian.

(Ord. 81-0-031, passed 6-30-81; Am. Ord. 81-0-038, passed 7-28-81; Am. Ord. 2002-O-014, passed 3-26-02) Penalty, see § 132.99

§ 132.38 FIDELITY BOND REQUIRED.

All operations of and the conduct of raffles as provided for in this subchapter shall be under the supervision of a single manager designated by the organization. Such manager shall give a fidelity bond in the sum of \$50,000 or two times the aggregate value of prizes, whichever is less, in favor of the licensee conditioned upon his honesty in the performance of his duties. The bond shall provide that notice shall be given in writing to the Village of Tinley Park not less than 30 days prior to cancellation. Bonds as provided for in this section may be waived provided the license issued for such raffle shall contain a waiver provision and shall be approved only by unanimous vote of the members of the licensed organization.

(Ord. 81-0-031, passed 6-30-81; Am. Ord. 2002-O-014, passed 3-26-02) Penalty, see § 132.99

§ 132.39 RECORDS TO BE KEPT.

(A) Each organization licensed pursuant to the provisions of this subchapter to conduct a raffle shall keep records of its gross receipts, expenses and net proceeds for each single raffle. All deductions from gross receipts for each single raffle shall be documented with receipts or other records indicating the amount, a description of the purchased items or service or other reason for deduction, and the recipient. The distribution of net proceeds shall be itemized as to payee, purpose, amount and date of payment.

(B) Gross receipts from the operation of each single raffle shall be segregated from other revenues of the organization, including bingo gross receipts, if bingo games are also conducted by the same non-profit organization pursuant to license therefor issued by the Department of Revenue of the State of Illinois, and placed in a separate account. Each organization shall have separate records of each separate raffle. The person who accounts for gross receipts, expenses and net proceeds from the operation of each raffle shall not be the same

person who accounts for other revenues of the organization.

(C) Each organization licensed to conduct a raffle under the provisions of this subchapter shall report to its membership, and to the Village of Tinley Park, its gross receipts, expenses and net proceeds from each raffle and the distribution of net proceeds itemized as required in this section.

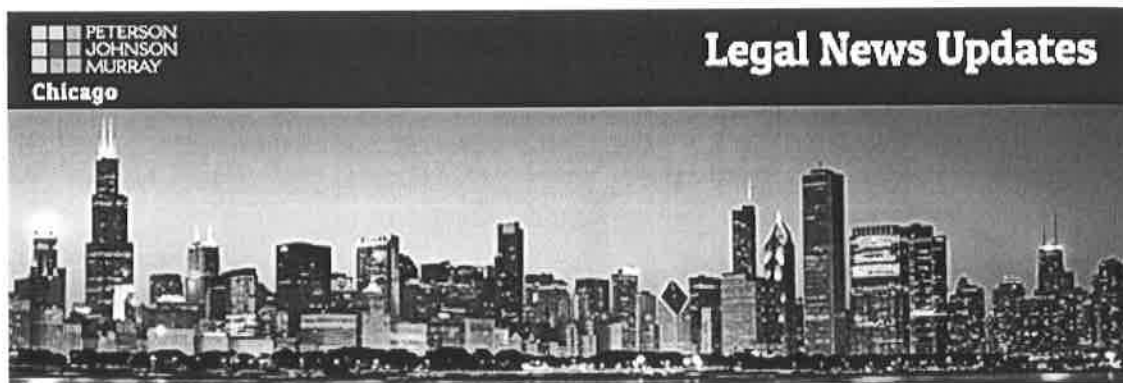
(D) Records required by this section shall be preserved for three years, and organizations shall make available their records relating to operation of any raffle for public inspection and inspection by the village at reasonable times and places.

(Ord. 2002-O-014, passed 3-26-02)

§ 132.40 SCOPE OF REGULATIONS.

Nothing contained in this subchapter shall be construed to authorize the conducting or operating of any gambling scheme, enterprise activity or device other than raffles as provided for in this subchapter.

(Ord. 2002-O-014, passed 3-26-02)

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Queen of Hearts Raffle - Local Government Legal Risk or Royal Reward?

By Douglas E. Spale

Most people are familiar with the line from the popular Juice Newton song, "Playing with the Queen of Hearts, knowing it ain't really smart..." which alludes to the risky nature of being smitten with the allure of new found love. The adage is also applicable to the newest frenzy in charitable fundraising, the Queen of Hearts Raffle. **While many have heard of these popular raffles offering a chance at hundreds of thousands or in some instances millions of dollars in prizes, many also fail to appreciate the inherent legal risks and limitations that coincide with the prevalence of these raffles.** Although it is important to understand the risks associated with these raffles, it is also necessary to understand how these raffles operate.

The Queen of Hearts Raffle is played on a game board containing numerically encased sealed envelopes or boxes placed in ascending order depending upon the number of cards used, with the limit on the number of boxes being 54 which corresponds with a deck of cards. These game boards are typically constructed either by a non-profit organization hosting the raffle or a private company to ensure the integrity of the board. Each week tickets are sold in droves to those hopeful individuals seeking an opportunity to pick the Queen of Hearts. Many ticket buyers come eagerly prepared with their customized rubber stamps

etched with their names and numbers to quickly fill out their tickets. So long as there are raffle tickets and time available, there is usually an unlimited number of chances to enter the raffle.

When the drawing commences, the raffle operator will pull a ticket and read aloud the name and number. The operator will then open the corresponding numbered envelope and reveal whether that lucky person has picked the Queen and won the raffle. In the unfortunate event the box does not contain the Queen, the prize money collected up until that drawing is rolled over to the next week, and the frenzy begins anew. The number selected will be ineligible to be picked for the remainder of the raffle and as such, the numbers available will decrease each week. Therefore, as the prize value rolls over and grows each week so too does the hype and love for these raffles. The allure of the increasing prize value each week persuades more hopefuls to purchase tickets and take a chance at picking the Queen.

While the Queen of Hearts is appealing to the hopeful winners, there are major legal risks or obstacles that stand in the way of the Queen of Hearts Raffle which are derived from a misunderstanding of the applicable state law regulating raffles. Although considered gambling, these raffles are legally permissible under the regulations established in the Illinois Raffles and Poker Runs Act 230 ILCS 15/0.01 *et al.*, (the "Raffle Act"). **The Raffle Act provides that a local government must enact an ordinance regulating and licensing raffles within its boundaries before a raffle license may be issued to an eligible organization. If no raffle licensing ordinance has been enacted, no organization may legally operate a raffle.** The organizations eligible to receive a raffle license, include non-profit, religious, charitable, labor, business, fraternal, educational or veterans' organizations. In addition, the eligible organizations must also have been in operation for five years preceding their application for a raffle license.

Once an ordinance is enacted, the licensing body must provide a licensing structure for the raffles, including a maximum award limit on prizes, maximum money to be paid out, and maximum price allowable to ticket sales. This requirement does not limit the maximum amount to be set, but rather requires that there is a predetermined maximum amount for each category. The ordinance should also, (1) define which types of non-profit organizations can receive a raffle license, (2) who within the organization is in control of operating

the raffle, (3) specifically describe the location where the raffle tickets may be sold and where the prizes may be awarded, and (4) at the local government's discretion, require a fidelity bond at a certain amount to guarantee payment of the prize. In addition, the Raffle Act also requires that certain individuals are prohibited from operating a raffle based upon their criminal history. As such, although the Raffle Act provides a baseline of restrictions required to be within each applicable ordinance, the Act specifically allows local governments to enact further restrictions at their own discretion.

Among the requirements found within the Raffle Act, there are **two major legal risks that should be addressed regarding the Queen of Hearts Raffles.**

The first being establishing and enacting an ordinance regulating the licensing of raffles and the second is setting and limiting the maximum award value of the raffle prizes. Each risk is regulated by the Raffle Act and should be considered if local officials desire to enact an ordinance providing for the issuance of raffle licenses. Without enacting a raffle licensing ordinance and setting a maximum prize value, any raffle conducted by a non-profit organization may be considered illegal.

The need for a raffle licensing ordinance was recently played out in Morris, Illinois, when their own Queen of Hearts Raffle was hindered because no such ordinance existed. Their local VFW Queen of Hearts Raffle operated and became so immensely popular that it drew the eye of the Illinois Gaming Board. The raffle accumulated over a \$1 million prize, but it was ultimately determined by the Gaming Board to be in violation of the Raffle Act because Morris did not have an ordinance regulating and licensing raffles. Following this decision, Morris quickly amended its local code to enact a comprehensive ordinance regulating the operation of raffles, which allowed the Queen of Hearts Raffle to continue. As such, although smitten to the idea and financial benefits these raffles may provide for non-profit organizations, it is imperative to acknowledge the requirements of the Raffle Act before issuing, seeking, or conducting a raffle.

Along with enacting a raffle licensing ordinance, local governments should be aware that setting a maximum prize amount awarded in each raffle is required by the Raffle Act. The rollover element of these raffles may often cause the prize to increase exponentially from week to week. Thus, when drafting the raffle ordinance, the local officials should set a maximum amount that

corresponds with the possible prize value of these raffles. Many raffle prizes across the state have reached well over \$100,000.00 and sometimes have swelled over \$1 million. Thus, it is essential that the local officials discuss the possible award limits that will be added to any ordinance. As such, establishing this prize limit not only allows a local government to comply with the Raffle Act, but also ensures that the non-profit's raffle license will not risk suspension or revocation or the integrity of the raffle, so long as that non-profit adheres to the prize value limitations. Without such a limit, the raffle licensing ordinance would be in violation of the Raffle Act.

While illuminating the legal risks associated with the Queen of Hearts raffles, it begs the question, what may happen if a raffle is found to be in violation of local or state law? First and foremost, if a raffle licensing ordinance is enacted, the ordinance should grant the local government the authority to suspend or revoke the raffle license and also require that a fidelity bond is secured to insure against such circumstances. If such a bond or similar insurance policy exists, ticket purchasers could seek a refund through that policy or perhaps the non-profit directly. However, if no such ordinance exists, the Raffle Act provides that the State may charge any person in violation of the Act with a Class C misdemeanor. In addition, the State may also attempt to seize the funds during the pendency of any legal action. However, any of these situations can be avoided if a non-profit seeking to start a Queen of Hearts Raffle understands the requirements expressly stated within the Raffle Act and works alongside their local officials to navigate the applicable local raffle ordinance.

Although the allure of the Queen of Hearts Raffles has sent many into a love-crazed frenzy across the state, these raffles are based upon the presumption that the money collected provides altruistic financial benefits to the non-profit organizations hosting the raffles. However, when deciding to play with these Queen of Hearts Raffles, it is important to consider the legal risks and limitations associated with these games. **The adage famously alludes to the inherent risk of falling in love with a new sensation, but local governments and non-profit organizations can protect their hearts and their raffles from this new sensation by following the requirements found within the Raffle Act.**



MEMORANDUM



TO: Village Board
FROM: Brad L. Bettenhausen, Treasurer

9 May 2018

RE: Revenues update - April 2018 - Fiscal Year 2018, Month 12

Attached are the monthly graphs summarizing the status of the revenues and expenses as we reach the close of the fiscal year. The summary analysis and highlights of key items are included below.

General Fund:

Sales Tax – April reporting – January sales activity

	This Month	Fiscal Year to Date
This Fiscal Year	1,027,324	14,101,035
Last Fiscal Year	957,144	13,572,375
Dollars change	70,180	528,660
Percent change	7.3%	3.9%

There is a three month lag between the time when a taxable sale is made to when the Village’s share of the sales tax rate (1%) is distributed by the Illinois Department of Revenue.

This establishes a new high water mark for this month’s receipts. Nine of the last twelve months have established new highs.

The actual sales tax receipts for the twelve months missed the year end projection by slightly less than \$23,000 or 0.16%▼. The twelve month receipts were slightly more than \$201,000 greater (1.4%▲) than the budgetary projection for fiscal year 2018.

Home Rule Sales Tax – April reporting – January sales activity

	This Month	Fiscal Year to Date
This Fiscal Year	398,378	5,659,346
Last Fiscal Year	395,479	5,613,464
Dollars change	2,899	45,882
Percent change	0.7%	0.8%

The Home Rule Sale Tax that became effective July 1, 2014 at a rate of 0.75%. The Home Rule Sales Tax does not apply to titled property (vehicles), groceries and drugs. Like the regular sales tax, there is a three month spread between a taxable sale and our tax receipt.

As part of the State's FY2018 budget adopted under Public Act 100-0023, a 2% administrative fee was authorized to be deducted from any additional sales taxes authorized by a municipality (applicable to Home Rule and Non-Home Rule sales taxes). This fee was initiated with the August 2017 tax distributions (May liability). This fee will impact the comparative sales tax analysis reflected in the table above. There is currently legislation pending proposing to reduce the fee to 1%, but no action has been taken at this time.

This establishes a new high water mark for this month's receipts. Five of the last twelve months have established new highs.

For informational/comparative purposes, the Home Rule sales tax has represented approximately 41% of the regular sales tax and is a reasonable "rule of thumb" for determining a quick estimate of the HMR relative to the MT (the State abbreviations for the Home Rule and Municipal sales taxes). The range has been from a high of slightly more than 46% to a low of 38%. The ratio will regularly fluctuate over time depending on the sales mix for the reporting period. Despite the imposition of the new administrative fee, the net sales tax remains approximately 41% of the regular sales tax. This means that, but for the administrative fee, the average proportion of HMR tax to MT would be slightly higher.

The actual home rule sales tax receipts for the twelve months missed the year end projection by slightly less than \$5,700 or 0.10%▼. The twelve month receipts were slightly more than \$40,600 less (0.7%▼) than the budgetary projection for fiscal year 2018.

Use Tax - April reporting – January sales activity

	This Month	Fiscal Year to Date
This Fiscal Year	108,010	1,470,942
Last Fiscal Year	103,778	1,385,396
Dollars change	4,232	85,546
Percent change	4.1%	6.2%

Use tax is the sales tax collected on out-of-state purchases shipped to Illinois (internet sales) and merchandise used by retailers where sales tax had not previously been paid.

This establishes a new high water mark for this month's receipts. Nine of the past twelve months have established new highs.

The actual use tax receipts for the twelve months missed the year end projection by approximately \$4,000 or 0.28%▼. The twelve month receipts were nearly \$36,000 greater (2.5%▲) than the budgetary projection for fiscal year 2018.

Income Tax - April reporting (share of taxes collected in March)

	This Month	Fiscal Year to Date
This Fiscal Year	481,481	5,141,935
Last Fiscal Year	569,197	5,359,841
Dollars change	(87,716)	(217,906)
Percent change	-15.4%	-4.1%

The high water mark for this month's distribution occurred in 2015. None of the past twelve months have established new highs.

Eight of the last twelve months reported have been significantly lower than the prior year. The reporting seems to contradict other economic indicators.

As part of the State's FY2018 budget adopted under Public Act 100-0023, a 10% reduction in the LGDF (Local Government Distributive Fund; or Income Tax) was authorized for the State's Fiscal Year 2018 (July 2017 through June 2018). However, two additional LGDF distributions are also to occur during the fiscal year (total of 14 distributions). The two additional distributions theoretically are intended to make up for the normal two month lag that has previously occurred in these tax distributions. So far, we have not noticeably seen these additional distributions either as separate payments or combined with a normal distribution.

The actual LGDF income tax receipts for the twelve months missed the year end projection by slightly less than \$43,000 or 0.84%▲. The twelve month receipts were slightly more than \$273,000 below (5%▼) the budgetary projection for fiscal year 2018. However, it is noted that the reductions in the LGDF included as part of the State's budget were not known when we adopted our fiscal year budget.

Property Tax

The Cook County first installment tax bill that is due each year on March 1 is an estimate based on 55% of the prior year's total tax. The second installment, by Illinois Statutes, is due August 1 and represents the balance of the annual tax, after deducting the first installment estimate. Will County releases tax bills at the beginning of May with the two equal installments due generally June 1 and September 1.

Within the Village fiscal year, the Cook County tax distributions in the months of May and June are generally late payments and "housekeeping" distributions of collections and adjustments for prior tax years, with July through September primarily distributions of current year second installment payments. The tax distributions occurring in the latter portion of February and continuing through March and April are primarily from the following tax year's first installment estimate.

The current year tax collections (tax years 2015/2016) for Cook County are approximately \$253,000 greater than the comparable period of last year (tax years 2014/2015). Will County current tax year (2016) collections are approximately \$242,750 greater than the comparable period

last year (tax year 2015). Total year to date tax receipts for fiscal year 2018 are approximately \$37,000 greater than the same period a year ago.

Fluctuations in property tax receipts when viewed from the Village fiscal year perspective are not uncommon and are the result of timing issues related both to when tax payments are made by property owners and when distributions are subsequently made from the respective County Treasurers. Since 2007, the Police Pension levy portion of the Village annual tax levy has been distributed directly into the pension fund accounts rather than coming into the Village General Fund first. The Village's levy, in total, has been held essentially flat since tax year 2012. As the Police Pension levy requirements have increased each year, the remaining levy deposited to the General Fund will decrease, and would be expected to result in decreasing receipts on a comparative basis when looking at only the General Fund. However, as noted, due to timing of tax payments and distributions, this expected trend can be masked, as has been reflected above.

Additionally, the year to year comparative statistics by separate county will also be skewed as the percentage of Equalized Assessed Value (EAV) in the respective counties changes over time (e.g. if Will County becomes a larger percentage of the tax base, the Will County share of the overall levy also increases.)

We were informed of an error that occurred in the extension of Village taxes in Will County for tax year 2015 that resulted in the omission of the added amount to adjust for the difference between using an estimated and actual EAV in computing the share of the Village's 2014 levy to be spread against Will County properties (the "look-back" adjustment). As a result of the 2015 omission, the 2016 Will County levy includes a two year "look-back" adjustment (i.e. a two year/double adjustment). This will cause continued skewing of the year to year collection comparisons.

The auditors identified a discrepancy in the Will County tax distributions to the Police Pension Fund in the course of their testing procedures conducted with the financial audit for fiscal year ended April 30, 2017. Upon further research, it was determined that Will County had failed to adjust the percentage of the levy to be distributed directly to the pension fund since tax year 2012 resulting in a larger proportion of the tax collections to be deposited with the Village that should have been. We have alerted Will County to this issue and have made internal transfers to correct for Will County's error for tax years 2013 through 2016. Will County Tax Extension advises that this problem will be rectified with tax year 2017.

We regularly monitor the overall collections versus levy for each tax year, and no unusual fluctuations have been noted.

Video Gaming - April activity reporting
 (distributive share of net Video Gaming Terminal Income Tax for March)

	This Month	Fiscal Year to Date
This Fiscal Year	42,693	380,724
Last Fiscal Year	28,710	244,782
Dollars change	13,983	135,942
Percent change	48.7%	55.5%

There is a two month lag between when the gaming revenues are generated and the distribution. The first Video Gaming Terminals in Tinley Park were installed in March 2014.

This month's gaming revenue is the highest monthly reporting since inception. This is the sixth consecutive month in which the gaming revenues have topped \$31,000 and this is the first month that the total exceeded \$42,000. Because there continues to be growth in the number of businesses offering video gaming, all of the past twelve months have established new highs for the respective months.

The actual gaming tax receipts for the twelve months missed the year end projection by slightly less than \$3,000 or 0.72▲%. The twelve month receipts were nearly \$56,000 greater (17.1%▲) than the budgetary projection for fiscal year 2018.

As of the end of the reporting period, 31 State licenses are active. The licensed establishments contain 143 gaming terminals reporting. In the comparative analysis above, the prior year represented 25 licensees and 116 machines reported.

The Illinois Gaming Board indicates the following license application(s) has(have) been approved through the IGB meeting of 12 April 2018. However, this(these) establishments may not have been locally licensed during this reporting period, or have not initiated operations during the current reporting period:

Big Bull 18305 LaGrange Rd [State approved 12 April 2018]

The following application(s) is(are) pending with the IGB:

Burrito Jalisco #2 7547 159th St [State application 2 Feb 2018]

Other Funds:

Motor Fuel Taxes - April reporting (share of taxes collected in March)

	This Month	Fiscal Year to Date
This Fiscal Year	110,167	1,442,140
Last Fiscal Year	103,950	1,442,118
Dollars change	6,217	22
Percent change	6.0%	0.0%

There has been significant month-to-month fluctuation in the reporting since fiscal year 2010. I have described this trend line as similar to “Mr. Toad’s Wild Ride.” There have been unusual fluctuations from month to month in MFT revenues over the past seven (7) plus years (since the start of the Recession). The overall trend continues to be generally along a downward path.

Six of the rolling twelve months have been less than the comparable prior period.

The high water mark for this month’s revenues was established in 2007. None of the past twelve months have established new high record levels. These results are in keeping with the long term trending for this revenue source as noted previously.

The actual motor fuel tax receipts for the twelve months missed the year end projection by approximately \$7,100 or 0.5▲%. The twelve month receipts were approximately \$12,100 greater (0.8%▲) than the budgetary projection for fiscal year 2018.

Commuter Parking

The number of daily pay spaces utilized for April 2018 were up nearly 5% compared to the same month of the prior year. However, April’s boost in parking activity was not enough to overcome the decline noted in the earlier part of the year. The full fiscal year utilization was down 2.6% compared with the prior year. On average, daily parking during fiscal year 2018 was over 1,100 spaces lower than in the prior fiscal year.

Because of the nature of the commuter parking permits (permits are prepaid parking, which is received regardless of use), there is not much variation in revenues from year to year for permits and thus has been excluded from the above analysis.

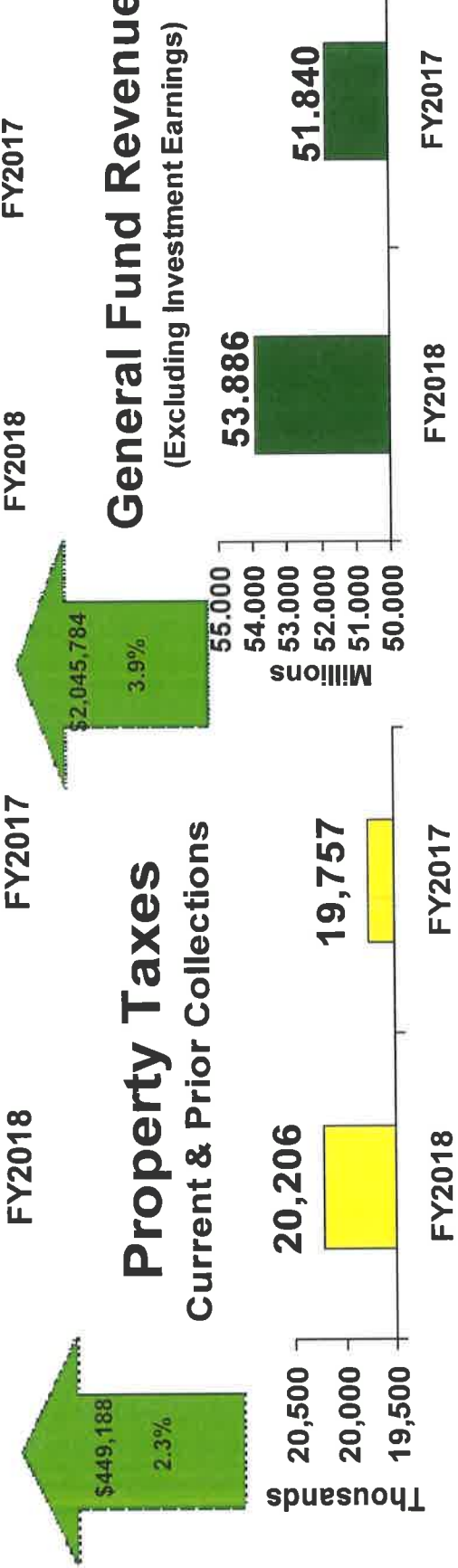
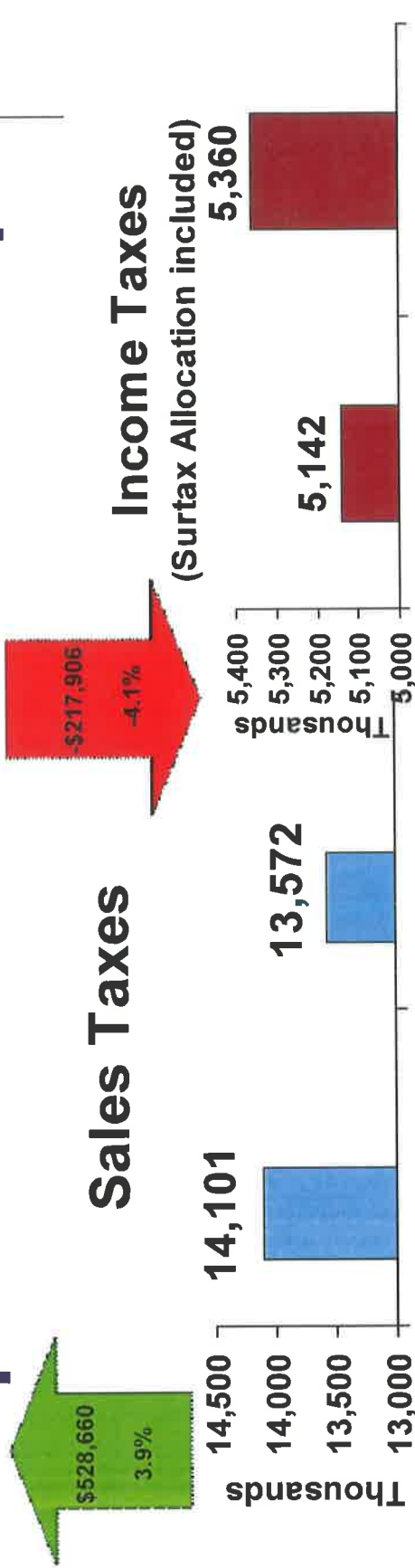
The Village Single Use Token program remains popular with commuters. An average of approximately 12,000 tokens have been sold on a monthly basis this fiscal year. Correspondingly, an average of approximately 11,900 tokens have been used monthly for parking. There are approximately 28,400 unused tokens outstanding at the end of the current reporting period. This outstanding “inventory” represents approximately 2.2 months of potential future token usage.

It should be kept in mind that Commuter Parking fee revenues, at a daily rate of \$1.50, both individually and collectively are relatively minor comparatively to the other revenue items discussed in this memo.



