

State of Illinois) SS  
Belvidere, Illinois)

BELVIDERE CITY COUNCIL  
REGULAR MEETING  
AGENDA

November 7, 2016

Convened in the Council Chambers, 401 Whitney Blvd, Belvidere IL at 7:00 p.m.  
Mayor Chamberlain presiding.

(1) Roll Call:

(2) Pledge of Allegiance:

Invocation: Mayor Chamberlain.

(3) Public Comment: (Please register with the City Clerk):

(4) Approval of minutes of the regular meeting of the Belvidere City Council of  
October 17, 2016; as presented.

(5) Public Hearing:

(6) Special Messages and Proclamations:

(A) Proclamation for National Hunger and Homelessness Awareness  
Week.

(B) Proclamation for World Pancreatic Cancer Day.

(C) Announcement of Estimated Tax Levy for Tax Year 2016.

(7) Approval of Expenditures: None.

(8) Committee Reports and Minutes of City Officers:

(A) Belvidere Police Department Overtime Report of October 11, 2016  
through October 24, 2016.

(B) Belvidere Fire Department Overtime Reports of October 12, 2016 through  
October 25, 2016.

(C) Minutes of City-County Coordinating Committee of October 12, 2016.

(D) Minutes of Committee of the Whole – Public Safety and Finance and  
Personnel of October 24, 2016.

(9) Unfinished Business:

(A) Ord. #314H – 2<sup>nd</sup> Reading: An Ordinance Granting a Special Use Permit  
to Allow Accessory Outdoor Storage within the PI, Planned Industrial  
District (675 Corporate Parkway).

(B) Ord. #315H – 2<sup>nd</sup> Reading: An Ordinance Approving Final Plat 3 of Sager Corporate Park Subdivision.

(C) Ord. #316H – 2<sup>nd</sup> Reading: An Ordinance Granting a Special Use Permit to Allow Indoor Commercial Entertainment (Video Gaming) within the GB, General Business District (2022 North State Street).

(10) New Business:

(A) Annual Financial Report by Carla Paschal of Sikich.

Motions forwarded from City County Coordinating Committee of October 12, 2016.

Motions Co-Chairman Snow:

(A) Motion to approve purchase of the radio upgrade - (Motorola – annual payment of \$46,500 with a 50/50 split between the City and County).

(B) Motion to approve TRC invoice #205323 in the amount of \$1045.75 with a 50/50 split between the City and County.

(C) Motion to approve PDC Laboratories Inc. invoice #841575S in the amount of \$29,466.47 with a 50/50 split between the City and County.

(D) Motion to pursue the EPA extension at an additional cost of \$2000 for Consultant Services.

Motions forwarded from Public Safety and Finance and Personnel of October 24, 2016.

Public Works Motions – Chairman Brooks:

(A) Motion to approve the Agreement for Improvement of Tripp Road.

(11) Adjournment:

State of Illinois SS  
Belvidere, Illinois

**Belvidere City Council  
Regular Session  
Minutes**

Date: October 17, 2016

Convened in the Belvidere City Council Chambers, 401 Whitney Blvd, Belvidere Illinois at 7 p.m.

Mayor Chamberlain presiding:

- (1) Roll Call: Present: D. Arevalo, R. Brooks, G. Crawford, W. Frank,  
T. Ratcliffe, M. Sanderson, D. Snow and C. Stevens.  
Absent: J. Sanders and C. Morris.

Other staff members in attendance:

Budget and Finance Director Becky Tobin, Building Director Lesa Morelock, Public Works Director Brent Anderson, Treasurer Ric Brereton, Community Development Planner Gina DelRose, Fire Chief Hyser, Police Chief Noble, City Attorney Drella and City Clerk Arco.

- (2) Pledge of Allegiance:  
Invocation: Mayor Chamberlain:

(3) Public Comment:

(4) Approval of Minutes:

- (A) Approval of minutes of the regular meeting of the Belvidere City Council of October 3, 2016; as presented.

Motion by Ald. Frank, 2<sup>nd</sup> by Ald. Stevens to approve the minutes of the regular meeting of the Belvidere City Council of October 3, 2016. Roll Call Vote: 8/0 in favor.

Ayes: Arevalo, Brooks, Crawford, Frank, Ratcliffe, Sanderson, Snow and Stevens.

Nays: None. Motion carried.

(5) Public Hearing: None.

(6) Special Messages and Proclamations:

- (A) Mayor Chamberlain reported on the Rockford Mass Transit District Press Release regarding drivers to strike on Wednesday, October 19, 2016.

- (7) Approval of Expenditures: General & Special Fund Expenditures: \$1,574,305.80  
Water & Sewer Fund Expenditures: \$ 599,291.24

Motion by Ald. Ratcliffe, 2<sup>nd</sup> by Ald. Arevalo to approve the General & Special Fund Expenditures in the amount of \$1,574,305.80. Roll Call Vote: 8/0 in favor. Ayes: Brooks, Crawford, Frank, Ratcliffe, Sanderson, Snow, Stevens and Arevalo. Nays: None. Motion carried.

Motion by Ald. Sanderson, 2<sup>nd</sup> by Ald. Frank to approve the Water & Sewer Fund Expenditures in the amount of \$599,291.24. Roll Call Vote: 8/0 in favor. Ayes: Crawford, Frank, Ratcliffe, Sanderson, Snow, Stevens, Arevalo and Brooks. Nays: None. Motion carried.

- (8) Committee Reports & Minutes of City Officers:

- (A) Belvidere Police Department Overtime Report of September 27, 2016 through October 10, 2016.
- (B) Belvidere Fire Department Overtime Report of September 28, 2016 through October 11, 2016.
- (C) Monthly Report of Community Development and Planning Department of September 2016.
- (D) Monthly Revenue Report of Building Department of September 2016.
- (E) Monthly Treasurer's Report for September 2016.
- (F) Monthly General Fund Report for September 2016.
- (G) Monthly Water/Sewer Fund Report for September 2016.
- (H) Minutes of City-County Coordinating Committee of September 14, 2016.
- (I) Minutes of Planning and Zoning Commission of October 11, 2016.

Let the record show these reports and minutes were read and placed on file.

- (J) Minutes of Committee of the Whole – Building, Planning and Zoning and Public Works of October 10, 2016.

Motion by Ald. Snow, 2<sup>nd</sup> by Ald. Arevalo to approve the minutes of Committee of the Whole – Building, Planning and Zoning and Public Works of October 10, 2016. Roll Call Vote: 8/0 in favor. Ayes: Frank, Ratcliffe, Sanderson, Snow, Stevens, Arevalo, Brooks and Crawford. Nays: None. Motion carried.

- (9) Unfinished Business: None.

(10) New Business:

- (A) Ord. #314H – 1<sup>st</sup> Reading: An Ordinance Granting a Special Use Permit to Allow Accessory Outdoor Storage within the PI, Planned Industrial District (675 Corporate Parkway).
- (B) Ord. #315H – 1<sup>st</sup> Reading: An Ordinance Approving Final Plat 3 of Sager Corporate Subdivision.
- (C) Ord. #316H – 1<sup>st</sup> Reading: An Ordinance Granting a Special Use Permit to Allow Indoor Commercial Entertainment (Video Gaming) within the GB, General Business District (2022 North State Street).
- (D) Ord. #317H – 1<sup>st</sup> Reading: An Ordinance Granting as Special Use Permit to Allow an Animated Sign within the GB, General Business District (1741 Pearl Street).

Let the record show Ordinances #314H, 315H, 316H and 317H were placed on file for first reading.

- (E) Waiving the two week lay over for Ord. #314H, Ord. #315H and Ord. #317H.

