



CITY OF
BLOOMINGTON
COUNCIL MEETING
DECEMBER 10, 2018



COMPONENTS OF THE COUNCIL AGENDA

RECOGNITION AND PROCLAMATION

Recognize individuals, groups, or institutions publically, as well as those receiving a proclamation, declaring a day, event, or person.

PUBLIC COMMENTS

Each regular City Council meeting shall have a public comment period not to exceed 30 minutes. Every speaker is entitled to speak for up to 3 minutes. To be considered for public comment, complete a public comment card at least 5 minutes prior to the start of the meeting. The Mayor will randomly draw from the cards submitted. Public comment is a time to give comment. It is not a question and answer period and the City Council does not respond to public comments. Speakers who engage in threatening or disorderly behavior will have their time ceased.

CONSENT AGENDA

All items under the Consent Agenda are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member, City Manager or Corporation Counsel so requests, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda, which typically begins with Item No. 8.

The City's Boards and Commissions hold Public Hearings prior to some Council items appearing on the Council's Meeting Agenda. Persons who wish to address the Council should provide new information which is pertinent to the issue before them.

PUBLIC HEARING

Items that require receiving public testimony will be placed on the agenda and noticed as a Public Hearing. Individuals have an opportunity to provide public testimony on those items that impact the community and/or residence.

REGULAR AGENDA

All items that provide the Council an opportunity to receive a presentation ask questions of City Staff, deliberate and seek additional information prior to making a decision.

MAYOR AND ALDERMAN

Mayor, At-Large - Tari Renner

City Aldermen

- Ward 1 - Jamie Mathy
- Ward 2 - Dave Sage
- Ward 3 - Mboka Mwilambwe
- Ward 4 - Amelia Buragas
- Ward 5 - Joni Painter
- Ward 6 - Karen Schmidt
- Ward 7 - Scott Black
- Ward 8 - Diana Hauman
- Ward 9 - Kim Bray

City Manager - Tim Gleason

CITY LOGO DESIGN RATIONALE

The **CHEVRON** Represents:
Service, Rank, and Authority
Growth and Diversity
A Friendly and Safe Community
A Positive, Upward Movement and
Commitment to Excellence!

MISSION, VISION, AND
VALUE STATEMENT

MISSION

To lead, serve and uplift the
City of Bloomington

VISION

A Jewel of the Midwest Cities

VALUES

Service-Centered,
Results-Driven,
Inclusive

STRATEGIC PLAN GOALS

-  Financially Sound City Providing Quality Basic Services
-  Upgrade City Infrastructure and Facilities
-  Grow the Local Economy
-  Strong Neighborhoods
-  Great Place - Livable, Sustainable City
-  Prosperous Downtown Bloomington

AGENDA



CITY COUNCIL MEETING AGENDA
CITY HALL COUNCIL CHAMBERS
109 EAST OLIVE STREET, BLOOMINGTON, IL 61701
MONDAY, DECEMBER 10, 2018, 6:00 P.M.

1. Call to order
2. Pledge of Allegiance to the Flag
3. Remain Standing for a Moment of Silent Prayer
4. Roll Call
5. Recognition/Appointments
 - A. Proclamation Celebrating the Life of Rev. Frank McSwain Sr. and Declaring Rev. Frank McSwain Sr. Remembrance Day.
6. Public Comment
7. "Consent Agenda"
 - A. Consideration of approving the Minutes of the November 26, 2018 Regular City Council Meeting. *(Recommend the reading of minutes be dispensed and approved as printed.)*
 - B. Consideration of approving Bills, Payroll, and Electronic Transfers in the amount of \$12,189,790.21. *(Recommend the Bills, Payroll, and Electronic Transfers be allowed in the amount of \$12,189,790.21, and orders drawn on the Treasurer for the various amounts as funds are available.)*
 - C. Consideration of Approving Appointments to Various Boards and Commissions. *(Recommend Michelle McConnell, Charles Moore, and Carlo Robustelli be appointed to the Bloomington-Normal Convention and Visitors Bureau, and Brenda Guest be appointed to the Bloomington-Normal Sister City Committee (Japan).)*
 - D. Consideration of a Change Order between the City of Bloomington and W.M. Masters, Inc. for the Lake Evergreen Pump Station Electrical Conversion (Bid #2018-33) for the purpose of funding the completion of construction, in the amount of \$6,724.71, as requested by the Public Works Department. *(Recommend the Change Order between the City of Bloomington and W.M. Masters, Inc. for the Lake Evergreen Pump Station Electrical Conversion (Bid #2018-33) for the purpose of funding the completion of construction, in the amount of \$6,724.71, be*

approved, and the Procurement Manager be authorized to adjust the Purchase Order.)

- E. Consideration of a Joint Purchasing Requisition with the Illinois Department of Central Management Services (PSD 4018456; exp. 09/2019) for the purchase of eight thousand (8,000) tons of rock salt bulk, in the amount of \$379,520, as requested by the Public Works Department. *(Recommend the Joint Purchasing Requisition with the Illinois Department of Central Management Services for the purchase of eight thousand (8,000) tons of rock salt bulk, in the amount of \$379,520 be approved, the City Manager be authorized to execute the Contract, and the Procurement Manager be authorized to issue a Purchase Order.)*

- F. Consideration of an Intergovernmental Agreement between the City of Bloomington and Bloomington Public Schools, District 87, for the provision of rock salt during winter 2018-2019, in the amount of \$52.44 per ton, not to exceed a total of \$13,110 (250 tons), as requested by the Public Works Department. *(Recommend the Intergovernmental Agreement between the City of Bloomington and Bloomington Public Schools, District 87, for the provision of rock salt during winter 2018-2019, in the amount of \$52.44 per ton, not to exceed a total of \$13,110 (250 tons), be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.)*

- G. Consideration of:
 - (a) a Resolution Waiving the Technical Bidding Requirements to establish a formal Water Leak Adjustment Policy and authorizing the City Manager to engage Sunbelt Insurance Group for the implementation of Water Leak Protection, Private Water Line Protection, and Private Sewer Lateral Protection for residential water and sewer customers, offered at a price of \$1.05 per month, \$4.84 per month, and \$6.60 per month, respectively; and

 - (b) an Ordinance amending Chapter 27 of the City Code to enact a formal Water Leak Adjustment Policy, as requested by the Public Works Department.

(Recommend

 - (a) the Resolution Waiving the Technical Bidding Requirements to establish a formal Water Leak Adjustment Policy, and authorizing the City Manager to engage Sunbelt Insurance Group for the implementation of Water Leak Protection, Private Water Line Protection, and Private Sewer Lateral Protection for residential water and sewer customers,*

offered at a price of \$1.05 per month, \$4.84 per month, and \$6.60 per month, respectively, and

(b) the Ordinance amending Chapter 27 of the City Code to enact a formal Water Leak Adjustment Policy be approved, and the Mayor and City Clerk be authorize to execute the Resolution and Ordinance.)

- H. Consideration of an Ordinance approving an assignment of the TIF Redevelopment Agreement between the City and Iceberg Development (JNB Bloomington, LP and TIF Bloomington, Inc.) for the redevelopment of the former Bloomington High School building at 510 East Washington Street, as requested by the Community Development Department. *(Recommend the Ordinance approving the Collateral Assignment of the Redevelopment Agreement by and among the City of Bloomington, McLean County, Illinois, JNB Bloomington, LP, and TIF Bloomington, Inc. be approved, and authorize the Mayor and City Clerk to execute the necessary documents.)*

8. "Public Hearing"

- A. Public hearing for a revised Citizen Participation Plan containing policies and procedures for public involvement and stakeholder consultation in the Consolidated Plan process and the use of Community Development Block Grant (CDBG) funds, as requested by the Community Development Department. *(Recommend the Council open the Public Hearing to receive comments on the revised Citizen Participation Plan.)*

9. "Regular Agenda"

- A. Consideration of a Resolution adopting a revised Citizen Participation Plan containing policies and procedures for public involvement and stakeholder consultation in the Consolidated Plan process and the use of Community Development Block Grant (CDBG) funds. *(Recommend the Resolution adopting the revised Citizen Participation Plan be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.) (Brief overview by Tim Gleason, City Manager. Presentation by Bob Mahrt, Community Development Director 5 minutes, Council discussion 10 minutes.)*

10. City Manager's Discussion

11. Mayor's Discussion

12. City Aldermen's Discussion

13. Executive Session - *Cite Section*

A. Review of Minutes - Section 2(c)(21) of 5 ILCS 120

14. **Adjournment**

15. **Notes**

RECOGNITIONS



Council Date: December 10, 2018

COUNCIL AGENDA ITEM NO. 5

Recognition/Appointments

- A. Proclamation Celebrating the Life of Rev. Frank McSwain Sr. and Declaring Rev. Frank McSwain Sr. Remembrance Day.

PROCLAMATION

*Proclamation Celebrating the Life of Rev. Frank McSwain Sr.
and Declaring Rev. Frank McSwain Sr. Remembrance Day*

WHEREAS, Rev. Frank McSwain Sr. was a longtime Bloomington resident who dedicated his life to many important community initiatives and served Mount Pisgah Baptist Church since 1984; and

WHEREAS, he was instrumental in Not In Our Town, the Bloomington-Normal Chapter of the NAACP, the Family and Community Resource Center, youth summer jobs programs, Westside development, and much more; and,

WHEREAS, he was a tremendous leader for social change and justice in Bloomington; and,

WHEREAS, he received several distinctive recognitions over the years including the Dr. Martin Luther King Jr. Award, Cultural Fest Award, Merlin Kennedy Community Service Award, and NAACP Lifetime Achievement Award; and,

WHEREAS, his giving and compassionate nature transformed many lives; and,

WHEREAS, Rev. McSwain Sr. passed away from this world on Thursday, November 29; and,

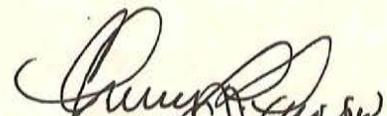
WHEREAS; the community wishes to celebrate a life lived so generously,

THEREFORE, I, Tari Renner, Mayor of Bloomington, do hereby proclaim Saturday, December 8, 2018 as:

Rev. Frank McSwain Sr. Remembrance Day



Tari Renner
Mayor



Cherry Lawson
City Clerk

CONSENT AGENDA



CONSENT AGENDA ITEM NO: 7A

FOR COUNCIL: December 10, 2018

SPONSORING DEPARTMENT: City Clerk's Office

SUBJECT: Consideration of approving the Minutes of the November 26, 2018 Regular City Council Meeting.

RECOMMENDATION/MOTION: The reading of minutes be dispensed and approved as printed.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND: The minutes of the meetings provided have been reviewed and certified as correct and complete by the City Clerk.

In compliance with the Open Meetings Act, Council Proceedings must be approved within thirty (30) days after the meeting or at the Council's second subsequent regular meeting whichever is later.

In accordance with the Open Meetings Act, Council Proceedings are made available for public inspection and posted to the City's web site within ten (10) days after Council approval.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: N/A

Respectfully submitted for Council consideration.

Prepared by: Cherry L. Lawson, C.M.C., City Clerk

Recommended by:

A handwritten signature in black ink, appearing to read "Tim Gleason", written over a white background.

Tim Gleason,
City Manager

Attachments:

- November 26, 2018 Regular City Council Meeting Minutes

**SUMMARY MEETING MINUTES
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL
OF BLOOMINGTON, ILLINOIS MONDAY, NOVEMBER 26, 2018, 6:00 P.M.**

The Council convened in Regular Session in the Council Chambers, City Hall Building, at 6:00 p.m., Monday, November 26, 2018.

Mayor Renner directed the City Clerk to call the roll and the following members of Council answered present:

Aldermen: Jamie Mathy, David Sage, Mboka Mwilambwe, Amelia Buragas, Scott Black, Joni Painter, Diana Hauman (Absent), Kim Bray, Karen Schmidt, and Mayor Tari Renner.

Staff Present: Tim Gleason, City Manager; Jeffrey Jurgens, Corporation Counsel; Bob Mahrt, Community Development Director; Scott Rathbun, Finance Director; Brian Mohr, Fire Chief; Melissa Hon, Assistant to the City Manager; Scott Sprouls, Information Services Director; and other City staff were also present.

Recognition/Appointments

Public Comment

Mayor Renner opened the meeting to receive public comment, and the following individuals provided comments to the Council:

Michele McConnell	Patricia Fountain
Thomas Hogan	Rob Ballantini

“Consent Agenda”

*Items listed on the Consent Agenda are approved with one motion, and is provided in **BOLD**, and items that Council pull from the Consent Agenda for discussion are listed with a notation **Pulled from the Consent Agenda**.*

Motion by Alderman Schmidt and seconded by Alderman Mwilambwe that the Consent Agenda be approved as presented.

Mayor Renner directed the Clerk to call the roll, which resulted in the following:

Ayes: Aldermen Mathy, Black, Buragas, Painter, Mwilambwe, Schmidt, Sage, and Bray.

Nays: None.

Motion carried.

The following was presented:

Item 7A. Consideration of approving the Minutes of the November 13, 2018 Regular City Council Meeting. *(Recommend the reading of minutes be dispensed and approved as printed.)*

The following was presented:

Item 7B. Consideration of approving Bills, Payroll, Procurement Card Purchases, and Electronic Transfers in the amount of \$5,560,645.30. *(Recommend the Bills, Payroll, Procurement Card Purchases, and Electronic Transfers be allowed in the amount of \$5,560,645.30 and orders drawn on the Treasurer for the various amounts as funds are available.)*

The following was presented:

Item 7C. Consideration of awarding the Request for Proposal (RFP# 2019-19) to Commerce Bank for the FY 2018 Taxable Capital Lease, in the amount of \$5,119,452, as requested by the Finance Department. *(Recommend the RFP (RFP# 2019-19) for the FY 2018 Taxable Capital Lease be awarded to Commerce Bank, in the amount of \$5,119,452, and the Mayor and City Clerk be authorized to execute the necessary documents.)*

The following was presented:

Item 7D. Consideration of an Agreement for Storm Water Education Program Services between the Town of Normal, McLean County, the Bloomington-Normal Water Reclamation District, and the Ecology Action Center, in the amount of \$16,719 per year (City of Bloomington portion) for three (3) years (with a built-in annual inflator equal to the rise in the Consumer Price Index or three (3%) percent, whichever is less, for years two and three), as requested by the Public Works Department. *(Recommend the Agreement for Storm Water Education Program Services between the Town of Normal, McLean County, the Bloomington-Normal Water Reclamation District, and the Ecology Action Center, in the amount of \$16,719 per year (City of Bloomington portion) for three (3) years (with a built-in annual inflator equal to the rise in the Consumer Price Index or three (3%) percent, whichever is less, for years two and three), be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.)*

The following was presented:

Item 7E. Consideration of a Purchase in the amount of \$176,166.17 to CDWG, Inc. from the State of Illinois Department of Central Management Services (CMS) Joint Purchasing Contract (CMS6945110, expires 9/30/19) for a Microsoft Enterprise Agreement Licensing, as requested by the Information Services Department. *(Recommend the purchase, in the amount*

of \$176,166.17, to CDWG, Inc. for the 2019 Microsoft Enterprise Agreement (EA) software maintenance and support covering the City's Microsoft licensing from the State of Illinois Department of Central Management Services (CMS6945110), the City Manager and City Clerk be authorized to execute the Agreement, and the Procurement Manager be authorized to issue a Purchase Order.)

The following was presented:

Item 7F. Consideration of IMRF Benefit Protection Leave to be provided to three (3) individuals whose pension benefit was incorrectly calculated, while each received Workers Compensation Benefits from the City of Bloomington, as requested by the Human Resources Department. *(Recommend the IMRF Benefit Protection Leave for three (3) employees whose pension benefits were incorrectly calculated by the City be approved, and the City Clerk be authorized to sign the necessary documents and the Human Resources be authorized to submit the necessary paperwork to IMRF.)*

The following was presented:

Item 7G. Consideration of a Contract with Hoerr Construction, Inc. for the FY 2019 Sewer Rehabilitation Program (Bid# 2019-18), in the amount not to exceed \$2,010,738, as requested by the Public Works Department. *(Recommend the Contract with Hoerr Construction, Inc., including the bid unit prices proposed, for the FY2019 Sewer Rehabilitation Program (Bid# 2019-18), in the amount not to exceed \$2,010,738, be approved, and the City Manager and City Clerk be authorized to execute the necessary documents.)*

The following was presented:

Item 7H. Consideration of an Ordinance Amending the membership on the City of Bloomington Transportation Commission to add a member that is either living with a disability or that serves the City's disabled population, as requested through a City Council Initiative. *(Recommend the Ordinance Amending the City Code to Add a Member on the City of Bloomington Transportation Commission, be approved and the Mayor and City Clerk authorized to execute the Ordinance.)*

ORDINANCE NO. 2018 - 106

AN ORDINANCE AMENDING THE CITY CODE TO ADD A MEMBER ON THE CITY OF BLOOMINGTON TRANSPORTATION COMMISSION

The following was presented:

Item 7I. Consideration of an Ordinance amending the Fiscal Year 2019 Budget, in the amount of \$15,775.36, to transfer budgeted funds from the General Fund to the General Bond & Interest Fund for payment of interest for the former Frontier Parking Lots, as requested by the Finance Department. *(Recommend the Ordinance amending the Fiscal Year 2019 Budget in*

the amount of \$15,775.36 to transfer budgeted funds from the General Fund to the General Bond & Interest Fund for payment of principal and interest (year 1 of 10) for the former Frontier Parking Lots now owned by the City, and the Mayor and City Clerk be authorized to execute the necessary documents.)

ORDINANCE NO. 2018 - 107

AN ORDINANCE AMENDING THE BUDGET ORDINANCE
FOR THE FISCAL YEAR ENDING APRIL 30, 2019

The following was presented:

Item 7J. Consideration of an IDOT Resolution for the Bloomington-Normal Jaycees Parade on December 1, 2018 as requested by the Community Development Department-Downtown Development Division. *(Recommend the IDOT Resolution to close Business 51 for the Jaycees Christmas Parade and authorize the Mayor and City Clerk to execute the necessary documents.)*

RESOLUTION 2018 - 62

RESOLUTION APPROVING THE TEMPORARY CLOSURE OF BUSINESS 51 SOUTHBOUND (CENTER STREET), A STATE HIGHWAY IN THE CITY OF BLOOMINGTON FROM DIVISION TO LOCUST FOR THE BLOOMINGTON-JAYCEES CHRISTMAS PARADE

“Regular Agenda”

The following was presented:

Item 8A. Consideration of an Agreement with Axon to purchase Body Worn Cameras, utilization of Evidence.com, Axon mobile apps, and the Axon In-Car video System, as a limited source, at a five-year fixed annual cost, to renew automatically each year contingent on the yearly expenditure being approved in the annual budget, as requested by the Police Department. *(Recommend the Agreement with Axon Enterprises, Inc., in the amount of \$174,079 for year one, and renewal thereafter for four years contingent upon yearly budget approval at an annual price of \$144,876, be approved and the City Manager and City Clerk be authorized to execute the necessary documents, and the Procurement Manager be authorized to issue a Purchase Order.) (Brief overview by Tim Gleason, City Manager, 5 minutes, City Council discussion, 5 minutes.)*

Motion by Alderman Black second by Alderman Schmidt approving the Agreement with Axon Enterprises, Inc., in the amount of \$174,079 for year one, and renewal thereafter for four years contingent upon yearly budget approval at an annual price of \$144,876, be approved and the City Manager and City Clerk be authorized to execute the necessary documents, and the Procurement Manager be authorized to issue a Purchase Order

Mayor Renner directed the Clerk to call the roll, which resulted in the following:

Ayes: Aldermen Black, Buragas, Mathy, Painter, Mwilambwe, Schmidt, Bray, and Sage.

Nays: None.

Motion carried.

The following was presented:

Item 8B. Consideration of approving the 2018 Tax Levy estimate for the City of Bloomington and the Bloomington Public Library, as requested by the Finance Department. *(Recommend the City Council estimate the Property Tax Levy to be (1) \$20,286,384 for the City of Bloomington; and (2) \$4,871,840 for the Bloomington Public Library.) (Brief overview by Tim Gleason, City Manager. Presentation by Scott Rathbun, Finance Director 5 minutes, Council discussion 10 minutes.)*

Motioned by Alderman Painter seconded by Alderman Schmidt that the *City Council estimate the Property Tax Levy to be (1) \$20,286,384 for the City of Bloomington; and (2) \$4,871,840 for the Bloomington Public Library.*

Mayor Renner directed the Clerk to call the roll, which resulted in the following:

Ayes: Aldermen Black, Buragas, Mathy, Painter, Mwilambwe, Schmidt, Bray, and Sage.

Nays: None.

Motion carried.

The following was presented:

Item 8C. Consideration of an Ordinance approving a Bond Refunding of the 2005 and 2007 General Obligation Bonds, in the amount of \$11,845,000, as requested by the Finance Department. *(Recommend the Ordinance providing for the issuance of \$11,845,000 of general obligation refunding bonds of the City, providing for the levy of property taxes to pay the bonds and authorizing the sale of the bonds to the purchaser thereof and authorize the Mayor and City Clerk to execute the necessary documents.) (Brief overview by Tim Gleason, City Manager. Presentation by Scott Rathbun, Finance Director 5 minutes, City Council discussion, 10 minutes.)*

Motioned by Alderman Mwilambwe seconded by Alderman Mathy approving the *Ordinance providing for the issuance of \$11,845,000 of general obligation refunding bonds of the City, providing for the levy of property taxes to pay the bonds and authorizing the sale of the bonds to the purchaser thereof and authorize the Mayor and City Clerk to execute the necessary documents.*

ORDINANCE NUMBER 2018-108

AN ORDINANCE providing for the issuance of \$11,845,000 General Obligation Refunding Bonds of the City of Bloomington, McLean County, Illinois, for the purpose of refunding certain outstanding bonds of said City, providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds, and authorizing the execution of an escrow agreement in connection with the issuance of said bonds.

Mayor Renner directed the Clerk to call the roll, which resulted in the following:

Ayes: Aldermen Mathy, Buragas, Black, Painter, Mwilambwe, Schmidt, Bray, and Sage.

Nays: None.

Motion carried.

The following was presented:

Item 8D. Consideration of an Ordinance amending Chapter 39 of the City Code to add a 6% tax on short-term rentals within the City of Bloomington, as requested by the Finance Department. *(Recommend the Ordinance amending Chapter 39 the City Code to add and Implement a Privilege Tax on Short-Term Rentals within the City of Bloomington be approved, and the Mayor and City Clerk be authorized to execute the Ordinance.) (Brief overview by Tim Gleason, City Manager. Presentation by Scott Rathbun, Finance Director and Bob Mahrt, Community Development Director 10 minutes, City Council discussion, 10 minutes.)*

Mr. Gleason provided a brief overview of this item stating as discussed in previous meetings, this is done in partnership with the Town of Normal. Scott Rathbun, Finance Director and the Finance Director of Normal have led this effort, along with Bob Mahrt, Community Development Director.

Aldermen Mathy and Mwilambwe thanked Mr. Gleason and City Staff for bringing this initiative forward for Council's consideration, and working with the Town of Normal in partnership on this opportunity. Alderman Bray thanked Mr. Gleason and City staff stating there are two 'parking lot items' as this item is revisited with the Town of Normal Council may want to consider action at a later date. One of the items addresses aligning the tax with the hotel

occupancy so that whenever there is a change there will be an automatic change; thus eliminating a staleness. The second item addresses safety issues and registering with the City's Business Registration Program.

Mr. Gleason stated the inspection component will be handled through Community Development. At this time, the Town of Normal is not inspecting Air B & B properties. However as this progress, the City and Normal will come together to collaborate on recommended solutions.

Mayor Renner stated that Air B & B's are often discussed at the U.S. Conference of Mayors, and they put much effort into its lobbying campaigns. He thanked Mr. Gleason, City staff and Crystal Howard for initiating this effort.

Alderman Schmidt responded to Alderman Bray's comments asking whether she wanted to include her concerns into the proposed ordinance. Alderman Bray stated she was not sure whether the City wanted to mirror the ordinance from Normal, but it could come back at a later date.

ORDINANCE 2018 - 109

AN ORDINANCE AMENDING CHAPTER 39 OF THE CITY CODE TO ADD AND IMPLEMENT A PRIVILEGE TAX ON SHORT-TERM RENTALS WITHIN THE CITY OF BLOOMINGTON

Motioned by Alderman Black second by Alderman Bray approving the Ordinance amending Chapter 39 the City Code to add and Implement a Privilege Tax on Short-Term Rentals within the City of Bloomington be approved, and the Mayor and City Clerk be authorized to execute the Ordinance.

Mayor Renner directed the Clerk to call the roll, which resulted in the following:

Ayes: Aldermen Black, Buragas, Mathy, Painter, Mwilambwe, Schmidt, Bray, and Sage.

Nays: None.

Motion carried.

City Manager's Discussion

Mr. Gleason reviewed the community events and stated Jim Karch, Public Works Director shared that a Leaf Collection Update Schedule has been posted to the City's website. Alderman Mathy stated that he responded to some comments regarding the recent storm and how the leaves were affecting the stormwater drains as well as the removal of snow. Mr. Gleason reminded Council that there is no Committee of the Whole Meeting in December; however, there are two

Council Meetings scheduled back to back on December 10 and December 17.

A. Finance Director's Report

Mr. Rathbun reviewed the current finance report with Council and it is available on the City's website at www.cityblm.org.

Mayor's Discussion

Mayor Renner thanked Council and City staff for its hard work. Today is the deadline for filing of Council elections.

City Aldermen's Discussion

Alderman Mathy acknowledged the Jaycee's Christmas Parade on Saturday, December 1 starting at 10 a.m. on Center Street.

Executive Session - *Cite Section*

Adjournment

Motion by Alderman Schmidt seconded by Alderman Bray adjourning the meeting. Meeting adjourned at 6:48 p.m.

Motion carried. (Viva Voce)

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk



CONSENT AGENDA ITEM: 7B

FOR COUNCIL: December 10, 2018

SPONSORING DEPARTMENT: Finance

SUBJECT: Consideration of approving Bills, Payroll, and Electronic Transfers in the amount of \$12,189,790.21.

RECOMMENDATION/MOTION: The Bills, Payroll, and Electronic Transfers be allowed in the amount of \$12,189,790.21, and orders drawn on the Treasurer for the various amounts as funds are available.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

FINANCIAL IMPACT: Total disbursements to be approved \$12,189,790.21 (Payroll total \$2,646,079.51, Accounts Payable total \$6,133,754.14, and Electronic Transfers total \$3,409,956.56).

Respectfully submitted for Council consideration.

Prepared By: Frances Watts, Accounts Payable

Reviewed By: Scott Rathbun, Finance Director

Recommended By:

A handwritten signature in black ink, appearing to read "Tim Gleason", written over a horizontal line.