Village of Tinley Park, Illinois

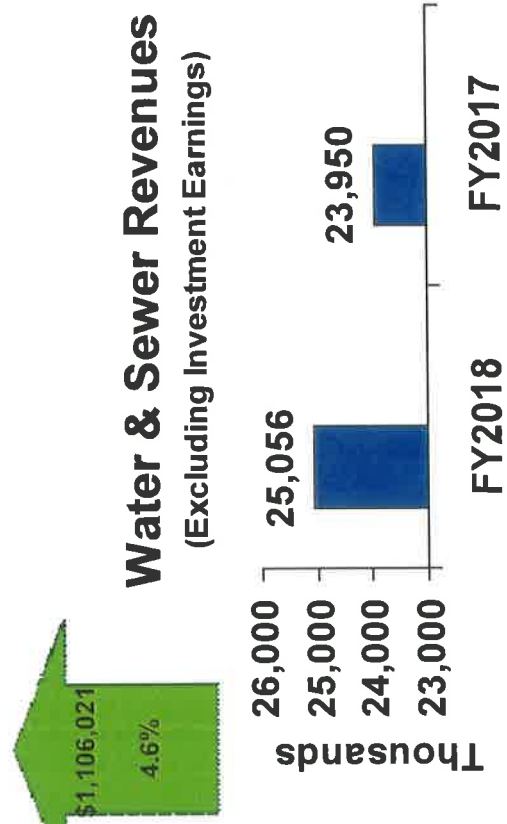
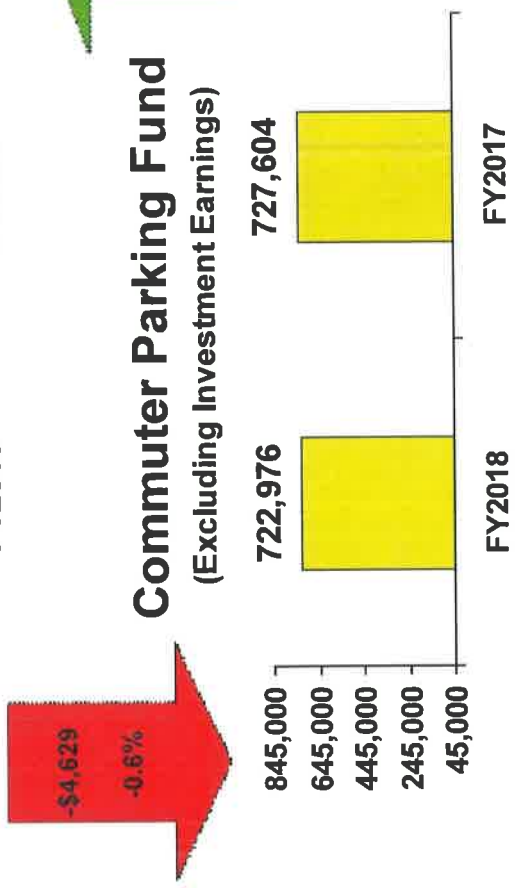
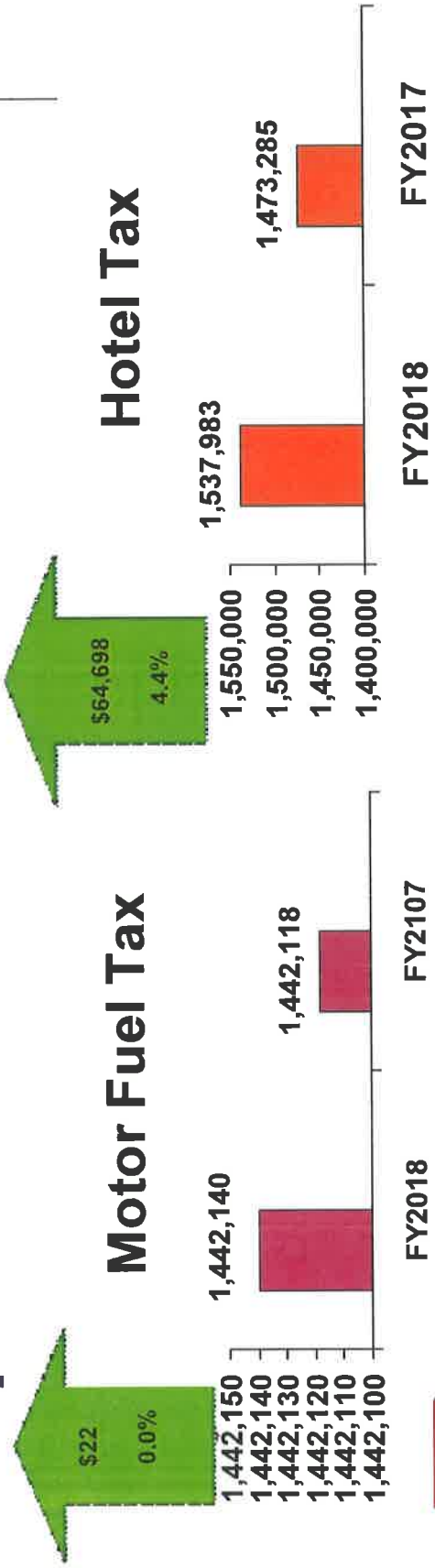
Apr 2018 YTD Revenues Recap





Village of Tinley Park, Illinois

Apr 2018 YTD Revenues Recap

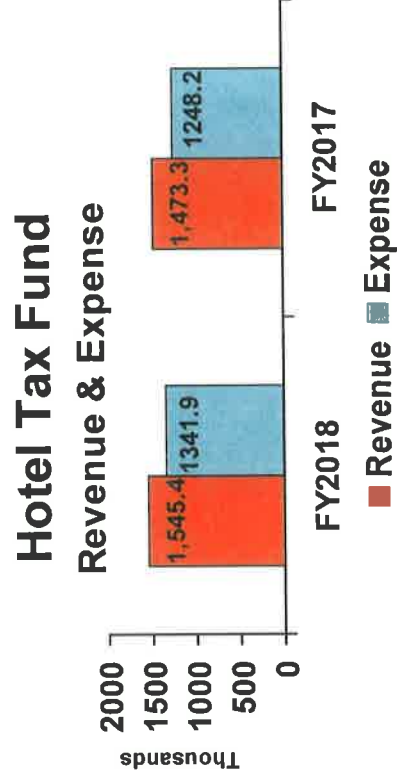
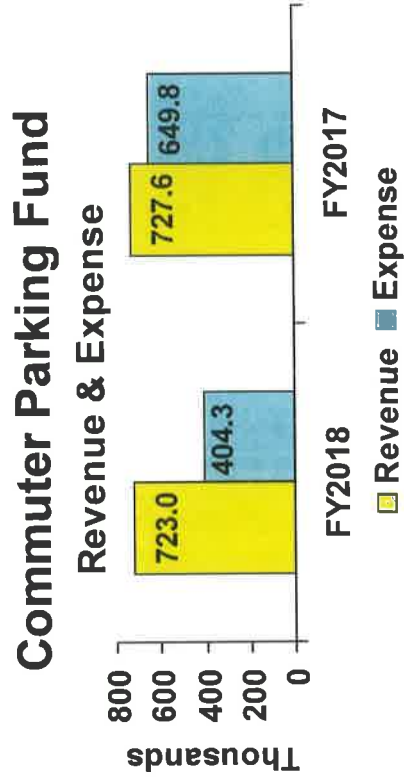
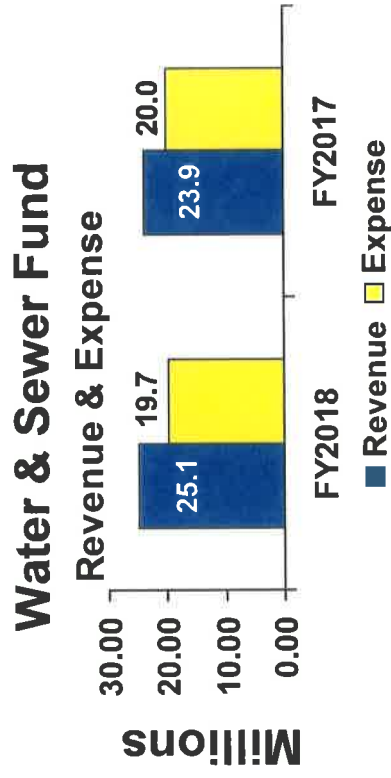
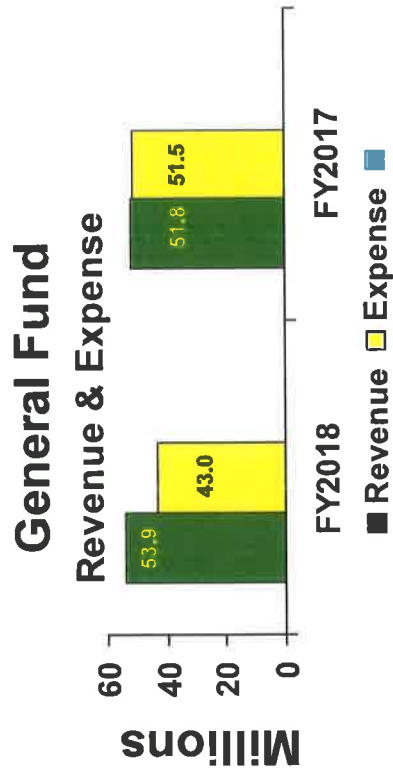


Thousands

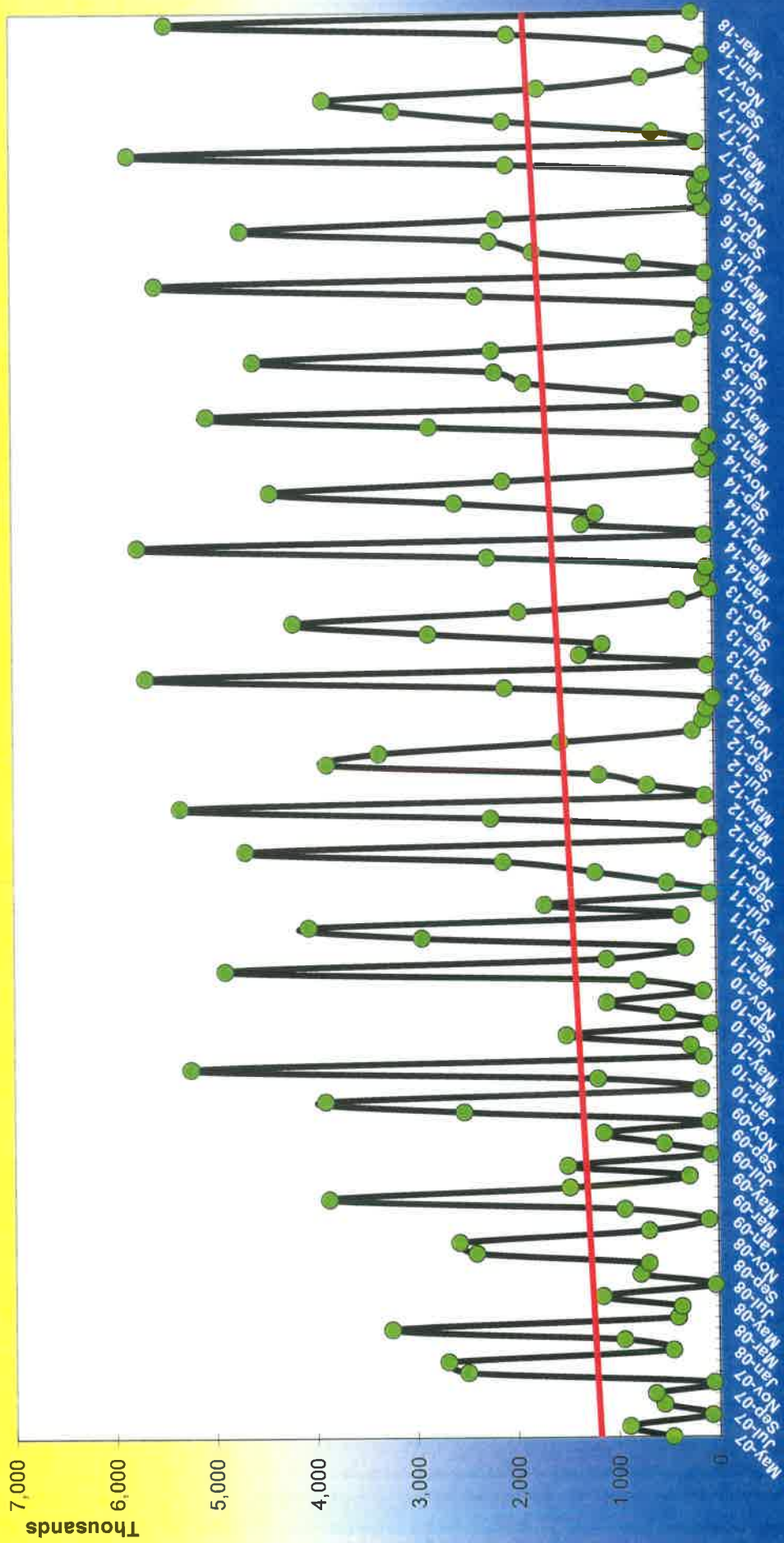
Village of Tinley Park, Illinois

Revenue/Expense Summary

Apr 2018 Year to Date



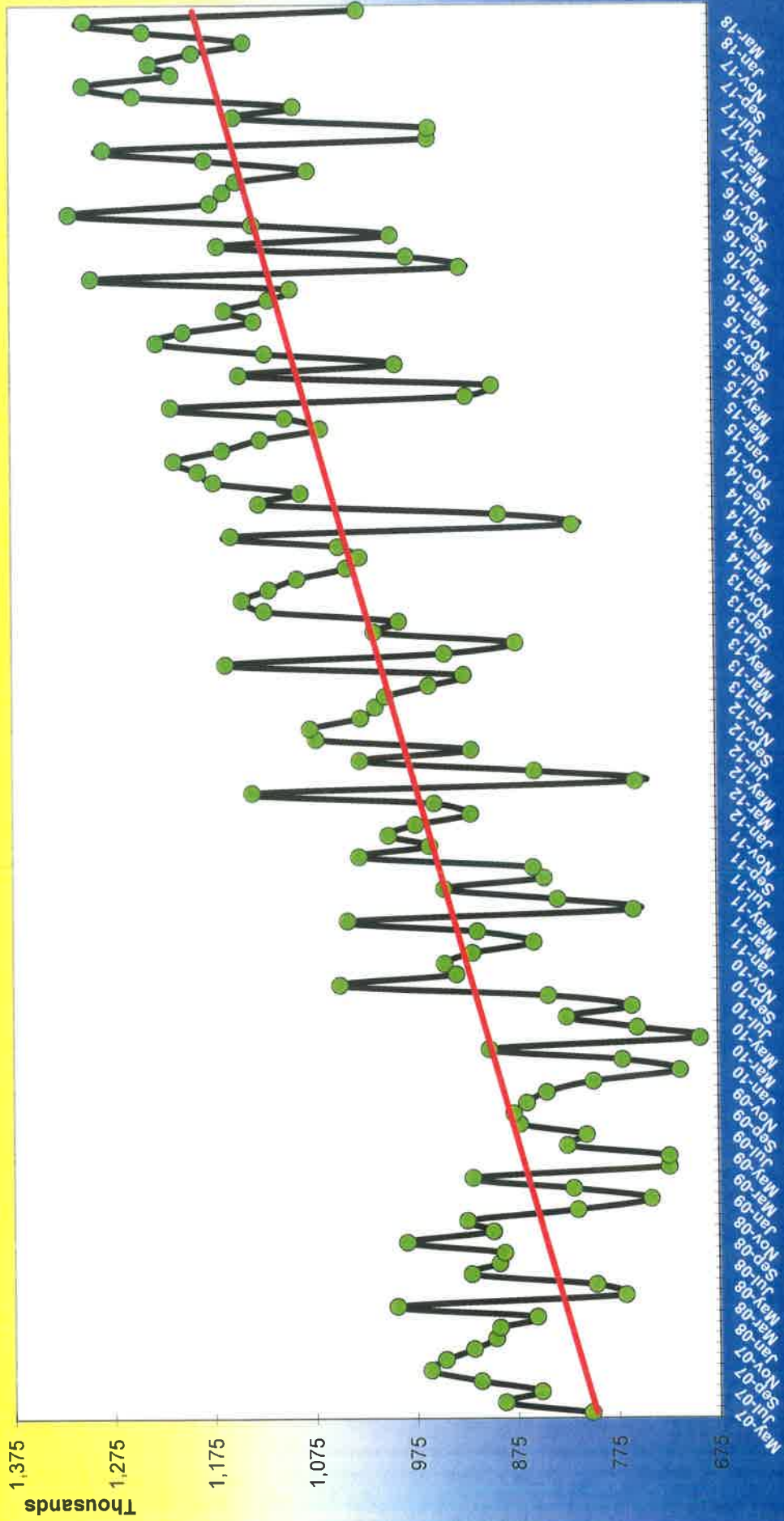
Village of Tinley Park Property Tax Revenues Monthly Fiscal Year 2008 to date



—●— Property Tax Revenues

— Linear (Property Tax Revenues)

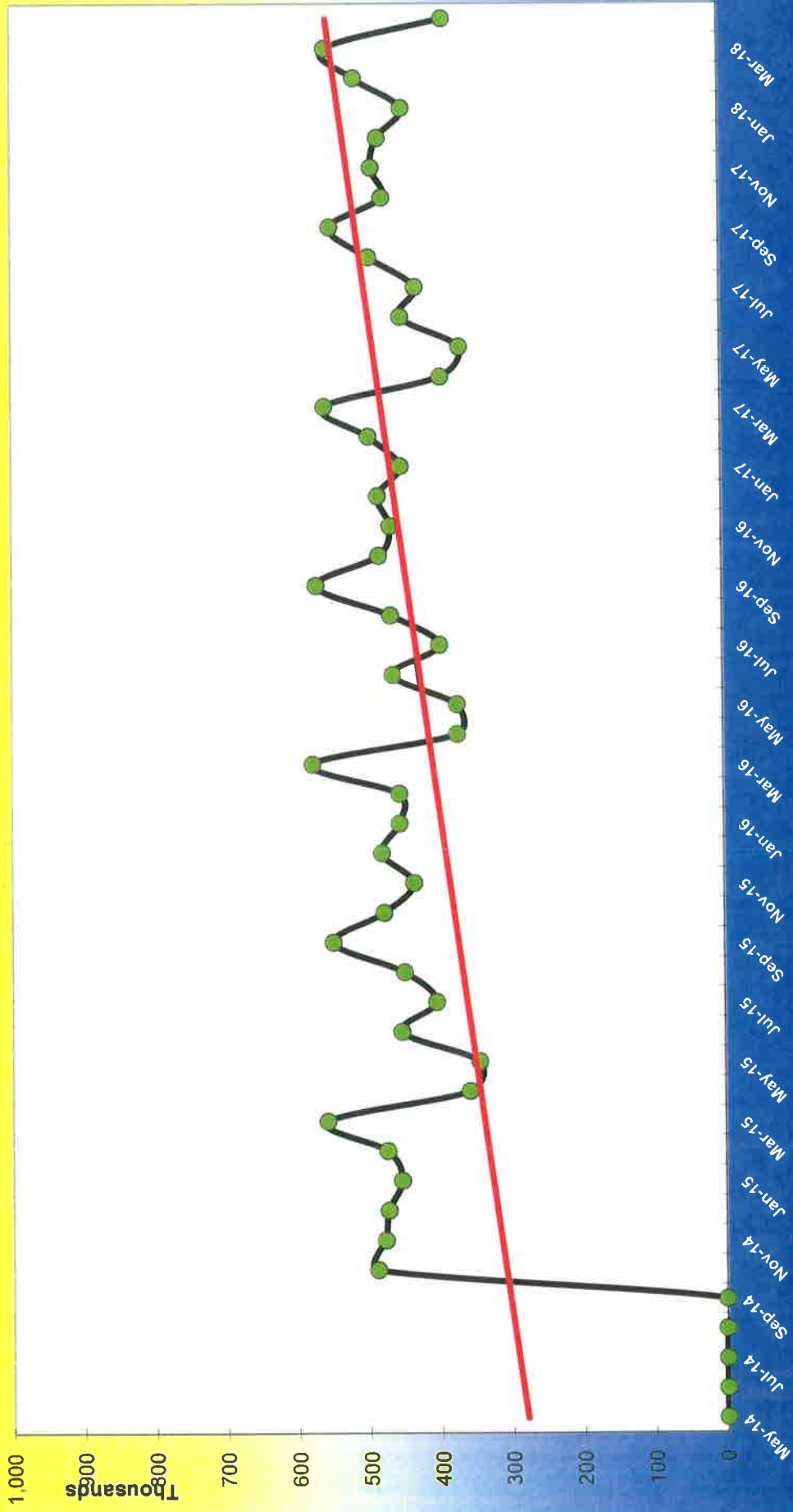
Village of Tinley Park Sales Tax Revenues Monthly Fiscal Year 2008 to date



—●— Sales Tax Revenues

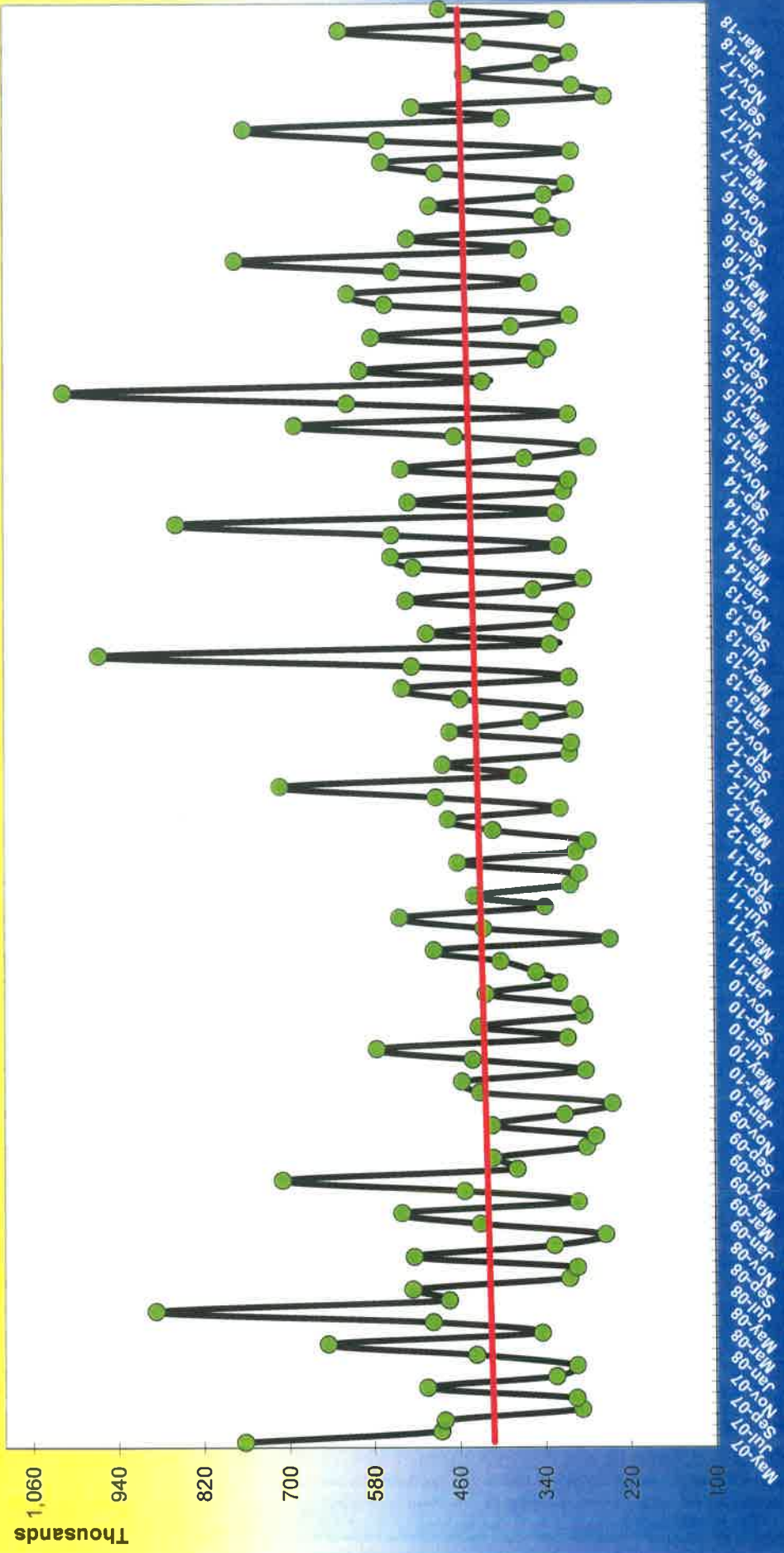
— Linear (Sales Tax Revenues)

Village of Tinley Park Home Rule Sales Tax
 Monthly Fiscal Year 2015 to date



Home Rule Sales Tax Linear (Home Rule Sales Tax)