Motion by Ald. Snow, 2<sup>nd</sup> by Ald. Arevalo to approve waiving the two week layover for Ord. #317H. Tony Dal Pra spoke from the audience. Roll Call Vote: 8/0 in favor. Ayes: Ratcliffe, Sanderson, Snow, Stevens, Arevalo, Brooks, Crawford and Frank. Nays: None. Motion carried. Motion by Ald. Crawford, 2<sup>nd</sup> by Ald. Snow to amend to remove Ord. #314H and Ord. #315H from the waiving of the two week layover. Roll Call Vote: 8/0 in favor. Ayes: Sanderson, Snow, Stevens, Arevalo, Brooks, Crawford, Frank and Ratcliffe. Nays: None. Motion carried.

- (F) Ord. #317H – 2<sup>nd</sup> Reading: An Ordinance Granting a Special Use Permit to Allow an Animated Sign within the GB, General Business District (1741 Pearl Street).

Motion by Ald. Crawford, 2<sup>nd</sup> by Ald. Snow to pass Ord. #317H. Roll Call Vote: 8/0 in favor. Ayes: Snow, Stevens, Arevalo, Brooks, Crawford, Frank, Ratcliffe and Sanderson. Nays: None. Motion carried.

Motions forwarded from City-County Coordinating Committee of September 14, 2016.

- (A) Motion to accept the bid from Audio Engineering for \$27,000 for the upgrade of the fire alarm system with a 50/50 split between the County and the City. Roll Call Vote: 8/0 in favor. Ayes: Stevens, Arevalo, Brooks, Crawford, Frank, Ratcliffe, Sanderson and Snow. Nays: None. Motion carried.

- (B) Motion to accept the bid from Ceroni Piping for \$18,721 for water heater replacement with a 50/50 split between the County and the City. Roll Call Vote: 8/0 in favor. Ayes: Arevalo, Brooks, Crawford, Frank, Ratcliffe, Sanderson, Snow and Stevens. Nays: None. Motion carried.
- (C) Motion to approve invoice #202066 for \$8,584.78 with a 50/50 split between the County and the City. Motion by Ald. Stevens, 2<sup>nd</sup> by Ald. Sanderson to amend to include TRC. Roll Call Vote as amended: 8/0 in favor. Ayes: Brooks, Crawford, Frank, Ratcliffe, Sanderson, Snow, Stevens and Arevalo. Nays: None. Motion carried.

Motions forwarded from Building, Planning and Zoning and Public Works of October 10, 2016.

- (A) Motion by Ald. Crawford, 2<sup>nd</sup> by Ald. Snow to approve waiving the bidding process for relocation of the Well #6 generator to the Newburg 1 lift station. Roll Call Vote: 8/1 in favor. Ayes: Crawford, Frank, Ratcliffe, Snow, Stevens, Arevalo, Brooks and Mayor Chamberlain. Nays: Sanderson. Motion carried.
- (B) Motion to approve the proposal from Rush Power Systems for the relocation of the Well #6 generator to the Newburg 1 lift station, in the amount of \$11,070. This work will be paid for from the Sewer Depreciation Account #61-1790. Roll Call Vote: 8/0 in favor. Ayes: Frank, Ratcliffe, Sanderson, Snow, Stevens, Arevalo, Brooks and Crawford. Nays: None. Motion carried.

(11) Adjournment:

Motion by Ald. Crawford, 2<sup>nd</sup> by Ald. Arevalo to adjourn the meeting at 7:19 p.m. Aye voice vote carried. Motion carried.

\_\_\_\_\_ Mayor

Attest:

\_\_\_\_\_ City Clerk



## Proclamation

**WHEREAS**, hundreds of individuals in Boone County, many of them children and families, experience homelessness each year; AND

**WHEREAS**, over six thousand people in Boone County are living in poverty, with many of them having to use the services of a local food pantry or soup kitchen; AND

**WHEREAS**, the National Coalition for the Homeless and National Student Campaign Against Hunger and Homelessness are sponsoring National Hunger and Homelessness Awareness Week; AND

**WHEREAS**, the purpose of the awareness campaign is to educate the public about the many reasons people are hungry and homeless including the shortage of affordable housing for very low income residents; and to encourage support for homeless assistance service providers as well as community service opportunities for students and school service organizations; AND

**WHEREAS**, there are many organizations committed to sheltering, providing supportive services as well as meals and food supplies to the homeless through the efforts of the Rockford, Winnebago and Boone Counties Continuum of Care; AND

**WHEREAS**, the City of Belvidere recognizes that hunger and homelessness continues to be a serious problem for many individuals and families in our community.

**NOW THEREFORE** I, Michael Chamberlain, as Mayor of Belvidere, do hereby proclaim November 12-20, 2016, to be:

### ***“National Hunger and Homelessness Awareness Week”***

in Belvidere, Illinois, and encourage all residents to recognize that many people do not have housing and need support from citizens and private/public nonprofit service entities.

*IN WITNESS WHEREOF, I hereunto set my hand and affixed the Seal of the City of Belvidere this 7<sup>th</sup> day of November, 2016.*

Michael Chamberlain, Mayor  
City of Belvidere





## Proclamation

WHEREAS, in 2016, an estimated 53,070 people in the United States will be diagnosed with pancreatic cancer, one of the deadliest cancers, and 41,780 will die from the disease;

WHEREAS, pancreatic cancer surpassed breast cancer this year to become the third leading cause of cancer death in the United States and it is projected to become the second leading cause by 2020;

WHEREAS, pancreatic cancer is the only major cancer with a five-year relative survival rate in the single digits at just eight percent;

WHEREAS, when symptoms of pancreatic cancer present themselves, it is generally in later stages, and 71 percent of pancreatic cancer patients die within the first year of their diagnosis;

WHEREAS, approximately 1,819 deaths will occur in Illinois in 2016;

WHEREAS, pancreatic cancer is the seventh most common cause of cancer-related death in men and women across the world;

WHEREAS, there will be an estimated 418,451 new pancreatic cancer cases diagnosed worldwide in 2020;

WHEREAS, the good health and well-being of the residents of the City of Belvidere are enhanced as a direct result of increased awareness about pancreatic cancer and research into early detection, causes and effective treatments.

NOW, THEREFORE, I, Mike Chamberlain, Mayor of Belvidere, do hereby proclaim November 17<sup>th</sup> as "World Pancreatic Cancer Day", and call this observance to the attention of all our citizens.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Belvidere to be affixed this 7<sup>th</sup> day of November, 2016.

Mike Chamberlain  
Mayor of Belvidere





## Announcement of Estimated Tax Levy for Tax Year 2016

The estimated amount of the tax levy needed to finance the various City needs and activities is \$4,812,958 with an additional \$686,566 for the operations of the Ida Public Library.

To confirm and record this announcement, the following motion is recommended:

"motion to approve the estimated tax levy of \$5,499,524 as announced by the Finance Director."

**Please note:**

**This will all come back in ordinance form.**

Per the Truth in Taxation Act: At least 20 days prior to the passage of the tax levy ordinance, the municipality's corporate authorities must estimate the amount of the tax levy. This estimate should be announced at a meeting of the corporate authorities and should be approved by a majority of the corporate authorities.

Announcement of estimated levy	November 7, 2016
Planned 1st reading of the tax levy ordinance	December 5, 2016
Public hearing of the levy ordinance	December 19, 2016
2nd reading and passage of the tax levy ordinance	December 19, 2016

Date: November 7, 2016

To: Mayor Chamberlain  
Aldermen

From: Becky Tobin

Re: Data for the December 2016 Tax Levy Request of **\$4,812,958**

Attached is the tax levy comparison between last year's tax levy request and the request for this year. The tax levy request is \$4,812,958 an increase of \$71,634 from last year's tax levy request or 1.51%. The CPI increase allowed under tax caps for this tax levy year is 0.7%. This, and all of the remaining data, is exclusive of the Library's needs and requests.

The Library's tax levy request last year was \$676,354. Their request this year is an increase to \$686,566. This amounts to an increase of \$10,212 or 1.51%.