Tim Gleason
City Manager

Attachment:

- Bills, Payroll, and Electronic Transfers on file in the Clerk's office. Also available at www.cityblm.org.
- Summary Sheet Bills, Payroll, and Electronic Transfers

CITY OF BLOOMINGTON FINANCE REPORT

Council of December 10, 2018

PAYROLL

Date	Gross Pay	Employer Contribution	Totals
11/21/2018	\$ 1,490,707.18	\$ 381,642.17	\$ 1,872,349.35
11/21/2018	\$ 259,079.23	\$ 83,586.90	\$ 342,666.13
11/30/2018	\$ 220,912.71	\$ 78,131.68	\$ 299,044.39
11/21/2018-11/26/2018 Off Cycle Adjustments	\$ 126,561.12	\$ 5,458.52	\$ 132,019.64
PAYROLL GRAND TOTAL			\$ 2,646,079.51

ACCOUNTS PAYABLE (WIRES)

Date	Bank	Total
12/10/2018	AP General	\$ 5,655,737.45
12/10/2018	AP JM Scott	\$ 230.74
12/10/2018	AP Comm Devel	\$ 107,522.71
	AP IHDA	
12/10/2018	AP Library	\$ 23,878.97
	AP MFT	
11/28/2018-12/04/2018	Out of Cycle	\$ 346,384.27
6/30/2018-12/02/2018	AP Bank Transfers	\$ 3,409,956.56
AP GRAND TOTAL		\$ 9,543,710.70

PCARDS

Date Range	Total
PCARD GRAND TOTAL	

TOTAL	\$ 12,189,790.21
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Respectfully,

F. Scott Rathbun
Finance Director



CONSENT AGENDA ITEM NO. 7C

FOR COUNCIL: December 10, 2018

SPONSORING DEPARTMENT: Administration

SUBJECT: Consideration of Approving Appointments to Various Boards and Commissions.

RECOMMENDATION/MOTION: Michelle McConnell, Charles Moore, and Carlo Robustelli be appointed to the Bloomington-Normal Convention and Visitors Bureau, and Brenda Guest be appointed to the Bloomington-Normal Sister City Committee (Japan).

STRATEGIC PLAN LINK: Goal 4. Strong Neighborhoods.

STRATEGIC PLAN SIGNIFICANCE: Objective 4e. Strong partnership with residents and neighborhood associations.

BACKGROUND: The Mayor of the City of Bloomington has nominated and I ask your concurrence in the appointment of:

Bloomington-Normal Convention and Visitors' Bureau. Michelle McConnell to the Bloomington-Normal Convention and Visitors' Bureau. She will be serving in one of the three additional positions on the Bureau. Michelle's term will be effective 1-1-19 and will expire 12-31-22 at which time she will be eligible to reapply. Application is on file in the Administration Office.

Charles Moore to the Bloomington-Normal Convention and Visitors' Bureau. He will be serving in one of the three additional positions on the Bureau. Charlie's term will be effective 1-1-19 and will expire 12-31-22 at which time he will be eligible to reapply. Application is on file in the Administration Office.

Carlo Robustelli to the Bloomington-Normal Convention and Visitors' Bureau. He will be serving in one of the three additional positions on the Bureau. Carlo's term will be effective 1-1-19 and will expire 12-31-22 at which time he will be eligible to reapply. Application is on file in the Administration Office.

Sister City Committee (Japan). Brenda Guest to the Sister City Committee (Japan). Brenda will be completing the term previously held by Tara Desmond whose term will expire 4-30-20 at which time she will be eligible to reapply. Application is on file in the Administration Office.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Mayor contacts all recommended appointments.

FINANCIAL IMPACT: N/A

COMMUNITY DEVELOPMENT IMPACT: N/A

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A

Respectfully submitted for Council consideration.

Prepared By: M. Beth Oakley, Executive Assistant

Recommended by:

A handwritten signature in black ink, appearing to read 'T. Gleason', written over a horizontal line.

Tim Gleason
City Manager

Attachments:

- Roster

Bloomington-Normal Convention & Visitors Bureau Board

Mayor Appointed	Staff/Chair	First Name	Last Name	Expiration	Appointment Date	Year First Appt	Email	Street	City	Zip	Home Phone	Work Phone	Cell Phone	Fax Number	Reappointment
	Chair	Ronn	Moorehead												
x	Ex-Officio	Tari	Renner	none											
		Kevin	McCarthy												
x	Treasurer	Scott	Black	none											
		Michelle	McConnell												
		Charles	Moore												
		Carlo	Robustelli												

Details:

Term: 3 years

Term Limit per City Code: None

CVB By-Laws: State Director may not serve more than three consecutive terms. Term of Director begins on the January 1 following appointment and ends the later of December 31 three years later or until a successor is appointed and qualified.

Number of members the Mayor appoints: 5

Type: Multi-Jurisdictional

City Code:

Required by State Statute: No

Intergovernmental Agreements:

Funding budgeted from COB for FY2014:

Meetings: 4th Thurs of each month at 7:00pm - Blm Library Community Room

Number of Vacancies: 0

Number of Expired Board Members (Blm Appointments only): 0

Number of Expired Board Members Eligible for Reappointment: 0

Appointment/Reappointment Notes: The term of Directors selected under §3.3.1.5 or §3.3.1.6 is three years, and a Director may not serve more than three consecutive terms. The term of a Director under this §3.5.1.3 begins on the January 1 following his or her appointment and ends the later of December 31 three years later or until his or her successor is appointed and qualified.

Japanese Sister City Committee

BIm Mayor Appointed	Staff/Chair	FirstName	LastName	Expiration	Year First Appt	Appointment Date	Ward	Email	Street	Zip	Home Phone	Work Phone	Notes
x		Robert	Harrison	04/30/20	2014	03/13/17	9						
x		Steven	Campbell	04/30/20	2014	03/13/17	7						
x		Cody	Hendricks	04/30/19	2018	08/13/18	7						
x		Ken	Ota	04/30/19	2016	03/28/16	2						
x		Kyle	Silver	04/30/20	2016	03/27/17	5						
x	Guest	Tara	Desmond	04/30/20	2017	06/26/17	9						Resigned 4-30-18
x		Sanae	Ferrier	04/30/19	2010	03/14/16	3						
x		Dawn	McBride	04/30/21	2018	05/14/18	4						
x		Noha	Shawki	04/30/21	2015	04/23/18	4						
x		Catrina	Murphy	04/30/21	2014	04/23/18	1						
	Chair	Darren	Sampson										
		Toyoka	Nishihara										

Details:

Term: 3 years

Term Limit per City Code: 3 terms/9 years

Members: 20 members

Number of members the Mayor appoints: 10 (10 appointed by Normal)

Type: Multi-Jurisdictional

City Code:

Required by State Statute: No

Intergovernmental Agreements:

Funding budgeted from COB for FY2014:

Meetings: 1st Monday of each month, 6:30pm in the CIRA Community Room

Number of Vacancies: 1

Number of Expired Board Members (BIm Appointments only): 0

Appointment/Reappointment Notes:



CONSENT AGENDA ITEM NO. 7D

FOR COUNCIL: December 10, 2018

SPONSORING DEPARTMENT: Public Works

SUBJECT: Consideration of a Change Order between the City of Bloomington and W.M. Masters, Inc. for the Lake Evergreen Pump Station Electrical Conversion (Bid #2018-33) for the purpose of funding the completion of construction, in the amount of \$6,724.71, as requested by the Public Works Department.

RECOMMENDATION/MOTION: The Change Order between the City of Bloomington and W.M. Masters, Inc. for the Lake Evergreen Pump Station Electrical Conversion (Bid #2018-33) for the purpose of funding the completion of construction, in the amount of \$6,724.71, be approved, and the Procurement Manager be authorized to adjust the Purchase Order.

STRATEGIC PLAN LINK: Goal 2. Upgrade City Infrastructure and Facilities

STRATEGIC PLAN SIGNIFICANCE: Objective 2b. Quality water for the long term

BACKGROUND: Public Works is recommending the approval of a Change Order to the contract with W.M. Masters, Inc. for the Lake Evergreen Pump Station Electrical Conversion for the purpose of funding the completion of construction, in the amount of \$6,724.71.

On April 9th, 2018, Council approved a contract with W.M. Masters, INC. in the amount of \$199,875.00 for the Lake Evergreen Pump Station Electrical Conversion. This station actively pumps a large amount of the water we treat from Lake Evergreen to the Lake Bloomington Water Treatment Facility. Part of this project was to have two of our three motors that are 2400 volt rewind to 480 volt. While in the process of having the second motor rewind, some additional, unforeseen repairs were found. These repairs need to be made during this process. These additional repairs were not able to be identified or anticipated during the design development process, which is an external evaluation of the equipment. In addition, the motor functioned properly under normal conditions. Since the repairs are internal, they were not discovered until after work began. Therefore, the repairs were not included in the bidding documents.

More specifically, the recommended repairs include:

1. Replacement of heater for 300 HP motor
2. Replacement of oil sight glass

3. Broach Keyway in top carrier
4. Repair bearing fit on carrier
5. Repair key for carrier fit on shaft
6. Replace the coupling from the motor to the pump shaft

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: If approved, the change order will be paid out of the Water Purification-Other Capital Improvement account (50100130-72620). Funds will come from savings realized from projects not anticipated to be completed during this fiscal year. Stakeholders can locate this in the FY 2019 Adopted Budget Book titled "Other Funds & Capital Improvement" on page 128.

COMMUNITY DEVELOPMENT IMPACT: N/A

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A

Respectfully submitted for Council consideration.

Prepared By: Aaron Kinder, Supt of Mechanical Maintenance
Michael Hill, Miscellaneous Technical Assistant

Reviewed By: Jim Karch, P.E., MPA, Director of Public Works

Finance & Budgetary Review By: Chris Tomerlin, Budget Manager
Scott Rathbun, Finance Director

Legal Review By: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



Tim Gleason
City Manager

Attachments:

- Change Order
- Original Memo And Contract

CONTRACTING DOCUMENTS
Document 00941 – Change Order

Change Order No. 1 *RM*

Date of Issuance:	Effective Date: 11/27/18
Owner: City of Bloomington	Owner's Contract No.: BID #2018-33
Contractor: Wm. Masters, Inc.	Contractor's Project No.:
Engineer: Crawford, Murphy & Tilly	Engineer's Project No.: 17000103.06
Project: Electrical Conversion to the Evergreen Lake Pump Station	Contract Name: Lake Evergreen Pump Station Electrical Conversion

The Contract is modified as follows upon execution of this Change Order:

Description: Additional machine work to Pump #1 by Bodine Electric.

Attachments: *Wm. Masters, Inc. Letters dated 11/20/2018*

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES
Original Contract Price: \$ <u>199,875.00</u>	Original Contract Times: Substantial Completion: _____ Ready for Final Payment: _____ <p align="center">days or dates</p>
[Increase] [Decrease] from previously approved Change Orders No. ___ to No. ___: \$ <u>NA</u>	[Increase] [Decrease] from previously approved Change Orders No. ___ to No. ___: Substantial Completion: _____ Ready for Final Payment: _____ <p align="center">Days</p>
Contract Price prior to this Change Order: \$ <u>199,875.00</u>	Contract Times prior to this Change Order: Substantial Completion: _____ Ready for Final Payment: _____ <p align="center">days or dates</p>
Increase of this Change Order: \$ <u>6,724.71</u>	Increase of this Change Order: Substantial Completion: _____ Ready for Final Payment: _____ <p align="center">days or dates</p>
Contract Price incorporating this Change Order: \$ <u>206,599.71</u>	Contract Times with all approved Change Orders: Substantial Completion: _____ Ready for Final Payment: _____ <p align="center">days or dates</p>

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: _____	By: _____	By: <u><i>William J. Martin</i></u>
Engineer (if required)	Owner (Authorized Signature)	Contractor (Authorized Signature)
Title: _____	Title: _____	Title: <u><i>Vice President</i></u>
Date: _____	Date: _____	Date: <u><i>11/27/18</i></u>

Approved by Funding Agency (if applicable)

By: _____ Date: _____
Title: _____

Wm Masters, Inc.
401 Olympia Drive
Bloomington, IL 61704
Phone (309)662-8481
FAX (309)662-8484
Electrical Contracting
Data Communications
Heating, Cooling & Plumbing

November 20, 2018

Crawford, Murphy & Tilly
2750 West Washington
Springfield, IL 62702

Re: Bloomington Evergreen Lake Pump Station – Request for Change

This letter is to request a change order for the following unforeseen items.

- 1) Replacement heaters for 300 HP motor – Cost \$857.16 + 15%=\$985.73
- 2) Replacement of oil sight glasses – Cost \$385.72 + 15%= \$443.58
- 3) Broach Keyway in top Carrier – Cost \$1,140.67 + 15%= \$1,311.77
- 4) Repair Bearing fit on Carrier – Cost \$1,073.94 + 15%= \$1,235.03
- 5) Repair Key for Carrier fit on Shaft – Cost \$1,040.09 = 15%= \$1,196.10
- 6) Replace the coupling from the motor to the pump shaft – Cost \$1,350 =15%=
\$1,552.50

The total for the above items is \$6,724.71

If you have any questions please feel free to contact us.

Sincerely,

Ron Masters
Wm. Masters, Inc.



CONSENT AGENDA ITEM NO. 9F-D

FOR COUNCIL: April 9, 2018

SPONSORING DEPARTMENT: Water Department

SUBJECT: Consideration of a Contract with WM. Masters, Inc. in the amount of \$199,875.00 for the Lake Evergreen Pump Station Electrical Conversion, City Bid No. 2018-33, as requested by the Water Department.

RECOMMENDATION/MOTION: The attached Contract with WM. Masters, Inc. be approved as the low bid for the Lake Evergreen Pump Station Electrical Conversion in the amount of \$199,875.00, and the Interim City Manager and City Clerk be authorized to execute the necessary documents.

STRATEGIC PLAN LINK: Goal 1. Financially Sound City Providing Quality Basic Services. Goal 2. Upgrade City Infrastructure and Facilities. Goal 5. Great Place – Livable, Sustainable City.

STRATEGIC PLAN SIGNIFICANCE: Objective 1a. Budget with adequate resources to support defined services and level of services. Objective 2b. Quality water for the long term. Object 2e. Investing in the City's future through a realistic, funded capital improvement program. Objective 5a. Well-planned City with necessary services and infrastructure.

BACKGROUND: This project provides for the construction of improvements to replace the existing 2400 volt electrical distribution system, switchgear, motor starters, and related equipment with 480 volt variable speed drives that will connect to the existing 480 volt motor control center in the pump station. The construction will include replacement of components due to failure, end of useful life, age, inefficiencies and safety concerns. The medium voltage motors will be rebuilt to be 480 volt higher efficiency motors. These improvements will reduce maintenance, improve safety for staff maintaining the facility, and improve the capacity of the water supply to the City.

The Water Department budgeted to construct the Lake Evergreen Pump Station Electrical Conversion in FY 2018.

Request for bids for the above-mentioned project were advertised and twenty-one (21) sets of bidding documents were taken by interested parties. Five (5) sealed bids for the project were opened at 2:00 p.m., March 15, 2018. The following is the summary of the bids received, listed from the lowest to the highest. The bid tabulation is attached.

Engineer's Estimate	\$492,000.00
<i>Bidders Name</i>	<i>Base Bid Amount</i>

*Wm. Masters, Inc.	\$199,875.00
Twin City Electric, Inc.	\$252,500.00
Anderson Electric, Inc.	\$311,750.00
Weber Electric, Inc.	\$340,000.00
Bodine Electric of Decatur	\$343,140.00

*Recommended, responsible low bidder.

Staff have analyzed the bids and recommend the acceptance of the lowest bid from Wm. Masters, Inc. in the amount of \$199,875.00. Staff discussed the disparity between the engineer's estimate and the bids received with the design engineer, Crawford, Murphy & Tilly, and they attributed the difference to their conservative estimate, including a bidding contingency, and a competitive bidding market.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: The invitation to bid was published on Thursday, February 6, 2018, in the Pantagraph.

FINANCIAL IMPACT: Funds totaling \$500,000.00 are included in the FY 2018 Budget for this project. The payment for these services are budgeted under the Water Purification – Other Capital Improvements account (50100130-72620). Stakeholders can locate this in the FY 2018 Budget Book titled “Adopted Other Funds Budget” on pages 141, 293, 332, 357 and 358.

COMMUNITY DEVELOPMENT IMPACT: N/A

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY

CONSTRUCTION: Annual operation/maintenance costs are anticipated to be reduced due to the installation of new motors with a lower future replacement cost and the energy efficiency achievable by the operation of the new variable frequency drives.
Respectfully submitted for Council consideration.

Respectfully submitted for Council consideration.

Prepared by: Richard Bernard, P.E., Civil Engineer II, Water Department

Reviewed by: Robert Yehl, PE, Water Director

Financial & budgetary review by: Scott Rathbun, Sr. Budget Manager

Legal review by: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



Steve Rasmussen
Interim City Manager

Attachments:

- 3B – Evergreen Lake Electrical Conversion Contract
- 3C – Evergreen Lake Electrical Conversion Bid Tabulation
- 3D – Evergreen Lake Electrical Conversion Bid 2018-33 Packet
- 3E – Evergreen Lake Electrical Conversion Location Map

**CITY OF BLOOMINGTON
CONTRACT WITH
Wm. Masters, Inc.
FOR**

Lake Evergreen Pump Station Electrical Conversion

THIS AGREEMENT, dated this 9th day of April _____, 2018, is between the City of Bloomington (hereinafter "CITY") and Wm. Masters, Inc. (hereinafter "CONTRACTOR").

NOW THEREFORE, the parties agree as follows:

Section 1. Recitals. The recitals set forth above are incorporated into this Section 1 as if specifically stated herein.

Section 2. Incorporation of Bid/RFP/RFO & Proposal Terms / Prevailing Wage. This work was subject to the following procurement initiative by the CITY: Bid #2018-33 Lake Evergreen Pump Station Electrical Conversion (hereinafter "Request")

Accordingly, the provisions of the Request and the proposal submitted by CONTRACTOR (hereinafter collectively referred to as "Procurement Documents" and attached as Exhibit A), shall be incorporated into this Contract and made a part thereof and shall be considered additional contractual requirements that must be met by CONTRACTOR. In the event of a direct conflict between the provisions of this contract and the incorporated documents, the provisions of this contract shall apply. This contract calls for the construction of a "public work," within the meaning of the Illinois Prevailing Wage Act, 820 ILCS 130/01 et seq. ("the Act"). The Act requires contractors and subcontractors to pay laborers, workers and mechanics performing services on public works projects no less than the current "prevailing rate of wages" (hourly cash wages plus amount for fringe benefits) in the county where the work is performed. The Department publishes the prevailing wage rates on its website. The Department revises the prevailing wage rates and the contractor/subcontractor has an obligation to check the Department's web site for revisions to prevailing wage rates. For information regarding current prevailing wage rates, please refer to the Illinois Department of Labor's website. All contractors and subcontractors rendering services under this contract must comply with all requirements of the Act, including but not limited to, all wage requirements and notice and record keeping duties.

Section 3. Description of Services. CONTRACTOR shall provide the services/work identified in the Procurement Documents, and specifically as follows: _____

Section 4. Payment. For the work performed by CONTRACTOR under this Contract, the CITY shall pay CONTRACTOR one of the following:

- A flat fee of \$ 199,875.00 as set forth in the Procurement Documents.
- Fees as set forth in the Procurement Documents up to the Contract amount of \$ _____.

Section 5. Default and Termination. Either party shall be in default if it fails to perform all or any part of this Contract. If either party is in default, the other party may terminate this Contract upon giving written notice of such termination to the party in default. Such notice shall be in writing and provided thirty (30) days prior to termination. The non-defaulting party shall be entitled to all remedies, whether in law or equity, upon the default or a violation of this Contract. In addition, the prevailing party shall be entitled to reimbursement of attorney's fees and court costs.

Section 6. Representations of Vendor. CONTRACTOR hereby represents it is legally able to perform the work that is subject to this Contract.

Section 7. Assignment. Neither party may assign this Contract, or the proceeds thereof, without written consent of the other party.

Section 8. Compliance with Laws. CONTRACTOR agrees that any and all work by CONTRACTOR shall at all times comply with all laws, ordinances, statutes and governmental rules, regulations and codes.

Section 9. Compliance with FOIA Requirements. CONTRACTOR further explicitly agrees to furnish all records related to this Contract and any documentation related to CITY required under an Illinois Freedom of Information Act (ILCS 140/1 et. seq.) ("FOIA") request within five (5) business days after CITY issues notice of such request to CONTRACTOR. CONTRACTOR agrees to not apply any costs or charge any fees to the CITY regarding the procurement of records required pursuant to a FOIA request. CONTRACTOR shall be responsible for any damages/penalties assessed to CITY for CONTRACTOR'S failure to furnish all documentation in CONTRACTOR'S possession responsive and related to a request within five (5) days after CITY issues a notice of a request.

Section 10. Governing Law. This Agreement shall be governed by and interpreted pursuant to the laws of the State of Illinois.

Section 11. Joint Drafting. The parties expressly agree that this agreement was jointly drafted, and that both had opportunity to negotiate its terms and to obtain the assistance of counsel in reviewing its terms prior to execution. Therefore, this agreement shall be construed neither against nor in favor of either party, but shall be construed in a neutral manner.

Section 12. Attorney Fees. In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorneys' fees.

Section 13. Paragraph Headings. The titles to the paragraphs of this agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this agreement.

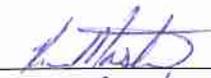
Section 14. Counterparts. This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute the same instrument.

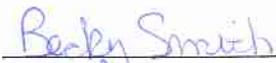
CITY OF BLOOMINGTON

By: 
Its City Manager

ATTEST:
By: 
City Clerk

Wm. Masters, Inc.

By: 
Its President

By: 
Its Accounting Manager



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/16/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER RWT C-U, LLC 1802 Fox Drive Suite B Champaign IL 61820	CONTACT NAME: Luke Sherman	FAX (A/C, No): 217-321-4297	
	PHONE (A/C, No, Ext): 217-239-3757	E-MAIL ADDRESS: lsherman@troxellins.com	
INSURED Wm Masters Inc 401 Olympia Drive Bloomington IL 61704-5972	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: The Phoenix Insurance Co.		25623
	INSURER B: Charter Oak Fire		25615
	INSURER C: Travelers Property Cas America		25674
	INSURER D: Travelers Indemnity Co (IND)		25658
	INSURER E: Great American E&S Insurance Co		37532
INSURER F:			

COVERAGES CERTIFICATE NUMBER: 17-18 MASTER REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR Manufacturers and Contractors	Y		DTCO6D135919PHX17	11/01/2017	11/01/2018	EACH OCCURRENCE \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY	Y		DT8106D135919COF17	11/01/2017	11/01/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY						BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE			DTSMCUP6D135919TIL17	11/01/2017	11/01/2018	EACH OCCURRENCE \$ 5,000,000
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						AGGREGATE \$ 5,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		DTHUB6D13591917	11/01/2017	11/01/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
							E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
E	Professional and Pollution Coverage			PCME240593	12/08/2017	11/01/2018	Professional \$1,000,000 Occ Pollution \$1,000,000 Occ \$2,000,000 Agg

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Lake Evergreen Pump Station Electrical Conversion
The City of Bloomington is named as Additional Insured on a Primary Non-Contributory basis with respect to General Liability (attached CGD2460805) and Automobile Liability (attached CAT3530215), as required by written contract. Thirty (30) day notice of cancellation applies except Ten (10) Day notice of cancellation for nonpayment of premium.

CERTIFICATE HOLDER

City of Bloomington
109 East Olive Street
Bloomington IL 61701

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|--|--|
| <ul style="list-style-type: none"> A. BROAD FORM NAMED INSURED B. BLANKET ADDITIONAL INSURED C. EMPLOYEE HIRED AUTO D. EMPLOYEES AS INSURED E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS G. WAIVER OF DEDUCTIBLE – GLASS | <ul style="list-style-type: none"> H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT J. PERSONAL PROPERTY K. AIRBAGS L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS M. BLANKET WAIVER OF SUBROGATION N. UNINTENTIONAL ERRORS OR OMISSIONS |
|--|--|

PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph A.1., **Who Is An Insured**, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph b. in B.5., **Other Insurance**, of SECTION IV – BUSINESS AUTO CONDITIONS:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

COMMERCIAL AUTO

permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

D. EMPLOYEES AS INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

1. The following replaces Paragraph A.2.a.(2), of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

(2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4), of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

The following replaces Subparagraph (5) in Paragraph B.7., **Policy Period, Coverage Territory**, of SECTION IV – BUSINESS AUTO CONDITIONS:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph C., **Limits Of Insurance**, of SECTION II – COVERED AUTOS LIABILITY COVERAGE.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph C., **Limits Of Insurance**, of SECTION II – COVERED AUTOS LIABILITY COVERAGE, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.

COMMERCIAL GENERAL LIABILITY

- i. How, when and where the "occurrence" or offense took place;
 - ii. The names and addresses of any injured persons and witnesses; and
 - iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b) If a claim is made or "suit" is brought against the additional insured, the additional insured must:
- i. Immediately record the specifics of the claim or "suit" and the date received; and
 - ii. Notify us as soon as practicable.
- The additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c) The additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.
- d) The additional insured must tender the defense and indemnity of any claim or "suit" to

any provider of "other insurance" which would cover the additional insured for a loss we cover under this endorsement. However, this condition does not affect whether the insurance provided to the additional insured by this endorsement is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured as described in paragraph 3. above.

5. The following definition is added to SECTION V. - DEFINITIONS:

"Written contract requiring insurance" means that part of any written contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:

- a. After the signing and execution of the contract or agreement by you;
- b. While that part of the contract or agreement is in effect; and
- c. Before the end of the policy period.

COMMERCIAL AUTO

such contract. The waiver applies only to the person or organization designated in such contract.

N. UNINTENTIONAL ERRORS OR OMISSIONS

The following is added to Paragraph B.2., Concealment, Misrepresentation, Or Fraud, of SECTION IV – BUSINESS AUTO CONDITIONS:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance; or for compliance in any way with the laws of other countries relating to insurance.

G. WAIVER OF DEDUCTIBLE - GLASS

The following is added to Paragraph D., **Deductible**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

H. HIRED AUTO PHYSICAL DAMAGE - LOSS OF USE - INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., **Loss Of Use Expenses**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., **Transportation Expenses**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

J. PERSONAL PROPERTY

The following is added to Paragraph A.4., **Coverage Extensions**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and

- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

K. AIRBAGS

The following is added to Paragraph B.3., **Exclusions**, of **SECTION III - PHYSICAL DAMAGE COVERAGE**:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

- a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- b. The airbags are not covered under any warranty; and
- c. The airbags were not intentionally inflated.

We will pay up to a maximum of \$1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of **SECTION IV - BUSINESS AUTO CONDITIONS**:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- (a) You (if you are an individual);
- (b) A partner (if you are a partnership);
- (c) A member (if you are a limited liability company);
- (d) An executive officer, director or insurance manager (if you are a corporation or other organization); or
- (e) Any "employee" authorized by you to give notice of the "accident" or "loss".

