<u>Item #2</u>:
Report Of Infrastructure Funding
Summary Of Infrastructure Task Force Meetings

04/17/14

Three meetings

April 4,5 and 7—Friday afternoon, Saturday afternoon and Monday evening

Each lasted just over 3 hours

Approximately 100 people in total attended; Saturday's meeting was a bit smaller than Friday's or Monday's. Attendees included a number of past Village of Long Grove Trustees and members of the administration of other Villages.

Although conduct of each of the meetings was different, the overwhelming position of the residents at each of the Workshops is that implementation of a Real Estate Tax or SSAs has not been justified.

There were several themes in the meetings:

(1) Trust in the board is low. That stems from the beliefs that
    - Use of executive session to discuss the road issue over the past five months was an abuse and precluded meaningful resident input,
    - Decisions were made without significant opportunity for community input, and when that input was provided, it was not taken into account,
    - Actions/processes specified in the November 12, 2013 ordinance were not followed by the Village.
    - The Real Estate Tax referendum was a ruse to push much higher taxes via SSAs
(2) There is a lack of faith in road data presented by the Village
    - Long Grove paving costs are $540k/mile; Prospect Heights paving costs are $400k/mile; Indian creek paving costs are about $250k/mile
    - An 8% engineering fee on top of the paving costs is well in excess of what is paid by the private HOAs
    - Neither 10% nor 8% annual inflation of road costs appear reasonable given recent decreases in paving costs
    - Village records regarding repaving do not match with some residents experience
(3) The current designation of thoroughfare roads is not justified
(4) Village finances and business development have not been handled well
    - The $3.3 million reserve is excessive, especially when compared to other municipalities; before new taxes are considered, reserves should be reduced to levels commensurate with other municipalities
    - Long Grove is viewed as anti-business
    - The planning commission board has been an impediment

(5) Specific suggestions included

- Make use of the highly educated professional residents of Long Grove via advisory committees to help address and vet Village Issues
- Aggregate paving campaigns to reduce paving costs; Long Grove's high cost for paving stems from mobilization costs for performing a limited amount of paving. Specifically (a) develop a 3 to 5 year paving plan (b) combine bids with neighboring villages to obtain better rates and/or (c) use reserves to supplement current funding
- Make paving decisions more accessible to the public
- Develop a 5 to 10 year plan with overall revenue goals, including further revenue from Sunset Grove, and cost reduction goals; develop new sources of revenue to bring overall finances in line
- Separately bid out engineering costs for management of paving
- Refinance $4.4 million TIF bond and repay general fund $2.7 million
- Get Moody rated, saving approximately $1 – 1.5 million in interest
- Hire a finance manager
- Hire a business development manager
- Pursue grants aggressively
- Stop looking for a single solution and develop multiple revenue sources: increase business development; food and beverage tax; pet stickers; etc.

VILLAGE OF LONG GROVE COMMUNITY WORKSHOPS

April 4, 2014 (Today)
April 9, 2014 (Next Week)
April 11, 2014 (Next Week)

AGENDA

- Welcome and Introduction
- Summary of Long Grove Finances Presented at Town Hall Meetings
- Possible Funding Alternatives
- Workshop objective: obtain community input on options for road maintenance
- Define possible next steps/path forward

WELCOME AND INTRODUCTION

- Workshop participants
- Why are we here?
- Ground rules
  - THIS IS A WORKSHOP...we need your ACTIVE PARTICIPATION
  - "Brainstorming" approach...develop, define, but NOT DEBATE, ideas
  - Develop options for Board consideration

SUMMARY OF LONG GROVE FINANCES PRESENTED AT TOWN HALL MEETINGS

- No property tax
- 2013 total revenues of $3.2 M, including
  - *Sales tax $660K (variable)*
  - *Income tax $560K (at risk)*
  - *New home permits $300K (declining)*
- 2013 total expenditures of $3.2 M, including
  - *Infrastructure $1.5 M (escalating)*
  - *Village hall operations $641K*
  - *Village Security–Lake County Sheriff $520K (?)*