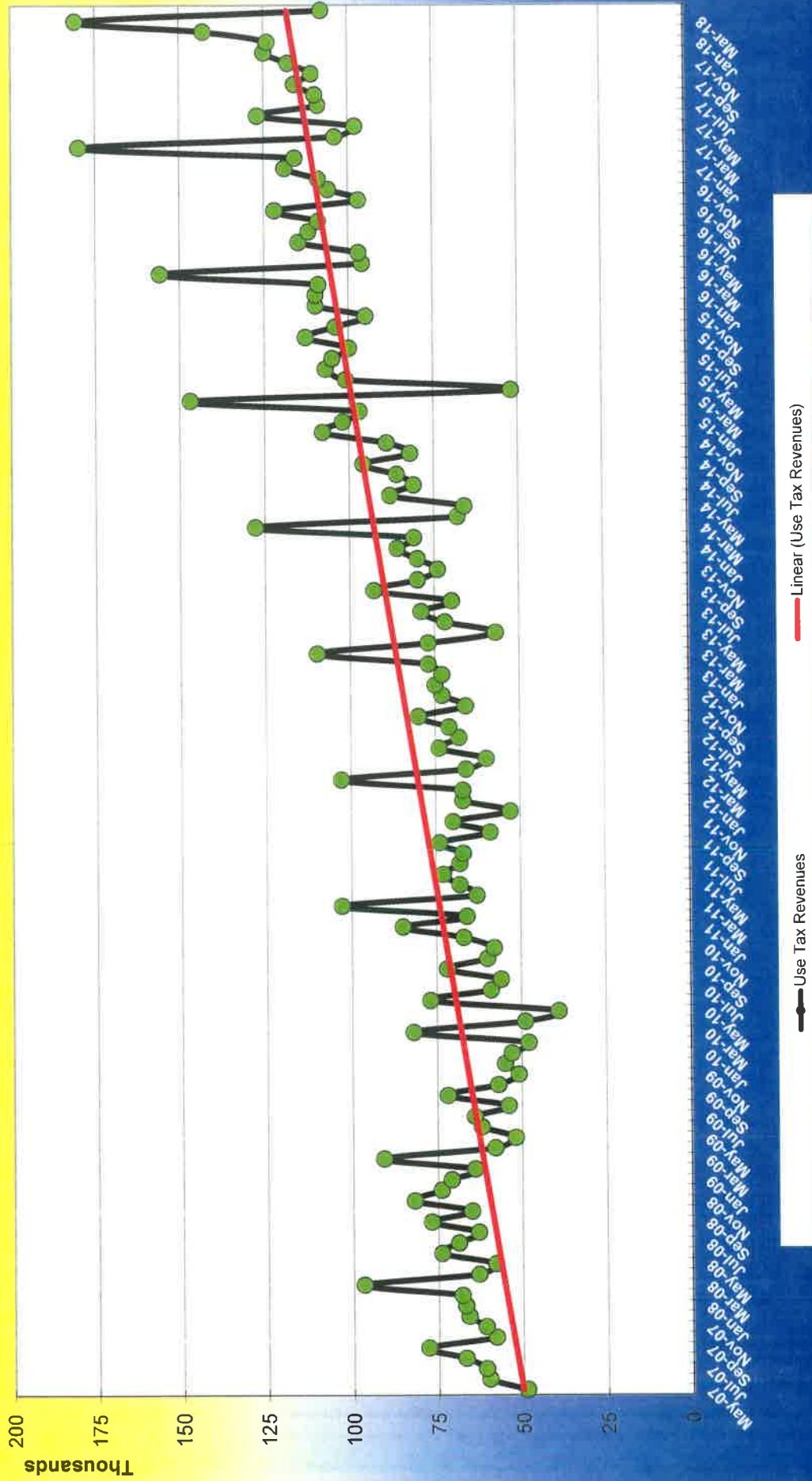
Village of Tinley Park Income Tax Revenues Monthly Fiscal Year 2008 to date



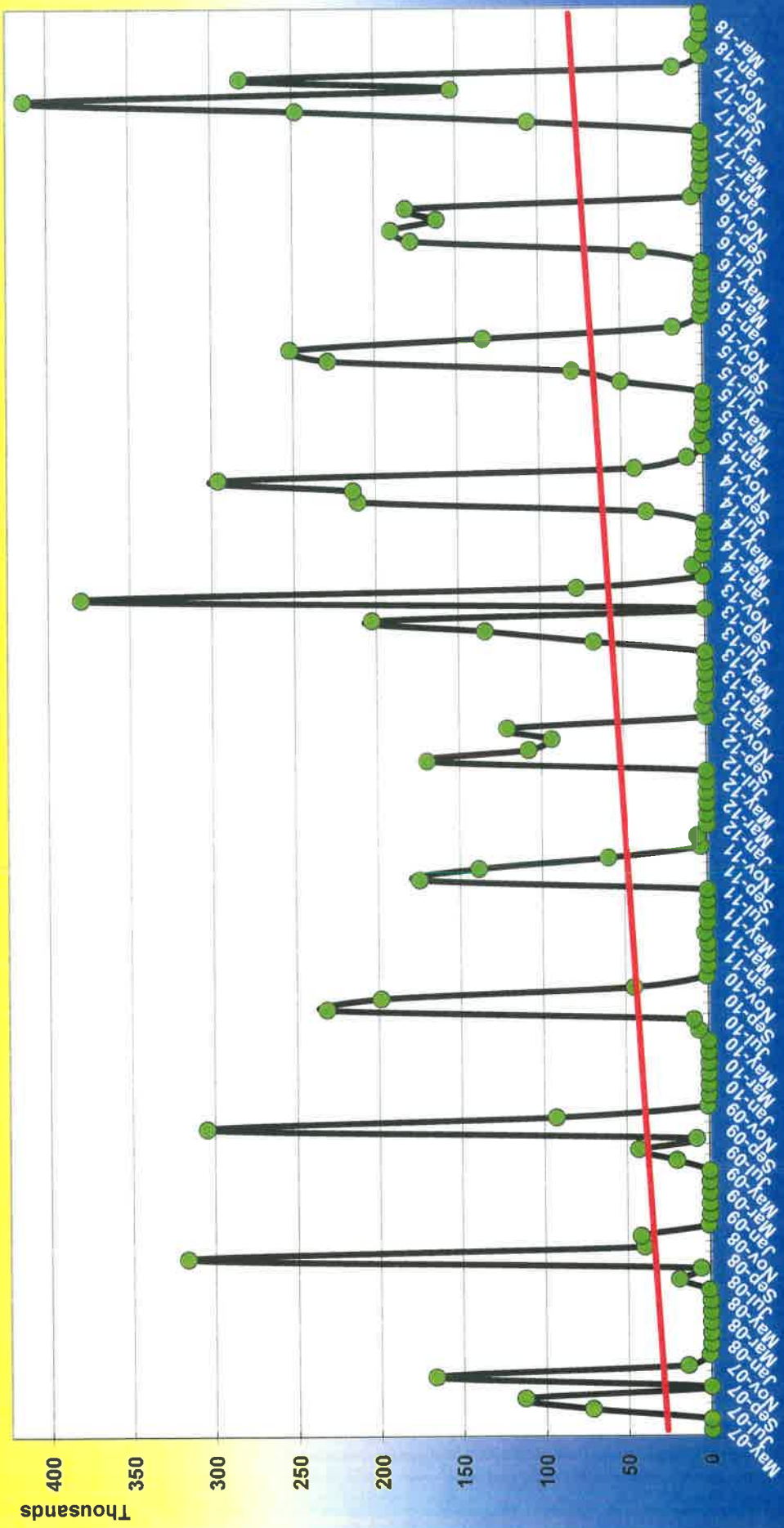
Income Tax Revenues

Linear (Income Tax Revenues)

Village of Tinley Park Use Tax Revenues Monthly Fiscal Year 2008 to date



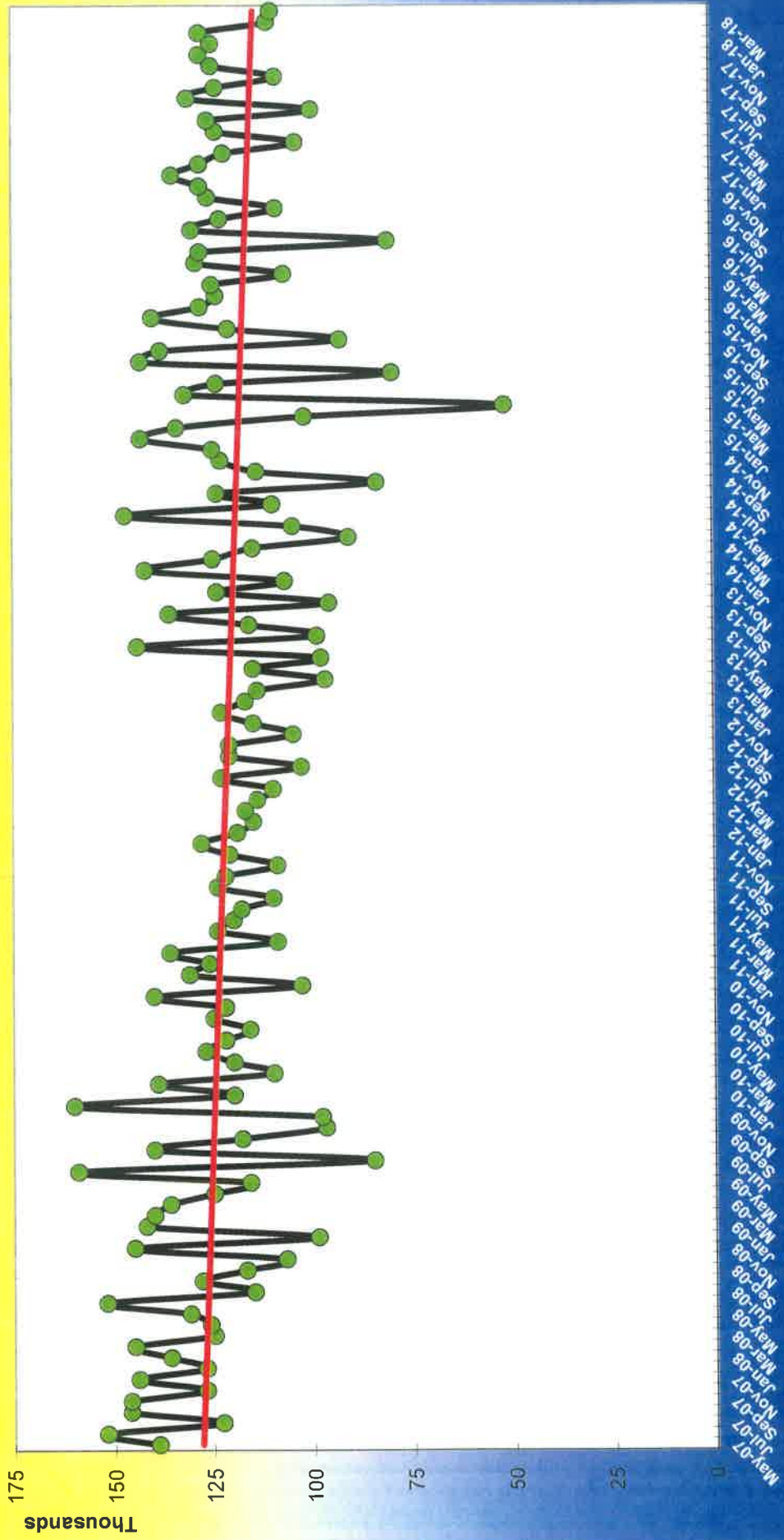
Village of Tinley Park Amusement Tax Revenues Monthly Fiscal Year 2008 to date



Amusement Tax Revenues

Linear (Amusement Tax Revenues)

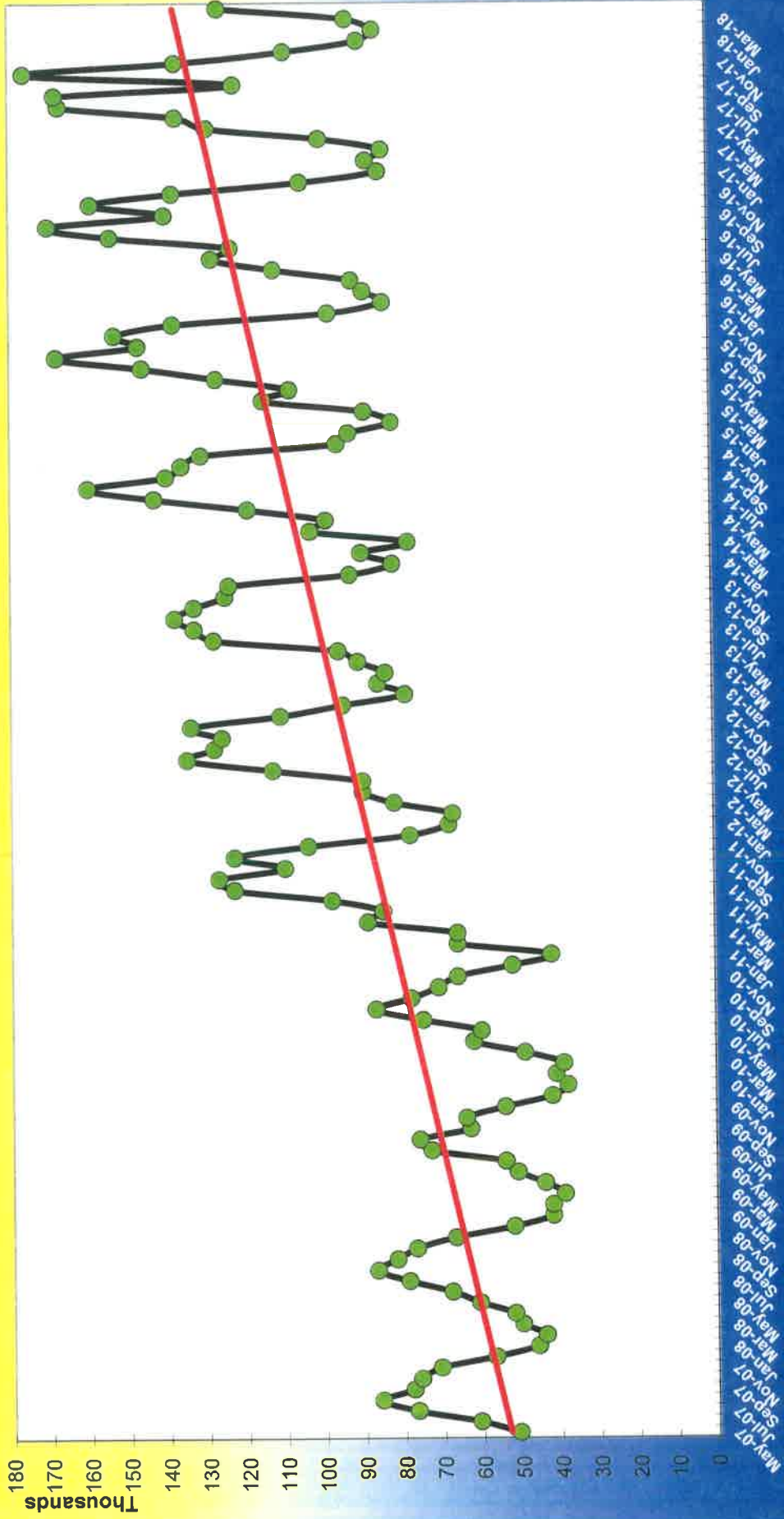
Village of Tinley Park Motor Fuel Tax Revenues Monthly Fiscal Year 2008 to date



Motor Fuel Tax Revenues

Linear (Motor Fuel Tax Revenues)

Village of Tinley Park Hotel Tax Revenues Monthly Fiscal Year 2008 to date



— Linear (Hotel Tax Revenues)

● Hotel Tax Revenues

Village of Tinley Park, Illinois
General Fund
Monthly Comparative Revenue Report
April 2018 Pre-Audit

SOURCE	2015/2017 ACTUAL	2017/2018 BUDGET	2016/2017 PRIOR YEAR CURRENT MONTH	2017/2018 CURRENT YEAR CURRENT MONTH	2016/2017 PRIOR YEAR YEAR TO DATE	2017/2018 CURRENT YEAR YEAR TO DATE	YEAR TO DATE PERCENT OF BUDGET	YEAR TO DATE DOLLARS INCR/DECR	YEAR TO DATE PERCENT INCR/DECR
Beginning Balance, May 1					\$16,956,078	\$27,764,337			
RECEIPTS									
Current R/E Tax Levies	17,116,857	17,550,000	95,741	131,949	17,116,857	17,612,644	100.4%	495,787	2.9%
Prior Yrs R/E Tax Levies	(9,090)	0	(3,131)	(9,432)	(9,090)	(467,788)	#N/A	(458,697)	Over 100% +/-
R/E Tax Levies Road/Brdg	576,167	580,000	2,171	2,440	576,167	561,735	96.9%	(14,432)	-2.5%
Police Pension Tax Receipts	2,651,274	2,650,000	14,376	20,203	2,651,274	3,061,235	115.5%	409,961	15.5%
Sales Tax - General	13,573,075	13,900,700	957,161	1,027,637	13,573,075	14,101,637	101.4%	528,562	3.9%
Sales Tax - Home Rule	5,613,464	5,700,000	395,479	390,248	5,613,464	5,651,216	99.1%	37,752	0.7%
Sales Tax - Incentive Agreements	0	0	0	0	0	0	#N/A	0	#N/A
Sales Tax-Out of State	1,385,396	1,435,000	103,778	108,010	1,385,396	1,470,942	102.5%	85,546	6.2%
Sales Tax-Photofinishing	0	0	0	0	0	0	#N/A	0	#N/A
State Income Tax	3,720,802	3,759,000	395,137	334,244	3,720,802	3,569,531	95.0%	(151,271)	-4.1%
Income Tax Surcharge (1 & 2)	1,639,039	1,656,000	174,060	147,237	1,639,039	1,572,404	95.0%	(66,636)	-4.1%
Vehicle License	0	0	0	0	0	0	#N/A	0	#N/A
Building Permits	401,248	303,000	59,675	24,106	401,248	558,792	184.4%	157,543	39.3%
Plan Review Fees	13,700	9,000	2,745	1,765	13,700	17,426	193.6%	3,726	27.2%
Business License	320,443	310,000	3,925	3,834	320,443	317,310	102.4%	(3,134)	-1.0%
Video Gaming License	143,000	145,000	5,000	5,000	143,000	157,000	108.3%	14,000	9.8%
Contractor's License	53,995	60,000	7,300	5,300	53,995	50,350	83.9%	(3,645)	-6.8%
Fines/Fees	382,542	250,000	51,911	24,036	382,542	444,700	177.9%	62,158	16.3%
Rebillables	50,910	35,000	17,216	2,169	50,910	59,494	170.0%	8,584	16.9%
Amusement tax	757,561	600,000	0	256	757,561	1,225,042	204.2%	467,481	61.7%
Garage/Parking tax	0	0	0	0	0	0	#N/A	0	#N/A
Land Lease/Rental Income	173,073	157,000	6,662	43,201	173,073	189,196	120.5%	16,124	9.3%
Customs Seizures/FBI Reimb.	0	0	0	0	0	0	#N/A	0	#N/A
State Reimb	28,982	12,000	1,056	0	28,982	13,541	112.8%	(15,442)	-53.3%
Replacement Tax	81,820	68,050	18,684	13,789	81,820	67,739	99.5%	(14,081)	-17.2%
OTB Handle Tax	0	0	0	0	0	0	#N/A	0	#N/A
Video Gaming Tax	235,790	325,000	23,240	33,169	235,790	366,741	112.8%	130,951	55.5%
State Reimb - Emergency Mgmt.	32,814	25,000	0	0	32,814	3,288	13.2%	(29,526)	-90.0%
Ambulance Collections Coverage	0	0	0	0	0	0	#N/A	0	#N/A
Fire Protection Services TPMHC	0	0	0	0	0	0	#N/A	0	#N/A
Salary Reserve	85,436	80,000	699	0	85,436	38,574	48.2%	(46,862)	-54.9%
Insurance Reimb	137,907	81,975	17,502	1,417	137,907	220,972	269.6%	83,065	60.2%
Investment Interest	0	0	0	0	0	0	#N/A	0	#N/A
Investment Market Value Adj.	492,480	758,395	30,324	38,150	492,480	611,615	80.6%	119,135	24.2%
Transfer from Hotel/Motel Fund	0	206,043	0	0	0	206,043	100.0%	206,043	#N/A
Transfer from SSA#3 Fund	0	0	0	0	0	0	#N/A	0	#N/A
Transfer from Capital Impr Fund	448,702	313,900	31,035	30,181	448,702	346,046	110.2%	(102,656)	-22.9%
Miscellaneous	20,592	12,000	0	928	20,592	12,992	108.3%	(7,600)	-36.9%
Police Grants	0	0	0	0	0	1,000	#N/A	1,000	#N/A
Miscellaneous Grants	24,628	26,150	1,939	3,233	24,628	24,945	95.4%	317	1.3%
Bus Services	285,774	275,000	24,184	23,933	285,774	282,444	102.7%	(3,330)	-1.2%
Telecom Tax & IMF Tax	1,060,993	1,050,000	69,509	69,509	1,060,993	1,135,006	108.1%	74,013	7.0%
Cable Franchise	159,073	55,000	0	0	159,073	48,526	88.2%	(110,547)	-69.5%
Natural Gas Franchise Fee	312,933	275,000	8,459	719	312,933	353,566	128.6%	40,633	13.0%
Police Security Reimb									
Total Receipts	51,971,381	52,663,213	2,446,327	2,471,930	51,971,381	53,885,903	102.3%	1,914,521	3.7%
YTD budget				\$52,663,213	Total funds available		Percent of year completed		
YTD budget				\$52,663,213	\$68,927,459	\$81,650,239	100.0%		

Village of Tinley Park, Illinois
 General Fund
 Monthly Comparative Expense Report
 April 2018 Pre-Audit

DEPT.	EXPENDITURES	2016/2017		2017/2018		2016/2017		2017/2018		PERCENT OF BUDGET EXPENDED	YEAR TO DATE EXPENDITURES INCR/DECR	PERCENT INCR/DECR	2016/2017	
		PRIOR YEAR CURRENT MONTH	CURRENT MONTH	PRIOR YEAR CURRENT MONTH	CURRENT MONTH	PRIOR YEAR YEAR TO DATE	YEAR TO DATE	BUDGET	ACTUAL EXPENDITURES					
11	Mayor & Trustees	20,370	18,943	238,553	254,868	259,590	238,553	98.2%	16,315	6.8%	16,315	238,553		
12	Village Manager	63,781	55,459	825,529	762,930	902,185	825,529	84.6%	(62,598)	-7.6%	(62,598)	825,529		
13	Village Clerk	48,616	42,639	600,172	585,167	709,095	600,172	82.5%	(15,004)	-2.5%	(15,004)	600,172		
14	General Overhead	476,019	459,176	3,588,522	3,193,479	4,386,043	3,588,522	72.8%	(395,043)	-11.0%	(395,043)	3,588,522		
15	Finance	87,905	105,329	1,126,913	1,285,575	1,752,215	1,126,913	73.4%	158,662	14.1%	158,662	1,126,913		
17	Police	1,006,969	1,049,277	13,537,237	14,206,305	15,808,273	13,537,237	89.9%	669,068	4.9%	669,068	13,537,237		
19	Fire Department	455,850	467,043	3,961,983	4,415,460	4,969,625	3,961,983	88.9%	453,477	11.5%	453,477	3,961,983		
20	Fire Prevention	68,914	73,898	828,829	933,155	1,130,505	828,829	82.5%	104,326	12.6%	104,326	828,829		
21	Emergency Management	295,049	235,545	2,887,391	2,912,728	3,229,484	2,887,391	90.2%	25,337	0.9%	25,337	2,887,391		
23	Road & Bridge	423,500	255,033	4,421,974	4,652,203	6,032,980	4,421,974	77.1%	230,230	5.2%	230,230	4,421,974		
24	Electrical	101,332	88,110	997,870	1,015,589	1,218,099	997,870	83.4%	17,719	1.8%	17,719	997,870		
25	Municipal Buildings	77,781	89,684	852,767	1,066,547	1,354,321	852,767	78.8%	213,780	25.1%	213,780	852,767		
33-000	Community Dev.-Administration	0	19,406	0	227,657	232,055	0	98.1%	227,657	#N/A	227,657	0		
33-300	Community Dev.-Bldg Dept (Ins)	99,191	97,711	1,152,682	1,185,191	1,419,838	1,152,682	83.5%	32,509	2.8%	32,509	1,152,682		
33-310	Community Dev.-Planning Dept	57,537	28,725	482,026	237,641	431,470	482,026	55.1%	(244,385)	-50.7%	(244,385)	482,026		
33-320	Community Dev.-Economic Dev	13,484	16,192	194,621	204,995	294,700	194,621	69.6%	10,374	5.3%	10,374	194,621		
35	Marketing/Communications	30,618	38,150	438,270	521,979	667,395	438,270	78.2%	83,709	19.1%	83,709	438,270		
40	Civil Service Commission	1,621	889	30,499	43,980	44,835	30,499	98.1%	13,480	44.2%	13,480	30,499		
42	Village Bus Services	3,600	3,072	49,873	49,691	55,970	49,873	88.8%	(182)	-0.4%	(182)	49,873		
43	Health Commission	0	0	0	0	0	0	#DIV/0!	0	#N/A	0	0		
44	Environmental Commission	1,558	652	3,806	2,602	7,450	3,806	34.9%	(1,205)	-31.7%	(1,205)	3,806		
45	Economic/Commercial Commis:	948	1,053	9,456	5,792	38,185	9,456	15.2%	(3,664)	-38.8%	(3,664)	9,456		
46	Community Resources	20,838	26,106	43,022	44,649	53,260	43,022	83.8%	1,627	3.8%	1,627	43,022		
47	Zoning Board of Appeals (ZBA)	73	264	3,944	995	5,270	3,944	18.9%	(2,948)	-74.8%	(2,948)	3,944		
48	Long Range Planning (LRPC)	1,161	917	11,147	7,773	22,450	11,147	34.6%	(3,374)	-30.3%	(3,374)	11,147		
49	Industry & Commerce (ICC)	0	0	0	0	0	0	#DIV/0!	0	#N/A	0	0		
50	Veterans Commission	1,111	255	9,930	4,651	24,540	9,930	19.0%	(5,279)	-53.2%	(5,279)	9,930		
51	Youth Commission	0	0	0	0	0	0	#DIV/0!	0	#N/A	0	0		
52	Economic Development (EDC)	0	0	0	0	0	0	#DIV/0!	0	#N/A	0	0		
53	Pace Bus Services	5,254	5,691	72,896	75,225	96,230	72,896	78.2%	2,330	3.2%	2,330	72,896		
54	Historic Preservation (HPC)	0	5,000	5,435	12,631	10,165	5,435	124.3%	7,196	Over 100% +	7,196	5,435		
55	Term Limit Commission	0	0	0	0	0	0	#DIV/0!	0	#N/A	0	0		
56	Senior Services Commission	3,155	4,020	46,038	48,309	50,600	46,038	95.5%	2,271	4.9%	2,271	46,038		
57	Sister City Commission	780	237	1,882	1,262	1,620	1,882	77.9%	(620)	-32.9%	(620)	1,882		
58	Main Street Commission	2,006	1,219	143,256	162,157	190,730	143,256	85.0%	18,902	13.2%	18,902	143,256		
59	Millennium Commission	0	0	0	0	0	0	#DIV/0!	0	#N/A	0	0		
96	Transfer to Local Roads	0	0	0	0	0	0	#DIV/0!	0	#N/A	0	0		
96	Transfer to Capital Improvemen	0	0	0	0	325,000	0	0.0%	0	#N/A	0	0		
96	Transfer to Bond Stabilization	0	0	0	0	0	0	#DIV/0!	0	#N/A	0	0		
96	Transfer to Capital Improv.-Surt	0	0	199,678	0	1,656,000	199,678	0.0%	(199,678)	-100.0%	(199,678)	199,678		
96	Transfer to Debt Service	0	0	350,000	350,000	350,000	350,000	100.0%	0	0.0%	0	350,000		
96	Transfer to W/S Construction	0	0	0	0	0	0	#DIV/0!	0	#N/A	0	0		
96	Transfer to Train Station O & M	5,000	20,203	65,000	60,000	148,000	65,000	40.5%	(5,000)	-7.7%	(5,000)	65,000		
96	Transfer to Police Pension	14,376	0	2,651,274	3,061,235	2,650,000	2,651,274	115.5%	409,961	15.5%	409,961	2,651,274		
96	Transfer to Mainstreet Developr	0	0	0	0	0	0	#DIV/0!	0	#N/A	0	0		
96	Transfer to Escrow	0	0	1,292,911	1,315,138	1,611,000	1,292,911	81.6%	22,227	1.7%	22,227	1,292,911		
97	Economic Incentives	0	0	154,239	65,567	250,000	154,239	26.2%	(88,672)	-57.5%	(88,672)	154,239		
98	Contingency	630	0	0	0	0	0	0.0%	0	0.0%	0	0		
	Total	3,389,026	3,209,895	41,279,624	42,973,127	52,389,818	41,279,624	82.0%	1,693,503	4.1%	1,693,503	41,279,624		