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., **Transfer Of Rights Of Recovery Against Others To Us**, of **SECTION IV - BUSINESS AUTO CONDITIONS**:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by



THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A312

Bond No: 106820340

Performance Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

Wm. Masters, Inc.
401 Olympia Dr
Bloomington IL 61704

SURETY (Name and Principal Place of Business):

Travelers Casualty and Surety Company of America
One Tower Square
Hartford, CT 06183

OWNER (Name and Address):

City of Bloomington
Water Department
603 W Division
Bloomington IL 61701

CONSTRUCTION CONTRACT

Date: April 10, 2018

Amount: \$199,875.00

Description (Name and Location): Lake Evergreen Pump Station Electrical Conversion

BOND

Date (Not earlier than Construction Contract Date): April 16, 2018

Amount: \$199,875.00

Modifications to this Bond:

None

See Page 3

CONTRACTOR AS PRINCIPAL

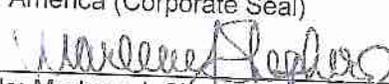
Company: Wm. Masters, Inc. (Corporate Seal)

SURETY

Company: Travelers Casualty and Surety Company
Of America (Corporate Seal)

Signature: 

Name and Title: Ron Masters President

Signature: 

Name and Title: Marlene J. Shepherd,
Attorney in Fact

(Any additional signatures appear on page 3)

(FOR INFORMATION ONLY - Name, Address and Telephone)

AGENT or BROKER:

Snyder and Snyder Agency, Inc., #1 Brickyard Dr.,
Bloomington IL 61701 309 664 1800

OWNER'S REPRESENTATIVE (Architect, Engineer or
other party):

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.

3 If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1; and

3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

4 When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

4.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract; or

4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or

4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

.1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or

.2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

5 If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the surety proceeds as provided in Subparagraph 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6 After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Subparagraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 4; and

6.3 Liquidated damages, or if not liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

7 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

8 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

9 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

11 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12 DEFINITIONS

12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received

by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

12.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS: N/A

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company:

(Corporate Seal)

SURETY

Company:

(Corporate Seal)

Signature: _____
Name and Title:
Address:

Signature: _____
Name and Title:
Address:

THE AMERICAN INSTITUTE OF ARCHITECTS



Bond No. 106820340

AIA Document A312

Payment Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):
Wm. Masters, Inc.
401 Olympia Dr
Bloomington IL 61704

SURETY (Name and Principal Place of Business):
Travelers Casualty and Surety Company of America
One Tower Square
Hartford, CT 06183

OWNER (Name and Address):
City of Bloomington
Water Department
603 W Division
Bloomington IL 61701

CONSTRUCTION CONTRACT

Date: April 10, 2018
Amount: \$199,875.00

Description (Name and Location): Lake Evergreen Pump Station Electrical Conversion

BOND

Date (Not earlier than Construction Contract Date): April 16, 2018
Amount: \$199,875.00

Modifications to this Bond:

| | None

[X] See Page 6

CONTRACTOR AS PRINCIPAL

Company: Wm. Masters, Inc (Corporate Seal)

SURETY

Company: Travelers Casualty and Surety Company
Of America (Corporate Seal)

Signature:

Name and Title: Wm Masters - President

Signature:

Name and Title: Marlene J. Shepherd, Attorney-in-Fact

(Any additional signatures appear on page 6)

COUNTERSIGNED BY:

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

2 With respect to the Owner, this obligation shall be null and void if the Contractor:

2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

3 With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

4. The Surety shall have no obligation to Claimants under this Bond until:

4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

4.2 Claimants who do not have a direct contract with the Contractor:

.1 Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and

.2 Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly; and

.3 Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.

5 If a notice required by Paragraph 4 is given by the Owner to the Contractor or to the Surety, that is sufficient compliance.

6 When the Claimant has satisfied the conditions of Paragraph 4, the Surety shall promptly and at the Surety's expense take the following actions:

6.1 Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

6.2 Pay or arrange for payment of any undisputed amounts.

7 The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

8 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

9 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

11 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Subparagraph 4.1 or Clause 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirements shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this

Bond shall be construed as a statutory bond and not as a common law bond.

14 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15 DEFINITIONS

15.1 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used

in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

15.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

15.3 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

Paragraph 6 is deleted in its entirety and the following is substituted in its place:

6. When the Claimant has satisfied the conditions of Paragraph 4, and has submitted all supporting documentation and any proof of claim requested by the Surety, the Surety shall, within a reasonable period of time, notify the Claimant of the amounts that are undisputed and the basis for challenging any amounts that are disputed, including, but not limited to, the lack of substantiating documentation to support the claim as to entitlement or amount, and the Surety shall, within a reasonable period of time, pay or make arrangements for payment of any undisputed amount; provided, however, that the failure of the Surety to timely discharge its obligations under this paragraph or to dispute or identify any specific defense to all or any part of a claim shall not be deemed to be an admission of liability by the Surety as to such claim or otherwise constitute a waiver of the Contractor's or Surety's defenses to, or right to dispute, such claim. Rather, the Claimant shall have the immediate right, without further notice, to bring suit against the Surety to enforce any remedy available to it under this Bond.

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company: _____ (Corporate Seal)

SURETY
Company: _____ (Corporate Seal)

Signature: _____ N/A
Name and Title:
Address:

Signature: _____ N/A
Name and Title:
Address:



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 229742

Certificate No. 006839155

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"); and that the Companies do hereby make, constitute and appoint

Marlene J. Shepherd, Sandra K. Kirby, Charles B. Farner, Cheryl A. Reeser, Mary Lynn Bartolomucci, Nichole Jones, Sara Marshky, and Kimberly S. Harris

of the City of Bloomington, State of Illinois, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 23rd day of June, 2016.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
Robert L. Rancy, Senior Vice President

On this the 23rd day of June, 2016, before me personally appeared Robert L. Rancy, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2021.



[Signature]
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 16 day of April, 2018.

Kevin E. Hughes
Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.



CONSENT AGENDA ITEM NO. 7E

FOR COUNCIL: December 10, 2018

SPONSORING DEPARTMENT: Public Works

SUBJECT: Consideration of a Joint Purchasing Requisition with the Illinois Department of Central Management Services (PSD 4018456; exp. 09/2019) for the purchase of eight thousand (8,000) tons of rock salt bulk, in the amount of \$379,520, as requested by the Public Works Department.

RECOMMENDATION/MOTION: The Joint Purchasing Requisition with the Illinois Department of Central Management Services for the purchase of eight thousand (8,000) tons of rock salt bulk, in the amount of \$379,520 be approved, the City Manager be authorized to execute the Contract, and the Procurement Manager be authorized to issue a Purchase Order.

STRATEGIC PLAN LINK: Goal 1. Financially Sound City Providing Quality Basic Services

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner; Objective 1e. Partnering with others for the most cost-effective service delivery

BACKGROUND: Public Works is recommending the approval of a Joint Purchasing Requisition with the Illinois Department of Central Management Services (ICMS) for the purchase of 8,000 tons of rock salt bulk, in the amount of \$379,520. Each year, the City enters into a contract with ICMS, which allows the City to partner with the state in order to receive cost-effective, bulk pricing for rock salt for winter street treatment. The tonnage needed can vary significantly depending upon the severity of the winter season, which is why it benefits the City to purchase rock salt in this way. With this agreement, the City is only obligated to purchase 80 percent of the contracted salt amount and may purchase up to 120 percent of the contract salt amount. However, Council would need to approve the purchase of more than 100 percent of the contract salt amount.

Salt costs have been inconsistent in the past; however, the pricing for winter 2018-2019 is the same as the pricing from winter 2017-2018, which is \$47.44 per ton. Actual salt usage depends on the severity of a given winter. The salt amount request is typically provided in March or April for the coming winter, but the City benefits by locking in the price under the State contract and by loading the salt dome with periodic, 500-ton orders. As-needed salt purchases, outside the contract, are always more expensive, because they occur during peak demand and, at times, when barge

traffic is hindered by ice and transportation costs rise. Salt prices rose to about \$150 per ton a few years ago, and cities that did not have sufficient supply through a contract were forced to pay the price or leave ice roads untreated.

Staff included salt in the FY 2019 budget. In the past, staff executed the necessary paperwork to secure the salt. However, in the interest of transparency, staff is seeking formal approval of the Joint Purchasing Requisition.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: The Public Works Department has this expense budgeted in the Snow & Ice Removal-Rock Salt account (10016124-71085). Based on the requested 8,000 tons for FY 2019, the estimated cost will be \$379,520. The Adopted Budget for FY 2019 includes \$386,250. Stakeholders can locate this in the FY 2019 Adopted Budget Book titled "Budget Overview & General Fund" on page 326.

COMMUNITY DEVELOPMENT IMPACT: N/A

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A

Respectfully submitted for Council consideration.

Prepared By: Michael Hill, Miscellaneous Technical Assistant

Reviewed By: Jim Karch, P.E., MPA, Director of Public Works

Finance & Budgetary Review By: Chris Tomerlin, Budget Manager
Scott Rathbun, Finance Director

Legal Review By: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



Tim Gleason
City Manager

Attachments:

- Contract



October 1, 2019

Dear Joint Purchasing Participant:

Subject: 2018 - 2019 Rock Salt, Bulk Contract Information

In completing the 2018 – 2019 Rock Salt season contract re-procurement, the State of Illinois did not encounter the types of supply-related issues experienced in previous seasons. We have made every effort to secure Road Salt at the best available price for participants in our contract solicitation, and gladly report that the State was able to obtain an offer for your location and its requirements through the State's procurement efforts.

In accordance with your response on "Table B: Complete to have the State RENEW for your Governmental Entity" from the seasonal participation survey, we have secured your revised REQUISITION QUANTITY with the previous season's contract vendor.

Enclosed is a copy of the requisition you submitted to us for the purchase of rock salt. The information from the requisition, including the purchase commitment, can be used to submit your requirements to this year's contract vendor:

CMS Contract: PSD 4018456

BidBuy PO# 18-416CMS-BOSS4-P-401

Term: October 2018 – September 2019

Compass Minerals America Inc.

FEIN Number: 48-1047632

9900 West 109-th. Street

Overland Park, KS 66210

Phone (800) 323-1641 or (913) 344-9330 Contact Name: Sean Lierz

Your unit is **CMS Contract Line#:** 439 **BidBuy PO Item#** 151

Your unit **Renewal Price per ton F.O.B. destination**, is \$ **47.44**

Emergency pickup of salt from vendor's warehouse is not made available in this contract.

The additional price per ton to have rock salt delivered in trucks equipped with coal/grain chute openings in the tailgate to permit controlled off-loading of rock salt onto conveyors was not provided for by this vendor in this season's procurement process.

You are responsible for issuing your own purchase order document to the vendor. Orders may be placed with the vendor via telephone, with a written or fax confirmation to follow immediately. *You are strongly encouraged to order and store as much salt as possible in order to help prevent potential salt shortages this winter.* Also, you must place orders in full truckload (typically 22-25 tons) delivery quantities or multiples of such.

Your governmental unit is responsible for ensuring that the 80 or 100 percent minimum guaranteed purchase commitment (as noted on your Requisition) is met before the end of the winter season, June 30, 2019. The vendor is required to furnish not less than 120 percent (if needed) of the contract quantity by March 1, 2019. Your governmental unit is responsible for processing vendor invoices in a timely manner.

Delivery shall be made as soon as possible after vendor receipt of order by phone or mail. The maximum time from receipt of order to the actual delivery for orders placed between December 1, 2018 through April 1, 2019 shall not exceed seven working days, unless as modified in the Order Guidelines herein.

For orders placed between December 1, 2018 and April 1, 2019, if a vendor is unable to make delivery within the order timeline, local governmental units shall have the right to retain as liquidated damages, not as a penalty, 5.% per working-day on the undelivered portion of the order, but not to exceed 50.%. For orders placed prior to 9:00 a.m. on a given day, that day to be considered as the first calendar day of the seven-day delivery period. For an order placed after 9:00 a.m. on a given day, the following day shall be considered as the first calendar day of the seven-day delivery period.

CMS reserves the right to mitigate application of liquidated damages imposed against a vendor, in the event of orders exceeding the maximum percentages outlined below:

An agency may order up to 20.% of their awarded contract tonnage in any given week and vendor shall deliver within 7 working-days after receipt of order. Quantity ordered above the 20.% threshold shall have an extended deliver time of one-working-day for each one-percentage-point above the 20.% guideline. For example, if an agency orders 25.% of their awarded total 100 ton, delivery of the first 20 ton (20.%) shall be within 7 working-days after receipt of order, the remaining 5 ton should be delivered within 12 working-days after receipt of order.

If after seven working-days of liquidated damages assessment, the vendor has still has failed to deliver, local governmental unit shall have the right to terminate an order and purchase road salt or abrasives from another source, or take action consistent with public safety as needed to continue daily business. Any and all additional costs incurred may be collected from the original vendor, in addition to liquidated damages, by participant's legal action.

All deliveries shall be covered with approved weatherproof materials. The vendor shall ensure that delivery person inspects the inside of the trailer and that all salt is removed from the trailer before leaving a delivery point. The vendor will ensure all weights and measures shown on delivery tickets are correct. Local governmental units reserve the right to require that delivery trucks occasionally be directed to a scale in the vicinity of the delivery point as a check on delivered truckloads.

Deliveries of rock salt containing any foreign material such as mud, rocks, grader teeth, wood, tarpaulins, etc., may be rejected at the delivery site. In the event that any foreign material is discovered in dumped deliveries, the salt and foreign matter may be reloaded onto the cartage hauler's truck by the local governmental unit and returned for credit, or the vendor shall immediately ship a specification compliant load of replacement salt, or issue a refund to the governmental unit consistent with the contract price.

In December 2018, the contract vendor shall have in place stockpile(s) located in or near Illinois covering the tonnage awarded for the northern regions of the State, and in January of 2019 the contract vendor shall have in place stockpile(s) in or near to Illinois covering the total tonnage awarded for all regions of the State. At our discretion, we will inspect the stockpiles to ensure that these stockpiles are in sufficient quantities, and that vendor commitments to the stockpiles are with the users of this contract.

Enhanced Rock Salt 2018 - 2019 season availability from Compass Minerals America Inc:

The Department of Central Management Services surveyed vendors for availability of an enhanced rock salt option in the invitation for bid, and received an offering from North American Salt Company. Locations interested in this enhanced salt option must call the vendor for availability information and to facilitate potential ordering arrangements.

Their product is made available to any joint purchasing participant awarded in the Compass Minerals America Inc. Contract as an up-charge per ton option and would be added to your order as a separate line item. Contact Sean Lierz at 913-344-9330 for the details.

The enhanced salt product features additional pre-treatment of approved road salt with a product providing enhanced melting performance, with reduced corrosion and clumping.

It is hoped that this information will be beneficial to you in the utilization of this contract. If you have any further questions concerning the rock salt contract, please feel free to contact me at (217) 782-8091.

Sincerely,

Wayne Hsley, CPPB, Buyer
Bureau of Strategic Sourcing

Joint Purchasing Participant.

BidBuy is the new procurement system implemented by the State Of Illinois, in which this Master Blanket Purchase Order (Master Contract) was re-established.

As a municipality, you do not need to register in BidBuy. To access master contracts you only need to follow the steps outlined in the following document.

Locating State Wide Master Contracts (without registration in BidBuy)

(To begin you just click on the 'Contract & Bid Search' as shown below.)

Screen	Task
To BidBuy Homepage	 https://www.bidbuy.illinois.gov/bsa/
BidBuy Homepage	 Click Contract & Bid Search at bottom of screen
Advanced Search	 Select radio dial next to Contracts/Blankets
Advanced Search	 Enter Search Criteria or enter nothing to receive all contracts  Click Find It
Advanced Search	 Click on Contract/Blanket# (underlined) to show contract information
Master Blanket Purchase Order Under Header Information	Verify Field " Master Contract? " = Yes  Click on Copy of contract (underlined) next to Agency Attachment field to download contract document
To Exit	In BidBuy  Click Exit at bottom of screen
Advanced Search	 Click Exit at bottom of screen to return to BidBuy homepage



ILLINOIS

JOINT PURCHASING REQUISITION CY'18-'19 New Purchase Commitment

PLEASE RETURN TO:
 Illinois Department of
 Central Management Services
 801 Wm. G. Stratton Building
 401 S. Spring Street
 Springfield, IL 62706

Email Address for submission:
CMS.BOSS.EC@illinois.gov

No Thank You,
 But keep on mailing list.

Opt-Out-> Our unit **does not want to participate** in the CY' 2018-2019 Contract Procurement.
Notice:-> Please complete and return the Contact information below to remain on the mailing list.

Joint Purchasing #: L0460-0460

Government Unit: CITY OF BLOOMINGTON

Mailing Address: P.O. BOX 3157

City / State / Zip: Bloomington, Il 61702

County: Mc Lean

Contact Person: Jim Karch

Telephone Number: 309-434-2225

Fax Number: 309-434-2201

Contact Email: jkarch@cityblm.org

Date: 03 / 23 / 2018

Delivery Point
(Provide Delivery Details To Contract) (Vendor At Time Of Order Placement)
401 S. East Street Bloomington, IL 61701
<- Please provide Email Address

***** Participant, Complete Only One - Either "Table-A" or "Table-B" Below *****

Table A: Complete this table to have the State "SOLICIT BIDS" for your governmental entity		
ITEM DESCRIPTION	BID QUANTITY	UNIT MEASURE
AASHTO M143 Road Salt or Equivalent	(Total Tonnage)	(22 - 25 Ton / Truck)
Rock Salt, Bulk	_____	T o n s
Please note your Purchase Commitment Percentage for Total Tonnage Quantity as stated above (choose one):		
OPTION 1 <input checked="" type="checkbox"/> 80%. minimum purchase requirement/120% maximum purchase requirement		
OPTION 2 <input type="checkbox"/> 100% minimum purchase requirement/120% maximum purchase requirement		

***** Participant, Complete Only One - Either "Table-A" Above or "Table-B" Below *****

Table B: Complete this table to have the State "RENEW" Requirements for your governmental entity		
ITEM DESCRIPTION	QUANTITY	UNIT MEASURE
AASHTO M143 Road Salt or Equivalent	(Total Tonnage)	(22 - 25 Ton / Truck)
Rock Salt, Bulk	<u>8000</u>	T o n s
Note: Renewal is available ONLY under Contracts PSD 4018455, 4018456, and 4018457 for prior CY' 2017-2018.		
Your quantity may not exceed more than a 20% increase of last season's quantity, and price cannot increase more than 10.% of last season's price. Other Terms & Conditions of Contract will remain the same as last year. Please Check Contract # Below:		
Note Your Current CMS Contract: PSD 4018455 () -or- PSD 4018456 (x) -or- PSD 4018457 ()		

I certify that funds are available for the purchase of the items on this Requisition and that such items are for the sole use of this governmental unit, and not for personal use of any official or individual or re-sale.

In addition, I agree to abide by the Joint Purchasing Procedure established by the Department of Central Management Services.

 SIGNATURE OF AUTHORIZED OFFICIAL OR AGENT

Printed on Recycled Paper

 City Manager

TITLE



CONSENT AGENDA ITEM NO. 7F

FOR COUNCIL: December 10, 2018

SPONSORING DEPARTMENT: Public Works

SUBJECT: Consideration of an Intergovernmental Agreement between the City of Bloomington and Bloomington Public Schools, District 87, for the provision of rock salt during winter 2018-2019, in the amount of \$52.44 per ton, not to exceed a total of \$13,110 (250 tons), as requested by the Public Works Department.

RECOMMENDATION/MOTION: The Intergovernmental Agreement between the City of Bloomington and Bloomington Public Schools, District 87, for the provision of rock salt during winter 2018-2019, in the amount of \$52.44 per ton, not to exceed a total of \$13,110 (250 tons), be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.

STRATEGIC PLAN LINK: Goal 1. Financially Sound City Providing Quality Basic Services

STRATEGIC PLAN SIGNIFICANCE: Objective 1e. Partnering with others for the most cost-effective service delivery

BACKGROUND: Public Works is recommending the approval of an Intergovernmental Agreement with District 87, so that they can purchase rock salt from the City of Bloomington. The City will charge the District \$52.44 per ton, and the District will not be able to purchase more than 250 tons, for a total of not to exceed \$13,110.

The City of Bloomington purchases bulk rock salt every year for its snow operations through the Illinois Department of Central Management Services (ICMS). In the past, the City has sold a small amount of that salt to District 87 to supplement their snow operations. In an effort to assist with our local school district, staff has negotiated an agreement this year to assist District 87 with a relatively small amount of salt. The amount of salt covered under the agreement should not affect snow operations for the City.

In winter 2016-2017, District 87 purchased 170 tons of rock salt for a total cost of \$9,174.90. In winter 2017-2018, the District paid \$6,686.10 for 127.5 tons of salt.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: The City will charge District 87 \$52.44 per ton, which is comprised of the raw material cost of \$47.44 per ton and overhead costs (storage,

hauling, and loading) of \$5.00 per ton. Revenue will be recognized in the Snow & Ice Removal-Other Miscellaneous Revenue account (10016124-57990). Stakeholders can locate this in the FY 2019 Adopted Budget Book titled "Budget Overview & General Fund" on page 326.

COMMUNITY DEVELOPMENT IMPACT: N/A

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A

Respectfully submitted for Council consideration.

Prepared By: Michael Hill, Miscellaneous Technical Assistant

Reviewed By: Jim Karch, P.E., MPA, Director of Public Works

Finance & Budgetary Review By: Chris Tomerlin, Budget Manager
Scott Rathbun, Finance Director

Legal Review By: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



Tim Gleason
City Manager

Attachments:

- Intergovernmental Agreement

**Intergovernmental Agreement
Between the City of Bloomington and
Bloomington Public Schools, District 87**

In order to better conserve taxpayer dollars, the City of Bloomington (hereafter “City”) and Bloomington Public Schools, District 87 (hereafter “District 87”) hereby enter into the following agreement regarding road salt from the date of its execution through April 30, 2019.

1. The City stores and loads the salt from its 502 South East Street salt storage facility. District 87 will provide the transportation from this salt storage facility.
2. The City of Bloomington would prefer, but does not require, that the total salt distribution be taken by District 87 at one time. Loading of the salt will need to be arranged by District 87 with the City a minimum of 48 hours prior to the date of request. The City reserves the right to deny the timeline of pickup given based upon daily operations of the City.
3. The salt will be paid for by District 87 at a cost of \$52.44 per ton (this cost includes the raw material cost of \$47.44 per ton plus a storage, handling and loading fee of \$5 per ton).
4. The amount of salt provided to District 87 shall not exceed 250 tons prior to April 30, 2019.
5. This agreement shall be effective as of the date it is passed by the final party to do so.

Passed this _____ day of _____, 2018.

Approved this _____ day of _____, 2018.

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk

BLOOMINGTON PUBLIC SCHOOL, DISTRICT 87

John Dirks, Board President

Dated



CONSENT AGENDA ITEM NO. 7G

FOR COUNCIL: December 10, 2018

SPONSORING DEPARTMENT: Public Works

SUBJECT: Consideration of:

(a) a Resolution Waiving the Technical Bidding Requirements to establish a formal Water Leak Adjustment Policy and authorizing the City Manager to engage Sunbelt Insurance Group for the implementation of Water Leak Protection, Private Water Line Protection, and Private Sewer Lateral Protection for residential water and sewer customers, offered at a price of \$1.05 per month, \$4.84 per month, and \$6.60 per month, respectively; and

(b) an Ordinance amending Chapter 27 of the City Code to enact a formal Water Leak Adjustment Policy, as requested by the Public Works Department.

RECOMMENDATION/MOTION:

(a) The Resolution Waiving the Technical Bidding Requirements to establish a formal Water Leak Adjustment Policy, and authorizing the City Manager to engage Sunbelt Insurance Group for the implementation of Water Leak Protection, Private Water Line Protection, and Private Sewer Lateral Protection for residential water and sewer customers, offered at a price of \$1.05 per month, \$4.84 per month, and \$6.60 per month, respectively; and

(b) The Ordinance amending Chapter 27 of the City Code to enact a formal Water Leak Adjustment Policy be approved, and the Mayor and City Clerk be authorize to execute the Resolution and Ordinance.

STRATEGIC PLAN LINK: Goal 1. Financially Sound City Providing Quality Basic Services; Goal 4. Strong Neighborhoods

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner; Objective 4e. Strong partnership with residents and neighborhood associations; Objective 4f. Residents increasingly sharing/taking responsibility for their homes and neighborhoods

BACKGROUND: The Public Works Department is recommending the approval of a Resolution that will waive the technical bidding requirements, establish a formal water leak adjustment policy, and authorize the City Manager to engage Sunbelt

Insurance Group to implement opt-out water leak protection, opt-in water line protection, and opt-in sewer lateral protection to residential water and sewer customers. On November 19, 2018, the Committee of the Whole gave staff direction to move forward with this proposal using the \$500 limit option for water leak protection. The following monthly fees would apply to those enrolled in each program (each fee includes a 10 percent administrative fee):

- Opt-out water leak protection (\$500 limit) is \$1.05 per month
- Opt-in water line protection (\$10,000 limit) is \$4.84 per month
- Opt-in sewer lateral protection (\$10,000 limit) is \$6.60 per month

Working with the Administration Department, the Water Division of the Public Works Department found that Sunbelt Insurance Group in Chattanooga, Tennessee offers a program called ServLine. This program includes a water and sewer leak protection, water line protection, and sewer lateral protection. With each of these options, the City collects the premiums, tracks the number of customers, and provides other background information directly to ServLine. The City remits the payments, minus the administrative charges, and sends the number of customers to Sunbelt Insurance Group each month.

Jim Karch, Bob Yehl, and representatives from Sunbelt Insurance Group presented their proposal on August 27, 2018 in order for the City to offer Water Leak Protection, Water Line Protection, and Sewer Lateral Protection through ServLine. The City Council gave direction to continue researching the proposals and provided several specific questions to answer. Staff continued to look into these programs in order to answer those questions. A list of questions and answers, which were presented at the Committee of the Whole meeting on November 20, 2018, are attached.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: The services would be provided based on fees paid by residential water and sewer customers. This program is intended to be cost-neutral for the City; given the 10 percent administration fee which is in place to cover the City's cost to administer the program. If approved, new accounts for water leak protection, water line protection, and sewer lateral protection will need to be added to recognize the fees collected. In addition, an expenditure account will be necessary to pay Sunbelt Insurance Group for the premiums collected minus the ten (10) percent administrative fee that the City would keep.

COMMUNITY DEVELOPMENT IMPACT: The Utilities chapter of the City's Comprehensive Plan 2035 (Adopted August 24, 2015) includes multiple goals and objectives related to this item.

UEW-1 Provide quality public infrastructure within the City to protect public health, safety and the environment.

UEW-1.5 Reliable water supply and distribution system that meets the needs of the current and future residents

UEW-1.7 Reliable and efficient collections systems (sanitary sewer, combined sewer, and storm water sewer) to protect public health, safety and the environment

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A
Respectfully submitted for Council consideration.