POSSIBLE FUNDING ALTERNATIVES

- 2013 Paving cost $68 per linear ft--escalation
  - 8% vs 10% annual inflation
    - *In ten years, cost projected $147 to $216 per linear ft*
    - *In fifteen years, cost projected $176 to $284 per linear ft*
- Paving cycle for local roads 10 yr vs. 15 yr
- "Early Paving" via bonding to reduce expenditures
- Net impact: Annual Gap $1.6 M vs. $2.0 M
  - Closing the Gap
    - Processes and "sharpening pencils"
    - New sources of revenue

REAL ESTATE TAX VS. SSA COMPARISON

	Real Estate Tax	SSA
Lifetime	Permanent or specified	Specified by proposing ordinance
Rate	Can be increased by CPI via the Tax Cap Law	Specified by proposing ordinance
Rate Basis	EAV	EAV or specified set rate
Use of funds	As specified	As specified
Geography	Village wide	Specified
If "Excess" funds collected by mechanism	---	Returned
Implementation	Majority vote approve	Less than 51% object

DEALING WITH THE "FUNDING GAP" VILLAGE-WIDE

- Funding gap approximately $1.6 M
  - Thoroughfare funding gap about $715 K
    - With about 2741 homes in Village, average is $260 per home
  - Public local street funding gap about $870 K
    - *With about 814 homes in public subdivisions, average is $1070 per home*
- *Two tiers*
  - *1927 "Low homes" average $260 (thoroughfare only)*
  - *814 "High homes" average $1330 (thoroughfare plus public local street or $260 plus $1070)*

ISSUES TO BE ADDRESSED TODAY

- *How do we aggregate the cost of road maintenance?*
- *How do we allocate responsibility for paying for road maintenance?*
- *How do we define the "fine line" between the "High homes" and "Low homes"*
- *What alternatives exist to a real estate tax to fund road maintenance?*
- *What is the path forward?*

WORKSHOP TASK #1: HOW DO WE AGGREGATE PAVING COSTS FOR LOCAL PUBLIC ROADS (THE 814)?

THAT IS, HOW MANY SEPARATE COST ELEMENTS DO WE USE?

- Each home separate (*i.e. feet of road frontage...814 cost elements*)
- By street
- By subdivision; but...if home is not in a "subdivision," then what?
- Village wide (*1 cost element*)
- Other?

WORKSHOP TASK #2: HOW DO WE ALLOCATE PAVING COSTS?

(APPLY SEPARATELY TO BOTH PUBLIC LOCAL AND THOROUGHFARE ALLOCATIONS)

- Linear feet of road frontage (home by home)
- EAV
- Uniform...each home pays same
- Number of cars
- Number of drivers
- Other?

WORKSHOP TASK #3: HOW TO DEFINE "HIGH HOME" AND "LOW HOME"

- Is a "low home" defined by...
  - *Requirement to pay for road maintenance via a HOA?*
  - *Contributes voluntarily for road maintenance?*
  - *Defined by where driveway exits?*
  - *Other?*
- Is a "high home" defined by...
  - *Defined by where driveway exits?*
    - *To a public local street*
    - *To either a public local street or thoroughfare*
    - *Other?*
- Should there be any "special" considerations?
  - *Long driveway, etc.*

WORKSHOP TASK #4: WHAT ARE THE ALTERNATIVES TO NEW FUNDING?

ROAD FUNDING SHORTFALL IS NOT UNIQUE TO LONG GROVE

- Clarendon Hills
- Hawthorn Woods
- Other suggestions?

WORKSHOP TASK #5: DEFINE THE PATH FORWARD

- What end result would you like to see?
- What should the next steps be to get there?

Thank you for your participation!!!