Village of Tinley Park, Illinois
 Commuter Parking Lots
 Monthly Comparative Revenue Report
 April 2018 Pre-Audit

SOURCE	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	
	ACTUAL	BUDGET	PRIOR YEAR CURRENT MONTH	CURRENT YEAR CURRENT MONTH	PRIOR YEAR CURRENT MONTH	CURRENT YEAR CURRENT MONTH	PRIOR YEAR YEAR TO DATE	CURRENT YEAR YEAR TO DATE	PRIOR YEAR YEAR TO DATE	CURRENT YEAR YEAR TO DATE	PERCENT OF BUDGET	DOLLARS INCR/DECR	PERCENT INCR/DECR	PERCENT OF BUDGET	DOLLARS INCR/DECR	PERCENT INCR/DECR	PERCENT OF BUDGET	DOLLARS INCR/DECR	PERCENT INCR/DECR
Beginning balance, May 1							\$1,072,083	\$1,457,847											
RECEIPTS																			
Coins - 80th Avenue North	127,624	128,000	9,536	10,042	9,536	10,042	127,624	121,795	95.2%	(5,829)	-4.6%								
Coins - 80th Avenue South	202,082	200,000	15,385	15,212	15,385	202,082	188,633	94.3%	(13,449)	-6.7%									
Coins - Hickory	29,522	31,000	2,129	2,124	2,129	29,522	24,932	80.4%	(4,590)	-15.6%									
Coins - Timber Drive	0	0	0	0	0	0	0	#N/A	0	#N/A									
Tokens - Commuter Daily Lots	209,835	205,000	17,910	18,975	17,910	209,835	216,435	105.6%	6,600	3.2%									
Permits - Oak Park Ave	10,320	10,800	180	161	180	10,320	10,661	98.7%	341	3.3%									
Permits - Beatty Lot	89,860	90,000	6,660	8,490	6,660	89,860	91,584	101.8%	1,724	1.9%									
Permits - South Street	39,600	37,800	3,510	2,970	3,510	39,600	39,390	104.2%	(210)	-0.5%									
Permits - Hickory	0	0	0	0	0	0	0	#N/A	0	#N/A									
Permits - Municipal	360	360	0	0	0	360	450	125.0%	90	25.0%									
Permits - Church Lot	2,160	1,800	90	90	90	2,160	1,800	100.0%	(360)	-16.7%									
Fines - Oak Park Ave	3,075	1,500	500	275	500	3,075	2,675	178.3%	(400)	-13.0%									
Fines - Beatty Lot	1,450	1,100	206	225	206	1,450	1,450	131.8%	0	0.0%									
Fines - South Street	1,078	750	100	75	100	1,078	250	33.3%	(828)	-76.8%									
Fines - Hickory	550	750	25	150	25	550	1,725	230.0%	1,175	Over 100% +/-									
Fines - Municipal	116	200	0	0	0	116	75	37.5%	(41)	-35.5%									
Fines - Church Lot	250	200	0	0	0	250	100	50.0%	(150)	-60.0%									
Fines - 80th Avenue North	3,854	5,400	225	1,071	225	3,854	8,221	152.2%	4,367	Over 100% +/-									
Fines - 80th Avenue South	5,869	3,500	700	1,600	700	5,869	12,800	365.7%	6,931	Over 100% +/-									
Lease Income	0	0	0	0	0	0	0	#N/A	0	#N/A									
Investment Interest	7,364	5,500	858	0	858	7,364	11,810	214.7%	4,447	60.4%									
Investment Market Value Adj.	0	0	0	0	0	0	0	#N/A	0	#N/A									
Miscellaneous	0	0	0	0	0	0	0	#N/A	0	#N/A									
Total Receipts	734,968	723,660	58,014	61,459	58,014	734,968	734,786	101.5%	(182)	0.0%									
		YTD budget \$723,660	Total Funds Available			\$1,807,050	\$2,192,633			Percent of year completed 100.0%									

Village of Tinley Park, Illinois
Summary of Building Impact Fees Collected
on behalf of Other Governmental Bodies
As of April 30, 2018

IMPACT - Print date 5/9/2018

	Current Year to Date	Cummulative Total
Park Districts		
Tinley Park Park District	\$0.00	\$1,773,289.95
Frankfort Square Park District	0.00	43,750.00
Mokena Community Park District	0.00	31,775.00
Fire Protection		
Tinley Park Fire Department	1,176.26	1,292,906.99
Fire Station	0.00	755,954.29
Tinley Park Public Library	1,730.00	1,170,075.00
Tinley Park ESDA	90.00	201,623.00
Village of Frankfort Transportation	3,912.58	69,989.55
Elementary School Districts		
Kirby (140)	0.00	1,011,250.00
Kirby - accelerated	0.00	7,274,961.89
Arbor Park (145)	0.00	5,810.00
Community Consolidated (146)	0.00	381,670.00
Rich Township (159)	0.00	576,600.00
Summit Hill (161)	13,403.22	5,335,655.78
High School Districts		
LincolnWay (210)	2,340.02	898,977.94
Rich Township (227)	0.00	288,400.00
Bremen (228)	0.00	110,800.00
Consolidated (230)	0.00	415,425.00
Totals	<u>\$22,652.08</u>	<u>\$21,638,914.39</u>

When First Impact Fees Collected:

Oct 1971	District 140	Feb 1991 - "Accelerated" Fees
Sep 1977	District 145	
Nov 1971	District 146	
Nov 1991	District 159	
Nov 1995	District 161	
Nov 1995	District 210	
Nov 1991	District 227	
Jul 1988	District 228	
Jul 1988	District 230	
Apr 1975	Fire Protection	Nov 1991 - Fire Station
Apr 1975	Library	
Jun 1975	Park District	
May 1979	ESDA	
July 1997	Mokena Com.Park District	
July 1997	Frkft. Sq. Park District	
March 2008	Frankfort Transportation Impact Fee	



Interoffice Memo

Date: June 1, 2018

To: Village Board

From: David Niemeyer, Village Manager *DN*

cc: Pat Carr, Assistant Village Manager

Subject: Online Travel Companies (OTCs)

Attached please find a memo and information from our attorneys on a recent lawsuit Tinley Park and other municipalities filed against on line travel companies (OTCs) in regards to collection of hotel taxes. A settlement is being proposed where we would waive retroactive collection of hotel taxes and amend our current hotel tax code to capture hotel tax from the OTCs going forward. We will discuss this item at the Committee of the Whole meeting scheduled for Tuesday, June 5, 2018.



Dominick L. Lanzito
dlanzito@pjmchicago.com

March 5, 2018

Village of Tinley Park
Village Manager
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Re: *Village of Bedford Park, et al. v. Expedia, Inc., et al.*
Nos. 16-3932, 16-3944

Dear Village Manager,

As you are aware, the Seventh Circuit Court of Appeals issued an opinion that was not favorable to our position in this state court matter. Ultimately, the federal court ruled that the OTCs were not subject to any of the hotel tax ordinances for the municipalities that were part of that litigation, which of course, is a position that we disagree with. Although the federal decision is not binding on the state court judge, it is persuasive, and it can be relied upon by the state court judge.

However, in order to avoid the uncertainty and expense of litigation, the OTCs have proposed that we settle this case. Pursuant to the framework suggested by the OTCs, the three plaintiff municipalities would waive any claim of retroactive tax recovery and each could amend the hotel tax ordinance to capture the hotel tax from the OTCs prospectively. Given the prior appellate court opinions and the uncertainty of litigation, this resolution makes fiscal sense for your municipality. We would like the opportunity to discuss the proposal with your elected officials in order to discuss the details of the same and our collective steps moving forward.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

PETERSON, JOHNSON & MURRAY CHICAGO, LLC

/s/ Dominick L. Lanzito

DLL/km
Enclosure

MUNICIPAL HOTEL TAX

Proposed Language

TAX REQUIRED; AMOUNT:

There is hereby levied and imposed upon the use and privilege of engaging in the business of leasing, renting, making, facilitating or servicing the leasing or renting of a hotel or motel room in the [Village/City] of [Municipality], a tax of [insert number] percent (___%) on the gross rental receipts (not including taxes or other nonroom rental charges added to the hotel or motel bill) for each such hotel or motel room rented for every twenty four (24) hour period, or any fraction thereof, excluding, however, from the gross rental receipts, the proceeds of such renting or leasing or letting to permanent residents of that hotel or motel.

EXEMPTION:

A taxpayer subject to the tax imposed in section [insert section number] of this chapter may claim an exemption for gross rental receipts subject to said tax, if gross rental receipts are derived from binding and guaranteed room contract(s) entered into on or before September 1, 1986. In order to claim this exemption, the taxpayer must submit written proof of said binding and guaranteed contract in a form satisfactory to the corporate authorities on the monthly tax return required in section [insert section number] of this chapter during the month in which said exempt gross receipts are received by the taxpayer. Failure by the taxpayer to claim said exemption in the month in which said gross receipts are received shall constitute an automatic waiver and bar to receipt of said exemption.

DEFINITIONS:

For purposes of this tax, the following definitions shall apply:

GROSS RENTAL RECEIPTS: The total amount of consideration for occupancy, valued in money, whether received in money or otherwise, including all receipts, cash, credits, and property or services of any kind or nature, including, but not limited to, amounts charged for the making, servicing or facilitating reservations.

HOTEL: Any building or buildings in which the public may, for a consideration, obtain living quarters, sleeping or housekeeping accommodations. The term includes inns, motels, tourist homes or courts, lodging houses, rooming houses and apartment houses.

PERMANENT RESIDENT: Any person who occupied or has the right to occupy any room or rooms in a hotel for at least thirty (30) consecutive days.

PERSON: Any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, or a receiver, executor, trustee, guardian or other representative appointed by order of any court.

ROOM OR ROOMS: Any living quarters, sleeping or housekeeping accommodations.

TAX RETURN:

(A) Each person, business, corporation, partnership or other entity, subject to the tax imposed in section [insert section number] of this chapter shall make a tax return as required by this section to the [Village/City] treasurer on or before the twentieth day of each month stating:

1. Name;
2. Principal place of business;
3. Gross receipts during the prior month upon the basis of which the tax is imposed;
4. Amount of tax;
5. Such other reasonable and related information as the corporate authorities may require.

(B) Each person making the return shall, at the time of making such return, pay to the village treasurer the amount of tax herein imposed.

REIMBURSEMENT OF TAX:

Persons subject to the tax imposed by this chapter may reimburse themselves for their tax liability for such tax by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with the state tax imposed under "the hotel operators occupation tax act".

BOOKS AND RECORDS:

Every person subject to the tax imposed by this chapter shall keep separate books or records of his business so as to show the rents and occupancies taxable under this chapter separately from his transactions not taxable hereunder. If any such person fails to keep such separate books or records, he shall be liable to the tax at the rate designated in section [insert section number] of this chapter upon the entire proceeds from his hotel.

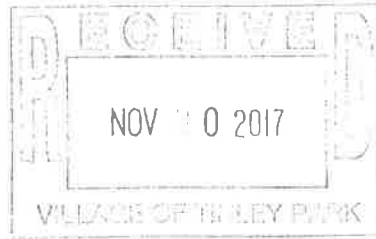
INTEREST AND PENALTIES:

Late payment, underpayment or nonpayment of any tax due hereunder shall be subject to interest and penalties as set forth in the locally imposed and administered tax rights and responsibility provisions of this code. Any person violating any other provision of this chapter, upon conviction thereof, shall be punished by a fine of not more than the maximum amount permitted by section [insert penalties section number] of this code for each offense. A separate offense shall be deemed committed on each day during or on which a violation occurs or continues.

Nothing in this section shall be construed as limiting any additional or further remedies that the [Village/City] may have relating to the enforcement of this chapter, or the collection of the amount of any tax due hereunder.

APPLICATION OF PROCEEDS:

The proceeds from the tax collected pursuant to this chapter shall be used solely to promote tourism and conventions in the [Village/City] or otherwise to attract nonresident, overnight visitors to the



Paul O'Grady
pogrady@pjmcchicago.com

November 27, 2017

Village of Tinley Park
Village Manager
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Re: Village of Bedford Park, et al. v. Expedia, Inc., et al.
Nos. 16-3932, 16-3944

To Whom It May Concern,

Please be advised that on November 22, 2017, the Seventh Circuit Court of Appeals affirmed to the District Courts opinion granting Summary Judgment in favor of the OTA's and against the Plaintiff Municipalities (see attached).

We are still analyzing this decision and the next steps in the litigation, if any. We will be in contact shortly regarding same, but we wanted to get this decision to the clients today.

Please feel free to contact me with any questions or concerns.

Sincerely,

/s/Paul O'Grady

POG/km
Enclosure

PETERSON, JOHNSON & MURRAY CHICAGO, LLC
An Illinois Limited Liability Company affiliated with Peterson, Johnson & Murray, S.C.
Attorneys at Law

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MILWAUKEE | MADISON | KENOSHA | MANITOWOC | CHICAGO

In the
United States Court of Appeals
For the Seventh Circuit

Nos. 16-3932 & 16-3944

VILLAGE OF BEDFORD PARK, *et al.*,

Plaintiffs-Appellants,

and

VILLAGE OF LOMBARD,

Plaintiff-Cross-Appellee,

v.

EXPEDIA, INC., *et al.*,

Defendants-Appellees, Cross-Appellants.

Appeals from the United States District Court for the
Northern District of Illinois, Eastern Division.
No. 13-05633 — Matthew F. Kennelly, *Judge.*

ARGUED OCTOBER 23, 2017 — DECIDED NOVEMBER 22, 2017

Before BAUER and HAMILTON, *Circuit Judges*, and DARROW,
*District Judge.**

* Of the Central District of Illinois, sitting by designation.

DARROW, *District Judge*. Thirteen Illinois municipalities (“the municipalities”) assert that the Appellees-Cross-Appellants, which are online travel agencies (“OTAs”), have withheld money owed to them under their local hotel tax ordinances. The OTAs operate their online travel websites under the “merchant model”; customers pay an OTA directly to reserve rooms at hotels the OTA has contracted with. The participating hotels set a room rental rate. The OTA charges the customer a price that includes that rate, the estimated tax owed to the municipality, and additional charges for the OTA’s services. After the customer’s stay, the hotel invoices the OTA for the room rate and taxes, and remits the taxes collected to the municipality. The municipalities argue that they have been shorted tax revenue over the years because the OTAs do not remit taxes on the full price that customers pay. To illustrate, assume a 5 percent tax. If a customer books a room directly with a hotel for \$100 a night, the hotel collects \$5 for taxes and remits that to the municipality. But if a customer books a room through an OTA for \$100 and the hotel’s room rental rate is only \$60, the OTA pays the hotel \$63 and the hotel remits \$3 to the municipality. The municipalities seek to collect the additional \$2 from the OTAs. But none of the municipal ordinances place a duty on the OTAs to collect or remit the taxes, so the municipalities have no recourse against the OTAs. The OTAs are entitled to summary judgment against all of the municipalities.

Nos. 16-3932 & 16-3944

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I. *Factual Background*

The facts of this case are not highly disputed, but their legal significance is. At issue is how the OTAs in this case—Expedia, Priceline, Travelocity, and Orbitz¹—function and the thirteen municipal tax ordinances.

a. Online Travel Agencies' Practices

The OTAs enter into contracts with hotels, under which the hotels agree to make rooms available for the OTAs. The OTAs then market those rooms and allow customers to reserve them through their websites. The OTAs do not pre-pay for rooms and re-rent them to customers and they do not bear any loss if the rooms are not reserved. And the hotels can cease offering rooms through the OTAs at any time.

When a customer reserves a room through an OTA, he pays the OTA directly—the OTA serves as the merchant of record on the customer's credit card bill. The OTAs present the price in two line items: first, a charge for the room and second, a charge for taxes and fees. The charge for the room includes the room rate as set by the hotel, plus additional charges set by the OTAs. The customer never sees the hotel's room rate, but must agree to the OTA's terms and conditions,

¹ For ease, the Court uses these four OTAs specifically to refer to the four groups of Appellees-Cross-Appellants: the Expedia group (including Hotels.com, L.P., Hotwire, Inc., Expedia, Inc., and Egencia, LLC); the Priceline group (including priceline.com Inc. (n/k/a The Priceline Group Inc.), priceline.com LLC, and Travelweb LLC); the Travelocity group (including TVL LP (f/k/a Travelocity.com LP) and Site59.com LLC); and the Orbitz group (including Orbitz, LLC, Trip Network, Inc., and Internetwork Publishing Corp. (d/b/a Lodging.com)).

which state that the price charged includes the cost of the hotel plus consideration for the OTA's services. The taxes and fees charge includes the estimated taxes the hotel will owe on the rental plus additional fees as set by the OTA. If the customer incurs additional charges during his stay, he pays those to the hotel directly. After the customer checks out, the hotel invoices the OTA—or charges a virtual credit card provided by the OTA—for the room rate plus applicable taxes.

Although representatives from the OTAs, and statements made to the Securities and Exchange Commission, indicate that the OTAs “sell” hotel rooms to customers, the OTAs assert that this is merely industry jargon. *See, e.g.*, Priceline Rep. Dep. 231:3–9, Pls.’s Statement of Undisputed Facts Ex. 19, ECF No. 256-5² (“I want to be careful to point out that [the terms purchase and sale are] commonly used in the context of customers making reservations with hotels whose rates and inventory were made available to us We are not in the business of buying and selling hotel rooms.”). Contracts between hotels and the OTAs confirm that the OTAs do not actually buy, and never acquire the right to enter or grant possession of, hotel rooms. Instead, the OTAs take reservation requests from customers and transmit those to the hotels. The contracts require the hotels to honor those requests, but the customer does not obtain the right to occupy the room until he checks in at the hotel.

The OTAs do provide additional services to customers between payment and check in at the hotel. In fact, a customer will likely only deal with the OTA prior to checking in because

² This ECF number refers to the district court’s docket.

Nos. 16-3932 & 16-3944

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OTAs handle reservation modifications, cancellations, and re-funds. The OTAs generally enforce a hotel's cancellation policies, but sometimes set their own policies and charge their own cancellation fees. The OTAs also often provide customer service support, but some contracts specify that the OTAs will refer hotel-specific questions to the hotels.

b. Municipal Ordinances

Though each of the thirteen ordinances has unique aspects, all fall into one of three general categories: those that place the duty to collect and remit the tax on owners, operators, and managers of hotels or hotel rooms; those that apply to all persons engaged in the business of renting hotel rooms; and those that incorporate elements of both.³

i. Owners, Operators, and Managers

Seven municipalities—Arlington Heights, Bedford Park, Oak Lawn, Orland Park, Orland Hills, Schaumburg, and Tinley Park—have ordinances that impose a tax on the use and privilege of renting, leasing, or letting hotel and motel rooms. While a hotel guest ultimately bears responsibility for the tax, the ordinances generally place the duty of collecting the tax from the renter and paying it to the municipality on the owner, operator, or manager of hotels. Some of the ordinances place the duty on owners, operators, and managers of hotel accommodations, which are defined as “[a] room or rooms in any building or structure kept, used or maintained as or advertised or held out to the public to be an inn, motel, hotel” or

³ Most of the ordinances have been amended over time—for example, the tax rates have been increased or enforcement mechanisms have been altered—but, unless otherwise noted, the amendments have not changed the ordinances in aspects relevant to this case.

III. Conclusion

The district court's grant of summary judgment to the OTAs against all but one municipality is AFFIRMED. The district court's grant of summary judgment to the Village of Lombard is REVERSED and summary judgment shall be entered in favor of the OTAs.

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Warren Oil Co., Inc., 820 N.E.2d 994, 1002 (Ill. App. Ct. 2004). In that context, a seller is only engaged in the business of selling if he does it routinely or commercially. The OTAs do not rent hotel rooms, so of course they do not do so routinely or commercially. Thus, the OTAs are not engaged in the business of renting rooms and are not subject to these three ordinances. We affirm the grant of summary judgment to the OTAs against Rockford and Willowbrook. We reverse the district court's grant of summary judgment to Lombard and grant summary judgment to the OTAs.

d. Hybrids

The last three ordinances are slightly more complicated, but the OTAs are not required to pay taxes to the municipalities under any of them. Des Plaines appears to tax all "persons engaged in the business of renting, leasing or letting rooms in a hotel or motel." Br. Appellants Sep. App. 302 But it also places the duty of keeping records on operators and the duty of filing returns and paying taxes to the city on owners. Warrenville's ordinance similarly imposes a tax on those engaged in the business of renting, but places a duty to pay on owners. Burr Ridge's ordinance includes language about both engaging in the business of renting and owners, operators, and managers. But as the OTAs are neither engaged in the business of renting nor owners or operators of hotels, they have no obligations regardless of how these ordinances are interpreted. The grant of summary judgment to the OTAs against Des Plaines, Warrenville, and Burr Ridge is affirmed.

c. Engaged in the Business of Renting Hotel Rooms

Three of the ordinances—Rockford, Willowbrook, and Lombard—impose a tax squarely on those engaged in renting hotel rooms or engaged in the business of renting hotel rooms. The district court found that the OTAs were engaged in renting hotel rooms. But because Rockford and Willowbrook’s ordinances only tax gross rental receipts, it granted summary judgment to the OTAs with respect to those municipalities. According to the district court, because the municipalities already received taxes on the rental rate, as set by the hotel, the OTAs were not required to collect and remit taxes on the extra fees they charge consumers. But as Lombard’s ordinance did not specify that the tax was only on gross rental receipts, the district court granted it summary judgment.

None of the ordinances define “engaged in the business of renting” or “engaged in renting.” To rent is “[t]o pay for the use of another’s property.” *Rent*, BLACK’S LAW DICTIONARY (10th ed. 2014); *see also Lease*, BLACK’S LAW DICTIONARY (10th ed. 2014) (“To grant the possession and use of (land, buildings, rooms, movable property, etc.) to another in return for rent or other consideration ...”). Thus, renting implies ownership and granting possession of property—here, hotel rooms. As discussed, the OTAs do not own hotels or hotel rooms and they cannot independently grant consumers access to hotel rooms. Therefore, they cannot rent hotel rooms to customers.

The question here is whether “engaged in the business” has the same meaning under these tax ordinances as it does in other contexts, like the products liability context, in which sellers are not held strictly liable unless they are engaged in the business of selling the defective product. *See Carollo v. Al*

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accommodations. An operator only has to exert power or influence over hotel accommodations, which Defendants do.”).

Additionally, most of the ordinances list those with the duty to collect the tax as owners, operators, or managers of hotels.⁵ Under the principle of *noscitur a sociis*, “which counsels that a word is given more precise content by the neighboring words with which it is associated,” *United States v. Williams*, 553 U.S. 285, 294 (2008), the meaning of operator should be informed by its inclusion on a list with owner and manager. This suggests that an operator is, like an owner or a manager, someone who generally oversees the business of running a hotel.

Three of the ordinances (Orland Hills, Orland Park, and Tinley Park) cover operators of hotel rooms in addition to operators of hotels. But the same principles apply. To have a duty to collect and remit taxes under the ordinances, the OTAs would need to essentially “run” hotel rooms. While the OTAs engage in one aspect of running hotel rooms—reserving those rooms for customers—that does not mean they operate hotel rooms.

The district court granted summary judgment to the OTAs against the municipalities with this type of ordinance because the OTAs had no duty to collect or remit hotel occupancy taxes. That portion of the decision is affirmed.

⁵ Bedford Park places the duty of collection and remittance solely on the owner of hotel or motel rooms. Arlington Heights and Schaumburg place the duty on owners, operators, and those with licenses to operate hotels.

business"). An operator could also be one who operates; or one who "perform[s] a function" or "exert[s] power or influence." *Operate*, Merriam-Webster Dictionary, <https://www.merriam-webster.com/dictionary/operate> (last visited Oct. 12, 2017).