Prepared By: Michael Hill, Miscellaneous Technical Assistant

Reviewed By: Jim Karch, P.E., MPA, Director of Public Works

Finance & Budgetary Review By: Chris Tomerlin, Budget Manager
Scott Rathbun, Finance Director

Community Dev. Review By: Bob Mahrt, Community Development Director

Legal Review By: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



Tim Gleason
City Manager

Attachments:

- Resolution
- Ordinance
- Ordinance Exhibit A
- Letter From Servline
- Utility Poll Results
- Proposal
- Insurance Policy
- Program Detail Document

RESOLUTION NO. 2018 - _____

A RESOLUTION AUTHORIZING WAIVING THE TECHNICAL BIDDING REQUIREMENTS AND AUTHORIZING THE CITY MANAGER TO ENGAGE SUNBELT INSURANCE GROUP FOR THE IMPLEMENTATION OF WATER LEAK PROTECTION, PRIVATE WATER LINE PROTECTION, AND PRIVATE SEWER LATERAL PROTECTION FOR RESIDENTIAL WATER AND SEWER CUSTOMERS

WHEREAS, the Public Works Department is recommending City staff be approved to work with Sunbelt Insurance Group to implement opt-out water leak protection, opt-in water line protection, and opt-in sewer lateral protection to residential water and sewer customers; and

WHEREAS, Sunbelt Insurance Group specializes in providing the residential insurance services deemed necessary by the Public Works Department; and

WHEREAS, offering the type of insurance provided by Sunbelt Insurance Group can help residential customers offset various expenses, including water leaks and damages to utility lines; and

WHEREAS, due to the specialized nature of the insurance services being offered, the City Council desires to waive the City's technical bidding requirements.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLOOMINGTON, ILLINOIS:

That the recitals set forth above are incorporated herein, the technical bidding requirements waived, and City Manager, or designated representatives, are authorized to engage Sunbelt Insurance Group for the implementation of opt-out water leak protection, opt-in water line protection, and opt-in sewer lateral protection to residential water and sewer customers.

PASSED this 10th day of December 2018.

APPROVED this ____ day of December 2018.

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, C.M.C., City Clerk

ORDINANCE NO. 2018 - ____

AN ORDINANCE AMENDING CHAPTER 27 OF THE CITY CODE TO ENACT A FORMAL
WATER LEAK ADJUSTMENT POLICY

BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF BLOOMINGTON, ILLINOIS:

SECTION 1. That Chapter 27 of the Bloomington City Code, 1960, as amended, shall be further amended as set forth below by adding a new Section 37, Billing Adjustments, under Article V as follows:

Section 37 Billing Adjustments.

Effective May 1, 2019, any and all requests for adjustments to City services utility bills shall be processed in accordance with and subject to the conditions and limitations of the "City of Bloomington Water Leak Adjustment Policy" as the same may from time to time be amended by the City Council.

SECTION 2. The document titled "City of Bloomington Water Leak Adjustment Policy," attached hereto as Exhibit A is incorporated by reference and adopted with an effective date of May 1, 2019.

SECTION 3. Except as provided herein, the Bloomington City Code, 1960, as amended shall remain in full force and effect.

SECTION 4. In the event that any section, clause, provision, or part of this Ordinance shall be found and determined to be invalid by a court of competent jurisdiction, all valid parts that are severable from the invalid parts shall remain in full force and effect.

SECTION 5. The City Clerk is hereby authorized to publish this ordinance in pamphlet form as provided by law.

SECTION 6. This ordinance shall be effective immediately after the date of its publication as required by law.

SECTION 8. This ordinance is passed and approved pursuant to the home rule authority granted Article VII, Section 6 of the 1970 Illinois Constitution.

PASSED this 10th day of December 2018.

APPROVED this ____ day of December 2018.

CITY OF BLOOMINGTON

Tari Renner, Mayor

ATTEST

Cherry L. Lawson, City Clerk

EXHIBIT A
CITY OF BLOOMINGTON WATER LEAK ADJUSTMENT POLICY

City of Bloomington Water Leak Adjustment Policy

In accordance with Bloomington City Code Article V, Section 37, any and all requests for adjustments to City services utility bills shall be in accordance with the procedures and subject to the limitations contained within this Water Leak Adjustment Policy.

Section 1. Customer's Responsibility

The City's ownership and maintenance obligations, as outlined by City code, for the water distribution system includes the public water mains. The customer's ownership and maintenance obligations, as outlined by City code, includes the customer's tap at the water main and the water service line extending to the structure, as well as the premise plumbing and fixtures. Though City code outlines the above delineation of ownership and maintenance obligations, the City, through practice, has maintained residential service lines from the public water main to and including the curb stop. Based on this practice, the residential customer is responsible for the water service line from the curb stop to the structure, as well as the premise plumbing and fixtures. It is the customer's responsibility to keep his or her water lines and plumbing system in good working order. That said, water leaks do occur from time to time resulting in unexpectedly high City services utility bills.

Section 2. Water Leak Adjustment Protection

The City of Bloomington has partnered with Sunbelt Insurance Group, herein referred to as "ServLine," to provide the City's residential water customers with water leak adjustment insurance coverage for one (1) adjustment of up to \$500 each year. This coverage provides payment of unexpectedly high City services utility bills due to qualifying leaks. See item H below for services impacted by this protection. The following conditions, provisions, and limitations apply:

- (A) **Qualifying Leaks** - Any leak, other than those non-qualifying leaks listed below, that generates a minimum additional charge resulting in a City services utility bill that is twice the average water bill of that customer calculated over a twelve (12) month period, up to a maximum adjustment of five hundred (500) dollars during any twelve (12) month period. For water customers who have been on the City's water system for less than twelve (12) months, a water leak adjustment will not be made until at least three (3) months of average usage has been established.
- (B) **Non-Qualifying Leaks or Usage** - The following leaks or use of water do not qualify for a water leak adjustment under this policy:
 - 1. Commercial or Industrial customers;
 - 2. Residential customers who do not have a water meter and/or who are not the responsible party for the City services utility bill;

Exhibit A

3. Leaks associated with structures that have been left or abandoned without reasonable care for the plumbing system (i.e. unattended homes that have not had the meter turned off and water drained from plumbing system or homes that have been left for any period of time without heat);
4. Leaks on irrigation systems or irrigation lines;
5. Filling of water features, such as fountains or fish ponds, or leaks associated with water features;
6. Filling of, leaks associated with, and/or general water usage associated with outdoor recreational activities such as, but not limited to, hot tubs, pools, slip-n-slides, and sprinklers;
7. Negligent or intentional acts such as leaving water running (i.e. leaving the outside water faucet on, interior faucets left running, and/or any other water left on in the home without a faulty plumbing issue), meaning there must be an actual break and repair for leak reimbursement;
8. Leaks in any structure other than the primary residential structure, such as, but not limited to, detached garages or storage buildings;
9. Filling swimming pools or leaks in swimming pools;
10. Watering of lawns or gardens; and
11. Washing or pressure-washing driveways, cars, windows or siding of any structure.

(C) **Submission of Claims -**

1. Claims must be submitted to ServLine within ninety (90) days from the billing date.
2. Claims must be accompanied by proof that the leak has been repaired before an adjustment will be made (i.e. copy of invoice for materials, bill from plumber, receipt for repair parts utilized by the homeowner for repair, meter consumption information (when available)).
3. Call ServLine to initiate a claim.

(D) **Limitations** - A leak adjustment can encompass no more than two (2) billing cycles. No customer shall receive more than one (1) leak adjustment during any twelve (12) month period. Water leak adjustment coverage assists with the payment of high City services utility bills due to qualifying water leaks but does not provide any reimbursement for the repair or replacement of water lines or plumbing fixtures.

(E) **Monthly Fees** - Monthly fees shall be established by the City for residential customers. Monthly fees will be established by adding a ten (10) percent City administration fee to the ServLine established monthly fees. Customers are obligated to pay the monthly fee for the water leak adjustment policy unless the customer has properly declined protection as provided herein.

(F) **Enrollment** - Residential customers are automatically enrolled when a new account is established. There is a thirty (30) day waiting period for water leak

Exhibit A

adjustment coverage to take effect after the new account is established. Water leak adjustment coverage fees will be included on the monthly City utility services bill.

- (G) **Customer Option to Decline Program** - Water customers are entitled to decline the water leak adjustment protection set out in this policy by calling ServLine. Customers that have opted out of this program will not be entitled to any adjustment to their City services utility bills and the water customer will remain fully responsible for any and all amounts due. Customers may re-enroll in the water leak adjustment program after they have opted out of the program. There is a thirty (30) day waiting period for water leak adjustment coverage to take effect after the customer is re-enrolled in the program.
- (H) **Services Impacted** - Leak adjustments approved are applicable to water, utility tax, sewer, and Bloomington-Normal Water Reclamation District (BNWRD) charges.

Section 3. Water Line and Sewer Lateral Protection

Optional coverage for water line and/or sewer lateral break coverage is available for residential water customers through ServLine. These options are voluntary and, if added, can provide up to ten thousand (10,000) dollars in coverage for repair and/or replacement of broken water lines and / or sewer laterals. For more information on these protection options or to add these coverages please contact ServLine.

Section 4. How to Contact ServLine

All questions or comments concerning this water leak adjustment policy should be directed to ServLine.

Section 5. Effective Date - This policy shall be effective beginning May 1, 2019.

ADOPTED this 10th day of December 2018.

APPROVED this ___ day of December 2018.

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk



November 26, 2018

Mr. Bob Yehl, Assistant Public Works Director
City of Bloomington Illinois
603 W Division Street
Bloomington, IL 61701

RE: ServLine Program

Mr. Yehl,

In confirmation of your conversation with Kris Schulz, there is not a formal agreement or contract in order to implement the ServLine Program.

Our company does not have, nor have we had, a contract or formal written agreement with our Utility customers. The only contractual agreement is the insurance policy that can be cancelled at any time. The insurance policy is billed on a monthly reporting basis so the only obligation after cancelling would be to complete the monthly report on the final month and send in final payment.

In the event you have additional questions, please call me at 423-488-7141 or email me at mark@servline.com.

Best regards,

A. Mark Slater, Jr.

C: Mr. Jim Karch, Public Works Director
Mr. Kris Schulz, ServLine
Mr. Gerry Harstine, ServLine



A Specialty Program offered by:

SUNBELT
INSURANCE GROUP

P.O. Box 22547 • Chattanooga, TN. 37421



Protection • Personal Service • Peace of Mind

Utility Poll Results for ServLine Adoption Method

	ServLine Adoption Method
City Of Aurelia, Iowa	Motion
City of Oakland, Iowa	Motion
Dandridge Water Management Facility (Tennessee)	Motion
City of Macon, Illinois	Motion
City of Niota, Tennessee	Resolution
Jackson County (Georgia) Water & Sewerage Authority	Motion
Town of Hiawasse, Georgia	Motion
Weaverville, GA	Resolution and Ordinance



Underground Utilities Coverage
INSURANCE PROPOSAL

Proposal for:
City of Bloomington
603 W. Division St.
Bloomington, IL 61701

This proposal shows the premiums for the general coverage described, but in no way changes or affects any terms, conditions or exclusions of policies as actually issued. Premiums shown are based on information furnished to the company. For terms and conditions please refer to your utilities Leak Adjustment Policy and the insurance policy documentation.

Proposal Date
9/17/2018

An Affinity Program of



and the



INTRODUCTION

Thank you for your interest in becoming a valuable client of ServLine. We exist to make your utility stronger and help you achieve your goals. One of our chief goals is to serve you and to earn the privilege of being one of your favorite service providers. The ServLine team is always looking to establish long-term meaningful relationships with the opportunity to serve your utility and your customers with integrity and excellence.

OVERVIEW

ServLine is a full-service customer leak solution. We pay for high water bills caused by customer leaks by insuring the Utility. Specifically, by insuring the Leak Adjustment Policy and then administrating it on your behalf.

UTILITY OUTCOMES OF THE PROPOSED SOLUTION

1. Strengthen Financial Position
2. Raise Level of Independence
3. Increase Overall Customer Satisfaction
4. Extend Office Efficiency
5. Gain New Paths for Opportunity

SOLUTION DESCRIPTIONS

PRIMARY COVERAGE

LEAK COVERAGE

Leak Coverage covers excess water & sewer bills caused by a leak on the customer's side of the meter according to the utility's leak adjustment guidelines.

All enhanced customer coverage offerings are a customer decision to add a la carte if they so choose.

ENHANCED CUSTOMER COVERAGE

WATER LINE COVERAGE

Water Line Coverage is offered by the Utility as a customer service. This protects a customer by providing repair and replacement coverage in the event of a water line break from the property line to the foundation.

This service is only applied when a customer makes a decision to add a la carte if they so choose.

SEWER LATERAL COVERAGE

Sewer Lateral Coverage is offered by the Utility as a customer service. This protects a customer by providing repair and replacement coverage in the event of a sewer lateral. break from the property line to the foundation.

This service is only applied when a customer makes a decision to add a la carte if they so choose.

The Primary Coverage must be approved by the Utility before the Enhanced Customer Coverage is made available to your customers.

**WE PAY HIGH WATER BILLS
CAUSED BY CUSTOMER LEAKS**

WATER & SEWER LEAK COVERAGE COMBINED

Residential Water & Sewer Leak coverage Combined

Limit of Insurance

- Option 1: \$500 (Per Occurrence)
- Option 2: ~~\$1,000 (Per Occurrence)~~
- Option 3: \$2,500 (Per Occurrence)

Deductible
Reporting Conditions
Reporting & Adjustment Period

Waived
Customer Schedule
Monthly

Special Terms and Conditions

- Coverage will be designed to reflect City of Bloomington Leak Adjustment Guidelines and eligibility established with ServLine. Please see attached Leak Adjustment Policy.

Rate:
(Choose Option)

- Option 1: **\$0.95**
- Option 2: **\$1.20**
- Option 3: ~~\$1.40~~

- The leak coverage has been designed to cover water, sewer, and Bloomington Normal Water Reclamation (BNWRD) charges, as well as utility tax on water charge.
- All residential customers will be enrolled in the primary coverage program with the option to opt out of leak coverage (primary coverage).



City of Bloomington Leak Adjustment Policy

City of Bloomington Water Department is changing our leak adjustment policy effective To Be Determined.

The following are the qualifications for residential leak adjustments for the City of Bloomington Water Department:

1. It is the customer's responsibility to keep their plumbing system in good working order.
2. No customer shall receive more than one (1) leak adjustment that incorporates a maximum of two (2) billing cycles during any twelve (12) month period.
3. In order to qualify for a leak adjustment, the eligible plumbing leak must generate a minimum additional charge of two (2) times the average twelve (12) month bill, up to a maximum adjustment of \$_____.
4. Adjustments on water bills will NOT be made for the following:
 - a. Residential customers who do not have a water meter and/or who are not the responsible party for the utility bill.
 - b. Commercial or Industrial Customers.
 - c. Premises left or abandoned without reasonable care for the plumbing system. For example, unattended home that have not had meter turned off and water drained from plumbing system, or homes that have been left for any period of time without heat.
 - d. Leaks on irrigation systems or irrigation lines, leaks in water features such as fountains, etc.
 - e. Negligent acts such as leaving water running. For example, Leaving the outside water faucet on, interior faucets left running, and/or any other water left on in the home without a faulty plumbing issue. There must be an actual break and repair for leak reimbursement.
 - f. Filling of swimming pools or leaks in swimming pools.
 - g. Watering of lawns or gardens.
5. The UTILITY shall not be obligated to make adjustments of any bills not submitted for adjustment within ninety (90) days from the billing date.
6. Customers must present proof that a leak has been repaired before an adjustment will be made. (ie, copy of invoice for materials, bill from plumber, or receipt for repair parts utilized by the homeowner for repair, meter consumption information (when available))
7. In any case where a customer might incur a leak before there is three (3) months of average usage, an adjustment will not be made until they have established three (3) months of average usage.
8. Leak adjustments approved are applicable to water, utility tax, sewer and Bloomington Normal Water Reclamation District charges.

Residential customers are automatically enrolled when a new account is established. There is a thirty (30) day waiting period for leak adjustment coverage to take effect after the new account is established. Each residential account enrolled in the leak adjustment program will be charged \$____ per month. This charge will be included on the monthly City of Bloomington utility bill.

Any residential customer may decline to participate in our ServLine Leak Protection Program by calling _____. Any customer declining to participate in the program will be responsible for the full amount of their water bill with no adjustments being made. Our new City of Bloomington Water Department ServLine Program is the only way qualifying leak adjustments will be made for leaks occurring after_____.

RESIDENTIAL LINE COVERAGES

RESIDENTIAL WATER LINE COVERAGE

Limit of Insurance	\$10,000 (Per Occurrence)
Coverage Extensions	
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)
Restoration of Private Paved Surfaces	\$500 (Included within Limit of Insurance)
Deductible	Waived
Valuation	Replacement Cost
Reporting Conditions	Customer Schedule
Reporting Period	Monthly
Rate:	\$4.40

Additional Terms and Options

Option 1:

Thawing of Water Service Line	\$500 (Maximum Per Occurrence)
Occurrence Term	One Occurrence per Year
Rate (In Addition to Water Line Coverage)	\$0.25 (Monthly)

Option 2:

Thawing of Water Service Line	\$500 (Maximum Per Occurrence)
Occurrence Term	No Limit on Occurrences per Year
Rate (In Addition to Water Line Coverage)	\$0.50 (Monthly)

Thawing of Service Line Terms

Option, if selected, will be added to the water line rate for all residential customers. Only one of the options can be selected. If selected by the City, all customers who desire to enroll into the water line program will be subject to our selection.

The residential customer's responsible portion of the service line is between the curb stop (generally in the parkway) and the home / meter (generally in the basement / crawlspace).

RESIDENTIAL SEWER LATERAL COVERAGE

Limit of Insurance	\$10,000 (Per Occurrence)
Coverage Extensions	
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)
Restoration of Paved Surfaces	\$500 (Included within Limit of Insurance)
Deductible	Waived
Valuation	Replacement Cost
Reporting Conditions	Customer Schedule
Reporting Period	Monthly
Rate:	\$6.00

The residential customer's responsible portion of the sewer lateral is between the sewer main, including the connection to the main, and the home.

Auto enrollment reduces line rate by 25%

SERVLINE BENEFITS & SERVICES

UTILITY BENEFITS

- ✓ **No Cost to Utility**
- ✓ Direct Cost Savings on Leaks
- ✓ Direct Cost Savings on Personnel Time
- ✓ **Recoup what is currently written off as loss**
- ✓ Payment for Leak Claim sent directly to Utility
- ✓ Turnkey Solution
- ✓ **All Leak Claims Handled by Claims Department**
- ✓ Minimize Leak Liability
- ✓ Customer Leak Adjustment Calculations
- ✓ Customer Leak Claim Frequency Handled
- ✓ Monitors Claims Fraud
- ✓ Consistent Application (Record Keeping & Documentation)
- ✓ **Potential to Add Additional Revenue**
- ✓ Reduce Legal Exposure
- ✓ Unique Customer Service Phone Number and Associated Fees
- ✓ 12/5 Customer Service for Leak Claims/ Customer Questions
- ✓ Printing Fees
- ✓ Announcement Flyers
- ✓ Announcement Postage Upcharge Fees
- ✓ Announcement Envelopes
- ✓ Print Handling
- ✓ **Dedicated Utility Customer Service**
- ✓ Customized Staff Training
- ✓ Insurance Application Walkthrough
- ✓ Program Launch Walkthrough and Start-Up Guide
- ✓ Leak Adjustment Review & Proposed Water Industry Standard Guidelines
- ✓ **Hands on Guided Walkthrough and Processes Setup**
- ✓ Public Relations Initiative
- ✓ Reduction in Overall Office Workload
- ✓ Strict Regulations and Guidelines by State Department of Insurance
- ✓ Reclaim lost Opportunity Cost
- ✓ Reduces Requests for Staff Favors
- ✓ **Increases Customer Loyalty and Satisfaction**

CUSTOMER BENEFITS

- ✓ **Customer Freedom to Participate or Decline**
 - ✓ Customer Education and Responsibility Awareness
 - ✓ Equality in Financial Dispensation
 - ✓ **Reduction in Customer Interaction in Dealing with Water Leaks**
 - ✓ Financial Water Leak Protection up to Utility Selected Limit
 - ✓ No Out of Pocket Expense up to Utility Selected Limit Outside of Customer Average
 - ✓ **Happier Utility Customer**
 - ✓ Reduces Angry interactions to lost Opportunity Cost
 - ✓ Peace of Mind
 - ✓ 12/5 Leak Claims and Questions Customer Service
 - ✓ Insurance Packet and Leak Adjustment Policy Mailed to Customer by Request
 - ✓ **Covered Even if Late on Bill**
 - ✓ No Deductible
-

SUMMARY

Billing

Agency: Monthly

This quote is valid for thirty (30) days from the date of this letter.

All rates are per participating customer per month.

Residential is defined as single line, single meter residential occupancy.

By choosing to implement ServLine and providing this customer service to protect your customers from financial hardship they will only be charged for the rate on the Water & Sewer Leak Combined charges that you choose to offer.

When a customer decides to add Water Line and/or Sewer Lateral protection they will be charged for the additional coverages they have chosen. Otherwise, if they elect to do nothing they will only be charged for the Water & Sewer Leak Protection.

Terms and conditions outlined in the quote may differ from the specifications submitted; please review the specific coverage part for details on coverage and exclusions. Please refer to sample policy for terms and conditions.

Terrorism Risk Insurance Act of 2002 Disclosure

The "Terrorism Risk Insurance Act of 2002" establishes a program within the Department of Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism committed by an individual(s) acting on behalf of any foreign interest, provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insureds for 90% of the losses in excess of the insurer's retention, which is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year unless subsequent action of Congress changes that amount; this provision serves to limit insurers' liability for losses. All insurers providing commercial property insurance are required to participate in the program to the extent of offering and making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils.

Terrorism Premium: \$ 10% of premium

This quote outline coverages and does not necessarily include all coverages requested on the application provided. Only coverages outlined above will be provided.

Name of Applicant: City of Bloomington

Date of Notice:

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

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

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

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

Acceptance or Rejection of Terrorism Insurance Coverage

- I hereby elect to purchase Terrorism coverage for certified acts of terrorism for a prospective premium of \$ 10% of premium
- I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policy Holder Signature

Date

POLICYHOLDER NOTICE

U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

POLICYHOLDER NOTICE

CLAIM NOTICE

In the event of claim to which this policy may apply, please give immediate notice in either of the following ways, to:

Endurance U.S. Insurance - Claims

750 Third Avenue, 18th Floor,

New York, NY 10017

E-Mail addressed to: Insuranceclaims@sompo-intl.com

Toll Free Reporting: 866-227-1784

Fax: 877-710-1784

E-mail is the preferred method of receiving claim notice information, but any of the above methods of notification will generate an acknowledgement of receipt of claim with a claim number and all of the claim adjusters' contact information.

INLAND MARINE DECLARATIONS

In consideration for the payment of premium and subject to all of the provisions of this policy, we agree to provide you the insurance as stated in this policy.

POLICY NUMBER:

PRIOR POLICY NUMBER: New

Insurer: Endurance Risk Solutions Assurance Co.

Producer: Sunbelt Insurance Group
Address: 114 Lee Parkway Drive
Chattanooga, TN 37421

Producer Code:
Sub-Producer Code: N/A
Producer Contact: A. Mark Slater, Jr
Producer Phone Number: 423-855-1234
Producer E-Mail: mark@sunbeltinsurance.net

Named Insured:

Address:

Policy Period: From: To:
(12:01 AM Standard Time on both dates, at the address of the
Named Insured noted above.)

Business Description: Utility

Additional Insureds: N/A

Mortgagees: N/A

Loss Payable Name and Address: N/A

Forms made a part of this policy at inception:

PN 0001 07 12	OFAC Notice
PN 0007 01 15 MAN	Claim Notice
IMG 0001 04 13	Declaration Page
IL 10 07 01 14	Signature Page
CL 0100 03 99	Common Policy Conditions
IM 7506 01 12	Schedule Of Coverages, Scheduled Property Floater
IM 7500 10 09	Scheduled Property Floater
EIM 3009 08 15	Utility Line Coverage, Reporting Schedule And Conditions
EIM 3008 08 15	Utility Line Coverage
IM 7855 02 09	Replacement Cost Endorsement
CL 0700 10 06	Virus or Bacteria Exclusion
CL 0610 01 15	Certified Act of Terrorism Exclusion

Premium:

Inland Marine	
Terrorism	Rejected

Premium Due at Policy Inception:



Authorized Representative

6/15/2018

Date

Policy Issuance Date: June 19, 2018
Policy Issuance Office: Alpharetta, GA

Endurance Risk Solutions Assurance Co.
IMG 0001 0413



Endurance Risk Solutions Assurance Co.
750 3rd Avenue
New York, NY 10017

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Senior Vice President and countersigned where required by law on the Declarations page by its duly authorized representative.

A handwritten signature in black ink that reads "Richard M. Appel".

Senior Vice President

A handwritten signature in black ink that reads "Christopher Spans".

President

COMMON POLICY CONDITIONS

1. **Assignment** -- This policy may not be assigned without "our" written consent.
2. **Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.
4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

"We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

CL 0100 03 99

Copyright, American Association of Insurance Services,
1998

SCHEDULE OF COVERAGES SCHEDULED PROPERTY FLOATER

(The entries required to complete this schedule
will be shown below or on the "schedule of coverages".)

COVERED PROPERTY

Item No.	DESCRIBED PROPERTY	"Limit"
<u> 1 </u>	<u>Water Service Line Coverage</u>	<u>\$10,000</u>
<u> 2 </u>	<u>Leakage Coverage, excluding sewer usage costs</u>	<u>\$LIMIT per occurrence and annual aggregate limit</u>
<u> 3 </u>	<u>Leakage Coverage, sewer usage Costs only</u>	<u>\$LIMIT per occurrence and annual aggregate limit</u>
<u> 4 </u>	<u>Sewer Service Line Coverage</u>	<u>\$10,000</u>

COVERAGE EXTENSIONS

Additional Debris Removal Expenses INCLUDED

SUPPLEMENTAL COVERAGES

Newly Acquired Property N/A

Pollutant Cleanup And Removal \$500

DEDUCTIBLE AND COINSURANCE

DEDUCTIBLE

Deductible Amount \$0_____

COINSURANCE

Not Applicable

80% 90% 100% Other_____%

ADDITIONAL INFORMATION

SCHEDULED PROPERTY FLOATER

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Scheduled Property Floater. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
 - a. "your" property; and
 - b. property of others in "your" care, custody, and control.

2. **Coverage Limitation** -- "We" only cover "your" property and property of others that are described on the "schedule of coverages".

PROPERTY NOT COVERED

1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.
2. **Buildings And Land** -- "We" do not cover buildings or land including land on which covered property is located.
3. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
5. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for highway use.
6. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

COVERAGE EXTENSIONS

Provisions That Apply To Coverage Extensions -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage, including a Coverage Extension, Supplemental Coverage, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Coverage Extensions are not subject to and not considered in applying coinsurance conditions.