Shown below is the history of the Equalized Assessed Value (EAV):

Tax Yr	Estimate	Actual EAV	Actual % of change	\$ Amount Change in EAV
2002	245,324,948	257,081,839	10.43%	24,286,246
2003	271,352,511	278,776,975	8.44%	21,695,136
2004	291,849,526	297,096,290	6.57%	18,319,315
2005	315,780,861	331,454,024	11.56%	34,357,734
2006	355,448,012	377,708,700	13.96%	46,254,676
2007	404,400,000	416,732,752	10.33%	39,024,052
2008	432,115,141	443,600,125	6.45%	26,867,373
2009	452,045,804	438,938,620	-1.05%	(4,661,505)
2010	415,154,200	395,816,101	-9.82%	(43,122,519)
2011	348,074,832	352,948,663	-10.83%	(42,867,438)
2012	327,073,973	319,404,850	-9.50%	(33,543,813)
2013	287,869,996	287,602,559	-9.96%	(31,534,854)
2014	283,691,002	285,968,423	-0.57%	(3,911,557)
2015	289,763,045	290,237,142	1.33%	3,794,622
2016	306,212,453			

Listed below is the history of taxes levied and extended:

	Levied	Extended	Difference between Levied & Extended
2001	2,294,200	2,295,602	1,402
2002	2,508,150	2,509,895	1,745
2003	2,695,150	2,697,729	2,579
2004	3,016,400	2,897,584	(118,816)
2005	3,191,500	3,193,234	1,734
2006	3,506,750	3,509,297	2,547
2007	3,851,200	3,761,018	(90,182)
2008	4,059,738	4,063,826	4,088
2009	4,224,563	4,109,914	(114,649)
2010	4,244,800	4,237,013	(7,787)
2011	4,321,900	4,119,723	(202,177)
2012	4,462,000	4,462,309	309
2013	4,573,750	4,573,917	167
2014	4,673,148	4,673,353	205
2015	4,741,324	4,741,604	280

**Tax Levy Comparison with last Year**

Levy Category	for Fund	Fund #	(Levy) Dec 15	(Extension) Dec 15	(Levy) Dec 16	% of chng Levy 16 to Levy of 15
Gen Corporate	General	01	1,760,576	1,760,579	1,681,524	-4.49%
Police Protection	General	01	20,000	20,026	20,000	0.00%
Fire Protection	General	01	20,000	20,026	20,000	0.00%
Audit	General	01	20,000	20,026	20,000	0.00%
Street Lighting	General	01	210,000	210,016	200,000	-4.76%
Civil Defense	General	01	7,000	7,024	7,000	0.00%
Street & Bridge	General	01	60,000	60,021	60,000	0.00%
Tort (legal fees)	General	01	80,000	80,018	75,000	-6.25% (1)
Forestry Program	General	01	40,000	40,024	35,000	-12.50%
I.M.R.F.	General	01	72,000	72,008	65,000	-9.72% (2)
Social Security Tax	General	01	225,000	225,021	200,000	-11.11%
Refuse/Landfill	General	01	45,000	45,016	45,000	0.00%
Insurance/Tort	General	01	320,000	320,015	290,000	-9.38%
<b>For General Fund</b>			<b>2,879,576</b>	<b>2,879,820</b>	<b>2,718,524</b>	<b>-5.59%</b>
Public Benefit	Capital Proj	41	40,000	40,024	40,000	0.00%
Police Pension	Pension	81	1,024,856	1,024,856	1,085,667	5.93%
Fire Pension	Pension	82	796,892	796,904	968,767	21.57%
<b>TOTAL CITY LEVY</b>			<b>4,741,324</b>	<b>4,741,604</b>	<b>4,812,958</b>	<b>1.51%</b>
City's actual EAV and tax rate				290,237,142	306,212,453	1.6337% 1.5718%
Library		18	676,354	678,185	686,566	1.51%
<b>TOTAL LEVY</b>			<b>5,417,678</b>	<b>5,419,790</b>	<b>5,499,524</b>	<b>1.51%</b>

(1) Portion of City Attorney's salary (excludes benefits) - "costs of protecting itself or its employees against liability"

(2) Employer rate 13.22% (Calendar year 2017)

Illinois Dept. of Revenue  
 History of CPI's Used for the PTELL  
 1/20/2016

Year	December CPI-U	% Change From Previous December	% Use for PTELL	Comments	Levy Year	Years Taxes Paid
1991	137.900	-				
1992	141.900	2.9%	2.9%		1993	1994
1993	145.800	2.7%	2.7%	(5 % for Cook)	1994	1995
1994	149.700	2.7%	2.7%		1995	1996
1995	153.500	2.5%	2.5%		1996	1997
1996	158.960	3.6%	3.6%		1997	1998
1997	161.300	1.5%	1.5%		1998	1999
1998	163.900	1.6%	1.6%		1999	2000
1999	168.300	2.7%	2.7%		2000	2001
2000	174.000	3.4%	3.4%		2001	2002
2001	176.700	1.6%	1.6%		2002	2003
2002	180.900	2.4%	2.4%		2003	2004
2003	184.300	1.9%	1.9%		2004	2005
2004	190.300	3.3%	3.3%		2005	2006
2005	196.800	3.4%	3.4%		2006	2007
2006	201.800	2.5%	2.5%		2007	2008
2007	210.036	4.08%	4.1%		2008	2009
2008	210.228	0.1%	0.1%		2009	2010
2009	215.949	2.7%	2.7%		2010	2011
2010	219.179	1.5%	1.5%		2011	2012
2011	225.672	3.0%	3.0%		2012	2013
2012	229.601	1.7%	1.7%		2013	2014
2013	233.049	1.5%	1.5%		2014	2015
2014	234.812	0.8%	0.8%		2015	2016
2015	236.525	0.7%	0.7%		2016	2017

October 20, 2016

Mayor Michael Chamberlain and Members of the City Council  
City of Belvidere  
401 Whitney Blvd  
Belvidere, Illinois 61008

**RE: 2016 Tax Levy Request from the Belvidere Police Pension Fund**

Dear Mayor Chamberlain and Members of the City Council:

Section 3-125 of the Illinois Pension Code provides that the City of Belvidere must annually levy a tax to meet the annual actuarial requirements of the police pension fund (40 ILCS 5/3-125). The Board of Trustees of the Belvidere Police Pension Fund recently reviewed the actuarial report prepared by actuary Todd A. Schroeder of Lauterbach & Amen, LLP for purposes of the next City tax levy

**In light of the Board's fiduciary obligation to ensure funds are available to meet the actuarial requirements of the Fund, the Board voted unanimously at its October 2016 meeting to request that the City Council levy the suggested actuarial amount of \$1,150,677 on behalf of the Belvidere Police Pension Fund in December 2016.** This amount is based on Mr. Schroeder's calculation using an investment return of 7.0% under the entry age normal actuarial method and following a 100% funding policy by year 2040.

Note the following highlights from the actuarial study:

- **The recommended contribution has increased \$61,650 from the prior year (5.66%).**
- **The funded percentage has decreased 0.89% on an actuarial value of assets basis from 63.01% last year to 62.12% this year.**
- **In the next five years, benefit payments are anticipated to increase 35-40% or approximately \$440,000. In the next ten years, the expected increase in benefit payments is 90-95% or approximately \$1.15 million. Currently, the Fund is paying over \$1.1 million in benefits annually.**
- **Three key changes caused the actuarial liability to increase \$582,754 this year and resulted in an increase in the contribution recommendation of \$12,644:**
  - *Salaries increased more than expected* – This resulted in an increase in the required contribution this year of approximately \$7,000.
  - *Three demographic changes decreased the required contribution* – Two new active member increased the contribution approximately \$16,000; two new retirement decreased the contribution approximately \$29,000; and one retiree passing away decreased the contribution approximately \$3,000. Overall, the impact of these demographic changes was a *decrease* in the required contribution of \$29,465.
  - *Asset returns were less than expected* – This resulted in an increase in the required contribution of \$24,019 this year.
- **The return on investments was -1.0%, net of all administrative expenses. When smoothing (the recognition of gains and losses over five years) was considered, the return on investments on the actuarial value of assets was 5.0% net of administrative expenses.**

- **The Illinois statutory minimum contribution requirement is \$784,630. However, the actuary specifically noted that the Securities and Exchange Commission (SEC) has used the phrase “statutory underfunding” to describe the Illinois statutory minimum contribution.**

The Board encourages the City to continue its commitment to properly funding the Fund. Enclosed please find the annual municipal compliance report for your review. If you have any questions regarding the Board’s request or would like a representative of the Board to attend the City Council meeting at which our request will be discussed, please let us know.