But the OTAs do not perform the function of running a hotel. They perform one set of functions that a hotel does—making room reservations, processing financial transactions, and handling customer service with respect to those transactions. But that the OTAs engage in one hotel function does not transform them into operators of hotels. We would not say that when a hotel contracts with a cleaning service that orders supplies and hires, schedules, and pays workers, the cleaning service becomes an operator of the hotel. Cf. *Pitt Cty. v. Hotels.com, L.P.*, 553 F.3d 308, 313 (4th Cir. 2009) ("The online companies ... have no role in the day-to-day operation or management of the hotels. Thus, they cannot be said to operate the hotels."); *City of Goodlettsville v. Priceline.com, Inc.*, 844 F. Supp. 2d 897, 912 (M.D. Tenn. 2012) ("As concerns hotels, those [definitions of operate] strongly suggest day-to-day management of the hotel property itself."); *Hamilton Cty. v. Hotels.com, L.P.*, No. 3:11 CV 15, 2011 WL 3289274, at *2 (N.D. Ohio July 29, 2011) (holding that OTAs were neither owners nor operators of hotels and that they did not furnish lodging to guests); *Mont. Dep't of Revenue v. Priceline.com, Inc.*, 354 P.3d 631, 635 (Mont. 2015) ("The OTCs do not fit within the dictionary definition of 'owners or operators.' They do not possess, run, control, manage, or direct the functioning of a hotel or rental agency."). But see *City of Chicago v. Hotels.com, L.P.*, No. 2005 L 051003, Br. Appellants App. 69 ("Being an operator of hotel accommodations does not require ownership of hotel

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reservations for customers. Reservations are sent to the hotels and the customers can only take temporary possession upon checking in at the hotel. Under any plain understanding of the word “own,” OTAs do not own hotels or hotel rooms.

A manager is “[s]omeone who administers or supervises the affairs of a business, office, or other organization.” *Manager*, BLACK’S LAW DICTIONARY (10th ed. 2014). Clearly the OTAs are not managers of hotels—they do not supervise the affairs of hotels. The municipalities seem to argue only that the OTAs are managers of hotel *rooms* for purposes of three of the ordinances (Orland Park, Orland Hills, and Tinley Park). To be a manager of a hotel room, the OTAs would need to supervise the affairs of the room. But a hotel room is not a business separate from the hotel it is located in. The municipalities argue that “the OTAs are unquestionably in charge of the affairs of businesses that step into the shoes of hotels and assume many day-to-day hotel functions.” Br. Appellants 26. Of course the OTAs are in charge of their own businesses, but that does not make them managers of hotels or hotel rooms.

The municipalities decry most forcefully the district court’s interpretation of the term operator. The district court defined operator as one “who uses and controls something.” *Expedia*, 193 F. Supp. 3d at 922 (quoting *Operator*, Merriam-Webster Dictionary, <https://www.merriam-webster.com/dictionary/operator> (last visited June 20, 2016)). But even under an arguably more on-point definition of operator, the OTAs are not operators of hotels or hotel rooms. The municipalities suggest that an operator is “one who operates or runs a business.” Br. Appellants 21; see also *Operator*, Merriam-Webster Dictionary, <https://www.merriam-webster.com/dictionary/operator> (last visited Oct. 13, 2017) (“one that operates a

b. Owners, Operators, and Managers

Seven of the ordinances place on owners, operators, and managers of hotels or hotel rooms the duty to collect the tax from a renter and remit it to the municipality. Thus, if the OTAs are not owners, operators, or managers, they have no obligations under these ordinances. The district court granted the OTAs summary judgment against the municipalities with these ordinances—Arlington Heights, Bedford Park, Oak Lawn, Orland Hills, Orland Park, Schaumburg, and Tinley Park—because it found that the OTAs were not owners, operators, or managers. We agree.

The ordinances do not define owner, operator, or manager. The Court presumes that these words have their plain meaning. An owner is “[s]omeone who has the right to possess, use, and convey something” or “a person in whom one or more interests are vested.” *Owner*, BLACK’S LAW DICTIONARY (10th ed. 2014); accord *Bd. of Educ. of Glen Ellyn Cmty. Consol. Sch. Dist. No. 89 v. Dep’t of Revenue*, 825 N.E.2d 746, 754 (Ill. App. Ct. 2005) (“The primary incidents of ownership include the right to possession, the use and enjoyment of the property, the right to change or improve the property, and the right to alienate the property at will.”). Clearly, the OTAs do not own hotels. They have no right to possess or use the hotels they contract with or to convey them to others.

At least four of the ordinances (Bedford Park, Orland Hills, Orland Park, and Tinley Park) appear to place the duty of collecting and remitting taxes on owners of hotel rooms in addition to owners of hotels. But the OTAs do not own hotel rooms either. They have no right to use or possess hotel rooms and they have no independent right to convey hotel rooms to consumers—they contract with hotels for the ability to make

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decision to certify with circumspection.” *Id.* We have found certification appropriate:

when the case concerns a matter of vital public concern, where the issue will likely recur in other cases, where resolution of the question to be certified is outcome determinative of the case, and where the state supreme court has yet to have an opportunity to illuminate a clear path on the issue.

Id. at 672 (quoting *In re Badger Lines, Inc.*, 140 F.3d 691, 698 (7th Cir. 1998)). We will not certify questions when what is required is “the exercise of a court’s judgment.” *Id.* The most important consideration is whether we find ourselves “genuinely uncertain about a question of state law.” *Id.* at 671.

We recognize that the Illinois Supreme Court has not ruled on these issues yet, but find that this is not a proper case for certification. This case involves routine questions of statutory interpretation that this Court is well-equipped to handle. After interpreting the meaning of the thirteen ordinances, this case merely requires the Court to exercise judgment as to whether the undisputed facts show that the ordinances apply to the OTAs. And although similar issues are likely to recur as other municipalities bring similar suits, the Illinois Supreme Court can correct our interpretations if it finds them erroneous. *Cf. Chi. Teachers Union, Local No. 1, Am. Fed’n Teachers v. Bd. of Educ. of Chicago*, 662 F.3d 761, 764 (7th Cir. 2011) (“The federal injunction means that there will be no opportunity for a state court to correct our interpretation of state law if it is erroneous”). The motion to certify is DENIED.

motion under consideration is made" *United Cent. Bank*, 800 F.3d at 310–11.

This case involves construction of municipal ordinances, which are interpreted in the same manner as Illinois statutes. *Landis v. Marc Realty, L.L.C.*, 919 N.E.2d 300, 303 (Ill. 2009). The Court's "primary objective is to ascertain and give effect to the intent of the legislature." *In re Consol. Objections to Tax Levies of Sch. Dist. No. 205*, 739 N.E.2d 508, 512 (Ill. 2000). "The language of the statute provides the best indication of the legislature's intent." *Id.* Where a phrase or word is undefined, "[i]t is appropriate to employ a dictionary to ascertain [its] meaning." *Landis*, 919 N.E.2d at 304. "A statute is ambiguous when it is capable of being understood by reasonably well-informed persons in two or more different senses." *People v. Beachem*, 890 N.E.2d 515, 520 (Ill. 2008) (quoting *In re J.W.*, 787 N.E.2d 747, 767 (Ill. 2003)). If a statute imposing a tax is ambiguous, it must be "strictly construed against the government and in favor of the taxpayer." *In re Consol.*, 739 N.E.2d at 512.

a. Certification of State Law Issues

First, the municipalities ask the Court to certify, pursuant to Circuit Rule 52(a), four questions to the Illinois Supreme Court: 1) whether the OTAs are "operators" of hotels or hotel rooms; 2) whether the OTAs "own" hotel rooms; 3) whether the OTAs are "managers" of hotel rooms; and 4) whether "gross rental receipts" refers to the room rate negotiated between the OTA and the hotel or the full amount the customer pays to the OTA.

"Certification is a useful tool of cooperative federalism." *State Farm Mut. Auto. Ins. Co. v. Pate*, 275 F.3d 666, 671 (7th Cir. 2001). But it is costly and burdensome, so "we approach the

a similar facility. Orland Hills Ordinance, Br. Appellants Sep. App. 170; Orland Park Ordinance, *id.* at 355–56 (same); Tinley Park Ordinance, *id.* at 369 (same).

ii. Engaged in Renting Hotel Rooms

Three of the municipalities—Rockford,⁴ Willowbrook, and Lombard—impose a tax on persons engaged in the business of renting, leasing, or letting rooms in a hotel. In Willowbrook and Rockford, the tax rate is a percentage of gross rental receipts from renting, leasing, or letting rooms in a hotel. Lombard’s ordinance requires the tax “to be stated separately as an additional charge on individual billings,” *id.* at 338, but does not specify what amount the tax rate applies to.

iii. Hybrids

The last three municipalities have ordinances encompassing elements of both types of taxes. For example, Des Plaines taxes all “persons engaged in the business of renting, leasing or letting rooms in a hotel or motel.” *Id.* at 302. But the tax ordinance places a duty on operators of hotels or motels to keep records and on owners of hotels to file monthly tax returns reflecting the tax received. The ordinance also requires the owner to pay the taxes due at the time of filing. Warrenville’s ordinance is similar in relevant respects. Burr Ridge


⁴ Rockford has two ordinances. One imposes a 1 percent tax on “the charge for renting a hotel or motel room.” Br. Appellants Sep. App. 190. “Any person engaged in renting hotel or motel rooms” must include the tax in the rental price and remit the amount collected to the city. *Id.* This ordinance, like the ones described above, taxes a consumer, but places the duty to collect the tax on those “engaged in renting.” The other is a tax on “all persons engaged in the City of Rockford in the business of renting, leasing, or letting rooms in a hotel.” *Id.* at 204.



Interoffice Memo

Date: June 1, 2018

To: Committee of the Whole

From: David Niemeyer, Village Manager 

cc: Pat Carr, Assistant Village Manager

Subject: Village Lobbyist

We need to renew the annual retainer agreement (attached) with the Village Lobbyist Government Consulting Services of Illinois (GCSI). Frank Cortese, with GSCI, has been actively involved in representing our interests before the state and the county this year, including TPMHC issues, state legislation that affects the village, and county legislation dealing with county tax abatements. I have attached the quarterly reports we have received which has a more complete list of the issues he has been working on.

The fees would remain the same, which is \$3000 per month.

At the June 19, 2018 Village Board meeting we will be asking the Board to renew this contract for another year.



Government Consulting Services of Illinois, LLC

Three First National Plaza

70 W. Madison, Suite 1600

Chicago, Illinois 60602

312.696.1925 (Direct) 312.927.8840 (Cell)

312.696.4225 (Fax)

cortesef@gcsi.org

April 27, 2018

Mr. Dave Niemeyer
Village Manager
Village of Tinley Park
16250 S. Oak Park
Tinley Park, IL 60477

**Re: *Government Relations Services
State of Illinois***

Dear Mr. Niemeyer:

Please allow this correspondence to serve as a proposal which, if its terms are agreeable, will act as our retainer agreement between the Village of Tinley Park, ("VOTP") and the Government Consulting Services of Illinois, L.L.C. ("GCSI") for representation regarding the above-referenced matter. It is our practice to confirm with an engagement letter certain understanding regarding the manner in which we will perform and bill for services.

GCSI will: (i) Monitor and lobby the appropriate government officials at the State and County levels; (ii) Provide VOTP current reports of major legislation that would affect VOTP; (iii) Formulate a strategy to help VOIP advance legislation at the State and County levels and in the private business community at large that would further VOTP's objectives; (iv) Coordinate the effort to successfully execute the strategy; and (v) Provide advice on a variety of governmental and private business matters.

GCSI will pursue Capitol opportunities on behalf of VOTP within a new Capitol Bill or a re-authorization of existing Capitol.

GCSI will provide written reports upon request to VOTP's officials or their agents and will be available for all conference calls and meetings as requested by VOTP, its agents and/or governmental affairs consultants.

GCSI will provide quarterly reports to the Village Board.

Mr. Dave Niemeyer
Village Manager
Village of Tinley Park
April 27, 2018
Page 2

This Agreement is effective as of May 2, 2018 and will continue through May 2, 2019 (the "Term"). The retainer fee for Services, as set forth in this Agreement, will be a fee of Thirty-Six Thousand Dollars (\$36,000.00), payable in installments of Three Thousand Dollars (\$3,000.00) per month. GCSI shall invoice VOTP for Services on the 2nd day of each month for the Term of this Agreement.

Should you ever have any questions or comments about the terms of our engagement, the services we are providing, or any particular charge, please do not hesitate to call me. Our continuing representation on your behalf in any other matters will be undertaken on the same basis as outlined in this letter, unless we confirm a new understanding by subsequent letter.

Please note that GCSI may in the future be asked to represent other companies or organizations in the State of Illinois. Any representation, however, would not be averse to VOTP, but may require a waiver from VOTP with such waiver not being unreasonably withheld.

If these arrangements are consistent with your understanding, we ask for your acknowledgement by signing the enclosed copy of this letter and returning it to me.

We appreciate your confidence in our firm and look forward to working with you. Thank you.

Best regards,

Government Consulting Services of Illinois, LLC

Frank J. Cortese

Frank J. Cortese

Village of Tinley Park

ACKNOWLEDGED and AGREED this

_____ day of _____, 2018

By: _____

Its: _____

Government Affairs Update

First Quarter 2018

State of Illinois:

The General Assembly has reconvened for the second year of the 100th General Assembly. Below is significant legislation that GCSI is tracking and issues that GCSI is working on in conjunction with the Village and its staff:

Significant Introduced Legislation for 2018:

- **Status of SB 2249 (Tax Compliance Fund-Transfer):**
This bill amends the State Finance Act, Counties Code, Illinois Municipal Code, Metro-East Park and Recreation District Act, Local Mass Transit District Act, Regional Transportation Authority Act, and Water Commission Act of 1985, provides that the amounts transferred into the Tax Compliance and Administration Fund shall be reduced from 2% to 1%.
Last Action: Assigned to Revenue (1/24/2018)
- **Status of HB 4101 (Tax Compliance Fund-Transfer):**
This bill amends the State Finance Act, Counties Code, Illinois Municipal Code, Metro-East Park and Recreation District Act, Local Mass Transit District Act, Regional Transportation Authority Act, and Water Commission Act of 1985. Provides that the amounts transferred into the Tax Compliance and Administration Fund shall be reduced from 2% to 1%.
Last Action: Assigned to the Revenue & Finance Committee (2/2018).
- **Status of HB 4246 (Local Government Expenses):**
This bill creates the Local Government Convention Expense Control Act. The bill provides that on or after the effective date of the Act, public funds shall not be expended by a unit of local government or expenses connected with attendance by an employee or contractor of the unit of local government at a convention or gathering of personnel. Excludes public funds expended (1) at any convention or gathering of public safety personnel of (2) pursuant to a entered into before the effective date of the Act. Effective immediately.
Last Action: Referred to Rules Committee (1/16/2018)
- **Status of HB 4247 (Convention Space Appropriation):**
This bill amends the State Finance Act and provides that, for contracts entered into on or after the effective date of the amendatory Act, State appropriations may not be expended to rent or pay for access to physical space for booths, hospitality suites, or other physical space for units of local government, school districts, community college districts, or other taxing bodies at a convention or gathering of personnel. Excludes appropriations for physical space expenditures at any convention or gathering of public safety personnel. Effective immediately.
Last Action: Assigned to Executive Committee (1/24/2018)

- Status of HB 4248 (Convention Expense Limitations):**
 This bill creates the Local Government Convention Expense Control Act. Provides that on or after the effective date of the Act, public funds shall not be expended by a unit of local government for expenses connected with attendance by an employee or contractor of the unit of local government at a convention or gathering of personnel. Excludes public funds expended (1) at any convention or gathering of public safety personnel or (2) pursuant to a contract entered into before the effective date of the Act. Amends the State Finance Act. Provides that, for contracts entered into on or after the effective date of the amendatory Act by units of local government, school districts, community college districts, or local taxing bodies, State appropriations shall not be expended to rent or pay for access to physical space for booths, hospitality suites, or other physical space at a convention or gathering of personnel. Excludes appropriations for physical space expenditures at any convention or gathering of public safety personnel. Effective immediately.
Last Action: Referred to rules Committee (1/16/2018)
- Status of HB 4532 (Use/OCC-Motor Fuel-Local Government):**
 This bill amends the State Finance Act, the Motor Fuel Tax Law, the Emergency Telephone System Act, the Riverboat Gambling Act, and the Video Gaming Act. Provides that, in the absence of an appropriation for any State fiscal year, moneys that are required to be distributed to units of local government and other entities from the State and Local Sales Tax Reform Fund, the Motor Fuel Tax Fund, the State Gaming Fund, the Local Government Video Gaming Distributive Fund, and the Statewide 9-1-1 Fund are subject to a continuing appropriation. Effective immediately.
Last Action: Referred to Rules Committee (2/2/2018)
- Status of HB 4990 (Tourism Promotion Grants):**
 This bill amends the Illinois Promotion Act. Provides that grants from the Tourism Promotion Fund awarded to a unit of local government, municipal convention center, or convention center authority may be made by the Department of Commerce and Economic Opportunity from appropriations for those purposes for any fiscal year, without regard to the fact that the qualification or obligation may have occurred in a prior fiscal year. Provides that the Department of Commerce and Economic Opportunity shall submit a report on the effectiveness of the program no later than January 1, 2022 (currently, January 1, 2020). Effective immediately.
Last Action: Referred to Rules Committee (2/14/2018)
- Status of SB 1335 (Pencd-Dnst Fire-Secondary Empt):**
 This bill amends the Downstate Firefighter Article of the Illinois Pension Code. Requires a unit of local government that employs a firefighter who is a full-time firefighter in a different downstate firefighter pension fund to make specified contributions to that downstate firefighter pension fund. Requires a specified additional contribution to the pension fund from that firefighter's primary employer. Establishes reporting requirements. Authorizes the State comptroller to intercept State funds in the event the unit of local government does not make its required contribution to the primary employer's downstate pension fund. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.
- Status of SB 2528 (Finance Tourism Promotion):**
 This bill amends the Illinois Promotion Act. Removes a sunset date from provisions concerning grants from the Tourism Promotion Fund. Effective immediately.
Last Action: Assigned to Commerce and Economic Development (2/14/2018)

- **Status of HB 5431 (\$FY19 Member Initiatives):**
 Appropriations and re-appropriations for capital projects for the Department of Commerce and Economic Opportunity for the fiscal years beginning July 1, 2018. Effective immediately.
Last Action: Referred to the Rules Committee (2/2018)
- **Status of SB 3384 (\$F19 Capital):**
 Makes appropriations and re-appropriations for the fiscal year beginning July 1, 2018. Effective immediately.
Last Action: As of February 2018, this bill has been referred to Assignments.
- **Status of HB 5581 (TIF-SCHOOL DISTRICT APPROVAL)**
 Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that after July 1, 2018, a municipality may not adopt or amend a redevelopment plan or extend the life of a redevelopment project area unless each school district and community college district with territory inside the proposed redevelopment project area agrees to be subject to the redevelopment plan by a resolution adopted by a majority of each board. Provides that if a municipality adopts or amends a redevelopment plan or extends the life of a redevelopment project area in without each school district or community college district adopting a resolution agreeing to the change, the portion of ad valorem taxes arising from the levies upon taxable real property in the redevelopment project area attributable to each school district or community college district that did not adopt the resolution may not be taken or used for any purpose under the Tax Increment Allocation Redevelopment Act. Effective immediately.
Last Action: 4/13/2018 Rule 19(a) / Re-referred to Rules Committee
- **Status of HB 5724 (TIF-MONEY TRANSFERS/WEB NOTICE)**
 Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that on or after the effective date of the amendatory Act, tax increment revenues may be utilized for jointly undertaken and performed redevelopment projects only in an amount equal to the percentage of eligible costs undertaken within the redevelopment project area that received the revenue. Provides that tax increment revenues received in one redevelopment project area may not be used for eligible costs in another redevelopment project area and tax increment revenues may not be transferred to another redevelopment project area. Provides that if there are any contracts or agreements in force on the effective date of the amendatory Act, tax increment revenues may continue to be used or transferred to another redevelopment project area or utilized for jointly undertaken and performed redevelopment projects only to the extent necessary to comply with the contract or agreement. Provides that a municipality must post on its website, at least quarterly, how all revenue received under this Act was expended, including to whom each expense was paid.
Last Action: 4/13/2018 Rule 19(a) / Re-referred to Rules Committee
- **Status of HB 5799 (TIF-TRANSFERS BETWEEN AREAS)**
 Amends the Tax Increment Allocation Redevelopment Act of the Illinois Municipal Code. Provides that on or after the effective date of the amendatory Act, tax increment revenues may be utilized for jointly undertaken and performed redevelopment projects only in an amount equal to the percentage of eligible costs undertaken within the redevelopment project area that received the revenue. Provides that tax increment revenues received in one redevelopment project area may not be used for eligible costs in another redevelopment project area and tax increment revenues may not be transferred to another

redevelopment project area. Provides that if there are any contracts or agreements in force on the effective date of the amendatory Act, tax increment revenues may continue to be used or transferred to another redevelopment project area or utilized for jointly undertaken and performed redevelopment projects after only to the extent necessary to comply with the contract or agreement.

Last Action: 4/13/2018 Rule 19(a) / Re-referred to Rules Committee

▪ **Status of SB 2328 (LOCAL GOV PROFESSIONAL SERVICE)**

Amends the Local Government Professional Services Selection Act. Provides that a political subdivision may waive the public hearing, evaluation procedure, and selection procedure for the selection of architectural, engineering, or land surveying services in an emergency situation for a project that is expected to cost less than \$150,000 (currently, \$25,000). Provides that this amount shall be increased annually by a percentage equal to the annual unadjusted percentage increase, if any, as determined by the consumer price index-u.

Last Action: 4/26/2018 Referred to Rules Committee

▪ **Status of SB 1451 (SMALL WIRELESS FACILITIES)**

Creates the Small Wireless Facilities Deployment Act. Provides for legislative intent for the Act and definitions. Provides that an authority (a unit of local government with control over rights-of-way) may not prohibit, regulate, or charge for the collocation of small wireless facilities (the installation, mounting, maintaining, modifying, operating, or replacement of small wireless facilities on or adjacent to a wireless support structure or utility pole). Provides that small wireless facilities shall be classified as permitted uses and not subject to zoning review and approval under specified circumstances. Provides requirements for applications, fees, application review, and issuance of permits for collocation of small wireless facilities. Provides that an authority may not require applications for routine maintenance or replacement of wireless facilities with wireless facilities that are substantially similar, of the same size, or smaller. Requires authorities to allow the collocation of small wireless facilities on authority utility poles under specified circumstances. Prohibits authorities from regulating the design, engineering, construction, installation, or operation of any small wireless facility in specified circumstances. Provides that a circuit court has jurisdiction to resolve all disputes arising under the Act. Prohibits an authority from requiring a wireless provider to indemnify the authority or its officers or employees and from naming the authority on a wireless provider's insurance policy. Limits home rule powers. Amends the Counties Code making conforming changes.

Last Action: 4/12/2018 Public Act100-0585

Issues GCSI is Working With the Village:

- **Status of LGDF (Local Government Distribution Fund):**
The Governor, in his desire to pass a budget for FY19, has indicated that cuts to the LGDF are on the table.
- **Reduction from 2% to 1% for the administrative fee for amounts transferred into the Tax Compliance and Admissions Fund.**

Capital and Grants:

- Grants awarded in 2014, but not yet disbursed in the State of Illinois:
 - 15 – 203343
 - 14 – 203037

- 15 – 203046
- 14 – 203484
- **Discussions have been occurring regarding a potential Capital Bill. I will be working with the Village Manager and Staff regarding a potential list of projects.**
- “Invest in Cook County” program, under Cook County Board applied for \$240K for the resurfacing of 84th Avenue from 159th Street to 171st Street.

Cook County:

- **Highway Department:**
In discussions to try and reverse denied access to the 300,000 SF Hillwood Spec Building off Prosperi to Ridgeland Avenue. This is problematic for us in that it means their only access is from Prosperi via a shared private access with the First Hillwood 915,643 SF building. Truck traffic would need to circle their building and exit the same way they entered. The Tinley Park Fire Department has expressed some life and safety concerns.
- **Tax Incentive Ordinance 17-9977 Amendment:**
PROPOSED SUBSTITUTE TO ITEM 17-9977 PROPOSED ORDINANCE AMENDMENT TAX INCENTIVE ORDINANCE BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 74 TAXATION, ARTICLE II REAL PROPERTY TAXATION, DIVISION 2. - CLASSIFICATION SYSTEM FOR ASSESSMENT:
Section 74-75 of the Cook County Code is hereby amended as follows: Sec. 74-75 - Incentive Classification Affidavit Requirement Waiver. (a) This Section shall apply to existing incentives classifications, pending applications and eligibility/renewal applications submitted during the 2017 and 2018 assessment year. The Assessor's Office shall liberally construe this Section to effectuate its intent as set forth in subsections (b) and (c) below. (b) Compliance with the existing affidavit requirements of Sections 74-71(b)(2), 74-72 and 74-74 (b) and (d) shall be waived for the 2017 and 2018 assessment years. Such waiver shall be lifted at the beginning of the 2019 assessment year and the affidavit requirements of Section.
Sponsor: Toni Preckwinkle (President)
In Control: Business and Economic Development Committee
Last Action: Committee Reports (11/9/2017)
- **Property Class Tax Classification:**
Discussing a 7B-7D Classification for certain parcels of property.

CMS / Howe Property:

- Monitoring the situation and conducted meetings with CMS, regarding the process and possibility of the Village acquiring the closed Howe Mental Hospital, located in Tinley Park.
- Recently met with new Director of CMS for an update and will be also inquiring as to a legislative opportunity to move the property to the Village.