Debris Removal --

1. **Coverage** -- "We" pay the cost of debris removal. Debris removal means the costs for the demolition, clearing, and removal of debris of covered property if such debris results from a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
 - a. extract "pollutants" from land or water;
or
 - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss or damage exclusive of the costs for debris removal. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

SUPPLEMENTAL COVERAGES

Provisions That Apply To Supplemental Coverages -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension, including a Supplemental Coverage, Coverage Extension, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Supplemental Coverages are not subject to and not considered in applying coinsurance conditions.

1. Newly Acquired Property --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional property that:
 - 1) is similar to the property described on the "schedule of coverages"; and
 - 2) "you" acquire during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of:
 - 1) the value of covered property as described in the Valuation section of this coverage form; or
 - 2) \$15,000.
- c. **Time Limitation** -- "We" extend coverage to the additional property that "you" acquire for up to 60 days.

This supplemental coverage will end when any of the following first occur:

 - 1) this policy expires;
 - 2) 60 days after "you" obtain the additional property; or
 - 3) "you" report the additional property to "us".
- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the additional property.

2. Pollutant Cleanup And Removal --

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
- d. **Limit** -- The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

PERILS COVERED

"We" cover risks of direct physical loss or damage unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- a. **Civil Authority** -- Order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement** -- Any "earth movement".

However, if eruption, explosion, or effusion of a volcano results in "volcanic action", "we" will pay for the loss or damage caused by that "volcanic action".

If "earth movement" results in fire, "we" will pay for the loss or damage caused by that fire. If "earth movement" (other than eruption, explosion, or effusion of a volcano) results in explosion, "we" will pay for the loss or damage caused by that explosion.

This exclusion does not apply to covered property while in transit.

- c. **Flood** -- "Flood".

"We" also do not cover waterborne material carried or otherwise moved by "flood", whether or not driven by wind, including storm surge, or material carried or otherwise moved by mudslide or mudflow.

However, if "flood" results in fire, explosion, or sprinkler leakage, "we" will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- d. **Nuclear Hazard** -- Nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** --

- 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
- 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

But if sewer, drain, sump, septic tank, eaves trough, or downspout backup and water or waterborne material below the surface results in fire, explosion, or sprinkler leakage, "we" cover the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- f. **War And Military Action** --

- 1) War, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or

- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action exclusion will apply in place of the Nuclear Hazard exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Contamination Or Deterioration** -- "We" do not pay for loss or damage caused by or resulting from contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.
- b. **Criminal, Fraudulent, Dishonest, Or Illegal Acts** -- "We" do not pay for loss or damage caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
 - 1) "you";
 - 2) others who have an interest in the property;
 - 3) others to whom "you" entrust the property;
 - 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
 - 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Electrical Currents** -- "We" do not pay for loss or damage caused by or resulting from arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a "specified peril", "we" do cover the loss or damage caused by that "specified peril".

- d. **Explosion, Rupture, Or Bursting** -- "We" do not pay for loss or damage caused by or resulting from explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.
- e. **Loss Of Use** -- "We" do not pay for loss or damage caused by or resulting from loss of use, delay, or loss of market.
- f. **Mechanical Breakdown** -- "We" do not pay for loss or damage caused by or resulting from any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.
- g. **Missing Property** -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- h. **Pollutants** -- "We" do not pay for loss or damage caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- i. **Temperature/Humidity** -- "We" do not pay for loss or damage caused by or resulting from dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature result in a "specified peril", "we" do cover the loss of damage caused by that "specified peril".

- j. **Theft From An Unattended Vehicle** -- "We" do not pay for theft from an unattended vehicle except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- k. **Voluntary Parting** -- "We" do not pay for loss or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- l. **Wear And Tear** -- "We" do not pay for loss or damage caused by or resulting from wear and tear, marring, or scratching.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
 - b. give notice to the police when the act that causes the loss is a crime.
2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
 - a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
 - b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.
3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;

- c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
 - d. changes in title of the covered property during the policy period; and
 - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
 5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
 6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
 7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
 8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
 9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

VALUATION

1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of loss (with a deduction for depreciation).
2. **Pair Or Set** -- The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
3. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:
 - a. the amount determined under Valuation;
 - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - c. the "limit" that applies to the covered property.

4. **Coinsurance --**

- a. **When Coinsurance Applies --** "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss --** "Our" part of the loss is determined using the following steps:
- 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
 - 2) divide the "limit" for covered property by the result determined in b.1) above;
 - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit --** If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit --** If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply --** Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

5. **Insurance Under More Than One Coverage --** If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

6. **Insurance Under More Than One Policy --**

- a. **Proportional Share --** "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount --** If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

LOSS PAYMENT

1. **Loss Payment Options --**

- a. **Our Options --** In the event of loss covered by this coverage form, "we" have the following options:
- 1) pay the value of the lost or damaged property;
 - 2) pay the cost of repairing or replacing the lost or damaged property;
 - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
 - 4) take all or any part of the property at the agreed or appraised value.

- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
 - b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
 - 1) a satisfactory proof of loss is received; and
 - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property Of Others** --
- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
 - 1) "you" on behalf of the owner; or
 - 2) the owner.
 - b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

OTHER CONDITIONS

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** -- This provision applies only if the insured is an individual.
 - a. **Your Death** -- On "your" death, "we" cover the following as an insured:
 - 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
 - 2) "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.
 - b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.
5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
 - a. "you" or any other insured have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein; or
 - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
 - a. "you" must notify "us" promptly if "you" recover property or receive payment;
 - b. "we" must notify "you" promptly if "we" recover property or receive payment;
 - c. any recovery expenses incurred by either are reimbursed first;
 - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
 - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limits".
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
 - a. all of the "terms" of this coverage have been complied with; and

- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

- 11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.
-

DEFINITIONS

- 1. "Earth movement" means:
 - a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
 - b. landslide, mudslide or mudflow;
 - c. mine subsidence whether or not the non-natural mine is currently in use;
 - d. any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth including, but not limited to, erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
 - e. eruption, explosion, or effusion of a volcano.
- 2. "Flood" means an overflowing or inundation by water of an area that was previously and normally dry or not covered by water, whether caused artificially or naturally, by human or animal forces or by an act of nature. "Flood" includes, but is not limited to:
 - a. overflow of inland or tidal waters, waves, tidal waves, or tsunamis, or spray that results from any of these, all whether driven by wind or not, including but not limited to storm surge;
 - b. unusual and rapid accumulation or runoff of surface waters from any source; or
 - c. mudslides or mudflows if caused by:
 - 1) unusual and rapid accumulation or runoff of surface waters or waves; or
 - 2) currents of water exceeding anticipated cyclical levels.
- 3. "Limit" means the amount of coverage that applies.
- 4. "Pollutant" means:
 - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
 - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
- 5. "Schedule of coverages" means:
 - a. all pages labeled "schedule of coverages" or schedules that pertain to this coverage; and
 - b. declarations or supplemental declarations that pertain to this coverage.

6. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
7. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

8. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
9. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

"Volcanic action" does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the covered property.

IM 7500 10 09

ENDORSEMENT

Named Insured:

Policy Number:

Endorsement
Effective Date:

Endorsement
Number: N/A

(12:01 AM Standard Time at the address of the
Named Insured as shown in the Declarations)

UTILITY LINE COVERAGE REPORTING SCHEDULE AND CONDITIONS

Reporting Schedule:

Reporting Period -- (check one)

- Monthly
 Quarterly
 Annual

Additional Premium Due After Expiration -- When the premium for the coverage provided by this policy is based upon reports of value, any additional premium owed to "us" is due on the due date that appears on the billing notice.

Adjustment Period -- (check one)

- Monthly
 Quarterly
 Annual

Reports: Customer and Coverage Information

Rates and Premium --

Monthly Rate (per Customer) \$Rate Water Service Line Coverage, Residential
\$Rate Leakage Coverage, Residential excluding sewer usage
\$Rate Leakage Coverage, Residential sewer usage only
\$Rate Sewer Service Line Coverage, Residential
\$Rate Leakage Coverage, Commercial Single excluding sewer usage
\$Rate Leakage Coverage, Commercial Multi excluding sewer usage
\$Rate Water Service Line Coverage, Commercial Single
\$Rate Water Service Line Coverage, Commercial Multi
\$Rate Leakage Coverage, Commercial Single sewer usage only
\$Rate Leakage Coverage, Commercial Multi sewer usage only
\$Rate Leakage Coverage, Master metered habitational, excluding sewer usage
\$Rate Leakage Coverage, Master metered habitational, sewer usage only
\$Rate Sewer Service Line Coverage, Commercial Single
\$Rate Sewer Service Line Coverage, Commercial Multi

ENDORSEMENT

Deposit Premium \$ _____

Minimum Premium N/A

Reporting Conditions -- The following reporting conditions are added to this policy.

1. **Reports** --

a. **You Will Report To Us** -- Within 30 days after the end of each reporting period, "you" will report to "us", as indicated on the **Reporting Schedule**, the following:

- 1) Customer name
- 2) Customer address
- 3) The type of protection selected by the customer in accordance with the provisions of **Property Covered** -- a., b., or c.

b. **Cancellation** -- If "your" coverage is canceled, "you" will report the information up to and including the date of cancellation and pay any additional premium due.

2. **Premium Computation And Adjustment** -- The premium will be adjusted as of each adjustment period indicated on the **Reporting Schedule**. The computed premium will be determined by multiplying the number of enrolled customers shown on the report by the rate indicated on the Reporting Schedule.

"We" will apply the computed premium to the deposit premium until it is exhausted. "You" will pay us" all premiums that exceed the deposit premium. At the end of the policy period, if the computed premium is less than the deposit premium, "we" will pay "you" the difference subject to the minimum premium indicated on the Reporting Schedule.

3. **Provisions That Affect How Much We Pay** -- The following provisions apply to reports that are submitted and may affect **How Much We Pay**:

If you fail to report any customer, no coverage will apply to any property applicable to that unreported customer.



Authorized Representative

This endorsement does not change any other provision of the policy. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.

ENDORSEMENT

Named Insured:

Policy Number:

Endorsement

Endorsement

Effective Date:

Number:

N/A

(12:01 AM Standard Time at the address of the
Named Insured as shown in the Declarations)

UTILITY LINE COVERAGE

This endorsement modifies insurance provided under the following:

SCHEDULED PROPERTY FLOATER IM 7500

It is agreed that:

In this coverage form, the words “you” and “your” mean the persons or organizations named as the insured on the declarations or shown on the applicable monthly report(s) provided in accordance with the Reporting Conditions and the words “we”, “us” and “our” mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

PROPERTY COVERED is amended to read as follows:

PROPERTY COVERED

“We” cover the following property unless the property is excluded or subject to limitations.

1. **Coverage**—“We” cover direct physical loss caused by a covered peril to:
 - a. Water Service Line Coverage – “We” will pay for repair or replacement of damaged exterior underground water service line. The covered service line begins at the exterior source owned by the utility company/district and ends at the customer’s foundation.
 - b. Leakage Coverage—“We” will pay costs resulting from water loss from a damaged exterior underground water service line. The most “we” will pay for any loss under this coverage is the least of:
 - i. The excess billed water charge stated in the customer’s water bill statement; or
 - ii. The excess water charge as determined by the utility company’s leak adjustment policy; or
 - iii. \$LIMIT.

We do not cover any loss resulting from leaking plumbing or fixtures not repaired by the customer.

ENDORSEMENT

- c. Sewer Service Line Coverage—"We" will pay for repair or replacement of damaged exterior underground sewer service line. The covered service line begins at the exterior wall of the customer's structure to the point where it connects to the utility company/district's sewer main.
2. **Coverage Limitation**—"We" only cover "your" property and property of others that are described on the "schedule of coverages" if the customer is shown on the applicable monthly report(s) provided in accordance with the Reporting Conditions.

PROPERTY NOT COVERED is amended to add the following:

7. **Sprinklers And Irrigation Systems.** "We" do not cover sprinklers and irrigation systems, back-flow preventers, pressure reducing valves that are not a part of the line replacement, main shut-off valves, water meters.
8. **Third Party Water Or Sewer Service Lines.** "We" do not cover third party water or sewer service lines.
9. **Service Lines Not Connected To A Public Or Municipal Water Utility System.** "We" do not cover service lines not connected to a public or municipal water utility system.
10. **Septic Tanks.** "We" do not cover septic tanks including components and attachments, lift stations and pumps.
11. **Water Or Sewer Service Lines.** "We" do not cover water or sewer service lines at a location that is abandoned. Abandoned means property at a location left behind intentionally and permanently with no intention to occupy.

COVERAGE EXTENSIONS is amended as follows:

Debris Removal 4. Additional Limit and **5. You Must Report Your Expenses** are deleted.

The following **COVERAGE EXTENSIONS** are added:

Re-seeding and Landscaping Expense

"We" will pay to re-seed a lawn or re-landscape the yard at a covered location following necessary excavation to uncover a covered water or sewer line due to a covered cause of loss. The most "we" will pay is the least of:

- a. The reasonable and necessary amount "you" spend to restore the covered location lawn or yard to its condition immediately before loss; or
- b. \$500.

ENDORSEMENT

Restoration of Paved Surfaces on Private Property

If it is necessary to remove paved surfaces or a portion thereof to repair or replace a covered water or sewer line as a result of a covered loss, "we" will pay to restore those paved surfaces at the covered location. The most "we" will pay is the least of:

- a. The reasonable and necessary amount "you" spend to restore the paved surfaces with material of like kind and quality; or
- b. \$500.

Paved surfaces means sidewalks, driveways or roads that are composed of any paved or asphalt surface or another type of commonly used materials including crushed stone or brick. This coverage does not apply to any foundation or slab of any building or structure, or any deck or patio of any building or structure that must be broken or removed in order to gain access to covered property.

SUPPLEMENTAL COVERAGES 2. Pollutant Cleanup And Removal is deleted and replaced by the following:

Pollutant Cleanup And Removal --

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" outside of the customer's premises is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants". However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
- d. **Limit** -- The most "we" pay for each location is \$500 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

PERILS EXCLUDED is amended as follows:

PERILS EXCLUDED, 1. e. Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface is deleted and replaced with the following:

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** --
 - 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
 - 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts

ENDORSEMENT

pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

This exclusion does not apply to covered property if Sewer Service Line Coverage is selected on the "schedule of coverages" and the customer is shown on the applicable monthly report(s) provided in accordance with the Reporting Conditions.

PERILS EXCLUDED, 2. a Contamination Or Deterioration is deleted.

PERILS EXCLUDED, 2. I. Wear And Tear is deleted and replaced with the following:

I. Marring or Scratching – "We" do not pay for loss or damage caused by or resulting from marring or scratching.

PERILS EXCLUDED, 2. is amended to add the following:

m. Work to Line – "We" do not cover loss or damage to any water line, or any component of any water line, that is caused by or results from any work completed by the customer or any contractor hired by any customer.

This provision does not apply to any loss caused by any independent contractor approved by "us"; or when the customer, his contractor, or "you", has called the federally mandated national call-before-you-dig number, Digsafe 811, or the state specific call-before-you-dig number prior to any loss or damage and the water line location has been marked and a ticket has been documented.

n. Costs – Costs to remove plugs or clogs from covered property.

DEFINITIONS, 1. "Earth Movement" is deleted and replaced with the following:

1. "Earth Movement" means:

- a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. landslide, mudslide or mudflow;
- c. mine subsidence whether or not the non-natural mine is currently in use;
- d. any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth but does not include erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
- d. eruption, explosion, or effusion of a volcano.

ENDORSEMENT



Authorized Representative

This endorsement does not change any other provision of the policy. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.

REPLACEMENT COST ENDORSEMENT

VALUATION

The Actual Cash Value provision under Valuation is replaced by the following:

Replacement Cost -- The value of covered property will be based on the replacement cost without any deduction for depreciation.

1. **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
2. **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
3. **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.

VIRUS OR BACTERIA EXCLUSION

DEFINITIONS

Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
 - b. any denial of access to property because of any virus, bacterium, or other microorganism.
2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.
-

OTHER CONDITIONS

Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

CL 0700 10 06

CERTIFIED ACT OF TERRORISM EXCLUSION

1. The following definition is added.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:

- a. to be an act of terrorism;
- b. to be a violent act or an act that is dangerous to human life, property, or infrastructure;
- c. to have resulted in damage:
 - 1) within the United States; or
 - 2) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
- d. to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and
- e. to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.

2. The following exclusion is added.

CERTIFIED ACT OF TERRORISM EXCLUSION

"We" will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

3. The following provisions are added.

- a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion; and
- b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion.

CL 0610 01 15



Residential Private

Water and Sewer Leak Protection

Water Service Line Protection

Sewer Lateral Protection



City of Bloomington, Illinois
109 East Olive Street
Bloomington, Illinois 61702

Sunbelt Insurance Group
114 Lee Parkway Drive
Chattanooga, Tennessee 37421

December 10, 2018

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What is ServLine?

ServLine is a specialty insurance program insured offered by Sunbelt Insurance Group that offers:

Water and Sewer Leak Protection

- Insurance program that covers excess water charges, utility taxes, sewer charges, and BNWRD charges resulting from water leaks

Water Line Protection

- Insurance program that covers the portion of the service line between the curb stop (generally in the parkway) and the home / meter (generally in the basement / crawlspace).

Sewer Line Protection

- Insurance program that covers the portion of the sewer lateral between the sewer main, including the connection to the main, and the home.

ServLine Customer Breakdown		
Utility Number of Connections	Number of Utilities with Water Leak/Line Program	Number of Utilities with Sewer Line Program
20,000 to 30,000	3	0
10,000 to 20,000	4	0
5,000 to 10,000	19	19
0 to 5,000	100	41



How do the ServLine Programs Work?

Water and Sewer Leak Protection

The Water and Sewer Leak Protection Program is an opt-out program that uses the proposed leak adjustment policy and eligibility requirements to credit customers' monthly bill when a water leak occurs. Opt-out means that customers are automatically enrolled in the program and **must** contact ServLine to cancel. A draft Leak Adjustment Policy is listed later in this section.

Water and Sewer Leak Program Coverages

- \$1.05 per month with 10 percent administrative fee*
- \$500 protection limit
- \$0 deductible
- Covers water, sewer, BNWRD, and utility tax charges
- 1 qualifying leak event per year

*The City of Bloomington will include a 10 percent administrative fee beyond the fee that ServLine charges. This fee will cover the cost to collect premiums, track the number of customers, and provide other background information to ServLine.

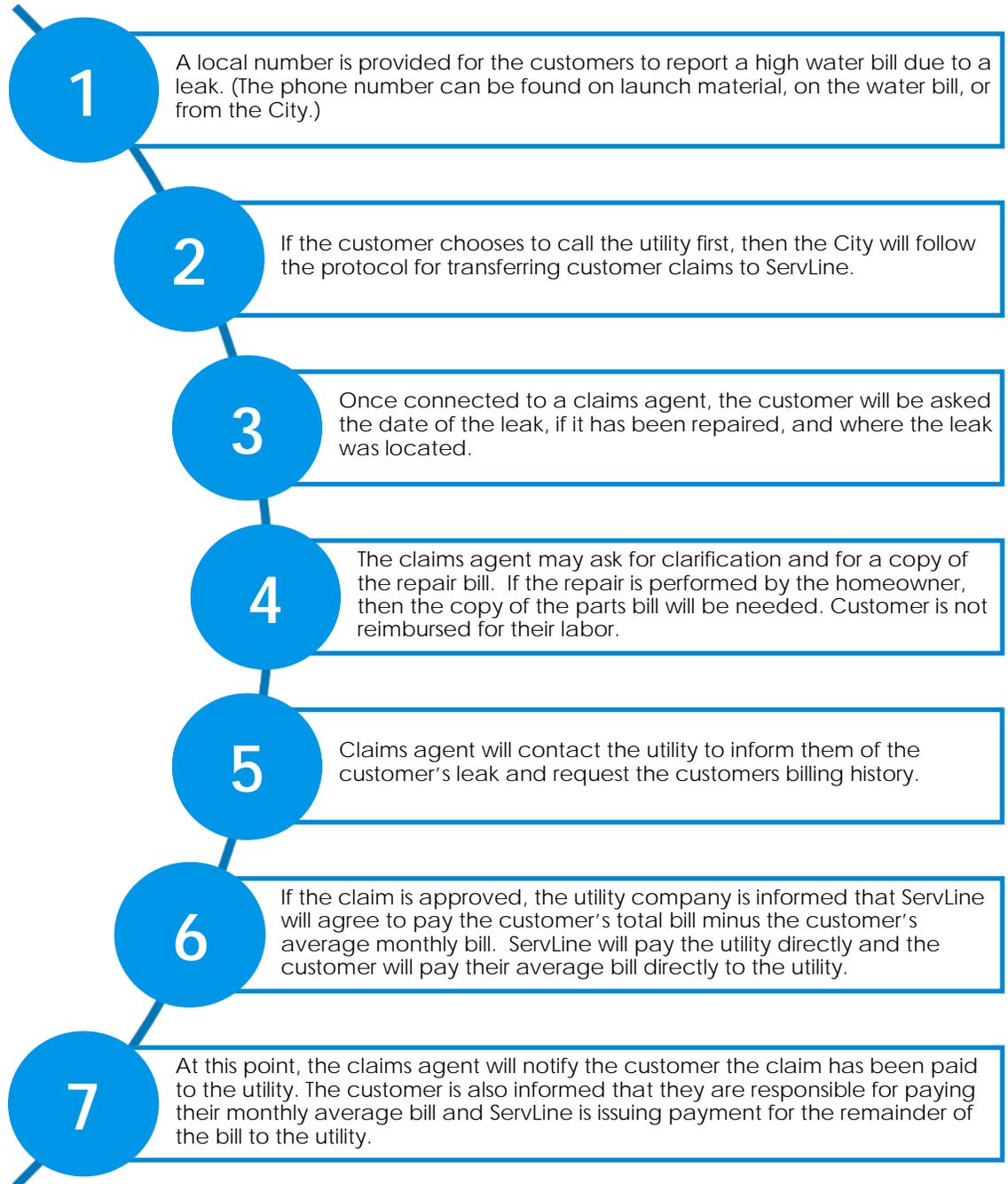
Average Usage and Billing Amount

For reference, the average City of Bloomington household uses 500 cubic feet (3,740 gallons) of potable water, a 95-gallon refuse container, and live in a single-family, medium-sized parcel. Using this information, the average total monthly bill is \$84.83 per month.

City Utility Monthly Billing Outline (Average Household) Beginning May 1, 2018

Water	+	Water Service	+	Utility Tax	+	Sewer	+	BNWRD	+	Refuse Fee	+	Storm Water	=	TOTAL
\$20.05		\$5.00		\$0.90		\$14.25		\$9.92		\$29.00		\$5.67		\$84.83

How to Report a High Water Bill Due to a Leak



City of Bloomington Water Leak Adjustment Policy

In accordance with Bloomington City Code Article V, Section 37, any and all requests for adjustments to City services utility bills shall be in accordance with the procedures and subject to the limitations contained within this Water Leak Adjustment Policy.

Section 1. Customer's Responsibility

The City's ownership and maintenance obligations, as outlined by City code, for the water distribution system includes the public water mains. The customer's ownership and maintenance obligations, as outlined by City code, includes the customer's tap at the water main and the water service line extending to the structure, as well as the premise plumbing and fixtures. Though City code outlines the above delineation of ownership and maintenance obligations, the City, through practice, has maintained residential service lines from the public water main to and including the curb stop. Based on this practice, the residential customer is responsible for the water service line from the curb stop to the structure, as well as the premise plumbing and fixtures. It is the customer's responsibility to keep his or her water lines and plumbing system in good working order. That said, water leaks do occur from time to time resulting in unexpectedly high City services utility bills.

Section 2. Water Leak Adjustment Protection

The City of Bloomington has partnered with Sunbelt Insurance Group, herein referred to as "ServLine," to provide the City's residential water customers with water leak adjustment insurance coverage for one (1) adjustment of up to \$500 each year. This coverage provides payment of unexpectedly high City services utility bills due to qualifying leaks. See item H below for services impacted by this protection. The following conditions, provisions, and limitations apply:

- (A) **Qualifying Leaks** – Any leak, other than those non-qualifying leaks listed below, that generates a minimum additional charge resulting in a City services utility bill that is twice the average water bill of that customer calculated over a twelve (12) month period, up to a maximum adjustment of five hundred (500) dollars during any twelve (12) month period. For water customers who have been on the City's water system for less than twelve (12) months,

a water leak adjustment will not be made until at least three (3) months of average usage has been established.

- (B) **Non-Qualifying Leaks or Usage** – The following leaks or use of water do not qualify for a water leak adjustment under this policy:
1. Commercial or Industrial customers;
 2. Residential customers who do not have a water meter and/or who are not the responsible party for the City services utility bill;
 3. Leaks associated with structures that have been left or abandoned without reasonable care for the plumbing system (i.e. unattended homes that have not had the meter turned off and water drained from plumbing system or homes that have been left for any period of time without heat);
 4. Leaks on irrigation systems or irrigation lines;
 5. Filling of water features, such as fountains or fish ponds, or leaks associated with water features;
 6. Filling of, leaks associated with, and/or general water usage associated with outdoor recreational activities such as, but not limited to, hot tubs, pools, slip-n-slides, and sprinklers;
 7. Negligent or intentional acts such as leaving water running (i.e. leaving the outside water faucet on, interior faucets left running, and/or any other water left on in the home without a faulty plumbing issue), meaning there must be an actual break and repair for leak reimbursement;
 8. Leaks in any structure other than the primary residential structure, such as, but not limited to, detached garages or storage buildings;
 9. Filling swimming pools or leaks in swimming pools;
 10. Watering of lawns or gardens; and
 11. Washing or pressure-washing driveways, cars, windows or siding of any structure.
- (C) **Submission of Claims** –
1. Claims must be submitted to ServLine within ninety (90) days from the billing date.
 2. Claims must be accompanied by proof that the leak has been repaired before an adjustment will be made (i.e. copy of invoice for materials, bill from plumber, receipt for repair parts

utilized by the homeowner for repair, meter consumption information (when available)).

3. Call ServLine to initiate a claim.

- (D) **Limitations** – A leak adjustment can encompass no more than two (2) billing cycles. No customer shall receive more than one (1) leak adjustment during any twelve (12) month period. Water leak adjustment coverage assists with the payment of high City services utility bills due to qualifying water leaks but does not provide any reimbursement for the repair or replacement of water lines or plumbing fixtures.
- (E) **Monthly Fees** – Monthly fees shall be established by the City for residential customers. Monthly fees will be established by adding a ten (10) percent City administration fee to the ServLine established monthly fees. Customers are obligated to pay the monthly fee for the water leak adjustment policy unless the customer has properly declined protection as provided herein.
- (F) **Enrollment** – Residential customers are automatically enrolled when a new account is established. There is a thirty (30) day waiting period for water leak adjustment coverage to take effect after the new account is established. Water leak adjustment coverage fees will be included on the monthly City utility services bill.
- (G) **Customer Option to Decline Program** – Water customers are entitled to decline the water leak adjustment protection set out in this policy by calling ServLine. Customers that have opted out of this program will not be entitled to any adjustment to their City services utility bills and the water customer will remain fully responsible for any and all amounts due. Customers may re-enroll in the water leak adjustment program after they have opted out of the program. There is a thirty (30) day waiting period for water leak adjustment coverage to take effect after the customer is re-enrolled in the program.