Sincerely,

**BELVIDERE POLICE PENSION FUND**



\_\_\_\_\_  
Matt Wallace, President

Enclosures

- Actuarial Valuation as of May 1, 2016
- Municipal Compliance Report
- Investment Policy

cc: Becky Tobin, City Finance Director (w/ enclosures)  
Ric Brereton, City Treasurer (w/ enclosures)

COPY

**CITY OF BELVIDERE, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2016**

7) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>N/A</u>	<u>68.16%</u>
Private Actuary- Lauterbach & Amen, LLP	<u>62.12%</u>	<u>63.01%</u>

8) The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:

Illinois Department of Insurance	<u>\$ N/A</u>
Private Actuary- Lauterbach & Amen, LLP	<u>\$ 12,136,011</u>

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

9) The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

Investment Policy - See Attached.

Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL POLICE  
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §3-143 of the Illinois Pension Code 40 ILCS 5/3-143, that the preceding report is true and accurate.

Adopted this 29th day of Oct, 2016

President  Date 10/29/16

Secretary  Date 10/29/16

**CITY OF BELVIDERE, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2016**

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INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported in the Audited Financial Statements for the Years Ended April 30, 2016 and 2015.

Total Net Position - as Reported at Market Value in the Audited Financial Statements for the Years Ended April 30, 2016 and 2015.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended April 30, 2016 plus 5.36% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended April 30, 2016, times 7% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Municipal Contributions - Recommended Tax Levy Requirement as Reported by Lauterbach & Amen, LLP, Actuarial Valuation for the Year Ended April 30, 2016.

- 3) (a) Pay all Pensions and Other Obligations - Total Deductions as Reported in the Audited Financial Statements for the Year Ended April 30, 2016, plus a 25% Increase, Rounded to the Nearest \$100.

(b) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - No April 30, 2016 Actuarial Valuation available at the time of this report.

Private Actuary

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2016 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2016 Actuarial Valuation.



**CITY OF BELVIDERE, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2016**

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INDEX OF ASSUMPTIONS - Continued

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended April 30, 2016 and 2015.

Assumed Investment Return

Illinois Department of Insurance - Preceding Fiscal Year Interest Rate Assumption as Reported in the April 30, 2015 Actuarial Valuation. No April 30, 2016 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Lauterbach & Amen, LLP, April 30, 2016 and 2015 Actuarial Valuations.

Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and Ending Balances of the Fiscal Year Cash Investments, Excluding Net Investment Income, Gains, and Losses for the Fiscal Year Return Being calculated, as Reported in the Audited Financial Statements for the Fiscal Years Ended April 30, 2016, 2015 and 2014.

- 5) Number of Active Members - Illinois Department of Insurance Annual Statement for April 30, 2016 - Schedule P.
- 6) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for April 30, 2016 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.
- (ii) Disability Pension - Same as above.
- (iii) Survivors and Child Benefits - Same as above.

**CITY OF BELVIDERE, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2016**

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INDEX OF ASSUMPTIONS - Continued

7) The funded ratio of the fund:

Illinois Department of Insurance - Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the April 30, 2015 Actuarial Valuation. No April 30, 2016 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Lauterbach & Amen, LLP, April 30, 2016 and April 30, 2015 Actuarial Valuations.

8) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) - No April 30, 2016 Actuarial Valuation available at the time of this report.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the April 30, 2016 Actuarial Valuation.



**CITY OF BELVIDERE  
FIRE PENSION FUND**

**P.O. Box 977  
Belvidere, IL 61008**

President: Shawn Schadle  
sschadle@belviderefire.com

Secretary: Chris Letourneau  
cletourneau@belviderefire.com

October 29, 2016

**Mayor Michael Chamberlain and Members of the City Council City of Belvidere  
401 Whitney Blvd  
Belvidere, Illinois 61008**

**RE: 2016 Tax Levy Request from the Belvidere Fire Pension Fund**

Dear Mayor Chamberlain and Members of the City Council:

The Board of Trustees of the Belvidere Fire Pension Fund recently reviewed the actuarial report prepared by actuary Todd A. Schroeder of Lauterbach & Amen, LLP for purposes of the next City tax levy; the Board voted unanimously at its October 2016 meeting to request that the City Council levy the suggested actuarial amount of \$1,032,926 on behalf of the Belvidere Fire Pension Fund in December 2016. This amount is based on Mr. Schroeder's calculation using an investment return of 7.0% under the entry age normal actuarial method and following a 100% funding policy by year 2040.

Note the following highlights from the actuarial study:

- The Actuarial Liability has increased from \$23,249,055 to \$25,604,729.
- The recommended contribution has increased \$171,863 from the prior year (19.96%).
- The funded percentage has decreased 4.36% on an actuarial value of assets basis from 60.96% last year to 56.60% this year.
- The Investment Return on Assets for the period was -2.2% .

**Summary of Changes:**

<b>Causation</b>	<b>Actuarial Liability</b>	<b>Contribution Recommendation</b>
<b>Prior Valuation</b>	<b>\$23,249,055</b>	<b>\$861,063</b>
Expected Changes	\$1,015,488	\$38,748
Salary Increases	\$56,879	\$7,460
Demographic Changes	\$315,229	\$27,243
Assumption Changes	\$968,078	\$67,505
Actual Asset Return		\$25,599
Actual Contributions		\$5,308
<b>Current Valuation</b>	<b>\$25,604,729</b>	<b>1,032,926</b>



**CITY OF BELVIDERE  
FIRE PENSION FUND**

**P.O. Box 977  
Belvidere, IL 61008**

**President: Shawn Schadle**  
sschadle@belviderefire.com

**Secretary: Chris Letourneau**  
cletourneau@belviderefire.com

The Board is committed to administering the Fund effectively and efficiently. In October 2015, we changed advisors and thereby significantly reduced our advisor expenses while continually reaching the investment market benchmarks. This change alone reduced total administrations costs by **46%** for Oct-Sept. 2015 vs. Oct-Sept 2016 (\$103,253 vs. \$54,938).

The Board wants to thank City Administration for your commitment to properly funding the Fund. Enclosed please find the annual municipal compliance report for your review. If you have any questions regarding the Board's request or would like a representative of the Board to attend the City Council meeting at which our request will be discussed, please let us know.

Sincerely,

Belvidere Firefighters Pension Trust Fund

  
Shawn Schadle-President

**Enclosures**

Actuarial Valuation as of April 30, 2016

FY2016 Municipal Compliance Report

Cash Analysis Report For the Twelve Periods Ending September 30, 2015

Cash Analysis Report For the Twelve Periods Ending September 30, 2016

CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND

HOUSE BILL 5088 - MUNICIPAL COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED

APRIL 30, 2016

**CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2016**

The Pension Board certifies to the Board of Trustees of the City of Belvidere, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

- 1) The total cash and investments of the fund and their current market value of those assets:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments	<u>\$ 13,526,022</u>	<u>\$ 14,085,126</u>
Total Net Position	<u>\$ 13,527,902</u>	<u>\$ 14,101,696</u>

- 2) The estimated receipts during the next succeeding fiscal year from deductions from the salaries of firefighters and from other sources:

Estimated Receipts - Employee Contributions	<u>\$ 184,900</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$ 946,800</u>
Municipal Contributions	<u>\$ 1,032,926</u>

- 3) The estimated amount necessary during the fiscal year to meet the annual actuarial requirements of the pension fund as provided in Sections 4-118 and 4-120:

Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance	<u>\$ N/A</u>
Private Actuary - Lauterbach & Amen, LLP	
Recommended Municipal Contribution	<u>\$ 1,032,926</u>
Statutory Municipal Contribution	<u>\$ 745,897</u>

**CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2016**

- 4) The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	<u>\$ (278,241)</u>	<u>\$ 881,508</u>
Assumed Investment Return		
Illinois Department of Insurance	<u>N/A</u>	<u>6.75%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>7.00%</u>	<u>7.00%</u>
Actual Investment Return	<u>(2.00%)</u>	<u>6.65%</u>

- 5) The increase in employer pension contributions that results from the implementation of the provisions of P.A. 93-0689:

Illinois Department of Insurance - Actuarial Report	<u>\$ N/A</u>
Private Actuary - Lauterbach & Amen, LLP	<u>\$ N/A</u>

- 6) The total number of active employees who are financially contributing to the fund:

Number of Active Members	<u>29</u>
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- 7) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	<u>13</u>	<u>\$ 679,722</u>
(ii) Disability Pension	<u>10</u>	<u>\$ 395,164</u>
(iii) Survivors and Child Benefits	<u>6</u>	<u>\$ 136,050</u>
Totals	<u>29</u>	<u>\$ 1,210,935</u>

**CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2016**

8) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>N/A</u>	<u>61.47%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>56.60%</u>	<u>60.96%</u>

9) The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:

Illinois Department of Insurance	<u>\$ N/A</u>
Private Actuary - Lauterbach & Amen, LLP	<u>\$ 11,113,607</u>

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

10) The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

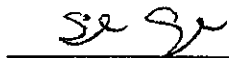
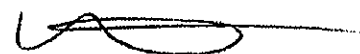
Investment Policy - See Attached.

Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL FIREFIGHTERS'  
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §4-134 of the Illinois Pension Code 40 ILCS 5/4-134, that the preceding report is true and accurate.

Adopted this 6 day of Oct, 2016

President	<u></u>	Date	<u>10/6/16</u>
Secretary	<u></u>	Date	<u>10/6/16</u>



**CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2016**

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**INDEX OF ASSUMPTIONS**

- 1) Total Cash and Investments - as Reported in the Audited Financial Statements for the Years Ended April 30, 2016 and 2015.

Total Net Position - as Reported at Market Value in the Audited Financial Statements for the Years Ended April 30, 2016 and 2015.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended April 30, 2016 plus 5.54% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended April 30, 2016, times 7% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Municipal Contributions - Recommended Tax Levy Requirement as Reported by Lauterbach & Amen, LLP, Actuarial Valuation for the Year Ended April 30, 2016.

- 3) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - No April 30, 2016 Actuarial Valuation available at the time of this report.

Private Actuary

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2016 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2016 Actuarial Valuation.

**CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2016**

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- 5) Illinois Department of Insurance - Amount of total suggested tax levy to be excluded from the property tax extension limitation law as contemplated by 35 ILCS 200/18-185.

Private Actuary - No Private Actuarial Valuation amount available at the time of this report.

- 6) Number of Active Members - Illinois Department of Insurance Annual Statement for April 30, 2016 - Schedule P.

(i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for April 30, 2016 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.

(ii) Disability Pension - Same as above.

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**CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2016**

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INDEX OF ASSUMPTIONS - Continued

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Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the April 30, 2016 Actuarial Valuation.

# Belvidere Firefighters' Pension Fund Cash Analysis Report For the Twelve Periods Ending September 30, 2015

Financial Institutions		10/31/14	11/30/14	12/31/14	1/31/15	2/28/15	3/31/15	4/30/15	5/31/15	6/30/15	7/31/15	8/31/15	9/30/15	
		Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	Balance	
Harris Bank - Checking	#4801823912	-	-	1,566	1,566	6,886	6,886	-	10,023	10,023	10,023	7,858	6,733	10,000
CK - Harris Bank	#321-501-9	-	-	-	6,905	2,871	3,824	10,023	10,023	10,023	7,858	6,733	10,000	
		-	-	1,566	8,471	9,758	10,710	10,023	10,023	10,023	7,858	6,733	10,000	
Wells Fargo - MM	#1423-1112	473,211	399,024	380,816	305,877	1,055,496	154,987	142,056	561,854	471,282	404,629	310,708	526,216	
Wells Fargo - MM	#2028-4079	227,540	227,578	237,575	219,209	281,765	234,817	230,155	193,618	222,143	187,663	159,837	170,245	
Wells Fargo - MM	#6336-3358	10,985	12,202	15,583	14,173	8,582	12,224	11,178	12,436	16,283	12,928	14,228	18,067	
Wells Fargo - MM	#2623-5231	22,159	(1,596)	60,958	106,012	117,795	107,032	195,894	156,496	102,440	378,335	35,882	109,972	
		733,894	637,207	696,497	645,271	1,463,639	509,060	579,282	924,405	812,148	983,546	520,654	824,500	
Totals		733,894	637,207	696,497	653,742	1,473,397	519,770	589,305	934,428	822,171	991,403	527,387	834,500	
<b>Contributions</b>														
Current Tax		-	-	55,087	-	-	-	-	-	-	315,206	-	307,876	
Other Municipal Revenue		-	-	-	-	-	-	63,852	-	-	-	-	-	
Contributions - Current Year		13,403	14,726	13,919	21,349	14,066	13,648	13,665	13,776	13,674	19,907	13,393	13,417	
Contributions - Prior Year		-	-	-	-	-	-	23	-	-	-	-	-	
		13,403	14,726	69,006	21,349	14,066	13,648	77,540	13,776	13,674	335,113	13,393	321,293	
<b>Expenses</b>														
Benefits		86,402	86,402	84,836	86,292	86,292	86,292	88,292	93,982	100,770	100,926	100,926	100,926	
Refunds/Transfers of Service		15,707	-	-	-	-	-	2,052	-	-	-	3,267	-	
Administration		26,529	2,522	2,798	25,136	1,060	5,185	24,983	1,970	2,610	25,530	6,303	1,627	
		128,637	88,923	87,634	111,428	87,352	91,477	115,327	95,952	103,380	126,456	110,496	102,552	
Total Contributions less Expenses		(115,234)	(74,197)	(18,628)	(90,079)	(73,286)	(77,828)	(37,787)	(82,176)	(89,705)	208,658	(97,102)	218,741	

See Accountants' Compilation Report

# Belvidere Firefighters' Pension Fund

## Cash Analysis Report

### For the Twelve Periods Ending September 30, 2016

	10/31/15	11/30/15	12/31/15	01/31/16	02/29/16	03/31/16	04/30/16	05/31/16	06/30/16	07/31/16	08/31/16	09/30/16
<b>Financial Institutions</b>												
Harris Bank - CK	\$ 10,000	10,000	4,890	10,000	6,734	9,999	1,375	7,981	5,340	9,138	10,000	10,000
	10,000	10,000	4,890	10,000	6,734	9,999	1,375	7,981	5,340	9,138	10,000	10,000
Wells Fargo - MM	436,051	344,212	-	-	-	-	-	-	-	-	-	-
Wells Fargo - MM	220,755	246,181	2,143	60	-	-	-	-	-	-	-	-
Wells Fargo - MM	25,875	37,317	247	-	-	-	-	-	-	-	-	-
Wells Fargo - MM	77,228	90,656	2,436	-	-	-	-	-	-	-	-	-
Wells Fargo - MM	-	739	-	-	-	-	-	-	-	-	-	-
Schwab - MM	-	-	749,952	546,717	360,781	185,267	33,769	76,586	311,561	273,835	403,752	377,897
	759,909	719,105	754,778	546,777	360,781	185,267	33,769	76,586	311,561	273,835	403,752	377,897
<b>Total</b>	<b>769,909</b>	<b>729,105</b>	<b>759,668</b>	<b>556,777</b>	<b>367,515</b>	<b>195,266</b>	<b>35,144</b>	<b>84,567</b>	<b>316,901</b>	<b>282,973</b>	<b>413,752</b>	<b>387,897</b>
<b>Contributions</b>												
Current Tax	-	-	96,193	-	-	-	-	-	337,166	-	-	345,110
Personal Property Replacement Tax	-	-	-	-	64,171	-	-	-	-	-	-	-
Contributions - Current Year	13,452	13,478	20,060	13,495	13,438	13,570	13,512	14,066	14,210	20,601	13,733	13,377
	13,452	13,478	116,253	13,495	77,609	13,570	13,512	14,066	351,376	20,601	13,733	358,487
<b>Expenses</b>												
Pension Benefits	100,926	100,926	100,926	102,657	102,657	102,657	102,657	102,657	102,973	102,973	105,073	108,397
Refunds/Transfers of Service	-	-	-	-	-	-	6,815	-	-	862	-	-
Administration	23,813	16,867	6,518	1,810	5,337	3,620	5,426	2,019	4,660	7,289	5,216	2,615
	124,739	94,059	107,444	104,467	107,994	106,277	114,898	104,676	107,633	111,124	110,289	111,012
<b>Total Contributions less Expenses</b>	<b>(111,287)</b>	<b>(89,581)</b>	<b>8,809</b>	<b>(90,972)</b>	<b>(30,385)</b>	<b>(92,707)</b>	<b>(101,386)</b>	<b>(90,610)</b>	<b>243,743</b>	<b>(90,523)</b>	<b>(96,556)</b>	<b>247,475</b>