Government Affairs Update

State of Illinois:

The General Assembly has reconvened for the second year of the 100th General Assembly. Below are the issues that GCSI is monitoring and working with the Village on, and significant legislation that is being tracked:

Significant Introduced Legislation for 2018:

- **Status of SB 2249 (Tax Compliance Fund-Transfer):**
This bill amends the State Finance Act, Counties Code, Illinois Municipal Code, Metro-East Park and Recreation District Act, Local Mass Transit District Act, Regional Transportation Authority Act, and Water Commission Act of 1985, provides that the amounts transferred into the Tax Compliance and Administration Fund shall be reduced from 2% to 1%.
Last Action: Assigned to Revenue (1/24/2018)
- **Status of HB 4101 (Tax Compliance Fund-Transfer):**
This bill amends the State Finance Act, Counties Code, Illinois Municipal Code, Metro-East Park and Recreation District Act, Local Mass Transit District Act, Regional Transportation Authority Act, and Water Commission Act of 1985. Provides that the amounts transferred into the Tax Compliance and Administration Fund shall be reduced from 2% to 1%.
Last Action: Assigned to the Revenue & Finance Committee (2/2018).
- **Status of HB 4246 (Local Government Expenses):**
This bill creates the Local Government Convention Expense Control Act. The bill provides that on or after the effective date of the Act, public funds shall not be expended by a unit of local government or expenses connected with attendance by an employee or contractor of the unit of local government at a convention or gathering of personnel. Excludes public funds expended (1) at any convention or gathering of public safety personnel of (2) pursuant to a entered into before the effective date of the Act. Effective immediately.
Last Action: Referred to Rules Committee (1/16/2018)
- **Status of HB 4247 (Convention Space Appropriation):**
This bill amends the State Finance Act and provides that, for contracts entered into on or after the effective date of the amendatory Act, State appropriations may not be expended to rent or pay for access to physical space for booths, hospitality suites, or other physical space for units of local government, school districts, community college districts, or other taxing bodies at a convention or gathering of personnel. Excludes appropriations for physical space expenditures at any convention or gathering of public safety personnel. Effective immediately.
Last Action: Assigned to Executive Committee (1/24/2018)

- **Status of HB 4248 (Convention Expense Limitations):**

This bill creates the Local Government Convention Expense Control Act. Provides that on or after the effective date of the Act, public funds shall not be expended by a unit of local government for expenses connected with attendance by an employee or contractor of the unit of local government at a convention or gathering of personnel. Excludes public funds expended (1) at any convention or gathering of public safety personnel or (2) pursuant to a contract entered into before the effective date of the Act. Amends the State Finance Act. Provides that, for contracts entered into on or after the effective date of the amendatory Act by units of local government, school districts, community college districts, or local taxing bodies, State appropriations shall not be expended to rent or pay for access to physical space for booths, hospitality suites, or other physical space at a convention or gathering of personnel. Excludes appropriations for physical space expenditures at any convention or gathering of public safety personnel. Effective immediately.

Last Action: Referred to rules Committee (1/16/2018)

- **Status of HB 4532 (Use/OCC-Motor Fuel-Local Government):**

This bill amends the State Finance Act, the Motor Fuel Tax Law, the Emergency Telephone System Act, the Riverboat Gambling Act, and the Video Gaming Act. Provides that, in the absence of an appropriation for any State fiscal year, moneys that are required to be distributed to units of local government and other entities from the State and Local Sales Tax Reform Fund, the Motor Fuel Tax Fund, the State Gaming Fund, the Local Government Video Gaming Distributive Fund, and the Statewide 9-1-1 Fund are subject to a continuing appropriation. Effective immediately.

Last Action: Referred to Rules Committee (2/2/2018)

- **Status of HB 4990 (Tourism Promotion Grants):**

This bill amends the Illinois Promotion Act. Provides that grants from the Tourism Promotion Fund awarded to a unit of local government, municipal convention center, or convention center authority may be made by the Department of Commerce and Economic Opportunity from appropriations for those purposes for any fiscal year, without regard to the fact that the qualification or obligation may have occurred in a prior fiscal year. Provides that the Department of Commerce and Economic Opportunity shall submit a report on the effectiveness of the program no later than January 1, 2022 (currently, January 1, 2020). Effective immediately.

Last Action: Referred to Rules Committee (2/14/2018)

- **Status of SB 1335 (Pencd-Dnst Fire-Secondary Empt):**

This bill amends the Downstate Firefighter Article of the Illinois Pension Code. Requires a unit of local government that employs a firefighter who is a full-time firefighter in a different downstate firefighter pension fund to make specified contributions to that downstate firefighter pension fund. Requires a specified additional contribution to the pension fund from that firefighter's primary employer.

Establishes reporting requirements. Authorizes the State comptroller to intercept State funds in the event the unit of local government does not make its required contribution to the primary employer's downstate pension fund. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

Senate Committee Amendment No. 1:

Removes provisions requiring the primary employer to make an additional contribution. Adds a provision requiring the secondary employer to deduct an amount equal to 9.455% of the salaries and wages paid to the secondary employee and, concurrent with the certification of a specified report, shall contribute an amount equal to 9.455% of the salaries and wages paid to the secondary employee to the primary employer's pension fund for deposit to the credit of the pension fund. Specifies that the required contributions apply beginning on the first day of the primary employer's pension fund's first fiscal year beginning on or after the effective date of the amendatory Act.

Last Action: Placed on calendar order of 2nd reading (2/14/2018)

- **Status of SB 2528 (Finance Tourism Promotion):**
This bill amends the Illinois Promotion Act. Removes a sunset date from provisions concerning grants from the Tourism Promotion Fund. Effective immediately.
Last Action: Assigned to Commerce and Economic Development (2/14/2018)
- **Status of HB 5431 (\$FY19 Member Initiatives):**
Appropriations and re-appropriations for capital projects for the Department of Commerce and Economic Opportunity for the fiscal years beginning July 1, 2018. Effective immediately.
Last Action: Referred to the Rules Committee (2/2018)
- **Status of SB 3384 (\$F19 Capital):**
Makes appropriations and re-appropriations for the fiscal year beginning July 1, 2018. Effective immediately.
Last Action: As of February 2018, this bill has been referred to Assignments.

Issues GCSI is Working With the Village:

Status of LGDF (Local Government Distribution Fund):

The Governor, in his desire to pass a budget for FY19, has indicated that cuts to the LGDF are on the table.

Capital and Grants:

Grants awarded in 2014, but not yet disbursed in the State of Illinois:

- 15 - 203343
- 14 - 203037

- 15 - 203046
- 14 - 203484

“Invest in Cook County” program, under Cook County Board applied for \$240K for the resurfacing of 84th Avenue from 159th Street to 171st Street.

CMS / Howe Property:

Monitoring the situation and conducted meetings with CMS, regarding the process and possibility of the Village acquiring the closed Howe Mental Hospital, that is located in Tinley Park.

Cook County:

- **Highway Department:**

In discussions to try and reverse denied access to the 300,000 SF Hillwood Spec Building off Prosperi to Ridgeland Avenue. This is problematic for us in that it means their only access is from Prosperi via a shared private access with the First Hillwood 915,643 SF building. Truck traffic would need to circle their building and exit the same way they entered. The Tinley Park Fire Department has expressed some life and safety concerns.

- **Tax Incentive Ordinance 17-9977 Amendment:**

PROPOSED SUBSTITUTE TO ITEM 17-9977 PROPOSED ORDINANCE AMENDMENT TAX INCENTIVE ORDINANCE BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 74 TAXATION, ARTICLE II REAL PROPERTY TAXATION, DIVISION 2. - CLASSIFICATION SYSTEM FOR ASSESSMENT:

Section 74-75 of the Cook County Code is hereby amended as follows: Sec. 74-75 - Incentive Classification Affidavit Requirement Waiver. (a) This Section shall apply to existing incentives classifications, pending applications and eligibility/renewal applications submitted during the 2017 and 2018 assessment year. The Assessor's Office shall liberally construe this Section to effectuate its intent as set forth in subsections (b) and (c) below. (b) Compliance with the existing affidavit requirements of Sections 74-71(b)(2), 74-72 and 74-74 (b) and (d) shall be waived for the 2017 and 2018 assessment years. Such waiver shall be lifted at the beginning of the 2019 assessment year and the affidavit requirements of Section.

Sponsor: Toni Preckwinkle (President)

In Control: Business and Economic Development Committee

Last Action: Committee Reports (11/9/2017)

- **Property Class Tax Classification:**

Discussing a 7B-7D Classification for certain parcels of property.

Legislation (100th G.A.)

Government Update

Government Affairs Update:

Veto Session:

The 2017 Veto Session has concluded, of the 39 vetoes by Governor Rauner this year, 15 of those vetoes were overridden by the General Assembly.

Revenue:

Since our last update in July 2017, we have learned more about the implications of the legislative changes approved and passed by the legislature and signed into law by the Governor as part of the SFY 2018 Operating Budget.

- **LGDF: Local Government Distributive Fund (“LGDF”):** LGDF payments should be accelerated starting in FY 2018 as they now will be directly deposited for municipalities, rather than being distributed through the current “check and voucher” system. The LGDF direct deposit has been long sought-after and should result in municipalities receiving their payments in a timelier manner.

In FY 2018, municipalities will receive 14 LGDF payments rather than 12. The 10 percent cut was inserted in SB 42 to partially offset the two accelerated payments. It is expected that the LGDF distributions received in 2018 should be equal to FY 2017 levels. Beginning in FY 2019, LGDF distributions will return to a 12-payment schedule.

However, it should be noted that none of the income tax increase would be applied to the LGDF. Factoring in the new taxes, the actual distribution to the LGDF, which was intended to be a full 10 percent of income tax collections when it was enacted in the 1970s, will now stand at approximately 6 percent of total personal – and 6.85 percent of corporate – receipts.

- **Personal Property Replacement Tax:** SB 6 also continues the recent practice of diverting Personal Property Replacement Tax (PPRT) revenues intended for units of local government, for other purposes in the state. The estimates of the diversion range from \$200 million to \$300 million.
- **Road Fund:** Attempts are being made to raid \$200 to \$300 million from IDOT’s Road Fund.

Capital and Grants:

Grants awarded in 2014, but not yet disbursed in the State of Illinois:

- 15 - 203343
- 14 - 203037
- 15 - 203046
- 14 – 203484

“Invest in Cook County” program, under Cook County Board applied for \$240K for the resurfacing of 84th Avenue from 159th Street to 171st Street.

CMS / Howe Property:

Monitoring the situation and conducted meetings with CMS, regarding the process and possibility of the Village acquiring the closed Howe Mental Hospital, that is located in Tinley Park.

Miscellaneous:

- **Soda Tax Repeal:** With the repeal of the Cook County sweetened beverage tax, taxpayers remind elected official who they represent. On October 11, the Cook County Board of Commissioners voted to repeal the notorious sweetened beverage tax. Fifteen of the 17 commissioners voted in favor of the repeal, providing enough support to thwart a possible veto of the ordinance. Shoppers will no longer have to pay the penny-per-ounce tax starting December 1.
- **Gaming – SB 7:** Parts of Tinley Park qualify for a casino.
- **Property Tax Freeze – SB 851:** Proposed 2-year property tax freeze for Cook County.

Legislation (100th G.A.)

Springfield Update

After 2 ½ years of political impasse, and two weeks of brinksmanship during a Special Legislative Session, June 21 to July 6, the State of Illinois finally has a budget.

Between Saturday, July 2, and Thursday, July 6, the three-bill fiscal package was in quick succession approved by both the House of Representatives and the Senate, vetoed by Gov. Rauner and then, in turn, his vetoes were overridden by both Chambers, culminating in a final vote in the House.

The legislation enacted includes:

- **Senate Bill 9, House Floor Amendment 3/Public Act 100-0022** - A \$5 billion income tax increase, which raises the rate from 3.75 to 4.95 percent on personal income and from 5.25 to 7 percent on corporations. However, a proposed expansion of the state sales tax to several services was dropped from the final legislation;
- **Senate Bill 6, House Floor Amendments 2, 3 and 4/Public Act 100-0021** - A \$36.1 billion FY 2018 budget.
- **Senate Bill 42, House Floor Amendment 1/Public Act 100-0023** - A Budget Implementation Bill, or BIMP bill;

The FY 2018 spending plan detailed in SB 6 is approximately \$3 billion less than the \$39 billion state spent in FY 2017 through a mixture of court ordered spending, such as the mandate to pay state salaries, and targeted appropriations, such as for education and transportation projects. The new budget includes a 5 percent across the board for state agencies, and a 10 percent slash for higher education.

SB 42 includes provisions to deal with state's \$15 billion bill backlog, including issuing \$3 billion in bonds and borrowing and/or sweeping another \$3 billion from various dedicated state funds. In addition, paying down the state's Medicaid budget backlog would generate another \$2 billion in matching funds from the Federal government. It is anticipated \$8 billion of the \$15 billion arrearage could be eliminated through this plan.

Fifteen House Republicans joined 57 Democrats in support of the SB 9, the tax increase bill, in the initial vote. In the subsequent override, 10 Republicans and 61 Democrats provided the votes to push the total to 71, or 60 percent of members, the minimum number required to enact the bill into law. Many of the GOP legislators represent districts with public universities and other state facilities that have been negatively impacted by the ongoing budget impasse. In the Senate, the vote was less bi-partisan, with only one Republican joining 35 Democrats in passing/overriding the veto of the revenue bill.

SB 9 passed by a slightly larger bipartisan margin in the override vote, 74-37 in the House, and 39-15 in the Senate, while SB 42 was overridden with the minimum of 71 votes in the House and 36 in the Senate.

Impact on Local Governments

Local Government Distributive Fund – We are still analyzing the effect of the three bills on local municipalities. There were reports earlier this week that SB 42 included a 10 percent cut of the Local Government Distributive Fund, the local share of the state income tax. However, further review of the legislative language indicates that the impact may be less than first assumed.

LGDF payments should be accelerated starting in FY 2018 as they now will be directly deposited for municipalities, rather than being distributed through the current “check and voucher” system. The LGDF direct deposit has been long sought-after and should result in municipalities receiving their payments in a more timely manner.

In FY 2018, municipalities will receive 14 LGDF payments rather than 12. The 10 percent cut was inserted in SB 42 to partially offset the two accelerated payments. It is expected that the LGDF distributions received in 2018 should be equal to FY 2017 levels. Beginning in FY 2019, LGDF distributions will return to a 12-payment schedule.

However, it should be noted that none of the income tax increase would be applied to the LGDF. Factoring in the new taxes, the actual distribution to the LGDF, which was intended to be a full 10 percent of income tax collections when it was enacted in the 1970s, will now stand at approximately 6 percent of total personal – and 6.85 percent of corporate – receipts.

Personal Property Replacement Tax - SB 6 also continues the recent practice of diverting Personal Property Replacement Tax (PPRT) revenues intended for units of local government, for other purposes in the state. The estimates of the diversion range from \$200 million to \$300 million.

Also of significance were some of the things not included in the final package, including a property tax freeze. An attempt at a 4-year freeze, **Senate Bill 484**, was voted down by the House on June 28.

9-1-1 Legislation

In another recent development impacting municipalities during the Special Session, the General Assembly overrode the Governor’s amendatory veto of **House Bill 1811/Public Act 100-0020** bill, which will increase the per phone line charge from 87 cents to \$1.50 to underwrite 9-1-1 service in Illinois.

Senate Bill SB1335 (PENCD-DNST FIRE-SECONDARY EMPT)

This Bill amends the downstate firefighter article of the Illinois Pension Code. Requires a unit of local government that employs a full-time firefighter in a different downstate Firefighter Pension Fund to make specified contributions to that downstate Firefighter Pension Fund. I was instructed by the Board that there is a real problem on truly paying two legitimate pensions for the same employee if they are IMRF eligible. GCSI conducted meetings with the sponsor of SB1335 and determined that this legislation will not be advancing for now. The legislation will continually be monitored.

Capital and Grants:

Grants awarded in 2014, but not yet disbursed in the State of Illinois:

- 15 - 203343
- 14 - 203037
- 15 - 203046
- 14 - 203484

“Invest in Cook County” program, under Cook County Board applied for \$240K for the resurfacing of 84th Avenue from 159th Street to 171st Street.

CMS / Howe Property:

Monitoring the situation and conducted meetings with CMS, regarding the process and possibility of the Village acquiring the closed Howe Mental Hospital, that is located in Tinley Park.



Interoffice Memo

Date: May 30th, 2018

To: David Niemeyer, Village Manager
Pat Carr, Assistant Village Manager

From: Michael Thomas, IT Manager

Subject: Contract Approval: Village Printer/Copier Replacements

Presented on June 5th, 2018 to the Committee of the Whole for discussion and possible action:

Background:

The Village of Tinley Park owns 18 printer/copiers used to assist in the operation of critical business functions. Printers/copiers have a life span dependent on usage. As printers age their maintenance increases in cost and their breakdowns increase in frequency. IT has created business rules along with our business partner, Martin Whalen to define when a printer/copier is close to end of life and needs replacement. Tinley Park has been working with Martin Whalen to evaluate our existing printer/copier inventory and plan out suggested replacements for older and/or overused printer/copiers across the Village. Martin Whalen has been our preferred business partner for printer/copiers for over 20 years and has also been successfully managing our printer/copier maintenance during the period.

Description:

IT has identified 7 printers for replacement in 2019. There printers range in age from 6 – 14 years in service and the younger printer/copiers have higher usage statistics which contribute to the life of the device. 6 of these printer/copiers are in Village Hall and 1 is located at Fire Department. 4 printer/copiers are color. Printer/copier details are included in the attachments. These printers will have a separate maintenance contract, which is included in the attachments.

Martin Whalen (as a Xerox Company) can participate in State of Illinois Co-Op Negotiated Contract # 072691100 and a pricing list is attached along with a comparison of the cost differential. This negotiated contract acts a sufficient cost comparison backup, MW was over in the equipment purchase but substantially beat the maintenance costs.

Martin Whalen estimate for 7 printer/copiers \$59,000
 Martin Whalen estimate for Maintenance of 7 printer/copiers..... \$16,500/year

Budget/ Finance: Funding is available in the approved FY19 Capital Projects Budget.

Maintenance is included in the approved FY19 Budget.



Staff Direction Request:

1. Approve contract with Martin Whalen for the printer/copier purchase and maintenance agreement.
2. Direct staff as necessary.

Attachments:

1. MW Printer/copier details with cost estimate
2. MW Printer/copier maintenance agreement.
3. Comparison of MW versus Co-Op
4. Full proposal from MW
5. Letter from MW President confirming State of Illinois Co-Op Negotiated Contract # 072691100 was provided at part of the proposal.

A Xerox Company

BILL TO:		SHIP TO:	
Company Name Village of Tinley Park Village Hall		Company Name Village of Tinley Park Village Hall	
Address 16250 Oak Park Ave.		Address 16250 Oak Park Ave	
City, State, Zip Tinley Park IL 60477	Phone # (708) 444-5000	City, State, Zip Tinley Park IL 60477	
Buyer's Name	Phone # (708) 444-5000	Phone # (708) 444-5083	
PO Number	Department/Location IT		

DELIVERY CONTACT INFORMATION:

Name Mike Thomas	Phone # (708) 444-5083	Email mthomas@tinleypark.org
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QTY.	ITEM #	DESCRIPTION	SERIAL #	SYSTEM #	PRICE
1	C8070H2	AltaLink C8070H2 Color Multi-Functional Device			\$9,986.90
1	097S04617	Business Ready Finisher w/2/3 Hole Punch			\$992.60
1	497K18160	Horizontal Transport Kit			\$164.50
1	C8055H2	AltaLink C8055H2 Color Multi-Functional Device			\$8,647.10
1	097S04618	Business Ready Booklet Maker Finisher w/ 2/3			\$2,373.70
1	497K18160	Horizontal Transport Kit			\$164.50
1	C8055H2	AltaLink C8055H2 Color Multi-Functional Device			\$8,647.10
1	497K16430	1 Line Fax			\$215.60
1	097S04920	Office Finisher			\$164.50
1	B8075H2	AltaLink B8075 Multi-Function Device			\$8,810.20
1	497K16430	1 Line Fax			\$215.60
1	497K14960	3-Hole Punch Kit			\$113.40
1	497K16590	Horizontal Transport Kit			\$164.50
1	097S04759	Office Finisher			\$795.10
1	C8070H2	AltaLink C8070H2 Color Multi-Functional Device			\$9,986.90
1	497K16430	1 Line Fax			\$215.60
1	097S04618	Business Ready Booklet Maker Finisher w/ 2/3			\$2,373.70
1	497K18160	Horizontal Transport Kit			\$164.50
1	B7030H2	VersaLink B7030 Multi-Function Device			\$2,821.70
1	497K17750	Embedded 1-Line Fax w/ifax			\$329.00
1	097S04911	Integrated Office Finisher			\$553.80
1	B405DN	VersaLink B405DN Laser Printer			\$655.90
1	497K13630	550-Sheet Feeder			\$193.60
1	497K13660	Stand with Storage			\$250.00

Notes: The C8070 and accessories highlighted above are to be delivered and installed at the Tinley Park Fire Department at 17355 S. 68th Ct Tinley Park IL 60477	SUBTOTAL	\$59,000.00
	TAX	\$0.00
	IMPLEMENTATION FEE	\$0.00
	TOTAL	\$59,000.00

ACCEPTANCE

Customer Signature, Title X	MWOS Representative
Date X	Date

All orders are subject to approval of MWOS, Inc. This is a faxable document.

Sales tax will be payable on any order that is subject to sales tax under Illinois state law. This is a non-cancelable agreement.

Customer acknowledges receipt of the terms of this agreement which consists of 2 pages, including this face page.

Bradley
148 N. Kinzie Ave.
Bradley, IL 60915
Ph: 815-933-3358

Channahon
23157 Thomas Dillon Dr.
Channahon, IL 60410
Ph: 815-741-4200

Tinley Park
18630 S. 81st Ave.
Tinley Park, IL 60487
Ph: 708-614-1234

Martin Whalen Office Solutions

Purchase Order Terms and Conditions

1. **Definitions.** The first page of this Purchase Order is called the Cover Page. The Cover Page and the Terms and Conditions page, along with a listing of additional goods on Schedule A (if attached), represent the agreement (the "Agreement") between Martin Whalen Office Solutions (the "Company") and the Customer, as defined on the Cover Page ("Customer"), with respect to the purchase of those certain goods identified on the Cover Page and Schedule A, if attached (the "Goods" or "Equipment").

2. **Scope.** This Agreement may be executed for:

a) A **SALE** of the Goods. If a SALE, subject to any special terms indicated on the Cover Page or Schedule A, the Company hereby offers to sell and Customer hereby accepts to purchase those Goods in the quantity and for the price indicated on the Cover Page (and/or Schedule A). Payment terms are Cash on Delivery ("COD"). Alternatively, if Customer has a verifiable credit account in good standing with Company, Customer may elect to be invoiced for the Goods. In any circumstance, Customer will pay invoices within 30 days after the invoice date. A late charge will be assessed against Customer on invoice balances 10 days or more overdue at the rate of 1.5 percent per month, but not in excess of the lawful maximum. The Customer is responsible for paying for all collection fees, attorneys' fees and court costs incurred by the Company in enforcing the terms of this Section 2(a).

b) A **LEASE** of the Goods. If a LEASE, Customer will execute a separate leasing agreement which will fund the purchase of those Goods in the quantity indicated on the Cover Page for the benefit of Customer. Upon execution of leasing documents, the Customer shall be responsible to leasing company to satisfy the terms and conditions of the leasing documents. If, however, a LEASE cannot be so executed within 15 days of Customer's execution of this Agreement, Customer must immediately return the Goods to Company in Like New condition.

c) A **RENTAL** of the Goods. If a RENTAL, Customer will execute a separate rental agreement with the Company. Customer shall be responsible for satisfying the terms and conditions of the rental agreement.

3. **Acceptance and Non-Cancellation.** This Purchase Order and Agreement shall become binding upon the Customer's execution of this Agreement and may not be cancelled or altered thereafter without the Company's written consent.

4. **Delivery and Installation.** Unless specified otherwise on the Cover Page, the Company shall deliver and install the Goods at the location specified by Customer on the Cover Page unless: (1) Customer has not made available at that address a suitable place of installation as specified by the Company; (2) Customer has not made available suitable electrical service in accordance with the Underwriter's Lab ("UL") requirements; (3) the Goods are to be delivered to a location outside of the Company's service area. All risk of loss will transfer to the Customer upon delivery.

5. **Taxes.** Customer shall pay all federal, state, and local sales, use, property, excise, or other taxes imposed on or with respect to the purchase price of the Goods.

6. **Force Majeure.** The Company shall not be determined to be in default of any provision herein or be liable for any delay, failure in performance or interruption of services resulting from acts of God, civil or military catastrophe, strikes, embargoes, transportation delays, inability to obtain materials from suppliers, product deficiencies, or any other situation beyond the reasonable control of the Company.

7. **Default.** Customer will be in default of this Agreement if Company does not receive payment within 10 days after the date payment is due or Customer breaches any other obligation under this Agreement. Customer will pay all reasonable costs, including attorneys' fees, incurred by the Company to enforce this Agreement and/or any disputes arising with regard to the Goods. In addition to any remedies under the law, if Customer breaches this Agreement and fails to cure said breach within 20 days after receipt of notice from the Company, the Company may terminate this Agreement.

8. **Indemnification.** (a) Customer is responsible for any losses, damages, penalties, claims, suits, and actions (collectively "Claims") whether based on a theory of contract, tort, strict liability, or otherwise caused by or related to or in any manner arising out of the use, ownership, possession, or funding or financing, of the Goods (including but not limited to the negligence of Customer, Customer's employees or agents, or any third party), and, (b) Customer is responsible for any and all costs and attorneys' fees incurred by the Company relating to any such claim. Customer will reimburse and, if requested, defend the Company at Customer's own cost and expense, against any Claims. Customer's obligations under this Section 10 shall survive termination of this Agreement.

9. **WARRANTIES AND LIMITATION OF LIABILITY ON WORK PERFORMED. THERE ARE NO WARRANTIES, WHETHER EXPRESSED, IMPLIED, OR STATUTORY, ON ANY GOODS PROVIDED BY COMPANY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO OBLIGATION OR LIABILITY SHALL GROW OUT OF THE COMPANY RENDERING TECHNICAL OR OTHER ADVICE IN CONJUNCTION WITH GOODS PROVIDED UNDER THIS AGREEMENT.**

10. **Limitation of Liability.** The Company's total liability to Customer for any claim, whether based in contract, tort, common law, or statute, arising out of, connected with, or resulting from the furnishing or failure to furnish any Goods under this Agreement (and the associated delivery and installation of said goods) shall not exceed the cost paid by the Customer for the Goods which give rise to the claim. In no event shall the Company be liable for any incidental, consequential, or special damages incurred by Customer or any third party, including without limitation any loss of use, loss of anticipated profits, costs or downtime, or for substitute equipment, and any claims of Customer's clientele for service interruptions or failure to supply.