- (H) **Services Impacted** – Leak adjustments approved are applicable to water, utility tax, sewer, and Bloomington-Normal Water Reclamation District (BNWRD) charges.

Section 3. Water Line and Sewer Lateral Protection

Optional coverage for water line and/or sewer lateral break coverage is available for residential water customers through ServLine. These options are voluntary and, if added, can provide up to ten thousand (10,000) dollars in coverage for repair and/or replacement of broken water lines and / or sewer laterals. For more information on these protection options or to add these coverages please contact ServLine.

Section 4. How to Contact ServLine

All questions or comments concerning this water leak adjustment policy should be directed to ServLine.

Section 5. Effective Date – This policy shall be effective beginning May 1, 2019.

Water Leak Estimated Costs

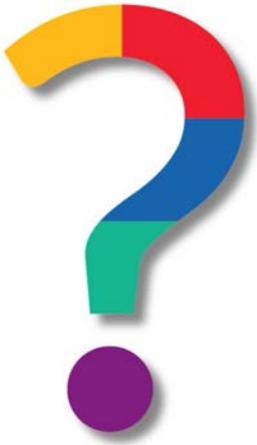
Leaking toilets are the most common cause of leaks inside a home. A running toilet can waste thousands of gallons a year, which will cost money each month. Most often, leaky toilets can be fixed with little cost and time. The Water Division of Public Works recommends testing each toilet in a home for leaks once a year.

Toilet Usage and Leak Rates*			
Leak Rate	Water Wasted Per Month	Water Wasted Per Year	Annual Cost for Water, Sewer, BNWRD, Utility Tax†
300 gal/day (silent leak)	9,000 gal	108,000 gal	\$1,026.63
500 gal/day (audible leak)	15,000 gal	180,000 gal	\$1,711.05

Sink, Shower, and Faucet Usage and Leak Rates*			
Drips Per Minute, Trickle	Water Wasted Per Month	Water Wasted Per Year	Annual Cost for Water, Sewer, BNWRD, Utility Tax†
10	43 gal	516 gal	\$4.91
60	259 gal	3,108 gal	\$29.54
300	1,296 gal	15,552 gal	\$147.83
1/16" Trickle	24,667 gal	296,000 gal	\$2,813.73

*Based on Water, Sewer, BNWRD, and Utility Tax rates effective February 1, 2018

†Leak rates vary based on water pressure and size of drips



Water Leak Protection Q&A

Why would I want water leak protection?

In the past, the City of Bloomington offered bill credits for water leaks. If ServLine is adopted, the city will no longer offer bill credits, meaning that ServLine is the only way to receive a credit if your bill goes up as a result of a leak.

Does my homeowners' insurance include water leak protection?

Homeowners' insurance typically does not provide water leak protection.

How much is the deductible when I make a claim?

There is no deductible for water leak protection. The coverage limit per occurrence has not been determined at this time.

How many times per year can I make a water leak protection claim?

Leak Protection follows the guidelines of our leak adjustment policy, which allows for one claim every 12 months.

Does Leak Protection pay for excess water bills from leaks that happen because of plumbing leaks inside my house?

Leak Protection follows the guidelines of our leak adjustment policy, which means the program will pay for excess water bills resulting from leaks that occur in interior plumbing. These leaks, along with leaks from the water line, must be repaired quickly.

Are irrigation system leaks or other connection exterior water line leaks covered?

Excess water charges from leaks on sprinkler water lines, irrigation system water lines, water lines to swimming pools, water lines to other structures, or other water line connections to the main water line from the meter to the house are not covered.

How do I opt out of the water leak protection program?

You can opt out of the water leak protection program by calling ServLine within one year of the program start to receive a refund for up to twelve months of fees, depending on when you cancel. Once a year has passed, refunds for monthly fees for water leak protection will not be issued. Please keep in mind that any high water bills that result from water leaks will have to be paid out-of-pocket by the person who is listed on the city utility bill.

What is the waiting period for leak protection to take effect?

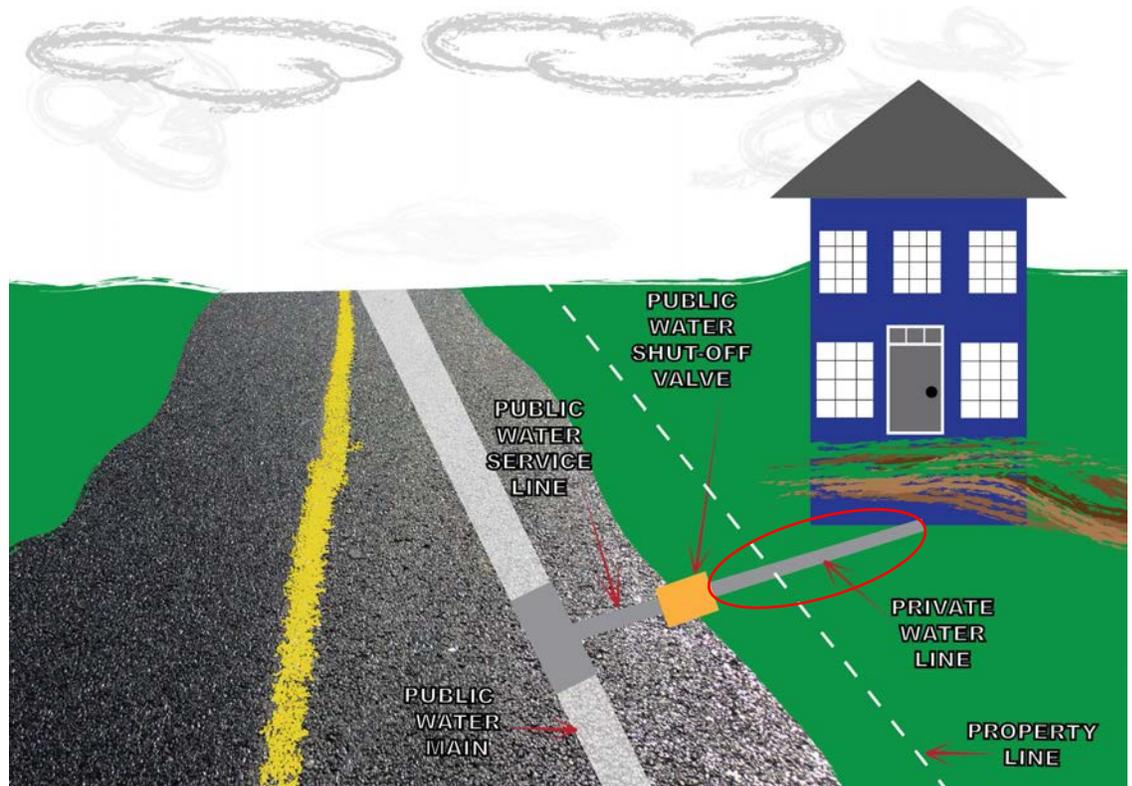
Water Leak Protection will have a 30 day waiting period, with limited exceptions, unless you sign up before the initial start date.

How do these programs differ from a service line warranty?

These insurance programs offered through the City of Bloomington and Sunbelt Insurance Group, unlike warranty programs, are funded and supported by an insurance agency, which is regulated by the Illinois Department of Insurance. If you receive a letter regarding a service line warranty, it is not being offered by the City of Bloomington and Sunbelt Insurance Group.

Water Line Protection

ServLine offers the opt-in Water Line Protection Program at a cost of **\$4.84 per month** (including a 10% admin fee) that helps pay for repairs when a residential, private water line fails. The red circle in the graphic below indicates the limits of the water line that would be covered by this protection:



This Water Line Protection Program features:

\$0 deductible

Up to \$10,000 per occurrence for total repair cost, including:

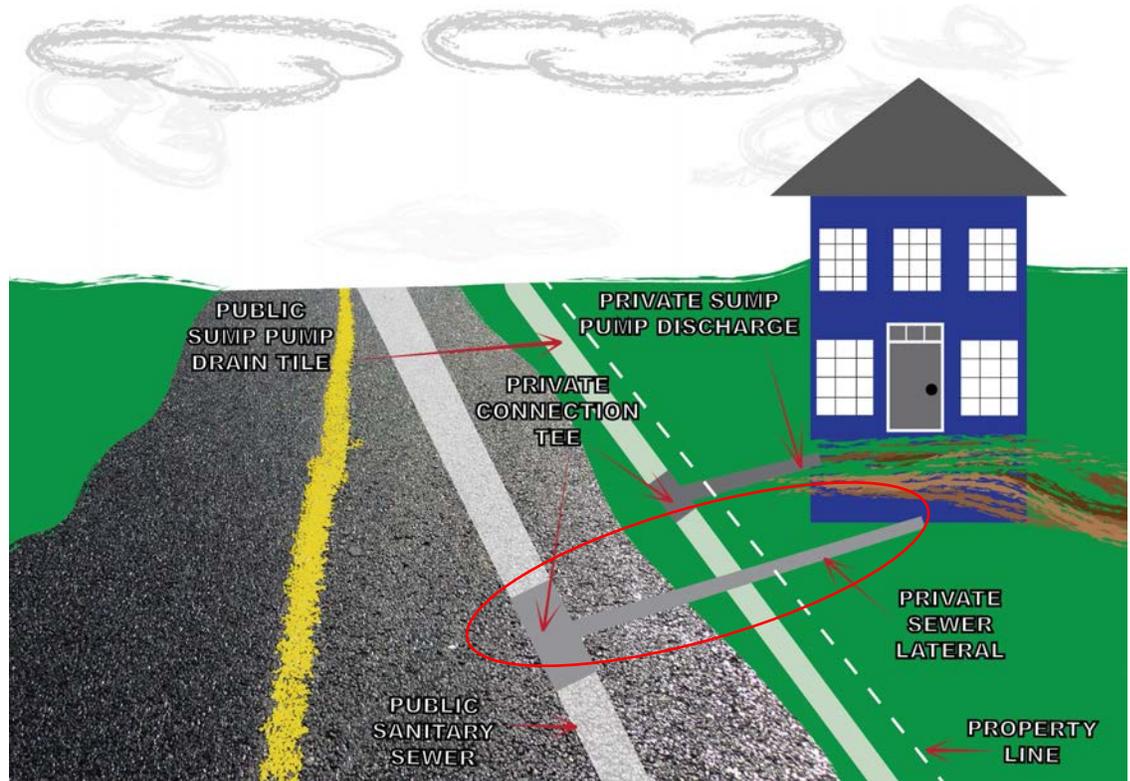
- Up to \$500 for re-seeding and landscaping
- Up to \$500 for restoration of private paved surfaces
- Value of covered property based on replacement cost without depreciation

No limit on number of repairs per year

30-day waiting period to begin coverage

Sewer Lateral Protection

Similar to the Water Line Protection Program, the Sewer Lateral Protection program is an opt-in program offered for **\$6.60 per month** (including a 10% admin fee) that helps pay for repairs to private sewer laterals and private sewer connection tees on residential property. The covered pieces are circled in red in the graphic below:



The Sewer Lateral Protection Program features:

\$0 deductible

Up to \$10,000 per occurrence for total repair cost, including:

- Up to \$500 for re-seeding and landscaping
- Up to \$500 for restoration of private paved surfaces
- Value of covered property based on replacement cost without depreciation

No limit on number of repairs per year

30-day waiting period to begin coverage

How to Report a Water Line or Sewer Lateral Break





Water Line and Sewer Lateral Protection Q&A

Why would I want coverage for the water line or sewer lateral connected to my house?

The City of Bloomington is only responsible for public water and sewer infrastructure within the city. Property owners are responsible for the private water line and private sewer lateral that connect from their home to the public infrastructure.

Does my homeowners' insurance include coverage for the water line or sewer lateral connected to my house?

In most cases, homeowners' insurance does not cover water lines and sewer laterals.

If I choose to purchase water line and sewer lateral protections, how much is the deductible when I have a repair?

There is no deductible for water line and sewer lateral protection, which offers up to \$10,000 of insurance coverage per incident with certain exclusions.

Is \$10,000 enough coverage for a water line or sewer lateral?

In most cases, \$10,000 will be enough to cover a water line or sewer lateral repair or replacement. In rare cases, repair or replacement costs could be \$15,000 or more. Unfortunately, ServLine does not offer coverage limits above \$10,000. However, you may supplement the coverage with additional coverage from a private insurance provider or utility.

How many repairs or replacements can I claim before coverage runs out?

There is no limitation on the number of claims that can be made under the water line and sewer lateral coverages.

Can I make a claim if my water line or sewer lateral is damaged while digging?

Breaks that result from digging will be covered as long as you or the person who performed the digging called the JULIE number prior to digging, received a ticket number, and had the line marked.

Does the Water Line Protection include repairs to internal plumbing, sprinkler system water lines, other irrigation lines, water lines to my swimming pool, or other structures?

Water Line Protection covers the portion of the service line between the curb stop (generally in the parkway) and the home / meter (generally in the basement / crawlspace).

Are my water line and sewer lateral covered for absolutely everything that might make them leak or break?

Unfortunately, no. Certain events such as sewer backups, plugs, clogs earthquakes, floods, or landslides are excluded from the Water Line and Sewer Line Protection Programs. For a complete list of coverage and exclusions please call (706) 894-9050.

Are "wild cat" private sewers covered by the sewer lateral protection program?

A "wild cat" sewer, or a pipe that connects multiple homes to a public sewer, would be covered by ServLine's sewer lateral protection program.



General Q&A

What is the waiting period for protection to take effect?

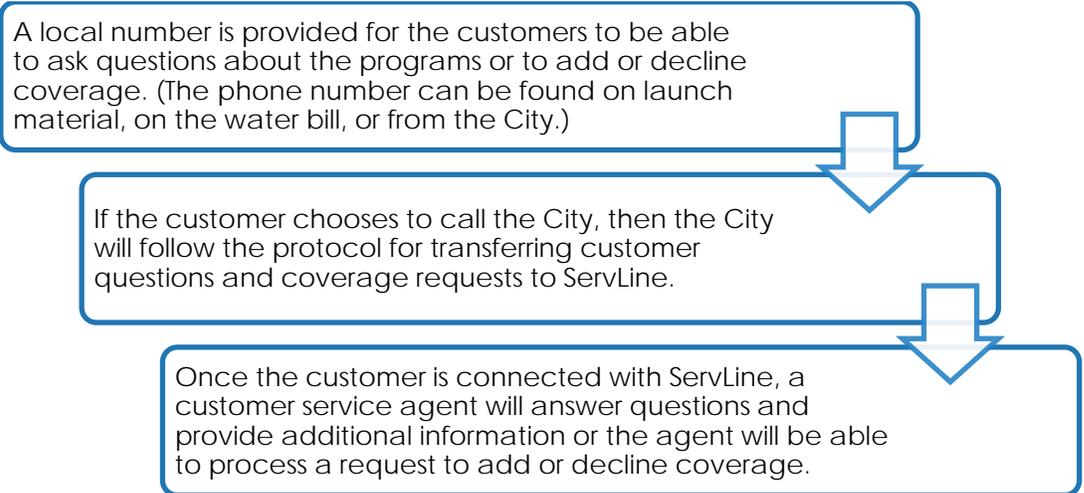
Water Leak Protection, Water Line Protection, and Sewer Lateral Protection will have a 30 day waiting period, with limited exceptions, unless you sign up before the initial start date.

How do these programs differ from a service line warranty?

These insurance programs offered through the City of Bloomington and Sunbelt Insurance Group, unlike warranty programs, are funded and supported by an insurance agency, which is regulated by the Illinois Department of Insurance. If you receive a letter regarding a service line warranty, it is not being offered by the City of Bloomington and Sunbelt Insurance Group.

What is the process to add or decline coverage?

The process to enroll in or cancel coverage is outlined below.



Why Should the City Use ServLine?

These Programs are Exclusive to ServLine

ServLine, offered through Sunbelt Insurance Group, is the only set of insurance programs that features leak adjustment protection and direct billing through the City's utility bill.

Homeowners are Responsible for their Property

Water leaks, water lines, and sewer laterals are the sole responsibility of the owner of a property. The City does not take any responsibility for covering water leaks, water line repairs, or sewer lateral repairs. These repairs will need to be covered by ServLine, by an outside insurance provider, or by the property owner. Typically, these items are not covered by Homeowners' Insurance (with the exception of State Farm; see below). However, some insurance providers, though limited, offer separate coverage.

Options are Limited

The following is a summary of private industry options for water line or sewer lateral insurance companies. Any rates, coverages, exclusions, or deductibles are subject to change and are not a guarantee of available coverage. Apart from SWIP and USP, these providers do not offer municipal billing. None of these providers offer water leak protection.

American Modern*

This optional coverage is available on homeowner policies in IL. The most they will pay for loss, damage or expense under this endorsement arising from any one service line failure is \$10,000.

Auto Owners*

This optional coverage provides up to \$10,000 for loss or damage to underground service lines caused by wear and tear, rust or other corrosion, collapse (not including sinkhole), electrical and mechanical or pressure systems breakdown, and freezing. A \$500 deductible applies.

Central Insurance Company*

Utility Line Coverage endorsement is now available w/ \$20,000 limit and \$1,000 DED, full endorsement, "Utility Line Covered Property" means underground piping and wiring (including permanent connections, valves or attached devices) located on the "residence premises" and the customer is legally responsible for the repair or replacement.

Nicor Home Solutions

Nicor Home Solutions offers Outside Sewer Line Protection and Outside Water Line Protection. Bundling the two together costs \$14.95 per month, but the services are offered individually at the prices listed below:

Outside Sewer Line Protection on its own is offered for \$9.95 per month for the following coverages:

- Up to \$4,000 to repair, replace, or clear clogs and blockages for outside sewer lines
- Up to \$4,000 for public sidewalk/driveway/road opening repairs
- Up to an additional \$500 for back filling, leveling, seeding and raking, due to an outside sewer repair

The company also offers Outside Water Line Protection on its own for \$6.95 per month for the following coverages:

- Up to \$4,000 per year for parts and labor to repair or replace a leaking or broken water line
- Up to \$1,000 for outside water lines in public sidewalk/driveway/road opening repairs
- Up to \$500 for landscape restoration reimbursement related to covered water line repairs

Cincinnati Insurance Companies*

Service Line Coverage is available on Executive and Executive Capstone Endorsements. Service line failure: freezing, frost heave, root invasion, rupture, breakage, wear and tear, and rust or corrosion. It will cover losses to underground utility lines between the street and an insured's home. Coverage limits: \$10k limit for \$25 annual premium and \$25k limit for \$40 annual premium.

The Hanover Insurance Group*

Coverage is available in TAP sales in the Select Plus & Select Premium packages only. The Select Plus provides \$10,000 of coverage and Select Premium provides \$20,000 of coverage.

National General Premier*

This company offers service line coverage at \$10,000 or \$20,000 limits subject to a \$500 deductible. The coverage is \$31 for \$10,000 and \$35 for \$20,000.

Sewer and Water Insurance Plans (SWIP)

SWIP offers up to \$15,000 in coverage per year for sewer lateral repairs and also offers water line coverage. The coverage includes restoration of landscaping, sidewalks, driveways, public roads, floods, landslides, and sinkholes. SWIP offers marketing and billing through the City utility bill or it can be individually marketed and billed to residents.

State Farm

State Farm customers can add Service Line Coverage to their homeowners' insurance that offers coverage for up to \$10,000 per occurrence with a \$500 deductible. The coverage includes excavation costs, expediting costs, loss of use, and outdoor property.

Utility Service Partners (USP)

This organization offers the Service Line Warranties program on a city-wide basis, but participation is optional for individual households and can be obtained for a low monthly fee of between \$4 and \$6 dollars per month for each warranty. Homeowners who participate are not required to sign a long-term contract and they may opt out of the coverage at any time.

Implementing the water and sewer line protection program in Bloomington would require a marketing agreement with USP, which includes a non-exclusive license to use the City's name and logo on marketing materials to be used in advertising, all at USP's expense and subject to the City's prior review and approval. All customer mail-outs, customer billing, plumber selection, call taking, plumber dispatching, and payments to vendors remain the responsibility of USP.

Plumbing services are provided by local, city-based vendors. USP screens and selects local plumbers based on criteria such as response times, adherence to mutually-agreed upon costs for services, and reputation with the Better Business Bureau.

Research Notes

Chad Thoma, CIC, LUTCF, AFIS, who is an Insurance Consultant at Troxell Insurance, provided the research for the insurance providers listed above that have an asterisk (*) next to the company name. Their website is: www.troxellins.com

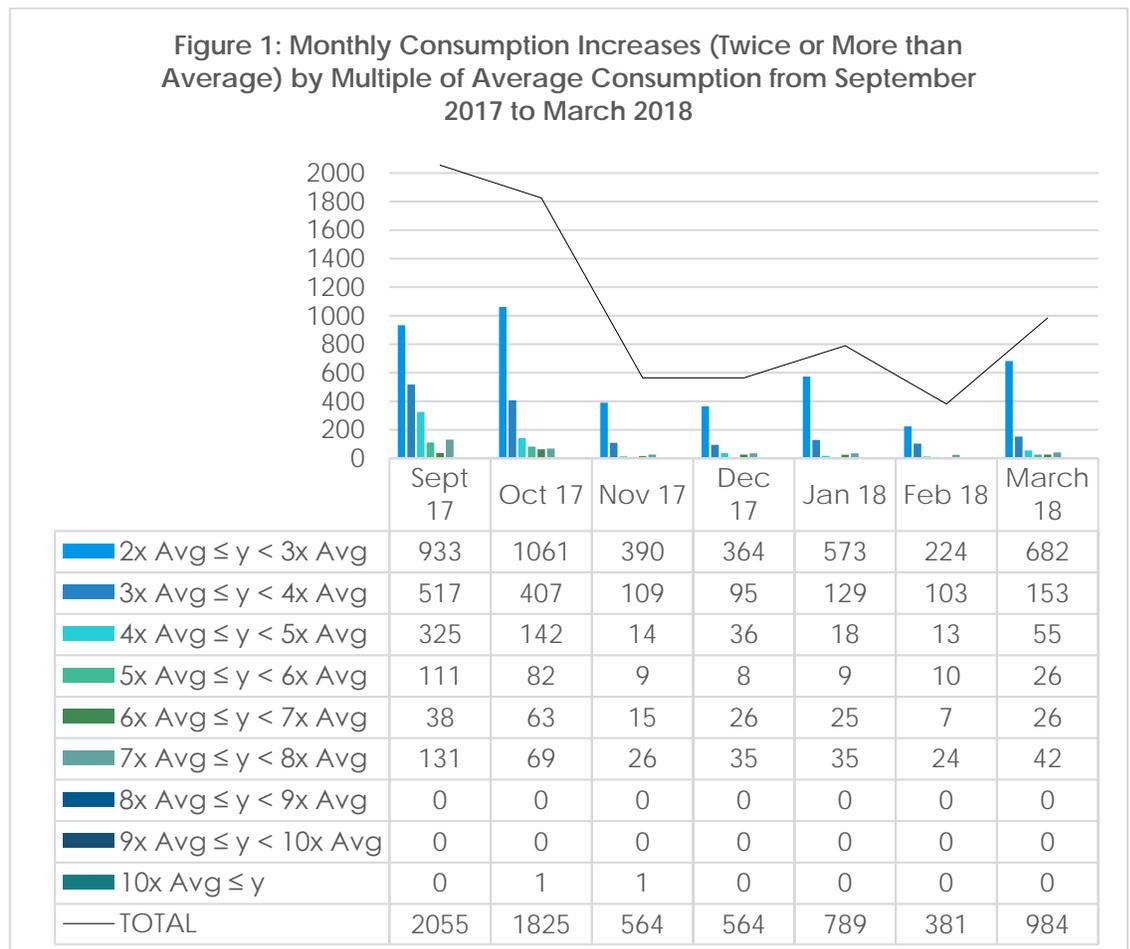
TROXELL

City staff, including Greg Kallevig, PE, Joshua Ftacek, Steve Arney, Michael Hill, and others helped provide the information for the providers without an asterisk next to the company name.

Water Leak Historical Data

The Water Division of Public Works used a seven-month date range with comparable data to examine water leak historical data. This range is from September 2017 to March 2018. Using these months helps to eliminate counting pool fill-ups, outdoor sprinkler systems, and other seasonal uses of water that may cause an increase in consumption that is not caused by a leak. The figures in this section most accurately examine increases in monthly consumption and monthly costs that could indicate a leak.

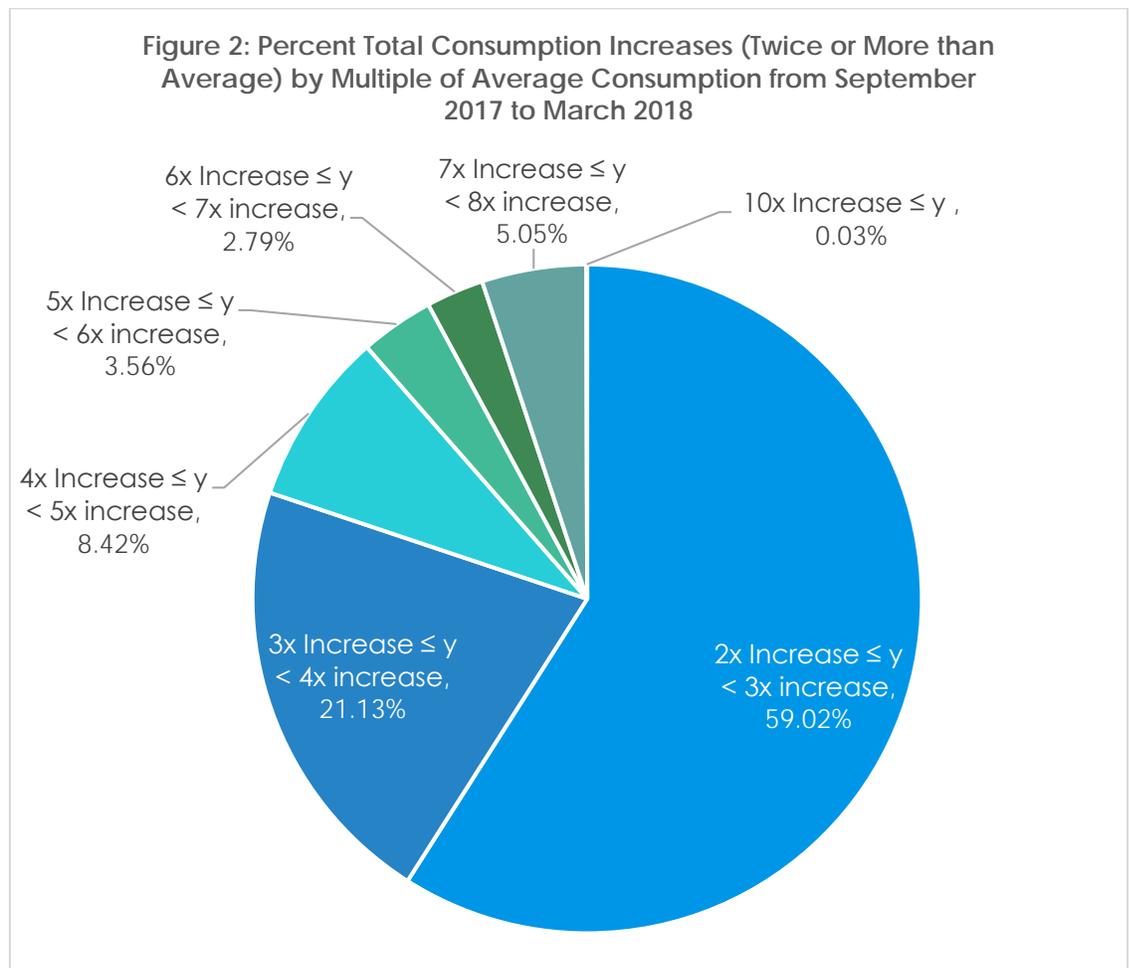
Figure 1 below shows the number of customers that had a monthly consumption increase that was at least twice or more than the average monthly consumption for the seven-month period. The data shows a decline in water leaks during fall and winter, with an incline beginning in spring.