See Accountants' Compilation Report

CITY-COUNTY COORDINATING COMMITTEE

MINUTES

October 12, 2016, 6:30 P.M.

County Board Room, 1212 Logan Avenue

**CALL TO ORDER**

The meeting of the City-County Coordinating Committee was called to order at 6:30 P.M.

**ROLL CALL**

County:

Cory Lind, Co-Chairman  
Cathy Ward, Vice-Chairman  
Kenny Freeman  
Jessica Muellner  
Brad Stark

City:

Dan Snow, Co-Chairman  
Clayton Stevens, Vice Co-Chairman  
Daniel Arevalo  
Wendy Frank

Others:

Ken Terrinoni  
Sheriff Dave Ernest  
Linda Anderson  
Justyn Miller  
Lt. Perry Gay  
Sherry Branson

**APPROVAL OF MINUTES**

A motion to approve the minutes of the September 14, 2016 meeting was made by Brad Stark. Motion seconded by Clayton Stevens. Motion passed.

**APPROVAL OF AGENDA**

A motion to approve the agenda as presented was made by Brad Stark. Motion seconded by Cathy Ward. Motion passed.

**PUBLIC COMMENT**

PUBLIC COMMENT

No public comment.

**E-911 REPORT -PUBLIC SAFETY BUILDING**

911 REPORT

Lt. Perry Gay reported they have approximately \$539,000 on their balance sheet. Some of these funds are allocated for 911 projects. Lt. Gay stated the new Dispatcher is in her second month and is working out well.

FY 2016 FINANCIAL REPORT

Lt. Perry Gay stated that besides the concern for overtime, everything is going well.

**COMMUNICATIONS CONSOLE UPGRADE MOTOROLA PROPOSAL**

Lt. Gay informed the committee they are ready to sign the agreement for the radio console project which has been in the works for quite some time. The payment plan they most likely will choose is the ten year lease contract plan. This means they basically lease the equipment and after ten years they own it. Lt. Gay stated there are no penalties for early payment. The annual amount of \$46,500 will be put into the PSB 2018 budget with the City and County each paying half. Mr. Terrinoni further stated there is zero percent interest charged for the first five years. After the five years, interest will be a market rate percent which could be as much as four percent. The goal is to pay it off early and take advantage of the ten year annual payment plan. There is also a maintenance and support annual payment that will total \$264,223, with the City and County each paying half. Mr. Terrinoni informed the committee they have also received a courtesy discount of \$50,000 off the initial price and payments do not begin until December 2017.

A motion to approve purchase of the radio upgrade was made by Brad Stark. Motion seconded by Clayton Stevens. Discussion followed. Motion passed.

**GIS**

No report.

## LANDFILL

### APPROVAL OF INVOICE: TRC

A motion was made by Cathy Ward to approve TRC invoice# 205323 in the amount of \$1045.75 with a 50/50 split between City and County. Motion seconded by Clayton Stevens. Motion passed.

### APPROVAL OF INVOICE: PDC LABORATORIES INC.

A motion was made by Brad Stark to approve PDC Laboratories Inc. invoice# 841575S in the amount of \$29,466.47 with a 50/50 split between City and County. Motion seconded by Clayton Stevens. Motion passed.

### ILLINOIS EPA/LANDFILL COMMUNICATION

Ken Terrinoni stated we received a Draft Denial from the Illinois EPA, denying our application. However the letter did state if we give them an extension on their statutory time limit they are willing to keep the lines of communication open. This may require Mr. Terrinoni to travel to Springfield. The consultants are willing to do a tele-conference from Madison to Springfield. Mr. Terrinoni expressed disappointment with the decision of the EPA. Cathy Ward inquired as to the cost of the ground water testing. Mr. Terrinoni stated we are paying \$40,000 annually.

A motion was made by Cathy Ward to have Ken Terrinoni pursue the EPA extension at an additional cost of possible Consultant Services up to \$2000. Motion seconded by Dan Arevalo. Motion passed.

### FY 2016 FINANCIAL REPORT

No report

### FY 2017 LANDFILL BUDGET

Ken Terrinoni presented the budget for 2017. Revenues come from the general fund of City and County. The budget for FY 2017 shows an increase in Revenues. This is due to Revenues in the past having been decreased in order to draw down on reserve. In order to maintain appropriation level of \$138,000 and end the year with a positive balance, both City and County need to contribute \$75,000 each.

## INFORMATIONAL ITEMS AND OTHER BUSINESS

### INVITATION TO OTHER GOVERNMENTS

Ken Terrinoni informed the committee the new District 200 Superintendent will be attending the November 2016 meeting.

### CORRESPONDENCE

No correspondence.

### EXECUTIVE SESSION

No executive session.

## ADJOURNMENT

### ADJOURN THE MEETING

A motion was made by Brad Stark to adjourn the meeting. Motion seconded by Clayton Stevens. Motion passed. Meeting adjourned at 7:12 P.M.

Recorded by,

Sheryl Rickabaugh

Minutes  
Committee of the Whole  
Public Safety and Finance and Personnel  
October 24, 2016 6 p.m.

Call to Order - Mayor Chamberlain:

Aldermen Present: D. Arevalo, R. Brooks, G. Crawford,  
W. Frank, T. Ratcliffe, M. Sanderson,  
and C. Stevens.

Aldermen Absent: J. Sanders, C. Morris and D. Snow.

Also in attendance: Budget & Finance Director Becky Tobin,  
Public Works Director Brent Anderson, Fire Chief Al Hyser,  
City Attorney Drella and City Clerk Arco.

Public Comment:

Public Forum:

Reports of Officers, Boards and Special Committees:

1. Public Safety, Unfinished Business: None.

2. Public Safety, New Business:

- (A) Fire Chief Hyser recognized Lt. Burdick,  
Fire Fighters Matt Loudenbeck and Ron Herman  
for a fire call with an unresponsive person  
on August 28, 2016.
- (B) Lt. Schadle updated the council on  
activities for Fire Prevention month.
- (C) Chief Hyser discussed the process of  
purchasing a Rescue Pumper.

3. Finance & Personnel, Unfinished Business: None.

4. Finance & Personnel, New Business:

- (A) 2016 Property Tax Levy - discussion.



5. Other:

- (A) Sager Corporate Park Developer Presentation - by  
Paul Thurston of Becknell Services LLC.

Sager Corporate Park Final Plat 3 - Ord #315H.  
Sager Corporate Park Special Use - Ord #314H  
Agreement for Improvement of Tripp Road.