VILLAGE OF LONG GROVE COMMUNITY WORKSHOPS

April 4, 2014 2:00 pm
April 4, 2014 1:00 pm
April 7, April 7, 2:00 pm

<u>Item #2A</u>:

Report On Infrastructure Funding:

Proposal From Gewalt-Hamilton Associates - Road Paving

04/17/14

GEWALT HAMILTON ASSOCIATES, INC.
CONSULTING ENGINEERS

850 Forest Edge Drive, Vernon Hills, IL 60061
TEL 847.478.9700 ■ FAX 847.478.9701

820 Lakeside Drive, Suite 5, Gurnee, IL 60031
TEL 847.855.1100 ■ FAX 847.855.1115

www.gha-engineers.com

April 17, 2014

Mr. David Lothspeich
Village Manager
Village of Long Grove
3110 Old McHenry Road
Long Grove, Illinois 60047

Re: Village of Long Grove
Proposal for Pavement Evaluation and Bidding Recommendations
Pavement Analysis and PAVER (PCR) Evaluation
GHA Proposal #2014.M018

Dear Mr. Lothspeich:

Gewalt Hamilton Associates, Inc. (GHA) appreciates the opportunity to submit this proposal to the Village of Long Grove. Per our meeting and correspondence it is our understanding that the Village of Long Grove desires to complete the following:

- Independent Evaluation of Paving Costs from the 2013 Road Program
- Recommendations Regarding Potential Savings for Future Road Programs
- Pavement Evaluation for all Village Owned Roads

As the Village Engineer for numerous Lake County Villages, we feel we are well suited to evaluate and compare your paving costs from 2013, as well as making recommendations regarding potential cost saving measures for future paving projects. In addition we would propose that all public roads be evaluated using Gewalt Hamilton's approach to pavement rehabilitation (PAVER and PCR rating method for asphalt roadways). The PCR program provides a quantitative assessment of pavement condition as well as an objective prioritization for maintenance for asphalt roadways. In addition, it provides potential 10 year costs to complete all Village owned roads.

As you may know, GHA has provided this similar pavement assessment integrated with GIS for the Villages of North Barrington, Lake Barrington, Wadsworth and Kildeer. We have found it to be a great tool for budgeting and planning.

If our proposal is acceptable, please sign and return one copy to our office. If you should have any questions or if we can be of any additional assistance, please feel free to contact me. We look forward to assisting you with this project.

Sincerely,
Gewalt Hamilton Associates, Inc.

Michael T. Shrake

Michael T. Shrake, P.E.
Vice President/Principal
mshrake@gha-engineers.com

encl: GHA proposal No. 2014.M018

Agreement for Professional Services
Pavement Analysis and PAVER (PCR) Rating
Bidding Evaluation and Recommendations

Long Grove, Illinois
GHA Proposal No. 2014.M018

The Village of Long Grove *(Client)*, having an office at 3100 Old McHenry Road, Long Grove, IL, and Gewalt Hamilton Associates, Inc., *(GHA)*, having an office at 850 Forest Edge Drive, Vernon Hills, IL, agree and contract as follows:

I. Project Understanding

GHA proposes to conduct a pavement evaluation and rating of all the Village maintained roadways. The rating system will be based on the current levels of distress. Each roadway will be assigned a numerical Pavement Condition Rating (PCR) based on various factors (deteriorated pavement, cracking, bleeding, depressions, patching and utility trenches, potholes, rutting, slippage cracking, etc.). The PCR rating is based very closely upon the PAVER Engineered Management System which was developed by the US Army Corps of Engineers.

GHA will prepare a condition and road-rating survey of the entire public road system within the Village. A ranked listing of these roads will be prepared. From this, a priority based rehabilitation program will be developed for both long range (covering either a 10 year period or 15 year period, based on the Village's preference) and a short range program for roadways in need of rehabilitation. Recommendations will be made for specific improvements and construction cost estimates will be included.

GHA will independently evaluate paving costs from the 2013 Road Program with other similar programs.

GHA will provide recommendations for potential cost savings for future road programs.

II. Scope of Services

The road-rating survey will be completed by means of visually evaluating each roadway. Each roadway will be assigned a pavement condition rating number (PCR) based on various observed distress types (settlement, edge cracking, raveling, etc.), which are indicative of both surface and sub-surface pavement distress. The frequency and severity of each distress for a given roadway section will be documented.

Physical inventory data (length, width and type) will be gathered for all roads in the Village. This information is needed to assist us in the preparation of cost estimates. Since the roadways throughout the Village vary, it may be difficult to establish a standardized roadway cross-section. We will provide two to three typical cross-sections and assign one of these typical cross-sections to each roadway based on observations during our evaluation.