Within each month in Figure 1, the number of customers within each multiple of average consumption decreases as the multiple increases, until the multiple is greater

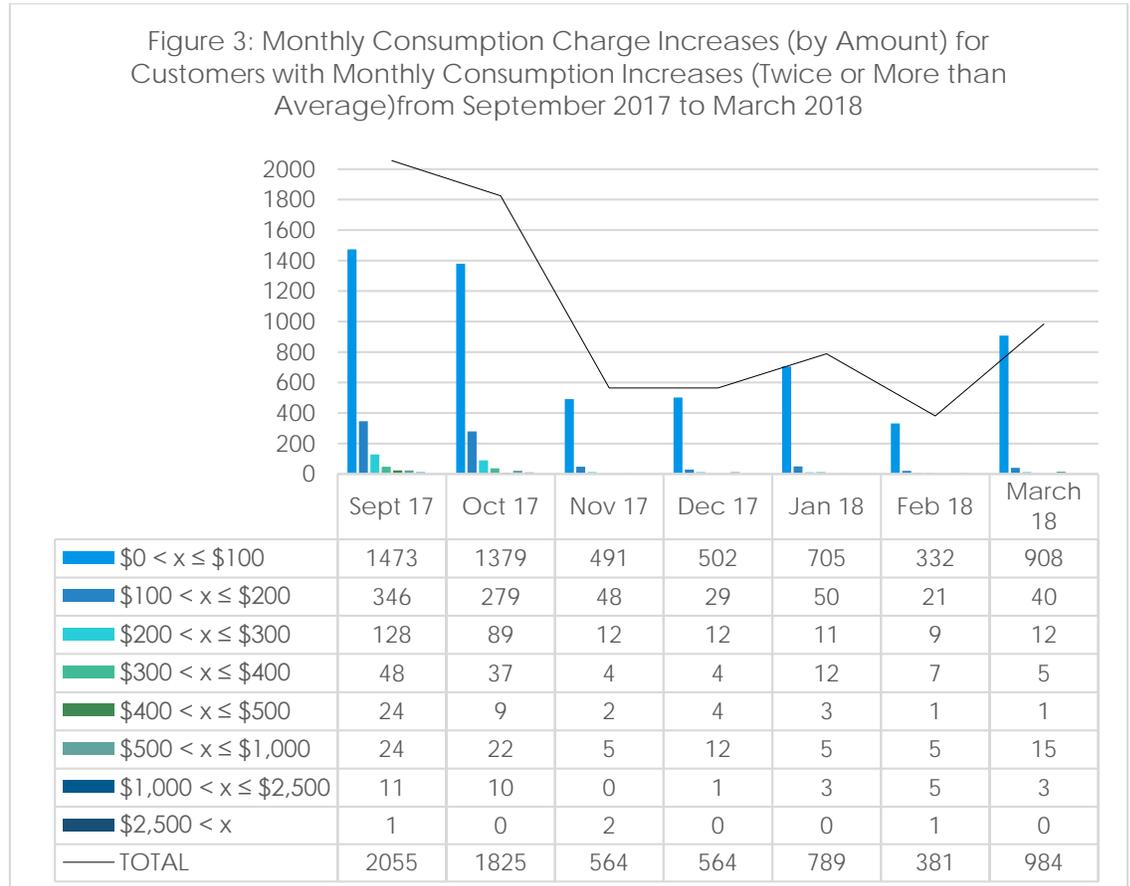
than or equal to six times the average monthly consumption but less than nine times the average monthly consumption. The numbers fluctuate within these two categories, so they are not consistently higher or lower than the previous categories. Another interesting fact is that there were zero customers that had consumption greater than or equal to eight times the average monthly consumption but less than ten times the average monthly consumption. Finally, only two customers had consumption greater than or equal to ten times the average monthly consumption.

Figure 2 shows the percent of total consumption increases that were greater than or equal to two times the average monthly consumption from September 2017 to March 2018, sorted by multiple.



As shown in Figure 2, 59.02 percent of monthly consumption increases are greater than or equal to two times the monthly average and less than three times the monthly average, while the remaining 40.98 percent are greater than or equal to three times

the monthly average. This means that it is more likely that a bill will be double the average monthly consumption rather than three times or more. This pairs with the additional cost and coverage data in Figure 3, Figure 4, and Table 1 to demonstrate the amount of coverage required to cover the majority of property owners.



When looking at the number of consumption charge increases (sorted by amount) shown in Figure 3, the majority of the charge increases are 100 dollars or less for each month. September 2017 had the highest total number of consumption charge increases, with 1,473 consumption charge increases less than or equal to 100 dollars and 582 consumption charge increases more than 100 dollars. February 2018 had the lowest total number of consumption charge increases. In that month, 332 consumption charge increases were less than or equal to 100 dollars, while the remaining 49 consumption charge increases were over 100 dollars. Interestingly, four increases were more than 2,500 dollars within the date range, and 33 increases were greater than 1,000 but less than or equal to 2,500 dollars. This data is used to figure out the amount of coverage required to cover the majority of water leak charges, which is rationalized using Figure 4 and Table 1 on the next page.

Since ServLine offers three levels of protection for water leaks: 500 dollars, 1,000 dollars, and 2,500 dollars, it's important to examine the data more closely and sort it by the ranges that fall into these protection limits. As shown in Figure 4, a coverage level of 500 dollars would provide 98.25 percent of consumption charge increases (twice or more) in the date range with \$0 in out-of-pocket expenses, a coverage level of 1,000 dollars would cover 99.48 percent of the same increases with \$0 in out-of-pocket expenses, and a coverage level of 2,500 dollars would cover 99.94 percent of the same increases with \$0 in out-of-pocket expenses. At the highest level of coverage, about 0.06 percent of water bill increases would have more than \$0 in out-of-pocket expenses beyond the ServLine coverage for water leaks.

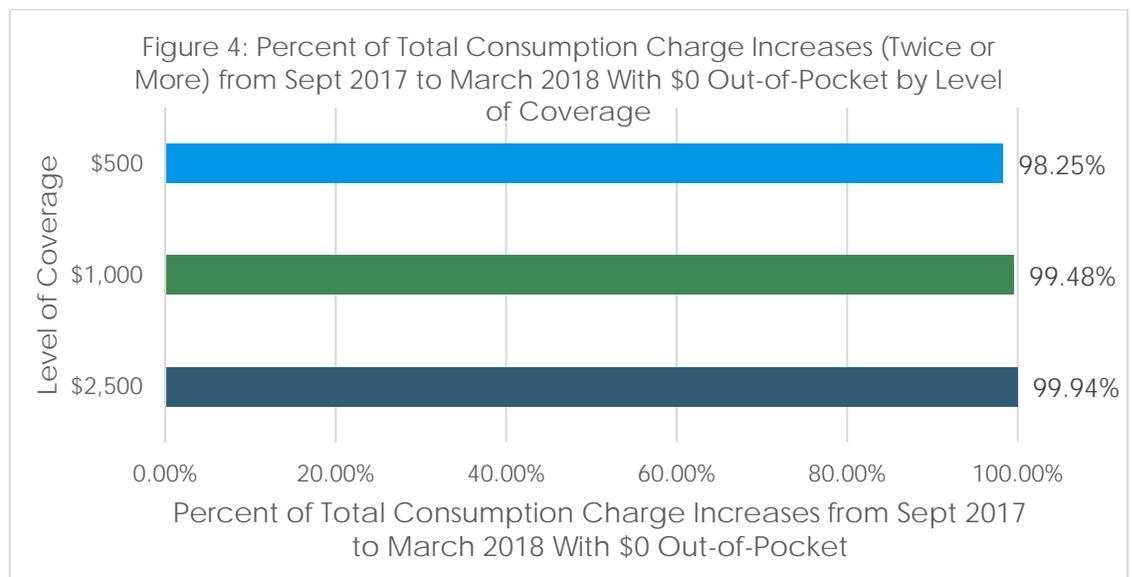


Table 1: Percent Increase in Monthly Price Based on Level of Coverage

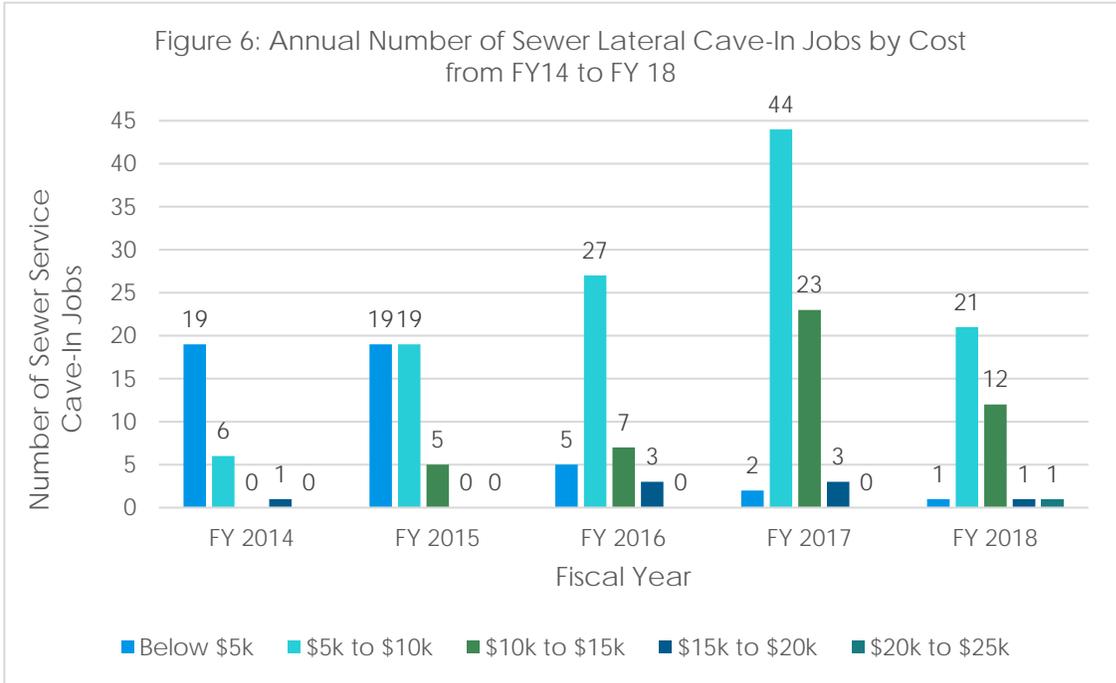
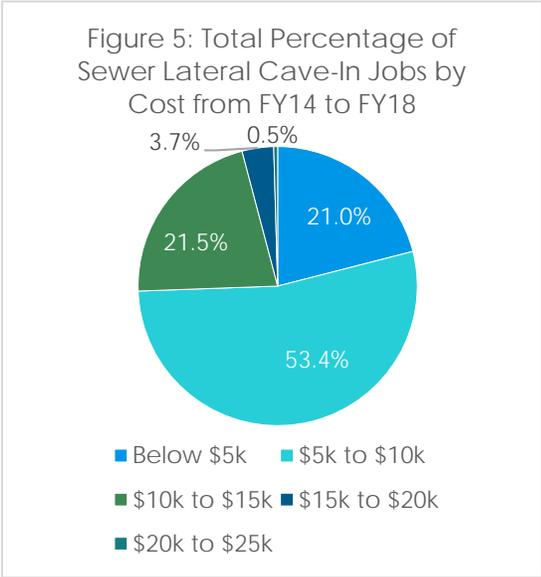
Amount of Coverage	\$500 (Base)	\$1,000	\$2,500
Price / Month	\$1.05 (Base)	\$1.32	\$1.54
% Increase from Base	-	25.71%	46.67%

Using the data in Figure 4 and Table 1, a 25.71 percent increase in monthly fees from the base coverage monthly fees would result in covering an additional 1.23 percent of consumption charge increases (twice or more) when compared to the base coverage, and a 46.67 percent increase in monthly fees from the base coverage monthly fees would result in covering an additional 1.69 percent of consumption charge increases (twice or more) when compared to the base. Therefore, the 500 dollar coverage amount would be the most equitable in terms of monthly fee and annual leak coverage.

Sewer Line Repair Historical Data

The below figures show historical data for in-house sewer line repairs. The figures do not include repairs done by contractors, and they sometimes include other work, such as manhole repairs, but they give insight into how much a typical repair costs. Based on the information gathered from Figure 5, 74.4 percent of sewer lateral repairs from FY 2014 to FY 2018 cost less than ten thousand dollars. However, that leaves 25.6 percent of repairs that cost over 10 thousand dollars. Figure 6 demonstrates that, year over year, the majority of repairs have changed from costing less than five thousand dollars to between five thousand and ten thousand dollars. For example, in FY 2014, 19 out of the 26 repairs cost below five thousand dollars. However, in FY 2018, 21 out of the 36 repairs cost between five thousand and ten thousand dollars, with 12 repairs between ten and fifteen thousand, and 1 repair in each of the other categories.

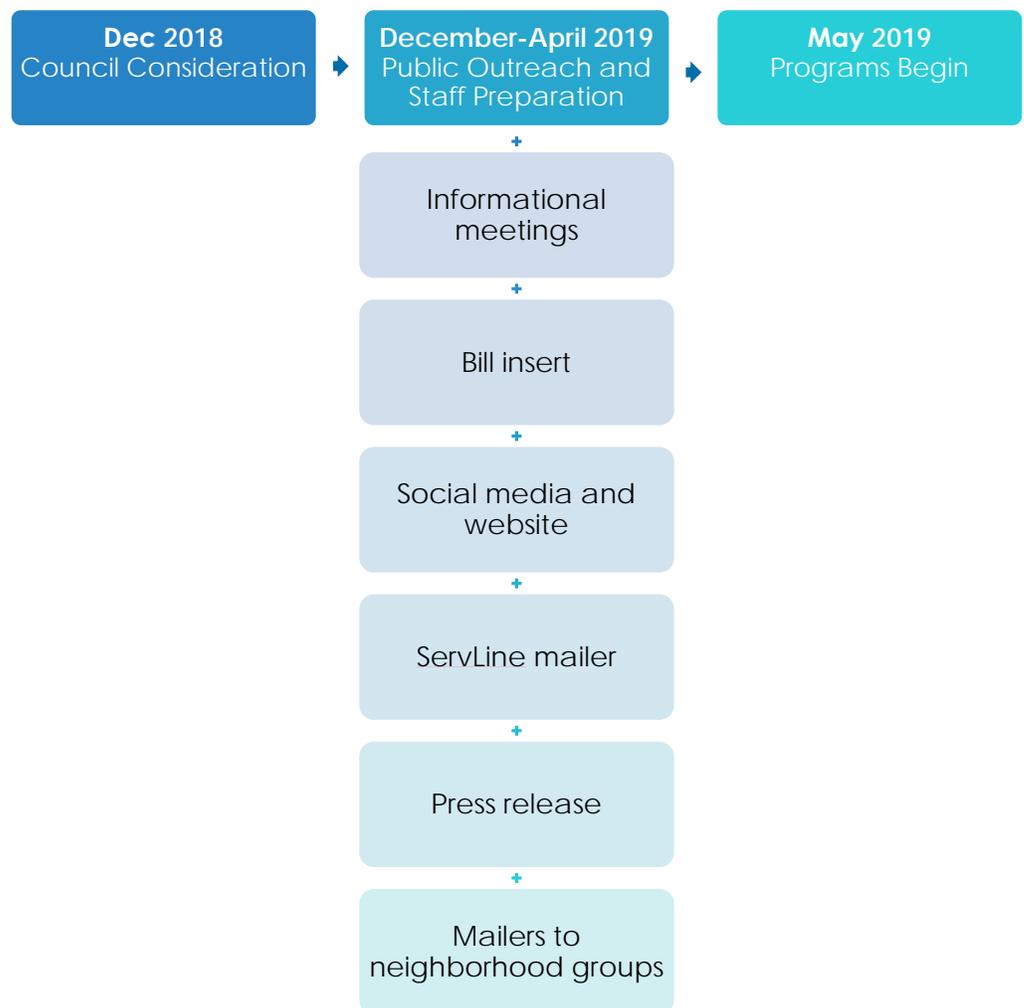
This data means that ServLine will cover the majority of repairs with their ten thousand dollar limit, but other coverage may be required for larger repairs. ServLine does not offer more than a ten thousand dollars in coverage for sewer lateral repairs.



When Can Customers Sign Up for ServLine?

Timeline

The Public Works Water Division and Engineering Division brought ServLine to the Bloomington City Council on August 27, 2018, for initial direction. Aldermen gave staff approval to move forward. The following timeline indicates the next steps if city council members approve the final ServLine proposal in December 2018.





CONSENT AGENDA ITEM NO. 7H

FOR COUNCIL: December 10, 2018

SPONSORING DEPARTMENT: Community Development - Office of Economic Development

SUBJECT: Consideration of an Ordinance approving an assignment of the TIF Redevelopment Agreement between the City and Iceberg Development (JNB Bloomington, LP and TIF Bloomington, Inc.) for the redevelopment of the former Bloomington High School building at 510 East Washington Street, as requested by the Community Development Department.

RECOMMENDATION/MOTION: The Ordinance approving the Collateral Assignment of the Redevelopment Agreement by and among the City of Bloomington, McLean County, Illinois, JNB Bloomington, LP, and TIF Bloomington, Inc. be approved, and authorize the Mayor and City Clerk to execute the necessary documents.

STRATEGIC PLAN LINK: Goal 3: Grow the Local Economy; Goal 4: Strong Neighborhoods; Goal 5: Great Place - Livable, Sustainable City; Goal 6: Prosperous Downtown Bloomington.

STRATEGIC PLAN SIGNIFICANCE: Objective 3c. Revitalization of older commercial homes; 3d. Expanded retail businesses; 3e. Strong working relationship among the City, businesses, economic development organizations. Objective 4c. Preservation of property/home valuations; 4d. Improved neighborhood infrastructure; Objective 5b. City decisions consistent with plans and policies; 5c. Incorporation of "Green Sustainable" concepts into City's development and plans; 5e. More attractive city: commercial areas and neighborhoods. Objective 6a. More beautiful, clean Downtown area; 6b. Downtown Vision and Plan used to guide development, redevelopment and investments; 6d. Healthy adjacent neighborhoods linked to Downtown; 6e. Preservation of historic buildings.

BACKGROUND: On June 12, 2017 the City Council adopted Ordinance 2017-47, which approved a Tax Increment Financing (TIF) Redevelopment Agreement (the "RDA") between the City and Iceberg Development Group, LLC (also known as JNB Bloomington, LP and TIF Bloomington, Inc. and herein after referred to as the "Developer"). The RDA details the City's support for the Developer's proposed adapted reuse of the former Bloomington High School building at 510 East Washington Street (the "Subject Property") into approximately fifty-seven (57) age restricted residential units and additional commercial areas at a cost of \$17 million (the "Project"). The Subject

Property is located along Connect Transit's "Red" Route and is sited at the Eastern Gateway to Downtown Bloomington.

In furtherance of the RDA, on September 10, 2018, the City Council approved a Rental Assistance Agreement (the "RAA") with the Developer to support four (4) residential units in the Project at the Subject Property for a period of ten (10) years (Ordinance 2018-75).

Wells Fargo Bank National Association, the Developer's lender, has requested that the Developer assign its rights under the RDA to Wells Fargo to secure the obligations of Developer under the financing package that Wells Fargo is providing to support the Project. The assignment of redevelopment agreements by municipalities is common.

The potential for an assignment of the subject RDA was included in Section 10 of the RDA:

"Section 10. Assignment.

This Agreement may not be assigned by the Developer without the prior written consent of the City, which consent shall not be unreasonably withheld."

City staff supports the proposed Ordinance approving an assignment of the RDA. City Council approval will assist the Developer in obtaining the necessary financing to complete the Project.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: On January 12, 2018 the City's Historic Preservation Commission supported the Developer's nomination to add the Subject Property to the National Historic Register.

FINANCIAL IMPACT: No additional financial impact will be incurred by the City as a result of approval of the assignment agreement. All of the terms of the RDA and RAA remain unchanged. Should the proposed assignment agreement be approved, the annual rebates of property tax increment outlined in the RDA, and the annual rental assistance payments outlined in the RAA will still be made payable to the Developer.

COMMUNITY DEVELOPMENT IMPACT: The City's Comprehensive Plan 2035 (Adopted August 24, 2015) indicates that "affordable housing is critical for young professionals, college graduates, seniors on a fixed income, or people working in low paying professions such as pre-school teachers. In Bloomington nearly 13,000 households earn less than median income." The Comprehensive Plan guides City Officials "to ensure safe, decent and affordable housing opportunity for all residents and to protect the older housing stock in the City" by calling for "a diversity of housing types that are affordable and accessible." The Comprehensive Plan strongly recommends locating housing near transit routes and the promotion transit oriented development.

Related Comprehensive Plan Goals:

- H-1.2 Ensure an adequate supply of affordable housing for low to moderate income households.
- H-1.3 Create a lifelong community by fostering housing stock that meets the needs of residents of all ages and abilities.
- H-1.2a Educate the policy makers and community at large on affordable housing issues.
- H-1.2b Work with community partners like Habitat for Humanity, MCCA and Bloomington Housing Authority to have a collective impact on affordable housing issues.
- H-1.2c Encourage collaborations among affordable housing providers.
- H-1.2d Identify creative solutions for affordable housing such as home sharing, micro units, and tiny homes.
- H-1.2e Increase supply of affordable rental housing, especially in areas close to job centers, schools and community facilities.
- H-1.2f Identify and reduce barriers for mixed income housing.
- H-2.1 Improve transportation and land use coordination to ensure denser and walkable neighborhoods.
- H-2.2 Preserve historic homes and structures in the designated Preservation Area.
- TAQ-2.1 Implement Transit-Oriented Development.

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A

Respectfully submitted for Council consideration.

- Prepared By: Austin Grammer, Economic Development Coordinator
- Reviewed By: Bob Mahrt, Community Development Director
- Finance & Budgetary Review By: Chris Tomerlin, Budget Manager
Scott Rathbun, Finance Director
- Water/Community Dev. Review By: Katie Simpson, City Planner
- Legal Review By: Kathi Field Orr, Special Counsel for Economic Development

Recommended by:



Tim Gleason
City Manager

Attachments:

- Ordinance
- Collateral Assignment of Redevelopment Agreement

ORDINANCE NO. 2018 - ____

ORDINANCE APPROVING A COLLATERAL ASSIGNMENT OF THE
REDEVELOPMENT AGREEMENT BY AND AMONG THE
CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS, JNB BLOOMINGTON, LP
AND TIF BLOOMINGTON, INC.

WHEREAS, the City of Bloomington, McLean County, Illinois (the "*City*") is a duly organized and validly existing home-rule municipality pursuant to Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970; and,

WHEREAS, pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1, *et seq.*, as from time to time amended (the "*TIF Act*") and the City's authority and powers as a home rule unit, the Mayor and City Council (the "*Corporate Authorities*") are empowered to undertake the development and redevelopment of designated areas within the City's municipal limits in which existing conditions permit such areas to be classified as a "blighted area" or a "conservation area" as defined in Section 11.74.4-3(a) of the TIF Act; and,

WHEREAS, on June 25, 2018, the Corporate Authorities, pursuant to the TIF Act, passed Ordinances Nos. 2018-50, 2018-51 and 2018-52, which ordinances approved a redevelopment plan (the "*Redevelopment Plan*") setting forth a plan for the development and redevelopment of a redevelopment project area as defined in the TIF Act; designated the redevelopment project area as the Downtown East Washington Street Redevelopment Project Area (the "*Project Area*"); and, adopted the TIF Act as applicable to the Project Area; and,

WHEREAS, TIF Bloomington, Inc. (the "*Owner*"), owns JNB Bloomington, LP, an Illinois limited partnership (the "*Developer*") which holds title to certain property

located within the Project Area and commonly known as 510 E. Washington St., Bloomington, Illinois (the "*Subject Property*"); and,

WHEREAS, on April 23, 2017, the City, the Owner and the Developer, entered into a certain Redevelopment Agreement (the "*Redevelopment Agreement*") committing the Developer to redevelop and renovate the Subject Property by investing approximately \$17,000,000 in the Subject Property to create approximately fifty-seven (57) age-restricted dwelling units and additional commercial areas (the "*Project*"); and,

WHEREAS, in order to procure the necessary financing to enable the Developer to proceed with the Project, the Developer's lender, Wells Fargo Bank, National Association, a national banking association, has requested a collateral assignment of all of the Developer's and the Owner's rights under the Redevelopment Agreement to secure all of the Owner's and Developer's obligations to the Lender; and,

WHEREAS, the Corporate Authorities have reviewed the request and the form of Collateral Assignment of Redevelopment Agreement as attached hereto and made a part hereof and believes that such request is reasonable because the Project, upon completion, shall be in furtherance of the Redevelopment Plan.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Bloomington, McLean County, Illinois, as follows:

Section 1. That the Collateral Assignment of Redevelopment Agreement by JNB Bloomington, LP and TIF Bloomington, Inc., attached hereto and made a part hereof, is hereby approved and the Mayor and City Clerk are hereby authorized to execute and deliver said Assignment.

Section 2. Be it further ordered that Section 14 of the Redevelopment Agreement providing for parties to receive all notices as may be required be amended to add the following:

Wells Fargo Bank, National Association
Community Lending & Investment
Attn: Kent A. Paulson
MAC #N9353-020
3030 Nicollet Avenue
Suite 200
Minneapolis, Minnesota 55408

Section 3. This Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

PASSED this 10th day of December 2018.

APPROVED:

Tari Renner, Mayor

AYES: _____

NAYS: _____

ABSENT: _____

ATTEST:

Cherry L. Lawson, City Clerk

**COLLATERAL ASSIGNMENT
OF REDEVELOPMENT AGREEMENT**

THIS COLLATERAL ASSIGNMENT OF REDEVELOPMENT AGREEMENT (this “Assignment”) is made and entered into as of the ___ day of _____, 2018, by and among **JNB BLOOMINGTON, LP**, an Illinois limited partnership (“Borrower”) **TIF BLOOMINGTON, INC.**, an Illinois corporation (“TIF Bloomington,” and together with borrower, collectively, “Assignor”), **THE CITY OF BLOOMINGTON, MCLEAN COUNTY, ILLINOIS**, an Illinois municipal corporation (the “City”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association (“Lender”).