Motion by Ald. Crawford, 2<sup>nd</sup> by Ald. Arevalo to approve the  
Agreement for Improvement of Tripp Road. Aye voice vote  
carried. Motion carried.

6. Adjournment:

Motion by Ald. Crawford, 2<sup>nd</sup> by Ald. Arevalo to adjourn  
meeting at 6:53 p.m. Aye voice vote carried. Motion  
carried.

\_\_\_\_\_ Mayor

Attest:

\_\_\_\_\_ City Clerk

**Communications System Agreement  
(Lease)**

Motorola Solutions, Inc. ("Motorola") and \_\_\_\_\_ ("Customer") enter into this "Agreement," pursuant to which Customer will purchase and Motorola will sell the System, as described below. Motorola and Customer may be referred to individually as a "Party" and collectively as the "Parties." For good and valuable consideration, the Parties agree as follows:

**Section 1 EXHIBITS**

The exhibits listed below are incorporated into and made a part of this Agreement. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the exhibits and any inconsistency between Exhibits A through E will be resolved in their listed order.

Exhibit A	Motorola "Software License Agreement"
Exhibit B	"Pricing Summary" and "Payment Schedule"
B-1	"Pricing Summary" dated _____
B-2	"Payment Schedule" undated
Exhibit C	"Technical and Implementation Documents"
C-1	"System Description" dated _____
C-2	"Equipment List" dated _____
C-3	"Statement of Work" dated _____
C-4	"Acceptance Test Plan" or "ATP" dated _____
C-5	"Performance Schedule" dated _____
Exhibit D	Service Statement(s) of Work and "Service Terms and Conditions"
Exhibit E	"System Acceptance Certificate"

**Section 2 DEFINITIONS**

Capitalized terms used in this Agreement have the following meanings:

- 2.1. "Acceptance Tests" means those tests described in the Acceptance Test Plan.
- 2.2. "Administrative User Credentials" means an account that has total access over the operating system, files, end user accounts and passwords at either the System level or box level. Customer's personnel with access to the Administrative User Credentials may be referred to as the Administrative User.
- 2.3. "Beneficial Use" means when Customer first uses the System or a Subsystem for operational purposes (excluding training or testing).
- 2.4. "Confidential Information" means any information that is disclosed in written, graphic, verbal, or machine-recognizable form, and is marked, designated, or identified at the time of disclosure as being confidential or its equivalent; or if the information is in verbal form, it is identified as confidential at the time of disclosure and is confirmed in writing within thirty (30) days of the disclosure. Confidential Information does not include any information that is or becomes publicly known through no wrongful act of the receiving Party; is already known to the receiving Party without restriction when it is disclosed; is or becomes, rightfully and without breach of this Agreement, in the receiving Party's possession without any obligation restricting disclosure; is independently developed by the receiving Party without breach of this Agreement; or is explicitly approved for release by written authorization of the disclosing Party.
- 2.5. "Contract Price" means the price for the System, excluding applicable sales or similar taxes and freight charges, and including \_\_\_9\_\_\_ years of post warranty maintenance support ("Maintenance Support Plan").
- 2.6. "Effective Date" means that date upon which the last Party executes this Agreement.

- 2.7. "Equipment" means the equipment that Customer purchases from Motorola under this Agreement. Equipment that is part of the System is described in the Equipment List.
- 2.8. "Equipment Lease-Purchase Agreement" means the agreement by which Customer finances all or a portion of the Contract Price.
- 2.9. "Force Majeure" means an event, circumstance, or act of a third party that is beyond a Party's reasonable control (e.g., an act of God, an act of the public enemy, an act of a government entity, strikes or other labor disturbances, hurricanes, earthquakes, fires, floods, epidemics, embargoes, war, and riots).
- 2.10. "Infringement Claim" means a third party claim alleging that the Equipment manufactured by Motorola or the Motorola Software directly infringes a United States patent or copyright.
- 2.11. "Motorola Software" means Software that Motorola or its affiliated company owns.
- 2.12. "Non-Motorola Software" means Software that another party owns.
- 2.13. "Open Source Software" (also called "freeware" or "shareware") means software with either freely obtainable source code, license for modification, or permission for free distribution.
- 2.14. "Proprietary Rights" means the patents, patent applications, inventions, copyrights, trade secrets, trademarks, trade names, mask works, know-how, and other intellectual property rights in and to the Equipment and Software, including those created or produced by Motorola under this Agreement and any corrections, bug fixes, enhancements, updates or modifications to or derivative works from the Software whether made by Motorola or another party.
- 2.15. "Software" means the Motorola Software and Non-Motorola Software, in object code format that is furnished with the System or Equipment.
- 2.16. "Specifications" means the functionality and performance requirements that are described in the Technical and Implementation Documents.
- 2.17. "Subsystem" means a major part of the System that performs specific functions or operations. Subsystems are described in the Technical and Implementation Documents.
- 2.18. "System" means the Equipment, Software, and incidental hardware and materials that are combined together into an integrated system; the System is described in the Technical and Implementation Documents.
- 2.19. "System Acceptance" means the Acceptance Tests have been successfully completed.
- 2.20. "Warranty Period" means one (1) year from the date of System Acceptance or Beneficial Use, whichever occurs first.

### **Section 3 SCOPE OF AGREEMENT AND TERM**

- 3.1. **SCOPE OF WORK.** Motorola will provide, install and test the System, and perform its other contractual responsibilities, all in accordance with this Agreement. Customer will perform its contractual responsibilities in accordance with this Agreement.
- 3.2. **CHANGE ORDERS.** Either Party may request changes within the general scope of this Agreement. If a requested change causes an increase or decrease in the cost or time required to perform this Agreement, the Parties will agree to an equitable adjustment of the Contract Price, Performance Schedule, or both, and will reflect the adjustment in a change order. Neither Party is obligated to perform requested changes unless both Parties execute a written change order.

3.3. **TERM.** Unless terminated in accordance with other provisions of this Agreement or extended by mutual agreement of the Parties, the term of this Agreement begins on the Effective Date and continues until completion of 9 years of Maintenance Support Plan.

3.4. **ADDITIONAL EQUIPMENT OR SOFTWARE.** For three (3) years after the Effective Date, Customer may order additional Equipment or Software if it is then available. Each order must refer to this Agreement and must specify the pricing and delivery terms. Notwithstanding any additional or contrary terms in the order, the applicable provisions of this Agreement (except for pricing, delivery, passage of title and risk of loss to Equipment, warranty commencement, and payment terms) will govern the purchase and sale of the additional Equipment or Software. Title and risk of loss to additional Equipment will pass at shipment, warranty will commence upon delivery, and payment is due within twenty (20) days after the invoice date. Motorola will send Customer an invoice as the additional Equipment is shipped or Software is licensed. Alternatively, Customer may register with and place orders through Motorola Online ("MOL"), and this Agreement will be the "Underlying Agreement" for those MOL transactions rather than the MOL On-Line Terms and Conditions of Sale. MOL registration and other information may be found at <http://www.motorola.com/businessandgovernment/> and the MOL telephone number is (800) 814-0601. Unless lease financing arrangements are mutually agreed in writing concerning the additional Equipment or Software orders, they are not covered by the Equipment Lease-Purchase Agreement. To the extent additional Equipment orders may be covered by the Equipment Lease Purchase Agreement, unless otherwise stated in the Equipment Lease Purchase Agreement, title to the Equipment will pass to Customer upon shipment.

3.5. **MAINTENANCE SERVICE.** During the Warranty Period, in addition to warranty services, Motorola will provide maintenance services for the Equipment and support for the Motorola Software pursuant to the Statement of Work set forth in Exhibit D. Those services and support are included in the Contract Price. If Customer wishes to purchase additional maintenance and support services for the Equipment during the Warranty Period, or any maintenance and support services not included in the 9 years of Maintenance Support Plan for the Equipment after the Warranty Period, the description of and pricing for the services will be set forth in a separate document. If Customer wishes to purchase extended support for the Motorola Software after the Warranty Period, it may do so by ordering software subscription services. Unless otherwise agreed by the parties in writing, the terms and conditions applicable to the 9 years of Maintenance Support Plan and those other maintenance, support or software subscription services will be Motorola's standard Service Terms and Conditions, together with the appropriate statements of work.