GHA will also note the location of major storm sewer crossings, and key culverts. We will identify readily noticeable possible future drainage improvements during our pavement evaluation field analysis.

Based on the rating and the proposed cross-section, we will assign a unit price cost to rehabilitate each roadway section. This data will be entered into the GIS database which GHA has created specifically for this type of project. Unit price increases will be projected over the next 10 to 15 years based on an estimated inflation rate. That rate of inflation had been tracking around 5-7% over the last 10 years; this can vary substantially depending on asphalt and fuel costs.

We will then prepare a summary report of our findings which will allow for a strategic plan and effective cost projections to rehabilitate the Village's roadway network over a 10 year or 15 year period, based on available funding. Once the roadways for the various years are determined, we can update the database based on the anticipated year of rehabilitation. We will need the Village of Long Grove to provide a list of all publically owned roads.

GIS Database:

The rating and projected maintenance cost data from the evaluation of the roads will be integrated with the Lake County GIS Maps. For each segment of the Village's roads analyzed, the following information will be available through the GIS:

1. Evaluation Form – This will show the rating, rating factors, length, width and total area

2. Estimated Cost for rehabilitation in a defined calendar year

3. Planned rehabilitation year

The GIS deliverables will consist of an ArcReader application designed to run in sync with the Lake County GIS data. All displayed GIS data in the application will be from the Lake County GIS data.

The ArcReader application will allow the user to view and query the roadways, and download and print Pavement Condition Reports and projected rehabilitation costs from the database. Users will not be able to edit GIS data or the road evaluation database through the ArcReader application. As we discussed, the GIS database is a very robust, efficient and refined program that will allow roadways and yearly programs to be revised rather easily, with all associated data automatically updated.

This database will be able to produce colored exhibits (suitable for public hearings) that will clearly show which roadways are proposed for each year. In addition, the exhibits could be made available online for use by Village staff and residents.

GHA will independently evaluate paving costs from the 2013 Road Program with other similar programs and provide a findings summary, as well as some recommendations for potential savings on future road programs. Included is one Public Meeting with the Village of Long Grove to present our findings, and one meeting with Village staff.

III. Services Not Included

The following services are not included in this agreement: Should additional services be required beyond those outlined in *Section II: Scope of Services* of this Agreement, GHA will request written authorization prior to commencing the work.

1. Construction documents and/or engineering plans.
2. Meetings with public officials, agencies, or architects; attendance at public hearings; expert witness testimony;
3. Permit fees or review fees;
4. Retaining wall, structural tank, or other design requiring the services of a structural engineer;
5. Preparation and submission of a geotechnical investigation and report, environmental and/or wetland investigations, wetland mitigation and/or preservation, and tree identification (by an arborist);
6. Site lighting/photometrics;
7. Traffic studies, signal design, IDS, and/or traffic planning; and
8. Evaluation of drainage costs;
9. Evaluation of private roads

IV. Project Schedule

Upon authorization, GHA will commence with this pavement condition study. We anticipate the field work being completed 30-45 days after authorization, and that a draft of our report/findings will be submitted for your review 15 days after that. We will be able to finalize our report within one week from receipt of any comments from the Village.

V. Key Personnel

Mr. Michael T. Shrake, P.E. will oversee the project. He will be assisted by other professional staff as needed.

VI. Compensation for Services

For the services noted above, GHA proposes billing on a time and material basis in accordance with the Village of Long Grove hourly rates listed below. We propose a not-to-exceed labor ceiling of $23,750.00 for this project. This includes one team meeting at the Village during the project and one meeting to present the overall report and GIS component to the Village Board. This does not include pavement cores to determine existing pavement thicknesses.

GHA proposes the following rate schedule for this project:

Principal Engineer	$190/hr
Senior Engineer	$160/hr
Senior Environmental Consultant	$160/hr
Professional Engineer	$132/hr
Registered Land Surveyor	$114/hr
GIS Professional	$114/hr
Staff Engineer	$110/hr
Senior Engineering Technician	$108/hr
Environmental Consultant	$106/hr
Engineering Technician II	$92/hr
Engineering Technician I	$66/hr
Clerical	$54/hr

Reimbursable expenses such as printing, messenger service, mileage etc. will be billed directly to the Village of Long Grove without markup. We anticipate these costs to be less than $1,000.00 for this project.