Recitals

WHEREAS, Borrower and Lender have entered into that certain Building Loan Agreement of even date herewith (the “Loan Agreement”), pursuant to which Lender has agreed to make a construction loan to Borrower in the amount of \$_____ (the “Loan”) for the purpose of financing the construction of a housing project with 57-affordable units and 1 manager unit on property legally described on Exhibit A attached hereto and hereby made a part hereof (the “Project”); and

WHEREAS, obligations of Borrower under the Loan is evidenced by that certain Promissory Note Secured by Mortgage of even date herewith (the “Note”), executed by Borrower and made payable to Lender in the original principal amount of \$_____; and

WHEREAS, the Note is secured by that certain Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement of even date herewith (the “Mortgage”) executed by Borrower in favor of Lender and encumbering the Project; and

WHEREAS, Assignor and the City have entered into that certain Redevelopment Agreement dated as of June 12, 2017 (the “Development Agreement”) in connection with the development of the Project; and

WHEREAS, Lender has required, as an express condition to entering into the Loan Agreement, that Assignor assigns its rights under the Development Agreement to Lender to secure the obligations of Borrower under the Note, the Loan Agreement and the Mortgage.

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby agrees as follows:

1. Capitalized terms used herein but not otherwise defined herein shall have the meaning set forth in the Loan Agreement.

2. Assignor hereby assigns to Lender all of its right, title and interest in and to the Development Agreement, together with all documents and agreements attached as exhibits thereto, and all amendments, addenda and modifications thereof, whether made now or hereafter, to secure the obligations of Borrower under the Note, the Loan Agreement and the Mortgage.

3. Assignor hereby represents and warrants that there have been no prior assignments of its rights under the Development Agreement except to Borrower, that the Development Agreement is a valid and enforceable agreement, that neither the City nor Assignor is in default thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not to be performed until after the date hereof. Assignor agrees not to sell, assign, pledge, mortgage or otherwise transfer or encumber its interest in the Development Agreement as long as this Assignment is in effect. Assignor hereby irrevocably constitutes and appoints Lender as its attorney-in-fact to demand, receive and enforce Assignor's rights under the Development Agreement for and on behalf of and in the name of Assignor or, at the option of Lender, in the name of Lender, with the same force effect as Assignor could do if this Assignment had not been made.

4. This Assignment shall constitute a perfected, absolute and present assignment, provided that Lender shall have no right under this Assignment to enforce the provisions of the Development Agreement or exercise any rights or remedies under this Assignment until a Default shall occur and be continuing after all applicable notice and cure periods.

5. Upon the occurrence of a Default after all applicable notice and cure periods, without affecting any of Lender's rights or remedies against Assignor under any other instrument, Assignor shall be deemed to have irrevocably appointed Lender as Assignor's attorney-in-fact to exercise any or all of Assignor's rights in, to and under this Assignment and to give appropriate receipts, releases and satisfactions on behalf of Assignor in connection with the performance by any party to the Development Agreement and to do any or all other acts in Assignor's name or in Lender's own name that Assignor could do under the Development Agreement with the same force and effect as if this Assignment had not been made. In addition, Lender shall have the right to exercise and enforce any and all rights and remedies available after a default to a secured party under the Uniform Commercial Code as adopted in the State of Illinois. If notice to Assignor of any intended disposition of collateral or of any intended action as required by law in any particular instance, such notice shall be deemed commercially reasonable if given in writing at least ten (10) days prior to the intended disposition or other action. Assignor hereby authorizes Lender to deliver a copy of this Assignment to any other party to the Development Agreement to verify the rights granted to Lender hereunder. All other parties under the Development Agreement are authorized and directed by Assignor to tender performance of its obligations under the Development Agreement to Lender upon presentation of a copy of this Assignment.

6. The City hereby consents and agrees to the terms and conditions of this Assignment. The City further represents and warrants to Lender that the Development Agreement is a valid agreement enforceable in accordance with its terms, that neither the City nor Assignor is in default hereunder and that all covenants, conditions and agreements have been performed as required therein, except those not to be performed until after the date thereof.

7. The City agrees to provide Lender with copies of any notice of default given under the Development Agreement, and that Lender shall have the right, but not the obligation, to cure such default within the time period set forth in the Development Agreement.

8. The parties agree that no material change or amendment shall be made to terms of the Development Agreement without the prior written consent of Lender, which consent shall not be unreasonably withheld or delayed.

9. This Assignment can be waived, modified, amended, terminated or discharged only explicitly in a writing signed by Lender. A waiver by Lender shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Lender's rights or remedies hereunder. All rights and remedies of Lender shall be cumulative and shall be exercised singularly or concurrently, at Lender's option, and any exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

10. No provision of this Assignment shall be deemed or construed to alter, amend or modify, in any way, the rights and obligations of the City contained in the Development Agreement.

11. Any notice, request, demand or other communication hereunder shall be deemed duly given if delivered or postage prepaid, certified or registered, addressed to the party as set forth below:

If to the City:

City Manager
City of Bloomington
109 East Olive Street
Bloomington, Illinois 61702

With copy to:

Kathleen Field Orr
Kathleen Field Orr & Associates
53 West Jackson Blvd., Suite 964
Chicago, Illinois 60604

Corporation Counsel
City of Bloomington
109 East Olive Street
Bloomington, Illinois 61702

If to Assignor:

Jim N. Bergman
2206 Kimberly Road – Office
Bettendorf, Iowa 52722

With copy to:

Robert T. LeSage
226 West River Street, P.O. Box 404
Dixon, Illinois 61021

If to Lender:

Wells Fargo Bank, National Association
Community Lending & Investment
Attention: Kent A. Paulson
MAC #N9353-020
3030 Nicollet Avenue, Suite 200
Minneapolis, Minnesota 55408

12. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be duly executed as of _____, 2018.

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**THE CITY OF BLOOMINGTON,
MCLEAN COUNTY, ILLINOIS,** an
Illinois municipal corporation

By: _____
Name: _____
Its: _____

STATE OF ILLINOIS)
)
COUNTY OF McLEAN)

The foregoing instrument was acknowledged before me this ____ day of _____,
2018, by _____, the _____ of The City of Bloomington, McLean County,
Illinois, an Illinois municipal corporation, for and on behalf of said municipal corporation.

Notary Public

TIF BLOOMINGTON, INC., an Illinois corporation

By: _____
James N. Bergman
Its President

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by James N. Bergman, President of TIF Bloomington, Inc., an Illinois corporation, for and on behalf of said corporation.

Notary Public

JNB BLOOMINGTON, LP, an Illinois limited partnership

By: JNB Bloomington GP, LLC, an Illinois limited liability company, its General Partner

By: _____
James N. Bergman
Its Manager

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by James N. Bergman, Manager of JNB Bloomington GP, LLC, an Illinois limited liability company, General Partner of JNB Bloomington, LP, an Illinois limited partnership, for and on behalf of said limited partnership.

Notary Public

EXHIBIT A
LEGAL DESCRIPTION

PUBLIC HEARING



PUBLIC HEARING AGENDA ITEM NO. 8A

FOR COUNCIL: December 10, 2018

SPONSORING DEPARTMENT: Community Development - Office of Grants Administration

SUBJECT: Public hearing for a revised Citizen Participation Plan containing policies and procedures for public involvement and stakeholder consultation in the Consolidated Plan process and the use of Community Development Block Grant (CDBG) funds, as requested by the Community Development Department.

RECOMMENDATION/MOTION: Council open the Public Hearing to receive comments on the revised Citizen Participation Plan.

STRATEGIC PLAN LINK:STRATEGIC PLAN SIGNIFICANCE: Goal 4: Objective F: Residents increasingly sharing/taking responsibility for their homes and neighborhoods.

BACKGROUND: As an Entitlement Community receiving annual grants on a formula basis from the United States Department of Housing and Urban Development (HUD), the City of Bloomington is required to adopt a detailed Citizen Participation Plan containing policies and procedures for public involvement and stakeholder consultation in the Consolidated Plan process and the use of Community Development Block Grant (CDBG) funds.

A copy of the Citizen Participation Plan is included with each Annual Action Plan and five-year Consolidated Plan submitted to Council for approval and subsequent submission to HUD. Please refer to the agenda item regarding a Resolution adopting the Citizen Participation Plan for a copy of the new Plan. The current Citizen Participation Plan was approved by the Council in 2010. An up-to-date and comprehensive Citizen Participation Plan is an essential part of the process for Consolidated Plan development. The City's current five-year Plan will come to an end on April 30, 2020. Public outreach efforts for the 2020-2024 Consolidated Plan will begin early in 2019, triggering this revision.

Historically, the City has allocated a significant portion of its annual CDBG award to housing. As part of the City's efforts to create a regional housing plan to address housing issues in Bloomington-Normal and McLean County, the City will work closely with the McLean County Regional Planning Commission and the Town of Normal in the development of the next Consolidated Plan. The Citizen Participation Plan sets guidelines and standards for procedures both communities will follow. However, each

municipality will continue to set goals, distribute funds and operate as an independent Entitlement Community.

The proposed Citizen Participation Plan outlines:

- a cooperative, intergovernmental approach to addressing housing issues in the region
- the public participation process, including public hearings and public comment periods
- opportunities for involvement of affected persons, stakeholders, and other concerned citizens in the planning and reporting process
- transparency of the planning and reporting process and the assurance of access to records
- instructions to guide the public's submission of comments and the standards for the Town and City of Bloomington's responses

A 15-day public comment period for the proposed Citizen Participation Plan's review was initiated on Friday, November 23, 2018.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED:

McLean County Regional Planning Commission
Town of Normal Planning Department
Bloomington Housing Authority
Notice in Pantagraph and PATH-O-Gram

FINANCIAL IMPACT: NA

COMMUNITY DEVELOPMENT IMPACT: Comprehensive Plan goals addressed:

- N-3. Improve communication between the City, the citizens and the neighborhood organizations to foster teamwork and community spirit;
- N-3.1 City will use both traditional and non-traditional methods to community with its residents;
- H-1.1i: Create a regional housing plan to address housing issues in Bloomington-Normal and McLean County.

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A

Respectfully submitted for Council consideration.

Prepared By:	Jennifer Toney, Grants Coordinator
Reviewed By:	Bob Mahrt, Community Development Director
Finance & Budgetary Review By:	Chris Tomerlin, Budget Manager Scott Rathbun, Finance Director
Legal Review By:	Jeffrey R. Jurgens, Corporation Counsel

Recommended by:

A handwritten signature in black ink, appearing to read 'T. Gleason', with a stylized flourish at the end.

Tim Gleason
City Manager

Attachments:

- None

REGULAR AGENDA



REGULAR AGENDA ITEM NO. 9A

FOR COUNCIL: December 10, 2018

SPONSORING DEPARTMENT: Community Development - Office of Grants Administration

SUBJECT: Consideration of a Resolution adopting a revised Citizen Participation Plan containing policies and procedures for public involvement and stakeholder consultation in the Consolidated Plan process and the use of Community Development Block Grant (CDBG) funds.

RECOMMENDATION/MOTION: The Resolution adopting the revised Citizen Participation Plan be approved, and the Mayor and City Clerk be authorized to execute the necessary documents.

STRATEGIC PLAN LINK: STRATEGIC PLAN SIGNIFICANCE: Goal 4: Objective F: Residents increasingly sharing/taking responsibility for their homes and neighborhoods.

BACKGROUND: As an Entitlement Community receiving annual grants on a formula basis from the United States Department of Housing and Urban Development (HUD), the City of Bloomington is required to adopt a detailed Citizen Participation Plan containing policies and procedures for public involvement and stakeholder consultation in the Consolidated Plan process and the use of Community Development Block Grant (CDBG) funds.

A copy of the Citizen Participation Plan is included with each Annual Action Plan and five-year Consolidated Plan submitted to Council for approval and subsequent submission to HUD. The current Citizen Participation Plan was approved by the Council in 2010. An up-to-date and comprehensive Citizen Participation Plan is an essential part of the process for Consolidated Plan development. The City's current five-year Plan will come to an end on April 30, 2020. Public outreach efforts for the 2020-2024 Consolidated Plan will begin early in 2019, triggering this revision.

Historically, the City has allocated a significant portion of its annual CDBG award to housing. As part of the City's efforts to create a regional housing plan to address housing issues in Bloomington-Normal and McLean County, the City will work closely with the McLean County Regional Planning Commission and the Town of Normal in the development of the next Consolidated Plan. The Citizen Participation Plan sets guidelines and standards for procedures both communities will follow. However, each

municipality will continue to set goals, distribute funds and operate as an independent Entitlement Community.

The proposed Citizen Participation Plan outlines:

- a cooperative, intergovernmental approach to addressing housing issues in the region
- the public participation process, including public hearings and public comment periods
- opportunities for involvement of affected persons, stakeholders, and other concerned citizens in the planning and reporting process
- transparency of the planning and reporting process and the assurance of access to records
- instructions to guide the public's submission of comments and the standards for the Town and City of Bloomington's responses

A 15-day public comment period for the proposed Citizen Participation Plan's review was initiated on Friday, November 23, 2018.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED:

McLean County Regional Planning Commission
Town of Normal Planning Department
Bloomington Housing Authority
Notice in Pantagraph and PATH-O-Gram

FINANCIAL IMPACT: N/A

COMMUNITY DEVELOPMENT IMPACT: Comprehensive Plan goals addressed:

- N-3. Improve communication between the City, the citizens and the neighborhood organizations to foster teamwork and community spirit;
- N-3.1 City will use both traditional and non-traditional methods to community with its residents;
- H-1.1i: Create a regional housing plan to address housing issues in Bloomington-Normal and McLean County.

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A

Respectfully submitted for Council consideration.

Prepared By:	Jennifer Toney, Grants Coordinator
Reviewed By:	Bob Mahrt, Community Development Director
Finance & Budgetary Review By:	Chris Tomerlin, Budget Manager Scott Rathbun, Finance Director
Legal Review By:	Jeffrey R. Jurgens, Corporation Counsel

Recommended by:

A handwritten signature in black ink, appearing to read 'T. Gleason', with a stylized flourish at the end.

Tim Gleason
City Manager

Attachments:

- Resolution
- Draft Citizen Participation Plan

RESOLUTION NO. 2018 - _____

**A RESOLUTION ADOPTING A REVISED CITIZEN PARTICIPATION PLAN FOR THE
2020-2024 CONSOLIDATED PLAN**

WHEREAS, an Entitlement Community (City of Bloomington) receiving annual grants on a formula basis from the United States Department of Housing and Urban Development (HUG) is required to adopt a detailed Citizen Participation plan ; and

WHEREAS, the Plan must contain policies and procedures for public involvement and stakeholder consultation in the Consolidated Plan process and the use of Community Development block Grant (CDBG) funds ; and

WHEREAS, the City's current five-year Plan will come to an end on April 30, 2020 and public outreach efforts for the 2020-2024 Consolidated Plan will begin early in 2019 triggering this revision.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLOOMINGTON, ILLINOIS:

That the recitals set forth above are incorporated herein and City Manager, or designated representatives, are authorized to secure the , and are authorized to execute any necessary documents to effectuate the purchase.

PASSED this 10th day of December 2018.

APPROVED this ____ day of December 2018.

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk





PURPOSE

The City of Bloomington and Town of Normal receive annual entitlement funding from the U.S. Department of Housing and Urban Development (HUD). The City and Town are required by law to adopt a detailed Citizen Participation Plan containing policies and procedures for stakeholder consultation and public involvement in the Consolidated Plan process and the use of Community Development Block Grant (CDBG) funds.

The City of Bloomington and Town of Normal, herein after referred to as the Entitlement Communities, are committed to increasing public participation and the empowerment of residents—especially those of low- and moderate-income—to shape the future of the region.

The Citizen Participation Plan will be made available to the public via the Entitlement Community's website and physical office locations.

Funding Source

The Community Development Block Grant (CDBG) Entitlement Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-530.1 et seq.¹

Regulatory Requirements

This Citizen Participation Plan has been developed in accordance with the applicable federal regulation of 24 CFR Part 91.05: Citizen Participation Plan; Local Governments.

Advisory Body

The Regional Housing Advisory Committee of McLean County was established in April 2018 to address housing issues regionally and comprehensively for people of all ages, incomes and abilities. Three subcommittees comprise the Committee, addressing distinct yet related housing issues in the community. Those issues include increasing the inventory of safe, high quality, affordable and supportive housing particularly to lower income groups, seniors and persons with disabilities.

The Intergovernmental Staff Committee is responsible for determining the priorities and policies of the Regional Housing Advisory Committee with input from group membership, carrying out the activities of the Advisory Body and acting as the conduit between local housing efforts and state and federal housing agencies. Under McLean County Regional Planning Commission (MCRPC) leadership, the staff committee will prepare a regional Consolidated Plan for the Bloomington and Normal CDBG programs. Committee members represent the following organizations that evaluate and implement the recommendations of the advisory groups:

- McLean County Regional Planning Commission
- City of Bloomington
- Town of Normal
- Bloomington Housing Authority
- Providing Access to Help (PATH)
- McLean County Behavioral Health Coordinating Council

The Committee will coordinate its work with the projects and priorities established in the Consolidated Plan.

Outreach and Citizen Engagement Strategy

This Citizen Participation Plan defines a process for meaningful public input regarding CDBG-funded activities and priorities. Two common threads run through this public outreach approach, 1) to move the Entitlement Communities' work into the places and spaces where people gather, work and learn, and 2) to cooperate with our participants and partners in development of a network of contacts that can substantially expand our outreach capabilities.

The Entitlement Communities will provide for and encourage genuine involvement by low- and moderate-income residents at all stages of the process, including: identifying needs; setting priorities among these needs; deciding how much money should be allocated to each high-priority need; suggesting the types of programs to meet high-priority needs; and overseeing the way in which the programs are carried out.

¹ www.hudexchange.info/programs/cdbg-entitlement

OBJECTIVES FOR ENGAGEMENT

- | | |
|---|--|
| <p>1 Understand the demographics of the Entitlement Community's low- and moderate-income population and determine what cultural, economic, language-based or accessibility barriers exist to public participation.</p> | <p>2 Seek broad citizen input with specific emphasis on participation by low- and moderate- income persons and by those living in areas where federal funds are proposed to be used, and/or on low- and moderate-income neighborhoods. Low- and moderate-income neighborhoods are areas where at least 51% of households have incomes at or below 80% of the area median income (AMI).</p> |
| <p>3 Hold public meetings, events, or activities in locations that are accessible to all area stakeholders and members of the community, including but not limited to members of ethnic, racial, or faith-based minority groups, people with limited economic resources, people with disabilities, people of any age or educational attainment, and people with limited proficiency in understanding or speaking English.</p> | <p>4 Consult with local and regional institutions including Continuums of Care, businesses, nonprofit organizations, philanthropic organizations, and community- and faith-based organizations. Consultations will also include broadband internet service providers, organizations engaged in narrowing the digital divide, agencies whose primary responsibilities include the management of flood prone areas, public land or water resources, and emergency management agencies.</p> |
| <p>5 Include the Public Housing Authority (PHA) in planning for programs and projects related to its developments so that the PHA can make this information available at the annual hearing for the PHA plan.</p> | <p>6 Encourage, in conjunction with the PHA, the participation of residents of public and assisted housing developments along with other low-income residents of targeted revitalization areas in which the developments are located.</p> |
| <p>7 Provide methods for two-way communication, information and input from populations and persons who are less likely to attend meetings.</p> | <p>8 Convey the information in various formats to reach all stakeholder groups to the extent possible, using direct and network-based means of communication.</p> |

Opportunities for Participation

Each of the Entitlement Communities will solicit input from residents and stakeholders at public hearings held at least twice annually on programming and operations.

In addition to a minimum of two public hearings, the following outreach/engagement processes may be utilized:

- Public meetings
- Open houses
- Focus groups
- Surveys
- Innovative tools and technologies to gather input from various demographic groups
- Personal outreach by staff
- Services for persons with disabilities*

* Notices of opportunities for public involvement include contact information for people needing any form of accommodations.



Outreach Parameters

Identification of Stakeholders

The term stakeholder refers to “an individual, group, or organization, who may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project.”² Stakeholders of Community Development Block Grant (CDBG) activities include but are not limited to the following:

- Board of Directors/Trustees, etc.—the governing board of an affected agency or other entity
- Local and regional jurisdictions and other government stakeholders
- Low- and moderate-income persons, and those living in low- to moderate-income neighborhoods
- Minorities and non-English speaking persons
- Persons with disabilities
- Partner agencies
- Continuum of Care and non-profits
- Behavioral Health Council and wellness community
- Bloomington Housing Authority
- Businesses, community- and faith-based organizations
- Broadband Internet service providers and agencies engaged in narrowing the digital divide
- Agencies whose primary responsibilities include the management of flood prone areas, public land or water resources, emergency management and transportation planning and programming

A stakeholder is "an individual, group, or organization, who may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project."²

² Project Management Institute, 2013

Strategic Plans

There shall be advanced public notice and reasonable opportunity to comment on the proposed Annual Action Plan, Five-Year Consolidated Plan, Analysis of Impediments to Fair Housing and any Substantial Amendments as applicable.

Public Comment/Public Hearing Process

The entitlement communities shall utilize public comment periods and public hearings to solicit meaningful citizen involvement in the development of the aforementioned strategic plans.

The published comment period pertaining to the Annual Action Plan, Consolidated Plan and Substantial Amendments shall be a minimum of 30 days. During this time, the public will have the opportunity to submit comments orally, in writing or via electronic methods as directed in the notice. Draft copies of the documents will be available via the same channels mentioned above. In addition, a hard copy of the draft documents will be maintained at the Entitlement Community's offices and made available for public review as requested. A reasonable number of free copies of the draft documents will also be provided to those residents and groups upon request. The draft documents will be made available in a form accessible to persons with disabilities, upon request.

The Entitlement Communities will also make available the amount of assistance they are expected to receive (including grant funds and program income) and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low and moderate income, prior to the hearing for the Consolidated Plan and Annual Action Plans.

Prior to or concurrent with the public comment period for each Strategic Plan, public hearings will occur. A formal notice of a public hearing will be published in at least one local newspaper with general daily circulation at least two (2) weeks in advance. The same notice will be published to the Entitlement Community's website, newsletters and social media. The notice will also be sent to known stakeholder groups and partner organizations to further publicize via linkage to their respective websites, newsletters and social media.

Each entitlement community will conduct a minimum of two public hearings per year. Together the hearings will cover community development and housing needs, development of proposed activities and a review of program performance. One public hearing will focus on community development and housing needs and the proposed CDBG activities for the coming fiscal year. A second public hearing shall focus on the past year's program performance (Consolidated Annual Performance Evaluation Report). Each of those hearings will be held in their respective entitlement community. At least one hearing will be held in each Entitlement Community before the Consolidated Plan is published for comment. All public hearings will be held at locations accessible to people with disabilities, and provisions will be made for people with disabilities when requests are made at least five working days prior to a hearing. Translators will be provided for people who do not speak English or are hearing disabled, when requests are made at least five working days prior to a hearing. Public hearings will be held at locations and times that are convenient and accessible to potential or actual beneficiaries. (Meeting times are generally held after 5:00 p.m.; however, times may be varied, dependent upon the "targeted" audience.)

A summary of comments received, identifying the comment source and content, as well as the Entitlement Community's responses (including those comments or views not accepted and the reasons therefor) will be included in the final document submittal to HUD as required.

Consolidated Annual Performance and Evaluation Report (CAPER)

Within 90 days of the close of each program year, the Entitlement Communities must send to the Department of Housing and Urban Development (HUD) a Consolidated Annual Performance and Evaluation Report (CAPER).

Each CAPER will include the amount of assistance the Entitlement Community actually received (including grant funds and program income) and the range of activities that were undertaken, including the actual amount that benefited persons of low- and moderate-income where applicable.

The Entitlement Communities will give reasonable notice that a CAPER is available for public review and comment.

A notice of availability of draft copies of the document will be published via the same methods described in the 'Public Hearing Process'. The published comment period for the CAPER shall be a minimum of 15 days. There will be a public hearing regarding the Consolidated Annual Performance and Evaluation Report. A formal notice of a public hearing will be published in at least one local newspaper with general daily circulation at least two (2) weeks in advance. The same notice will be published to the Entitlement Community's website, newsletters and social media. The notice will also be sent to known stakeholder groups and partner organizations to further publicize via linkage to their respective websites, newsletters and social media.

In preparing a Consolidated Annual Performance and Evaluation Report for submission to HUD, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing. The CAPER sent to HUD will have a section that presents all comments, plus explanations why any comments were not accepted.

Amendments

The Entitlement Communities will make all Substantial Amendments available for public review and comment.

A Substantial Amendment shall be required if any one of the following criteria applies:

1. A change in the use of CDBG money from one activity to another, in excess of \$100,000.00.
2. Activities proposed to be added or deleted from the plan.
3. A change in the purpose, scope, location, or type of beneficiaries of an activity.
4. A change in priorities for allocating funds.

In case of a Substantial Amendment, the same notification, comment and hearing processes as previously outlined above will be followed.

In preparing a final Substantial Amendment, careful consideration will be given to all comments and views expressed by the public, whether given as verbal testimony at the public hearing or submitted in writing during the review and comment period. The final Substantial Amendment will have a section that presents all comments, plus explanations why any comments were not accepted.

Minimizing Displacement

The Entitlement Communities will work to minimize all displacement of persons and businesses where feasible. In instances where temporary or permanent displacement is necessary, the Entitlement Communities will provide technical and monetary assistance for relocation purposes as required and cost eligible under the applicable federal regulations.

Access to Records

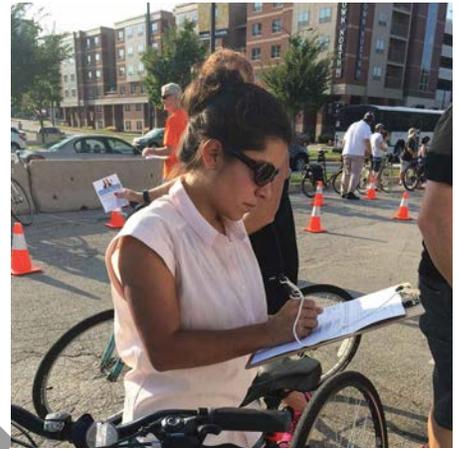
It is the Entitlement Community's intention to provide reasonable and timely access to information and records relating to the proposed and actual use of CDBG funds. Records on past usage of CDBG funds will be maintained for the previous five plan years.

Technical Assistance

Reasonable levels of technical assistance shall be provided to any resident or group seeking information about program eligibility and requirements. Such assistance shall include help with any program application process. The provision of funding is not considered a reasonable level of technical assistance.

Complaints

The applicable Entitlement Community will provide a timely, substantive written response to every written complaint within 15 business days.



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