11. **Limited License to Use Software.** The Company grants Customer a non-exclusive, non-transferable license to use in the U.S.: (a) software and accompanying documentation provided with the Equipment ("Base Software") with which it was delivered; and (b) software and accompanying documentation identified on the Cover Page as "Application Software" only on any single unit of Equipment for as long as Customer is current in the payment, including any applicable software license fees (if any). Third Party Software may also be obtained under this Agreement and may be subject to a separate End User License Agreement. "Base Software," "Application Software," and "Third Party Software" are referred to collectively as "Software". Customer has no other rights and may not (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer Software; (2) activate Software delivered with the Equipment in an inactivated state; or (3) allow others to engage in same. Title to, and all intellectual property rights in, Software will reside solely with Company and/or its licensors (who will be considered third-party beneficiaries of this subsection). The Base Software license will terminate: (i) if Customer no longer uses or possesses the Equipment; (ii) Customer is a lessor of the Equipment and its first lessee no longer uses or possesses it; or (iii) upon the expiration of any installment payments under which Customer has rented or leased the Equipment (unless Customer has exercised an option to purchase the Equipment). Neither Company nor its licensors warrant that Software will be free from errors or that its operation will be uninterrupted.

12. **Governing Law.** This Agreement shall be governed by the laws of the state of Illinois without regard to the conflict of laws or principles of such states.

13. **Errors.** The Company reserves the right at its sole discretion to correct clerical and typographical errors in this Agreement.

14. **Severability.** The invalidity in whole or in part of any provision of this Agreement shall not affect the validity of any other provision.

15. **Modifications.** No modification, amendment, or other change shall be binding on the parties unless agreed to in writing by each party's authorized representative.

16. **Waiver.** The waiver of any breach of any of the terms and conditions set forth herein shall not be construed as a waiver of any other breach. The failure of either party to exercise any right arising from any default of the other party hereunder shall not be deemed to be a waiver of such right.

17. **Relationship.** The relationship of the parties established under this Agreement is that of independent contractor and neither party is a partner, employee, agent or joint venturer of or with the other.

18. **Assignment.** Any assignment of this Agreement by Customer without the prior written consent of the Company shall be void and unenforceable.

THE CUSTOMER ACKNOWLEDGES THAT S/HE HAS READ THIS AGREEMENT, UNDERSTANDS IT, HAS THE AUTHORITY TO ENTER INTO THIS AGREEMENT AND BIND THE CUSTOMER TO SAME, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS. this Agreement supersedes any prior proposals, quotations, or communications, written or oral, regarding the purchase of the Goods from the Company. The Customer further understands the Company is not a party to any leasing documents executed between Customer and the leasing company, and this Agreement is not intended to supersede any leasing documents, or other contracts or agreements which Customer may execute with the Company.

Initial

Date



A Xerox Company

MANAGED PRINT SERVICES AGREEMENT

MWOS – A Xerox Company
148 N. Kinzie Ave.
Bradley, IL 60915
Phone: 815-933-3358

BILL TO:

Customer: Village of Tinley Park Village Hall
Address: 16250 Oak Park Ave.
City/St/Zip: Tinley Park IL 60477
Phone: (708) 444-5000

EQUIPMENT LOCATION:

Customer: Village of Tinley Park Village Hall
Address: 16250 Oak Park Ave.
City/St/Zip: Tinley Park IL 60477
Phone: (708) 444-5083

Term: 60 Months from the date of installation or the start date of _____

Covered Devices:

Table with 5 columns: Model, Serial Number, ID#, BWC Start Meter, CLR Meter. Rows include Xerox AltaLink C8070H2, Xerox AltaLink C8055H2, Xerox AltaLink B8075, VersaLink B7030, and VersaLink B405DN.

Annual Payment: \$16,500.00

Includes table with columns: Quantity, Unit, Year, Overage Billed, Yearly, at, Rate. Rows include MFD B/W clicks per, MFD Color clicks per, Printer B/W clicks per, Printer Color clicks per, B/W Flat Fee Units, and Color Flat Fee Units.

Notes:

Annual rate increase will not exceed 5% years 1 through 5.
One of the C8070's is located at the Tinley Park Fire Department 17355 S. 68th Ct Tinley Park IL 60477

MW360 Diagnostic Application

MWOS is committed to provide exceptional customer support during the term of this MPS agreement. Obtaining accurate real time equipment information such as supply levels and meter readings is vital in providing this level of support. Installation of the MW360 Diagnostic Application will allow automatic meter acquisition, resulting in improved billing integrity and proactive toner management, including automatic delivery.

MW360 Diagnostic Application installed? Yes or No (circle one)
If yes, is Customer interested in Supply Auto Fulfill? Yes or No (circle one)

If MW360 Diagnostic Application is declined, MWOS reserves the right to increase the base charge to offset the additional expense associated with obtaining manual reads.

Addition of Equipment

Customer is required to notify MWOS upon installation of any additional printers at Customer's site. Upon installation, such equipment shall automatically be covered by this Agreement and shall be considered part of the Equipment for all purposes under this Agreement.

Customer acknowledges receipt of the terms of this agreement which consists of 2 pages, including this face page.

Signature: _____ Printed Name: _____ Date: _____

MWOS Acceptance: _____ Date: _____

Terms and Conditions

1. **SERVICES.** Throughout this Agreement the words "We," "Our," and "Us" refer to Company. The words "You" and "Your" refer to the Customer indicated on the reverse. This Agreement covers both the labor and materials for adjustments, repairs, and replacement of parts necessitated by normal use of the Equipment listed on the face of this Agreement ("Services"). Services do not include the following: (a) repairs due to (i) misuse, neglect, or abuse (including, without limitation, improper voltage or use of supplies that do not conform to the manufacturers' specifications), (ii) use of options, accessories, products, supplies not provided by Company; (iii) non-Company alterations, relocation, or service; (iv) loss or damage resulting from accidents, fire, water, or theft; (b) maintenance requested outside Company's normal business hours or this Agreement, (c) relocation, (d) software or connected hardware, (e) hard drive replacement, (f) Thermal heads, process units, and fuser units for Facsimile Machines, (g) Thermal Heads and MICR Toner for Laser Printers, and parts and labor for all non-laser printers, and/or (h) parts for Scanners. Replacement parts may be new, reprocessed, or recovered. Supplies provided by Company are in accordance with the copy volumes set forth on the face of this Agreement and within the manufacturer's stated yields and do not include staples. Supplies are to be used exclusively for the Equipment and remain Company property until consumed. You will return, or allow Company to retrieve, any unused supplies at the termination/expiration of this Agreement. You are responsible for the cost of excess supplies. You authorize Equipment to be connected to automatic meter reading software and/or device or, if we otherwise request, you will provide us with accurate meter readings for each item of Equipment when and by such means as we request. If you do not permit the Company to use automatic meter reading software and/or devices, Company may charge a monthly fee for manually performing meter reads. If you do not provide meter reads as required, Company may estimate the reading and bill accordingly. You shall provide adequate space and electrical service for the operation of the Equipment in accordance with UL and/or manufacturer's specifications. Supplies will be via UPS Ground. All shipping methods, including, but not limited to, UPS Ground, Overnight, and/or Messenger Service, may be billed to the Customer. Additional fees may be charged for Services provided outside Company's normal business hours or for computer/network issues and will be at Company hourly rates in effect at the time of Service. If, at any time during the Term of this Agreement, Customer upgrades, modifies, or adds equipment, Customer shall promptly notify Company and provide Company right of first refusal to provide Services for added equipment. Company maintains the right to inspect any upgrades and modifications to Equipment and/or additional equipment and, in its sole discretion, determine whether equipment is eligible for Service. If approved, the Agreement will be amended to include such changes, including pricing modifications. Unless otherwise agreed to in writing, Customer remains solely responsible for any and all Customer data stored within the Equipment and the removal of such data upon removal of Equipment or termination of this Agreement.
2. **TERM AND PAYMENT.** Except as otherwise provided for herein, this Agreement is non-cancelable and will commence on the start date indicated on the face of this Agreement and remain in effect throughout the Term. In the event the fees herein are included in your lease payment, the Term shall begin on the start date and continue through the expiration/termination of the Lease Agreement. The meter count at installation or, in the case of owned printers, at assessment, will be used for overages calculations. Unless notified in writing sixty (60) days prior to its expiration, this Agreement shall automatically renew for additional one (1) year periods. You agree to pay Company the Minimum Monthly Payment and all other sums when due and payable. The Minimum Monthly Payment entitles you to Services for a specific number and type (ie. black & white, color, scan) of Prints/Copies as identified on the face of this Agreement and will be billed in advance. In addition, You agree to pay the Overage Rate for each Print/Copy that exceeds the applicable number and type of Prints/Copies provided in the Minimum Monthly Payment which amount shall be billed in arrears and is payable as indicated on the face of this Agreement. A Print/Copy is defined as standard 8.5"x11" copy (larger size copies may register two meter clicks). No credit will be applied towards unused copies/prints. Your obligation to pay all sums when due shall be absolute and unconditional and is not subject to any abatement, offset, defense or counterclaim. If any payment is not paid within 30 days of its due date, you will pay a late charge not to exceed 7% of each late payment (or such lesser rate as is the maximum allowable by law). Company has the right to withhold service and supplies, without recourse, for any non-payment. Unless otherwise stated on the face of this Agreement, Company may increase the Base Charge and/or the Overage Rates on an annual basis, in an amount not to exceed 15%. Company retains the right to have all or some of the amounts due hereunder billed and/or collected by third parties. If Customer requires any specialized billing procedure or invoicing, Company reserves the right to bill an administrative fee not to exceed \$100 per invoice.
3. **TAXES.** Payments are exclusive of all state and local sales, use, excise, privilege and similar taxes. You will pay when due, either directly or to Us upon demand, all taxes, fines and penalties relating to this Agreement that are now or in the future assessed or levied.
4. **WARRANTY:** You acknowledge that the Equipment covered by this Agreement was selected by You based upon your own judgment. COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF NON-INFRINGEMENT; IMPLIED WARRANTIES OF MERCHANTABILITY; OR, FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE SPECIFICALLY AND UNRESERVEDLY EXCLUDED. IN PARTICULAR, BUT WITHOUT LIMITATION, NO WARRANTY IS GIVEN THAT EQUIPMENT IS SUITABLE FOR PURPOSES INTENDED BY CUSTOMER.
5. **LIMITATION OF LIABILITY.** In no event, shall Company be liable for any indirect, special, incidental or consequential damages (including loss profits) whether based in contract, tort, or any other legal theory and irrespective of whether Company has notice of the possibility of such damages.
6. **DEFAULT; REMEDIES:** Any of the following events or conditions shall constitute an Event of Default under this Agreement: (a) failure to make payment when due of any indebtedness to Company or for the Equipment, whether or not arising under this Agreement, without notice or demand by Company; (b) breach by you of any obligation herein; or (c) if you cease doing business as a going concern. If you default, Company may: (1) require future Services, including supplies to be paid in advance, (2) require you to immediately pay the amount of the remaining unpaid balance of the Agreement, (3) terminate any and all agreements with you, and/or (4) pursue any other remedy permitted at law or in equity. In the Event of Default, remaining payment amounts due will be calculated using the average of the last six months' billing periods or the face value of the Agreement, whichever is greater, multiplied by the remaining months of the Agreement. You agree that any delay or failure of Company to enforce its rights under this Agreement does not prevent Company from enforcing any such right at a later time. All of Company's rights and remedies survive the termination of this Agreement. In the event of a dispute arising out of this Agreement or the Equipment listed herein, should it prevail, Company shall be entitled to collection of its reasonable costs and attorneys' fees incurred in defending or enforcing this Agreement, whether or not litigation is commenced.
7. **ASSIGNMENT:** You may not sell, transfer, or assign this Agreement without the prior written consent of Company. Company may sell, assign or transfer this Agreement.
8. **NOTICES:** All notices required or permitted under this Agreement shall be by registered mail to such party at the address set forth in this Agreement, or at such other address as such party may designate in writing from time to time. Any notice from Company to you shall be effective three days after it has been deposited in the mail, duly addressed. All such notices to Company from you shall be effective after it has been received via registered U.S. Mail.
9. **INDEMNIFICATION.** You are responsible for and agree to indemnify and hold Us harmless from, any and all (a) losses, damages, penalties, claims, suits and actions (collectively, "Claims"), whether based on a theory of contract, tort, strict liability of otherwise caused by or related to Your use or possession of the Equipment, and (b) all costs and attorneys' fees incurred by Us relating to such claim.
10. **FAX EXECUTION.** A faxed or electronically transmitted version of this Agreement may be considered the original and you will not have the right to challenge in court the authenticity or binding effect of any faxed or scanned copy or signature thereon. This Agreement may be signed in counterparts and all counterparts will be considered and constitute the same Agreement.
11. **MISCELLANEOUS.** (a) Choice of Law. This Agreement shall be governed by the laws of the state of Illinois (without regard to the conflict of laws or principles of such states); (b) Jury Trial. YOU EXPRESSLY WAIVE TRIAL BY JURY AS TO ALL ISSUES ARISING OUT OF OR RELATED TO THIS AGREEMENT; (c) Entire Agreement. This Agreement constitutes the entire agreement between the parties with regards to the subject matter herein and supersedes all prior agreements, proposals or negotiations, whether oral or written; (d) Enforceability. If any provision of this Agreement is unenforceable, illegal or invalid, the remaining provisions will remain in full force and effect; (e) Amendments. This Agreement may not be amended or modified except by a writing signed by the parties; provided you agree that we are authorized, without notice to you, to supply missing information or correct obvious errors provided that such change does not materially alter your obligations; (f) Force Majeure. Company shall not be responsible for delays or inability to service caused directly or indirectly by strikes, accidents, climate conditions, parts availability, unsafe travel conditions, or other reasons beyond our control; (g) Company has the right to modify/correct any clerical errors.

Initial _____

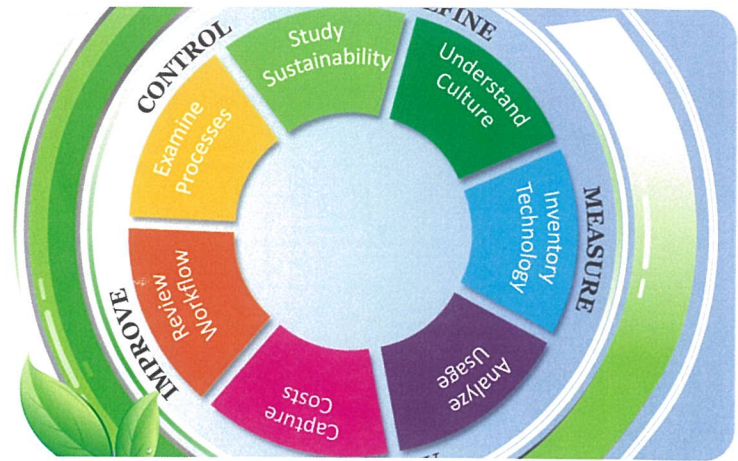
COST COMPARISON - Printer/Copier Replacement 2019

	Printers cost	Printer Cost Adjusted (1)	Monthly Maintenance (2, 3, 4)	Year 1 Maintenance	Year to Date Year 1 - Printers and Maintenance Total	Year 2 Maintenance (3)	Year to Date Year 2 - Printers and Maintenance Totals	Year 3 Maintenance (3)	Year to Date Year 3 - Printers and Maintenance Totalas	Total Savings YTD Year 3
MW	\$ 59,000.00	\$ 54,500.00	\$ 1,375.00	\$ 16,500.00	\$ 71,000.00	\$ 17,325.00	\$ 88,325.00	\$ 18,191.25	\$ 106,516.25	
Co oP	\$ 46,000.00	\$ 46,000.00	\$ 2,152.00	\$ 25,824.00	\$ 71,824.00	\$ 25,824.00	\$ 97,648.00	\$ 25,824.00	\$ 123,472.00	
Savings		\$ (8,500.00)			\$ 824.00		\$ 9,323.00		\$ 16,955.75	\$ 27,102.75

- 1 - Co oP does not offer the recommened C8070 model and did not include a smaller Black and White printer for the Records area
 Cost to upgrade is \$3,500 and \$1000 for the smaller printer which was subtracted from MW estimate to provide an exact one on one comparison
 Model C8070 is 25% faster and a more durable printer than the C8055 Co-Op quoted.
- 2 - Co oP Maintenance does not offer pool total number of pages - MW offers a better plan
- 3 - MW Maintenance is capped at no more than %5 increase per year and is included in this justification
- 4 - Savings calculated over 3 years, Coop did not include maintenance beyond 3 years

A Revolutionary Assessment Methodology

Executive Summary



A Xerox Company

Prepared for: Village of Tinley Park Village Hall

Prepared by:
Heather Pozulp

hpozulp@mwos.com



Martin Whalen, the final piece to your Office Technology puzzle!

April 13, 2018

Proposal Valid for 30 Days





A Xerox Company

Introduction

Myra Wilkins
President
mwilkins@mwos.com

Friday, April 13, 2018

Martin Whalen Office Solutions
18630 S. 81st Ave
Tinley Park, IL 60487

708-614-1234

Village of Tinley Park
Michael Thomas &
Steve Clemmer
16250 Oak Park Ave.
Tinley Park, IL 60477

Mike and Steve,

Thank you for considering Martin Whalen Office Solutions as your document technology solutions partner.

Based on our discussion and the results of our comprehensive assessment of your business environment, I am submitting the following proposal for your approval.

The recommendations outlined in this proposal are based on more than 80 years of experience providing local businesses with the solutions they need to achieve greater success.

Martin Whalen Office Solutions remains dedicated and committed to the success of our clients, and we promise to work hard to bring positive change to your organization. Throughout the duration of our partnership, we will continually work with you to leverage new ideas and technologies to promote efficiency and innovation at your business.

Sincerely,

A handwritten signature in blue ink, appearing to read 'HPZ', written over the printed name 'Heather Pozulp'.

Heather Pozulp
Technology Consultant
Martin Whalen Office Solutions

Martin Whalen, A Xerox Company



About Us...

A Xerox Company



3

Local Offices:
Bradley
Downers Grove
Tinley Park

Celebrating 82
years in Business

A Xerox Company

2016 Revenue:	\$10.5 Billion
Employees:	133,600
Fortune 500 ranking:	No. 162
NYSE symbol:	XRX

Martin Whalen Office Solutions is a subsidiary of Global Imaging Systems, Inc., A Xerox Wholly Owned Company. Martin Whalen has been providing document technology and services since 1936. We have evolved into an industry leader, offering an innovative mix of products and services that have affected the way that organizations manage their technology assets.

At Martin Whalen Office Solutions, we partner with our customers to provide a long-term strategy for document technology, services and software for graphic communication and office printing environments of any size. Our experts will help you capture costs, analyze usage and review workflow processes—then leverage today’s technology to determine the most efficient and cost effective solution for your individual needs.

Our mission is to deliver customized and scalable solutions that will reengineer your business process to optimize your Technology Asset Management.

Experienced Professionals

Global Imaging Companies are designed to serve regional and national businesses that demand local accountability from their vendor.

When you choose Martin Whalen as your document technology partner, you get the package you need to succeed...

Proposed Solution

Total Sales Price: \$59,000 plus applicable taxes.

Managed Print Services Program Includes:

All Following New Equipment if applicable, Service and Supplies consolidated on one invoice monthly.

Contracted Monthly Black Volume	Contracted Monthly Color Volume	MPSA Total Monthly Payment	Additional Black Per Page Cost	Additional Color Per Page Cost
55,000	19,000	\$1,375.00	\$0.006	\$0.055

*We can do quarterly, annual, etc. for the sake of comparisons, it's listed above as monthly

Program Terms:

- MPSA includes equipment, service and supplies (excludes staples\paper).
- On-site implementation Services (Delivery, Installation & Training) Included
- Guaranteed 4-hour response average response time on MFD and 8-hour average response time on printers.
- Service loaner if Martin Whalen is unable to correct the problem at no additional cost.
- Program flexibility, if your document imaging volume changes we will work with you to customize a program that is more suitable to your needs.
- Service performed by Martin Whalen authorized technicians.

The average tenure for our technicians is over 20 years in the industry and some have been with Martin Whalen for 30 years. This amount of experience translates to a quicker analysis/resolution of issues and better performing equipment.

Deal Choice	Cash	Monthly Service	Monthly Term	Service \$ Amount for Term	Total \$ Amount for Term	Notes - Volume & Term	Notes - Devices (See the specific lists on the next couple of pages)
Xerox Govt Co-Op Purchase	\$46,001.00	\$2,152.08	60	\$129,124.80	\$175,125.80	Devices cannot be pooled for volumes. They are assigned a specific volume per unit. See the official Quote for the exact details.	6 Devices - The 70 ppm devices are not available on the Co-Op Contract. It's either 55 or 90. The B405 is not available either.
Martin Whalen Purchase	\$59,000.00	\$1,375.00	60	\$82,500.00	\$141,500.00	Includes 660,000 B&W Annually (overages at .006) 228,000 Color Annually (overages at .055)	7 Devices (includes the two 70 ppm, and B405)
Xerox Govt Co-Op 36 Month Lease	N/A	\$3,399.96	36	Lease & Service are both included to the left	\$122,398.56	36 month lease is the Only option. The State of IL negotiated it that way. Restrictions on term, as well as the volumes. Devices cannot be pooled. They are assigned a specific amount per unit. See the official Quote for the exact details.	6 Devices - The 70 ppm devices are not available on the Co-Op Contract. It's either 55 or 90. The B405 is not available either.

Rep: Heather Pozulp

Martin Whalen List

Quantity	Model	Model & Accessories	Location
1	C8070H2	AltaLink C8070H2 Color Multi-Functional Device	Village Hall (70 ppm)
1		Business Ready Finisher w/2/3 Hole Punch	
1		Horizontal Transport Kit	
1	C8055H2	AltaLink C8055H2 Color Multi-Functional Device	Marketing (55 ppm)
1		Business Ready Booklet Maker Finisher w/ 2/3 Hole Punch	
1		Horizontal Transport Kit	
1	C8055H2	AltaLink C8055H2 Color Multi-Functional Device	Building Department (55 ppm)
1		1 Line Fax	
1		Office Finisher	
1	B8075H2	AltaLink B8075 Multi-Function Device	Resource Center (75 ppm)
1		1 Line Fax	
1		3-Hole Punch Kit	
1		Horizontal Transport Kit	
1		Office Finisher	
1	C8070H2	AltaLink C8070H2 Color Multi-Functional Device	Fire Department (70 ppm)
1		1 Line Fax	
1		Business Ready Booklet Maker Finisher w/ 2/3 Hole Punch	
1		Horizontal Transport Kit	
1	B7030H2	VersaLink B7030 Multi-Function Device	Clerk's Office (30 ppm)
1		Embedded 1-Line Fax w/ifax	
1		Integrated Office Finisher	
1	B405DN	VersaLink B405DN Laser Printer	VH Records Vault (37 ppm)
1		550-Sheet Feeder	Extra Device
1		Stand with Storage	

Rep: Heather Pozulp

Devices For Co-Op Pricing

Quantity	Model	Model & Accessories	Location
1	C8055H2	AltaLink C8055H2 Color Multi-Functional Device	Village Hall (55 ppm)
1		Business Ready Finisher w/2/3 Hole Punch	
1		Horizontal Transport Kit	
1	C8055H2	AltaLink C8055H2 Color Multi-Functional Device	Marketing (55 ppm)
1		Business Ready Booklet Maker Finisher w/ 2/3 Hole Punch	
1		Horizontal Transport Kit	
1	C8055H2	AltaLink C8055H2 Color Multi-Functional Device	Building Department (55 ppm)
1		1 Line Fax	
1		Office Finisher	
1	B8075H2	AltaLink B8075 Multi-Function Device	Resource Center (75 ppm)
1		1 Line Fax	
1		3-Hole Punch Kit	
1		Horizontal Transport Kit	
1		Office Finisher	
1	C8055H2	AltaLink C8055H2 Color Multi-Functional Device	Fire Department (55 ppm)
1		1 Line Fax	
1		Business Ready Booklet Maker Finisher w/ 2/3 Hole Punch	
1		Horizontal Transport Kit	
1	B7030H2	VersaLink B7030 Multi-Function Device	Clerk's Office (30 ppm)
1		Embedded 1-Line Fax w/ifax	
1		Integrated Office Finisher	

Purchase Pricing PROPOSAL



Presented to TINLEY PARK, VILLAGE OF

By Heather Pozulp

On 4/13/2018

State or Local Government Negotiated Contract : 072691100

Solution			
Item	Product Description	Agreement Information	Requested Install Date
1.	C8055H (XEROX C8055H) - Br Finisher-2/3 Hp	Purchase Price: \$8,872.00	4/12/2018
2.	C8055H (XEROX C8055H) - Br Finisher-2/3 Hp	Purchase Price: \$8,872.00	4/12/2018
3.	C8055H (XEROX C8055H) - 1 Line Fax - Office Finisher Lx	Purchase Price: \$8,079.00	4/12/2018
4.	B8075H (XEROX B8075H) - 3 Hole Punch Kit - 1 Line Fax - Office Finisher	Purchase Price: \$6,125.00	4/12/2018
5.	C8055H (XEROX C8055H) - Br Booklet Mk-2/3 Hp - 1 Line Fax	Purchase Price: \$9,998.00	4/12/2018
6.	B7030H (XEROX B7030 TND TRAY) - Embedded 1-line Fax - Integratd Off Finshr - Postscript 3 Kit	Purchase Price: \$4,055.00	4/12/2018
Total Purchase Amount		\$46,001.00 (Excluding Applicable Taxes)	

All information in this proposal is considered confidential and is for the sole use of TINLEY PARK, VILLAGE OF. If you would like to acquire the solution described in this proposal, we would be happy to offer a Xerox order agreement. Pricing is subject to credit approval and is valid until 5/13/2018.