Invoices will be submitted on a monthly basis and will detail charges made against the project and services performed. This allows the Client to review the status of the work in progress and the charges made. Please see *Attachment A*, which is attached hereto and is incorporated herein, for the General Provision of this Agreement.

VII. General Conditions

The delineated services provided by Gewalt Hamilton Associates, Inc., (GHA) under this Agreement will be performed as reasonably required in accordance with the generally accepted standards for civil engineering and surveying services as reflected in the contract for this project at the time when and the place where the services are performed.

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or GHA. GHA's services under this Agreement are being performed solely for the Client's benefit, and no other party or entity shall have any claim against GHA because of this Agreement or the performance or nonperformance of services hereunder. In no event shall GHA be liable for any loss of profit or any consequential damages.

GHA shall not have control of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for job site safety measures. Such control is the sole responsibility of the Client's contractor.

The Client, and not GHA, is responsible for ensuring that the contractor implements the Storm Water Pollution Prevention Plan (SWPPP), including maintenance and/or repair of soil erosion and sediment control measures for compliance with the General NPDES Permit for Storm Water Discharges from Construction Site Activities. GHA assumes no liability for any actions by the Illinois Environmental Protection Agency (IEPA) resulting from the contractor's failure to comply with SWPPP or the requirements of the General Permit.

The Client and GHA agree that all disputes between them arising out of or relating to this Agreement or the Project shall be submitted to nonbinding mediation in Chicago, Illinois unless the parties mutually agree otherwise.

This Agreement, including all subparts and *Attachment A,* which is attached hereto and incorporated herein as the General Provisions of this Agreement, constitute the entire integrated agreement between the parties which may not be modified without all parties consenting thereto in writing.

By signing below you indicate your acceptance of this Agreement in its entirety.

Gewalt Hamilton Associates, Inc	Village of Long Grove
Michael T. Shrake	
Mr. Michael T. Shrake, P.E. Vice President	Mr. David Lothspeich Village Manager
Date: _____	Date: _____

Encl: Attachment A

ATTACHMENT A TO GEWALT HAMILTON ASSOCIATES, INC. - PROFESSIONAL SERVICES AGREEMENT

The delineated services provided by Gewalt Hamilton Associates, Inc., (GHA) under this Agreement will be performed as reasonably required in accordance with the generally accepted standards for civil engineering and surveying services as reflected in the contract for this project at the time when and the place where the services are performed.

The terms of this Agreement are subject to renegotiation if not accepted within 60 days of the date indicated on the contract. Requests for extension beyond 60 days should be made in writing prior to the expiration date. The fees and terms of the Agreement shall remain in full force and effect for one year from the date of acceptance of the Agreement, and shall be subject to revision at that time, or any time thereafter, if GHA gives written notice to the other party at least 60 days prior to the requested date of revision. In the event that the parties fail to agree on the new rates or other revisions, either party may terminate this Agreement by giving the other party 10 days written notice.

Payments are due within (30) days after a statement is rendered. Fees not paid within 60 days of the end of the calendar month in which the statement is rendered will bear interest at the rate of one percent (1.0%) per month until paid. The provision for the payment of interest shall not be construed as authorization to make payments late. Failure of the Client to make payments when due shall, at the option of GHA, be cause for suspension of services. Upon notification by GHA of suspension of services, Client shall make payment of all outstanding invoices within seven days. Client's failure to make such payment to GHA shall constitute a material breach of the Agreement and shall be cause for termination by GHA. GHA shall be entitled to reimbursement of all costs actually incurred by GHA in collecting overdue accounts under this Agreement, including, without limitations, legal fees and costs.

The Client's obligation to pay for the professional services provided is in no way dependent upon the Client's ability to obtain financing, rezoning, payment from a third party, approval of governmental or regulatory agencies or the Client's successful completion of the project.

The Client and GHA agree that any documents prepared by either party shall conform to the specifications listed in the Engineering Agreement. Any electronic files submitted by GHA to the Client are submitted for an acceptance period of 10 days. Any defects the Client discovers during this period will be reported to GHA and will be corrected as part of GHA's Basic Scope of Services. Corrections of defects detected and reported after the acceptance period will be compensated for as Additional Services.