For any questions, please contact me at (708)570-7714





Maintenance Pricing

Item	Monthly Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. C8055H	\$495.00	1: Black and White Impressions	1 - 35,000 35,001+	Included \$0.0025	- Term: 36 Months - Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Color Impressions	1 - 5,000 5,001+	Included \$0.0375	
2. C8055H	\$495.00	1: Black and White Impressions	1 - 35,000 35,001+	Included \$0.0025	- Term: 36 Months - Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Color Impressions	1 - 5,000 5,001+	Included \$0.0375	
3. C8055H	\$495.00	1: Black and White Impressions	1 - 35,000 35,001+	Included \$0.0025	- Term: 36 Months - Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Color Impressions	1 - 5,000 5,001+	Included \$0.0375	
4. B8075H	\$151.08	1: Black and White Impressions	1 - 35,400 35,401+	Included \$0.0025	- Term: 36 Months - Consumable Supplies Included for all prints - Pricing Fixed for Term
5. C8055H	\$495.00	1: Black and White Impressions	1 - 35,000 35,001+	Included \$0.0025	- Term: 36 Months - Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Color Impressions	1 - 5,000 5,001+	Included \$0.0375	
6. B7030H	\$21.00	1: Black and White Impressions	1 - 10,000 10,001+	Included \$0.0025	- Term: 36 Months - Full Service Maintenance Included - Pricing Fixed for Term
Total	\$2,152.08	Minimum Payments (Excluding Applicable Taxes)			

Lease Pricing PROPOSAL



Presented to TINLEY PARK, VILLAGE OF

By Heather Pozulp

On 4/13/2018

State or Local Government Negotiated Contract : 072690900

Solution			
Item	Product Description	Agreement Information	Requested Install Date
1.	C8055H (XEROX C8055H) - Br Finisher-2/3 Hp	Lease Term: 36 months Purchase Option: FMV	4/12/2018
2.	C8055H (XEROX C8055H) - Br Finisher-2/3 Hp	Lease Term: 36 months Purchase Option: FMV	4/12/2018
3.	C8055H (XEROX C8055H) - 1 Line Fax - Office Finisher Lx	Lease Term: 36 months Purchase Option: FMV	4/12/2018
4.	B8075H (XEROX B8075H) - 3 Hole Punch Kit - 1 Line Fax - Office Finisher	Lease Term: 36 months Purchase Option: FMV	4/12/2018
5.	C8055H (XEROX C8055H) - Br Booklet Mk-2/3 Hp - 1 Line Fax	Lease Term: 36 months Purchase Option: FMV	4/12/2018
6.	B7030H (XEROX B7030 TND TRAY) - Embedded 1-line Fax - Integratd Off Finshr - Postscript 3 Kit	Lease Term: 36 months Purchase Option: FMV	4/12/2018

All information in this proposal is considered confidential and is for the sole use of TINLEY PARK, VILLAGE OF. If you would like to acquire the solution described in this proposal, we would be happy to offer a Xerox order agreement. Pricing is subject to credit approval and is valid until 5/13/2018.

For any questions, please contact me at (708)570-7714



Lease Pricing PROPOSAL



Monthly Pricing

Item	Lease Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. C8055H	\$714.01	1: Black and White Impressions	1 - 35,000 35,001+	Included \$0.0025	- Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Color Impressions	1 - 5,000 5,001+	Included \$0.0375	
2. C8055H	\$714.01	1: Black and White Impressions	1 - 35,000 35,001+	Included \$0.0025	- Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Color Impressions	1 - 5,000 5,001+	Included \$0.0375	
3. C8055H	\$707.93	1: Black and White Impressions	1 - 35,000 35,001+	Included \$0.0025	- Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Color Impressions	1 - 5,000 5,001+	Included \$0.0375	
4. B8075H	\$336.21	1: Black and White Impressions	1 - 35,400 35,401+	Included \$0.0025	- Consumable Supplies Included for all prints - Pricing Fixed for Term
5. C8055H	\$751.19	1: Black and White Impressions	1 - 35,000 35,001+	Included \$0.0025	- Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Color Impressions	1 - 5,000 5,001+	Included \$0.0375	
6. B7030H	\$176.61	1: Black and White Impressions	1 - 10,000 10,001+	Included \$0.0025	- Consumable Supplies Included for all prints - Pricing Fixed for Term
Total	\$3,399.96	Minimum Payments (Excluding Applicable Taxes)			

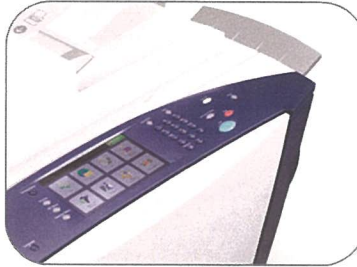
Solutions We Provide: Products and Services



Managed Print Services

Our Managed Print Services helps you get control of your printing costs. First, we help you identify the costs. Second, we make recommendations to improve your printing environment.

Finally, we offer ongoing service and management for your fleet. The bottom line: you save money and reduce the IT hassle of managing printers.



Office Systems

Enhance your office productivity. Our state-of-the-art portfolio of printers and multifunction systems will make your office staff more effective.

Our newest systems print in color at the cost of black and white, helping improve the effectiveness of your communications.

This is backed with a fully trained support staff and excellent customer service.



Document Software Solutions

Transform the way your work. Paper and digital documents drive business processes. Our solutions streamline the flow of information through your business.

To accomplish this, we integrate best-in-class document software with integrated scanning systems.

The net results are increased profit, improved competitive advantage and enhanced workflow.



Production Solutions

Print's role is changing. The Internet, email, mobile, social media, and near-field communications are playing bigger roles in the marketing mix.

Xerox has long been the leader in production equipment. For high demand, professional quality print jobs you need a high production device. When you choose Xerox you can run the most demanding jobs in-house.



Office & Equipment Supplies

Get all your office and equipment supplies from one reliable source. We carry both OEM and genuine compatible cartridges from some of the largest manufacturers in the industry.

Global Supply Clients Benefits:

- Cost Reduction
- Fewer Vendors
- Streamline Processes
- Supply Restocking and Management



MW360 Assessment

Our Proprietary 360 Workflow App was developed internally to analyze our clients' workflow. It provides transparency into the entire organization to better understand the technology and business processes.

The 360 Workflow App allows us to co-author solutions that align with your specific goals & initiatives and integrate seamlessly into your company's culture.

MW360° Assessment



Based on a Multi-Source Approach

1 Understand your corporate culture.

In-depth look at the key factors of corporate culture that can be used to confirm that business strategies align to specific objectives.

2 Inventory technology.

Snapshot of your current technology environment including the identification of underutilized, obsolete and redundant assets.

3 Analyze usage.

Capture utilization data for all technology devices and information workflow assets using our diagnostic application that captures data from both networked and non-networked assets.

4 Capture costs.

Understand the total cost of ownership with an in-depth review of both the direct and indirect costs associated with technology device and information workflow asset usage as well as ongoing maintenance.

5 Review workflow.

Blueprints how information flows and identifies any bottlenecks or inefficiencies.

6 Examine processes.

A thorough examination of administrative functions including procurement and internal IT processes.

7 Study sustainability.

Sustainable working practices help companies become more environmentally friendly by:

- Lowering energy consumption
- Lowering CO2 output and emissions for an improved carbon footprint
- Reducing paper waste
- Using less consumables
- Remaining energy conscious

The MW360° Assessment is built on actual data combined with industry expert estimates and projections. We provide you with a roadmap for establishing critical metrics - so we can continuously monitor, manage and analyze results for ongoing improvements.

What Other Local Companies Have to Say



A Xerox Company

We are proud of our reputation. Following are some success stories that outline how Martin Whalen has helped our customers.

"Thanks to Martin Whalen, we were able to reduce our company-wide printing cost by \$15,000 annually. Not only did you completely change how we manage and print our documents, but you made the whole experience easy for us by providing excellent customer service along the way."

-Tom, President of a local manufacturing company

"Martin Whalen's expertise made choosing our new equipment a breeze. We appreciated that you really listened to us and provided a solution that addressed all of our needs. Our employees love the new machines, and we could not be more pleased with the quality of service."

-Cindy, IT Director of a local financial institution

"We have been a customer for over 30 years and your support has been fantastic. Your technicians are great and they keep our machines up and running. We continue to be very satisfied with Martin Whalen."

-Dave, Administrator of a local school district

"We have been in a partnership with Martin Whalen for over 15 years, and we are very proud to share that, from the equipment to the service they provide are top notch! They go far beyond just a copier company, they do so much more than document management, to special projects to supporting their community. Today it is hard to find a company that really stands by their customers, Martin Whalen does just that and they are examples that others should follow. Thank you again for all you do for us."

-Dave, Senior Director of Operations of a Joliet Non-Profit company

Go with an innovative, ethical, leader in the industry, **XEROX**



"... MOST COMPREHENSIVE SOLUTIONS PORTFOLIO ..."

Xerox Named as one of World's Most Ethical Companies for 10th Consecutive Year

Xerox (NYSE: XRX) has been recognized by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices, as a 2016 World's Most Ethical Company®.

This year marks the tenth anniversary of Ethisphere and the World's Most Ethical Companies designation which recognizes those companies who align principle with action, work tirelessly to make trust part of their corporate DNA, and in doing so, shape future industry standards by introducing tomorrow's best practices today.





ConnectKey is a new software platform from Xerox, which simplifies the way work gets done. In addition to the standard printing and copying capabilities, here's what else it can do for you.

- You can print from just about everywhere through its mobile print capabilities.
- You can scan a document directly to where you want it to go, including cloud services like Office 365, Google Docs and others.
- IT Professionals can manage a whole fleet of MFPs remotely
- An open API lets developers create and embed applications on the multifunction systems for end-to-end workflows.



Standard Cost Control

ConnectKey technology brings immediate savings in time and money by helping everyone in the team to get more done in less time.

Various cost-saving features, such as automatic two-sided printing for reduced paper consumption. Drivers can be set to automatically recognize applications and switch to printing in color or black & white.

Further cost savings can be gained by configuring User Permissions, which let you restrict access to selected print features by user, by group or by application.



Standard Productivity

All key functions and settings can be accessed from an easy to understand, icon-driven touch screen which offers total control while automating as many processes as possible.

Users logging in to the multifunction system are immediately presented with a screen this is personalized to the way they work.

The user interface is both dynamic and easy to use with uncluttered, bright accent colors. It brings speed and simplicity to every task through the use of 'favorites, streamlined workflows and useful default screens.



Standard Security

ConnectKey combines best-in-class software from McAfee and Cisco with data encryption, robust network security, secure protocols and image overwrite technology to secure your sensitive information from all potential points of vulnerability.

Embedded McAfee software prevents malware and viruses from infecting your multifunction system.

Cisco TrustSec ISE. Integration provides greater visibility of all Xerox devices on the network to system administrators, helping the enforcement of security policies.

McAfee's whitelisting technology makes sure that only safe, pre-approved files or functions can be executed on ConnectKey enabled MFPs



Standard Convenience

ConnectKey is about having everything people need to get the job done faster and with greater convenience. Information is easier to share, collaboration becomes more natural, and efficiency moves up a gear.

ConnectKey makes everything more convenient by making it easy to:

- Capture information and send it directly to where it's needed.
- Access personalized services from the multifunction system.
- Connect wirelessly from smartphones, tablet PCs and other mobile devices.
- Accomplish one-touch scanning to multiple destinations.

ConnectKey enables a wide range of features that are designed to make life more convenient.



Standard Environmental Benefits

Xerox ConnectKey-driven devices support your environmental objectives. Everything Xerox does – at every level of every process in each of our locations - is part of a long-held commitment to fulfill our responsibilities in Climate Protection, Preserving Biodiversity, Pollution Control and Waste Reduction.

ConnectKey technology is an integral part of our environmental strategy. Features such as automatic duplex printing, streamlined digitization and distribution of documents, print drivers that default to two-sided printing, Intelligence Duplex, configurable User Permissions, Simple Print Policies, Earth Smart, Hold all Jobs and support for Cisco Energy Wise all help you meet your environmental objectives.

Installation Services

The following installation services will be delivered by Martin Whalen Office Solutions staff upon initial installation of network connected Multifunctional Printers/Copiers/Scanners/Faxes.

At Martin Whalen, we believe a great implementation leads to a great client experience. That is why we provide On-Site Implementation Services for every system we install. Our process is comprehensive and professional, and it's designed to maximize the return on your investment. A Xerox-Certified Martin Whalen analyst will be assigned to you.

Martin Whalen Office Solutions analyst will ...

- Review your expectations of the new system. This includes, but is not limited to, network printing, various methods of scanning (scan to email, Workflow scanning, etc.), faxing, security and reporting requirements.
- Review your existing network infrastructure and discuss the various options available for configuration of your new device.
- Schedule a designated time to perform on-site technology implementation (same day as delivery).
- Work with your internal or outsourced IT staff to integrate the new device into your environment.
- Install appropriate print drivers, program default settings, configure ports, and created folders to facilitate scanning.
- Install automated meter reporting/automated toner management software at no additional charge.
- Provide your IT staff with administrative training.
- Provide your employees training on features and functionality.

Have a problem or question? Here is how to get support...

For Customer Care support locate your EQUIPMENT ID on the Martin Whalen sticker located on the outer front of your device. Then open a support ticket using one of the following methods:

Access Our On-Line Knowledge Base: <http://www.mwos.com/mwoproducts/xerox-knowledge-base/>

Service Ticket Submission via email: service@mwos.com

Service Ticket Submittal Web Page: <http://www.mwos.com/customer-support/service/>

Open a Service Ticket – 708-614-1234

Order Supplies – 708-570-7747

Supply Order Submittal Web Page: <http://www.mwos.com/customer-support/supplies/>



A Xerox Company

Many companies claim that they have the "Best service in the business" but few even have a way to measure how happy customers are. Here at Martin Whalen Office Solutions we have a system that allows us to capture feedback after every service call. We use the Net Promoter Score system www.netpromoter.com

The average N. American company has a Net Promoter Score® of 10.

Some well-loved companies reach scores into the 70s and 80s

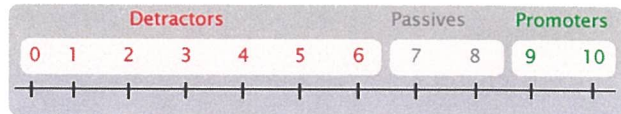
Measuring Customer Satisfaction

NPS® Leaders - N. America 2016		
Company		NPS
Nordstrom		79
USAA		77
Costco		75
Ritz Carlton		72
JetBlue		67
Apple		67

NPS scores published by Satmetrix Systems



How likely are you to recommend to a colleague or friend?



$$\text{NPS}^{\circledR} = \text{\% of PROMOTERS (9s and 10s)} - \text{\% of DETRACTORS (0 through 6)}$$

91.69 = 598 (93.73%) - 13 (-2.04%)

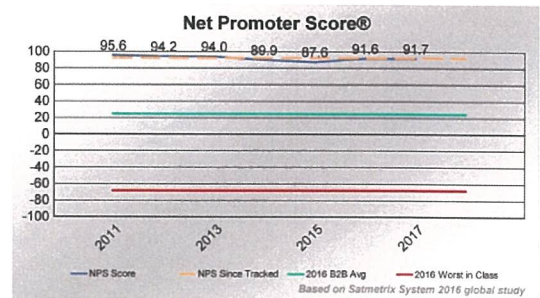
$$\text{NPS}^{\circledR} = \text{\% of PROMOTERS (9s and 10s)} - \text{\% of DETRACTORS (0 through 6)}$$

92.31 = 6073 (93.83%) - 99 (-1.53%)

The Net Promoter Score (NPS)®, is a straightforward loyalty metric that holds companies and employees accountable for how they treat customers. It is both a loyalty metric and a discipline for using customer feedback to fuel profitable growth in your business. Employees at all levels of the organization understand it, opening doors to customer centric change and improved performance.



Data Collection and NPS® Verification powered by CEO Juice Inc.



Martin Whalen Office Solutions | 148 N. Kinzie Ave., Bradley, IL 60915 | (815) 933-3358

* Ranking among US and Canada copier dealers using the NPS® system provided by CEO Juice.

** Net Promoter, NPS, and Net Promoter Score are trademarks of Satmetrix Systems, Inc., Bain & Company, and Fred Reichheld

On-Going Proactive Support
and Reporting



The MW360App is a Diagnostic Application that combines a full range of tools and proven processes to enable Martin Whalen to effectively manage your output assets and keep them running at peak performance.

This software tool is provided at no additional cost to you...

Spectrum Club		SOC [ACTIVE MANAGED]	XEROX	WorkCentre 7545	819 N HARBOR DR, REDONDO BEACH, CA, 90277-	XIP519170	172.16.222.9	00-00-AA-E3-D0-35	DK972	12
View Details	Consumable Name	Consumable Serial#	Consumable Level	Last Update Date	Historical Coverage	Consumable Capacity	Estimated Pages			
view	Waste Toner Container		0.00%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Fuser		98.00%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Second Bias Transfer Roll		98.00%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Black Toner		98.00%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Cyan Toner		76.12%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Magenta Toner		80.60%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Yellow Toner		79.19%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Drum Cartridge (R-4)		98.00%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Drum Cartridge (R-2)		98.00%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Drum Cartridge (R-3)		98.00%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Drum Cartridge (R-1)		98.00%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
view	Transfer Belt Cleaner		94.00%	5/14/2012 10:17:46 AM	N/A	N/A	N/A			
Spectrum Club		SOC [ACTIVE MANAGED]	HP	Color LaserJet 2600n	CNHC76W2T7	172.16.83.12	00-1A-4B-28-B4-70	4		
view	Black Toner Cartridge HP Q6000A		80.00%	5/14/2012 10:17:46 AM	N/A	2500	800.00			
view	Cyan Toner Cartridge HP Q6001A		12.50%	5/14/2012 10:17:46 AM	N/A	2000	250.00			
view	Magenta Toner Cartridge HP Q6003A		17.50%	5/14/2012 10:17:46 AM	N/A	2000	750.00			
view	Yellow Toner Cartridge HP Q6002A		90.00%	5/14/2012 10:17:46 AM	N/A	2000	1800.00			
Spectrum Club		SOC [ACTIVE MANAGED]	HP	Color LaserJet 3600	CNWB081758	172.16.151.14	00-1B-78-70-80-CF	4		
view	Black Cartridge HP Q6470A	101143826	4.52%	5/14/2012 10:17:46 AM	4.52%	6000	4379.00			
view	Cyan Cartridge HP Q6471A	1694359104	60.00%	5/14/2012 10:17:46 AM	3.49%	4000	3442.00			
view	Magenta Cartridge HP Q6473A	453198097	25.00%	5/14/2012 10:17:46 AM	2.63%	4000	1897.00			
view	Yellow Cartridge HP Q6472A	1694359104	72.00%	5/14/2012 10:17:46 AM	3.13%	4000	4606.00			

Key Benefits

MW360App provides end-to-end management of your output environment. It consists of tools utilizing the software as a service (SaaS) model for device management, print queue management and print driver management, to enable control of office printing across an entire organization, productively and cost effectively.

Martin Whalen's MW360App, Powered by FM Audit:

- Displays device information
- Simple Device discovery and pure device management.
- Provides proactive supply level alerts and automatically collects meter reads for accurate billing and reporting.



A Xerox Company

April 17, 2017

Michael Thomas
Steve Clemmer
Village of Tinley Park
16250 Oak Park Ave
Tinley Park IL 60477

Dear Mr. Thomas and Mr. Clemmer,

This letter is written to confirm the pricing set forth on the attached Purchase Pricing Proposal has been generated using the State of Illinois Co-Op Contract No. 072691100. Other details, including print volume and maintenance plan term, are delineated in the attached.

Should you have any questions do not hesitate to contact me at 630-201-6994.

Sincerely,

A handwritten signature in black ink, appearing to read 'Myra Wilkins', with a long horizontal flourish extending to the right.

Myra Wilkins
President

Purchase Pricing PROPOSAL



Presented to TINLEY PARK, VILLAGE OF

By Heather Pozulp

On 4/13/2018

State or Local Government Negotiated Contract : 072691100

Solution			
Item	Product Description	Agreement Information	Requested Install Date
1. C8055H (XEROX C8055H)	- Br Finisher-2/3 Hp	Purchase Price: \$8,872.00	4/12/2018
2. C8055H (XEROX C8055H)	- Br Finisher-2/3 Hp	Purchase Price: \$8,872.00	4/12/2018
3. C8055H (XEROX C8055H)	- 1 Line Fax - Office Finisher Lx	Purchase Price: \$8,079.00	4/12/2018
4. B8075H (XEROX B8075H)	- 3 Hole Punch Kit - 1 Line Fax - Office Finisher	Purchase Price: \$6,125.00	4/12/2018
5. C8055H (XEROX C8055H)	- Br Booklet Mk-2/3 Hp - 1 Line Fax	Purchase Price: \$9,998.00	4/12/2018
6. B7030H (XEROX B7030 TND TRAY)	- Embedded 1-line Fax - Integratd Off Finshr - Postscript 3 Kit	Purchase Price: \$4,055.00	4/12/2018
Total Purchase Amount		\$46,001.00 (Excluding Applicable Taxes)	

All information in this proposal is considered confidential and is for the sole use of TINLEY PARK, VILLAGE OF. If you would like to acquire the solution described in this proposal, we would be happy to offer a Xerox order agreement. Pricing is subject to credit approval and is valid until 5/13/2018.

For any questions, please contact me at (708)570-7714



Purchase Pricing PROPOSAL



Maintenance Pricing


Item	Monthly Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. C8055H	\$495.00	1: Black and White Impressions 2: Color Impressions	1 - 35,000 35,001+ 1 - 5,000 5,001+	Included \$0.0025 Included \$0.0375	- Term: 36 Months - Consumable Supplies Included for all prints - Pricing Fixed for Term
2. C8055H	\$495.00	1: Black and White Impressions 2: Color Impressions	1 - 35,000 35,001+ 1 - 5,000 5,001+	Included \$0.0025 Included \$0.0375	- Term: 36 Months - Consumable Supplies Included for all prints - Pricing Fixed for Term
3. C8055H	\$495.00	1: Black and White Impressions 2: Color Impressions	1 - 35,000 35,001+ 1 - 5,000 5,001+	Included \$0.0025 Included \$0.0375	- Term: 36 Months - Consumable Supplies Included for all prints - Pricing Fixed for Term
4. B8075H	\$151.08	1: Black and White Impressions	1 - 35,400 35,401+	Included \$0.0025	- Term: 36 Months - Consumable Supplies Included for all prints - Pricing Fixed for Term
5. C8055H	\$495.00	1: Black and White Impressions 2: Color Impressions	1 - 35,000 35,001+ 1 - 5,000 5,001+	Included \$0.0025 Included \$0.0375	- Term: 36 Months - Consumable Supplies Included for all prints - Pricing Fixed for Term
6. B7030H	\$21.00	1: Black and White Impressions	1 - 10,000 10,001+	Included \$0.0025	- Term: 36 Months - Full Service Maintenance Included - Pricing Fixed for Term
Total	\$2,152.08	Minimum Payments (Excluding Applicable Taxes)			



Interoffice Memo

Date: June 1, 2018

To: Committee of the Whole

From: David Niemeyer, Village Manager 

cc: Pat Carr, Assistant Village Manager
Denise Maiolo, Human Resources Director
Patrick Connelly, Village Attorney

Subject: Staff Appointments

I would, again, like to discuss and make some recommendations on the Village's annual appointment process. Pat Connelly is working on a draft of some of the ordinances that will need to be passed to make the changes described below. These will be distributed early next week.

At the last meeting, Trustee Pannitto had asked for some historical information on the staff appointment process in Tinley Park, which was provided. Attached is the information that was provided at the last meeting:

Each spring the Mayor appoints and the Village Board approves the annual appointments of all full-time employees plus some part time positions. This is an unusual practice (see attached survey). Some communities do approve annual appointments of upper management positions.

Illinois is an at-will state, so the practice of annual reappointments is really unnecessary. An at-will employee can be dismissed for any reason as long as the reason is not illegal. The practice of annual reappointments is frequently raised as an issue of concern among prospective recruitment candidates. The candidates fear they may make a major career move only to be arbitrarily not reappointed six months later. Current employees can be distracted if they are concerned about being reappointed every year. Ultimately, if an employee is not performing properly and that behavior is not corrected, it is the Department Head and Village Managers' job to make sure appropriate action, which could include termination, are taken.

If the Board decides it wants to continue some of the appointments, the Village Manager and Department Heads could continue to be annually reappointed.

This would not affect the initial appointment of an employee by the Mayor and the Village Board. These would continue as they have been done in the past.

If the Board approved this recommendation, a number of ordinances for the various positions would need to be revised to reflect the elimination of the one year appointment process.



Interoffice Memo

Date: May 11,2018

To: Committee of the Whole

From: David Niemeyer, Village Manager
Pat Carr, Assistant Village Manager
Denise Maiolo, Human Resources Director
Patrick Connelly, Village Attorney

Subject: Staff Appointments

I would like to discuss and make some recommendations on the Village's annual appointment process.

Each spring the Mayor appoints and the Village Board approves the annual appointments of all full-time employees plus some part time positions. This is an unusual practice(see attached survey). Some communities do approve annual appointments of upper management positions.

Illinois is an at-will state, so the practice of annual reappointments is really unnecessary. An at-will employee can be dismissed for any reason as long as the reason is not illegal. The practice of annual reappointments is frequently raised as an issue of concern among prospective recruitment candidates. The candidates fear they may make a major career move only to be arbitrarily not reappointed six months later. Current employees can be distracted if they are concerned about being reappointed every year. Ultimately, if an employee is not performing properly and that behavior is not corrected, it is the Department Head and Village Managers' job to make sure appropriate action, which could include termination, are taken.

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This would not affect the initial appointment of an employee by the Mayor and the Village Board. These would continue as they have been done in the past.

If the Board approved this recommendation, a number of ordinances for the various positions would need to be revised to reflect the elimination of the one year appointment process.

Comparable Community Appointment Processes

Community	Annual Appointments	Total # Appointed Annually
Brookfield	none	0
Darien	City Administrator Police Chief Municipal Services Director	3
Elmhurst	none	0
Geneva	City Administrator Assistant City Administrator/Director of Administrative Services Police Chief Fire Chief Director of Public Works Director of Economic Development Director of Community Development	7
Lockport	City Administrator Police Chief City Attorney	3
New Lenox	none	0
Oak Forest	City Administrator Finance Director Human Resources Manager Executive Assistant Director of Public Works Engineer / Asst. Dir. Of Public Works Street Superintendent Police Chief Deputy Police Chief (2) Fire Chief Deputy Fire Chief EMA Chief EMA Deputy Chief Econ. & Comm. Development Director Public Relations Coordinator Building Commissioner Code Enforcement Officer Building Dept. Office Manager Various part time inspectors	these are appointments made by the Mayor, but are not all necessarily annually
Orland Park	Village Manager	1
Westmont	none are appointed annually, although Village Manager, Police Chief & Fire Chief are appointed positions with contracts of varying lengths	0

**COMMENTS FROM
THE PUBLIC**

ADJOURNMENT