The Client acknowledges GHA's plans and specifications, including field data, notes, calculations, and all documents or data on electronic media, as instruments of professional service. The plans and specifications prepared under this Agreement shall become the property of the Client upon completion of the services and payment in full of all monies due to GHA. However, GHA shall retain ownership rights over all electronic data and documents.

The Client shall not reuse or make or permit to be made any modification to the plans, specifications, or electronic data without the prior written authorization of GHA. The Client agrees to waive any claim against GHA arising from any unauthorized reuse or modification of the plans and specifications or electronic data. The Client agrees, to the fullest extent permitted by law, to defend and indemnify and hold GHA harmless from any damage, liability or cost, including attorneys' fees and costs, arising from any reuse or modification of the plans, specifications, or electronic data by the Client or any person or entity which acquires or obtains the plans, specifications, or electronic data from or through the Client.

The client is aware that differences may exist between the electronic files delivered and the printed plans and specifications. In the event of a conflict between the signed and/or sealed printed plans and specifications prepared by GHA and electronic files, the signed and/or sealed printed plans and specifications shall govern.

The Americans with Disabilities Act (ADA) provides that it is a violation of the ADA to design and construct a facility for first occupancy later than January 26, 1993, that does not meet the accessibility and usability requirements of the ADA except where an entity can demonstrate that it is structurally impractical to meet such requirements. The Client acknowledges that the requirements of the ADA will be subject to various, and possibly contradictory interpretations. GHA, therefore, will use reasonable professional efforts to interpret applicable ADA requirements and other federal, state and local laws, rules, codes, ordinances, and regulations as they apply to the project. GHA, however cannot and does not warrant or guarantee that the Client's project will comply with interpretations of ADA requirements and/or requirements of other federal, state and local laws, rules, codes, ordinances, and regulations as they apply to the project.

If required by the contracted scope of services, GHA, shall prepare an opinion of probable construction costs, which shall be submitted to the Client for review. Since GHA has no control over the cost of labor, materials, or equipment, or over the contractor's methods of determining prices, or over competitive bidding or market conditions, opinions of probable costs, if called for by this Agreement as part of GHA's scope, shall be made on the basis of experience and qualifications applied to the program contemplated by the Agreement and information provided by Owner, and represent a reasonable judgment as a design professional familiar with the construction industry. However, GHA cannot and does not guarantee or warrant that proposals, bids, or the actual construction costs will not vary from opinions of probable cost prepared for the Client. If the Client wishes greater assurance as to the construction cost, Client agrees it will employ an independent cost estimator.

If required by the Scope of Services, GHA shall visit the project at defined intervals during construction to become generally familiar with the progress and quality of the contractors' work to determine if the work is proceeding in general conformance with the Contract Documents.

Client agrees that GHA does not have control of and is not responsible for construction means, methods, techniques, sequences or procedures, or for safety measures and programs including enforcement of Federal, State and County safety requirements, in connection with construction work performed by the Client's construction contractors. GHA is not responsible for the supervision of Client's construction contractors, subcontractors, materialmen, suppliers, or any of their employees, agents and representatives of such contractors; or responsible for any machinery, construction equipment, and tools used and employed by contractors and subcontractors in the project. GHA, Inc. has no authority or right to stop the work. In no event shall GHA be liable for the acts or omissions of Client's construction contractors, subcontractors, materialmen or suppliers, or any persons or entities performing any of the construction work, or for failure of any of them to carry out their work as called for by the Construction Documents.

Neither the professional activities of GHA, nor the presence of GHA or its employees and subconsultants (if any) at a construction site, shall relieve the Contractor or any other entity of their obligations, duties and responsibilities including but not limited to, construction means, methods, sequence, techniques, or procedures necessary for performing, superintending or coordinating all portions of the Work in accordance with the Contract Documents and any health or safety precautions required by any regulatory agencies or industry practice. GHA personnel have no authority or right to exercise any control or direction over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions. The Client agrees that the Contractor is solely responsible for jobsite safety, and warrants that this intent shall be included in the Client's agreement with the Contractor. The Client also agrees that the Client, GHA, and GHA's personnel and consultants shall be defended/indemnified by the Contractor for all claims asserted against GHA which arise out of the Contractor's or its subcontractors' negligence, errors or omissions in their performance of their work, and shall also be named as an additional insured under the Contractor(s)'s general liability insurance policy.

It is acknowledged by both parties that GHA's scope of services does not include any services related to asbestos, mold, fungus or any other hazardous or toxic materials, contaminants or pollutants. In the event that GHA, or any other party encounters asbestos mold, fungus or any other hazardous or toxic materials, contaminants or pollutants at the job site, or it should become known in any way that such materials may be present at the jobsite or any adjacent areas that may affect the performance of GHA, GHA may, at its option and without liability for consequential or any other damages, suspend performance of its services on the project until the Client retains appropriate specialist consultants or contractors to identify, abate and/or remove the asbestos, mold, fungus or any other hazardous or toxic materials, contaminants or pollutants and further warrant that the jobsite is in full compliance with applicable laws and regulations.

If required by the scope of services, records drawings (or revised specifications) will be prepared, in part, on the basis of information compiled and furnished by others, the accuracy of which GHA may reasonably rely upon, GHA will not be responsible for any errors or omissions, which have been incorporated into this document due to information furnished by others.

When preparing civil engineering or surveying plans and drawings, information on existing underground utilities or soil conditions is provided from the best information available. This information may be obtained from visible surface evidence, utility company records or soil borings, and is not represented to be the exact location of these utilities or soils in the fields. Client agrees that GHA may reasonably rely on the accuracy of information furnished by third parties. Contractor is solely responsible for exact utility locations. Client shall not hold GHA responsible for Contractor's error/omission in the utility locations. Client agrees GHA is not responsible for additional costs which result from utility conflicts or unforeseen conditions. If the Client wishes to obtain the services of a contractor to provide test holes and exact utility locations, GHA, may incorporate that information into the design and reasonably rely upon same. If not included in the scope of services, such work will be compensated as additional services.

The Client agrees to limit GHA's professional liability to the Client and to all construction contractors, or subcontractors on the project arising from GHA, Inc.'s alleged negligent acts, errors, or omissions, such that the total aggregate liability of GHA, Inc. to all those named shall not exceed $50,000 or GHA's total fee for the services rendered on this project, whichever is greater. GHA, Inc. makes no warranties, either expressed or implied, including any warranty of habitability, merchantability or fitness for any particular purpose. In no event shall GHA be liable for any loss of profit or any consequential damages.

All claims, disputes, controversies or matters in question arising out of or relating to this Agreement or any breach thereof, including but not limited to disputes arising out of alleged design defects, breaches of contract, errors, omissions, or acts of professional negligence (collectively "disputes") shall be submitted to mediation before and as a condition precedent to any other remedy. Upon written request by either party to this Agreement for mediation of any dispute, the Client and GHA shall select by mutual agreement a neutral mediator. Such selection shall be made within ten (10) calendar days of the date of receipt by the other party of the written request for mediation. In the event of failure to reach such agreement or in any instance when the selected mediator is unable or unwilling to serve and a replacement mediator cannot be agreed upon by Client or GHA within ten (10) calendar days, a mediator shall be chosen as specified in the Construction Industry Mediation Rules of the American Arbitration Association then in effect. Mediation shall take place in Chicago, Illinois unless the Client and GHA agree otherwise. The fees of the mediator(s) and costs incurred by the mediator(s) shall be apportioned equally between the parties.

Either the Client or GHA may terminate this Agreement without penalty at any time with or without cause upon giving the other party ten (10) calendar days prior written notice. The Client shall, within thirty (30) calendar days of termination pay GHA for all services rendered and all costs incurred up to the date of termination, in accordance with compensation provisions to this Agreement. The Client shall also reimburse GHA termination expenses, including, but not limited to, those associated with demobilization, reassignment of personnel and space and equipment costs. Client shall not assign this Agreement without GHA's written consent.

<u>Item #2B</u>:
Report On Infrastructure Funding:
Proposal From Business Districts Inc - Economic Development

04/17/14

Scope of Services

This project seeks to provide information that educates the Long Grove Village Board as it considers additional revenue sources.

Project Initiation

To initiate the project, BDI will meet with Long Grove Village Staff and invited guests to confirm the scope of work, identify key commercial properties, exchange information documenting previously completed market information, and set project responsibilities and key delivery dates.

Property Owner Interviews

Using information provided by the Village and Lake County Property Database, BDI will interview available property owners associated with Long Grove's developable commercial parcels. At these interviews, BDI will seek information on current plans, interest in attracting new owners, any property conditions impacting development potential, and Village policies or actions that could speed development.

Real Estate Broker and Investor Interviews

BDI will interview at least four locally or regionally active commercial real estate brokers to learn potential users who might consider Long Grove's commercial parcels. These interviews are conducted to confirm a list of retail and office uses that could be interested in the Long Grove commercial parcel, project an absorption timeline, and understand Village policies likely to increase interest in Long Grove properties.

Peer Communities Analysis

BDI will examine the sources and uses of tax revenue in at least four Chicago Region communities where residential lots are large. Communities that may be studied include: Oak Brook, Wayne, Bull Valley, and Golf. This analysis will examine infrastructure maintenance and the variety of tax revenue sources that fund community expenditures.

Target Business Analysis

Using its experience and information gleaned from property owner and commercial real estate brokers, BDI will compile a list of potential uses for Long Grove's commercial properties. That list will identify specific business categories and, where possible, specific businesses. The target analysis will identify proximity to competitors, impactful trends, public private partnerships typically incentivizing locations, and contact information for follow-up.

Unique Opportunities Analysis

BDI will examine unincorporated properties and Long Grove businesses with multiple locations to identify opportunities to increase Long Grove's sales tax revenue.

Revenue Alternatives Analysis

BDI will analyze tax revenue potential and the implementation process for options, including:

- Special Service Assessments and Special Service Areas
- Food and Beverage Tax

- Utility Taxes
- Pet Fees
- Alarm Registration Fees
- Video Gaming or Entertainment

Report

BDI will prepare a written report summarizing the results of its analysis and offering an action plan directing follow-up work.

Workshop

Approximately two weeks after delivery of the report, BDI will conduct a workshop for Village elected officials. At this workshop, BDI will present the results of its analysis and facilitate a discussion of the presented options.

Item #2C:

Report On Infrastructure Funding:

Review Of Suggested Bonding Opportunities - Speer Financial

04/17/14

SPEER FINANCIAL, INC.

PUBLIC FINANCE CONSULTANTS SINCE 1954

KEVIN W. McCANNA, PRESIDENT | DAVID F. PHILLIPS, SR. VICE PRESIDENT | LARRY P. BURGER, VICE PRESIDENT | DANIEL D. FORBES, VICE PRESIDENT | BARBARA L. CHEVALIER, VICE PRESIDENT | RAPHALIATA T. McKENZIE, VICE PRESIDENT

April 9, 2014

Mr. Dave Lothspeich
Village Manager
Village of Long Grove
3110 Old McHenry Road
Long Grove, IL 60047

Dear Dave:

Regarding refinancing the Village's outstanding debt, there is no benefit at this time. Several points on this are as follows:

1. The debt has all been issued fairly recently and has early redemption dates greater than two years away, resulting in losses on any refinancing.

2. The debt is all limited to very specific special districts, so any savings from a successful refinancing will only benefit those limited areas.

3. The nature of the debt being limited to special districts means that the debt cannot be rated. Ratings are not by community but by issue. These issues are for small areas with very few tax payers and very limited revenues. While a Village rating would likely be very strong, such a rating cannot be applied for until the Village is ready to issue village-wide debt. A Village rating would not apply to special district bonds.

I would be pleased to meet to discuss this further, if necessary.

Sincerely,

Kevin W. McCanna
President

KWM/mj

SUITE 4100 • ONE NORTH LASALLE STREET • CHICAGO, ILLINOIS 60602 • (312) 346-3700 • FAX (312) 346-8833
SUITE 608 • 531 COMMERCIAL STREET • WATERLOO, IOWA 50701 • (319) 291-2077 • FAX (319) 291-8628