3.6. **MOTOROLA SOFTWARE.** Any Motorola Software, including subsequent releases, is licensed to Customer solely in accordance with the Software License Agreement. Customer hereby accepts and agrees to abide by all of the terms and restrictions of the Software License Agreement.

3.7. **NON-MOTOROLA SOFTWARE.** Any Non-Motorola Software is licensed to Customer in accordance with the standard license, terms, and restrictions of the copyright owner on the Effective Date unless the copyright owner has granted to Motorola the right to sublicense the Non-Motorola Software pursuant to the Software License Agreement, in which case it applies and the copyright owner will have all of Licensor's rights and protections under the Software License Agreement. Motorola makes no representations or warranties of any kind regarding Non-Motorola Software. Non-Motorola Software may include Open Source Software. All Open Source Software is licensed to Customer in accordance with, and Customer agrees to abide by, the provisions of the standard license of the copyright owner and not the Software License Agreement. Upon request by Customer, Motorola will use commercially reasonable efforts to determine whether any Open Source Software will be provided under this Agreement, and if so, identify the Open Source Software and provide to Customer a copy of the applicable standard license (or specify where that license may be found); and provide to Customer a copy of the Open Source Software source code if it is publicly available without charge (although a distribution fee or a charge for related services may be applicable).

3.8. **SUBSTITUTIONS.** At no additional cost to Customer, Motorola may substitute any Equipment, Software, or services to be provided by Motorola, if the substitute meets or exceeds the Specifications and is of equivalent or better quality to the Customer. Any substitution will be reflected in a change order.

3.9. **OPTIONAL EQUIPMENT OR SOFTWARE.** This paragraph applies only if a "Priced Options" exhibit is shown in Section 1, or if the parties amend this Agreement to add a Priced Options exhibit. During the term of the option as stated in the Priced Options exhibit (or if no term is stated, then for one (1) year after the Effective Date), Customer has the right and option to purchase the equipment, software, and related services that are described in the Priced Options exhibit. Customer may exercise this option by giving written notice to Seller which must designate what equipment, software, and related services Customer is selecting (including quantities, if applicable). To the extent they apply, the terms and conditions of this Agreement will govern the transaction; however, the parties acknowledge that certain provisions must be agreed upon, and they agree to negotiate those in good faith promptly after Customer delivers the option exercise notice. Examples of provisions that may need to be negotiated are: specific lists of deliverables, statements of work, acceptance test plans, delivery and implementation schedules, payment terms, maintenance and support provisions, additions to or modifications of the Software License Agreement, hosting terms, and modifications to the acceptance and warranty provisions.

#### **Section 4 PERFORMANCE SCHEDULE**

The Parties will perform their respective responsibilities in accordance with the Performance Schedule. By executing this Agreement, Customer authorizes Motorola to proceed with contract performance. Customer affirms that a purchase order or notice to proceed is not required for subsequent years of service and that Customer will appropriate according to the Payment Schedule. The Customer will pay all invoices as received from Motorola and any changes in scope will be subject to the change order process as described in this Agreement. At the time of execution of this Agreement, the Customer will provide all necessary reference information to include on invoices for payment per this Agreement.

#### **Section 5 CONTRACT PRICE, PAYMENT AND INVOICING**

5.1. **CONTRACT PRICE.** The Contract Price in U.S. dollars is \$707,573. A Pricing Summary is included with the Payment Schedule in Exhibit B. The System price is \$443,350 and the 9 year Maintenance Support Plan price is \$264,223, based on initial System design. Motorola has priced the services, Software, and Equipment as an integrated system. A change in Software or Equipment quantities, or services, may affect the overall Contract Price, including discounts if applicable. Further, at the end of the first year of the Agreement and each year thereafter, a CPI percentage change calculation shall be performed. Should the annual inflation rate increase greater than 5% during the previous year, Motorola shall have the right to increase all future maintenance prices by the CPI increase amount exceeding 5%. The Midwest Region Consumer Price Index (<http://www.bls.gov/ro5/cpimid.htm>), All items, Not seasonally adjusted shall be used as the measure of CPI for this price adjustment. Measurement will take place once the annual average for the new year has been posted by the Bureau of Labor Statistics.

5.2. **INVOICING AND PAYMENT.** The System price will be paid via the disbursement of the financing proceeds pursuant to the Equipment Lease-Purchase Agreement executed between the parties. Motorola will submit Maintenance Support Plan invoices to Customer according to the Payment Schedule. Except for a payment that is due on the Effective Date, Customer will make payments to Motorola within twenty (20) days after the date of each invoice. Customer will make payments when due in the form of a wire transfer, check, or cashier's check from a U.S. financial institution. Overdue invoices will bear simple interest at the maximum allowable rate. For reference, the Federal Tax Identification Number for Motorola Solutions, Inc. is 36-1115800.

5.3. **FREIGHT, TITLE, AND RISK OF LOSS.** Motorola will pre-pay and add all freight charges to the invoices. Unless otherwise stated in the Equipment Lease-Purchase Agreement, title to the Equipment will pass to Customer upon shipment. Title to Software will not pass to Customer at any time. Risk of loss will pass to Customer upon delivery of the Equipment to the Customer. Motorola will pack and ship all Equipment in accordance with good commercial practices.

5.4. **INVOICING AND SHIPPING ADDRESSES.** Invoices will be sent to the Customer at the following address:

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The address which is the ultimate destination where the Equipment will be delivered to Customer is:

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The Equipment will be shipped to the Customer at the following address (insert if this information is known):

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Customer may change this information by giving written notice to Motorola.

## **Section 6 SITES AND SITE CONDITIONS**

6.1. **ACCESS TO SITES.** In addition to its responsibilities described elsewhere in this Agreement, Customer will provide a designated project manager; all necessary construction and building permits, zoning variances, licenses, and any other approvals that are necessary to develop or use the sites and mounting locations; and access to the work sites or vehicles identified in the Technical and Implementation Documents as reasonably requested by Motorola so that it may perform its duties in accordance with the Performance Schedule and Statement of Work. If the Statement of Work so indicates, Motorola may assist Customer in the local building permit process.

6.2. **SITE CONDITIONS.** Customer will ensure that all work sites it provides will be safe, secure, and in compliance with all applicable industry and OSHA standards. To the extent applicable and unless the Statement of Work states to the contrary, Customer will ensure that these work sites have adequate: physical space; air conditioning and other environmental conditions; adequate and appropriate electrical power outlets, distribution, equipment and connections; and adequate telephone or other communication lines (including modem access and adequate interfacing networking capabilities), all for the installation, use and maintenance of the System. Before installing the Equipment or Software at a work site, Motorola may inspect the work site and advise Customer of any apparent deficiencies or non-conformities with the requirements of this Section. This Agreement is predicated upon normal soil conditions as defined by the version of E.I.A. standard RS-222 in effect on the Effective Date.

6.3. **SITE ISSUES.** If a Party determines that the sites identified in the Technical and Implementation Documents are no longer available or desired, or if subsurface, structural, adverse environmental or latent conditions at any site differ from those indicated in the Technical and Implementation Documents, the Parties will promptly investigate the conditions and will select replacement sites or adjust the installation plans and specifications as necessary. If change in sites or adjustment to the installation plans and specifications causes a change in the cost or time to perform, the Parties will equitably amend the Contract Price, Performance Schedule, or both, by a change order.

## **Section 7 TRAINING**

Any training to be provided by Motorola to Customer will be described in the Statement of Work. Customer will notify Motorola immediately if a date change for a scheduled training program is required. If Motorola incurs additional costs because Customer reschedules a training program less than thirty (30) days before its scheduled start date, Motorola may recover these additional costs.

## **Section 8 SYSTEM ACCEPTANCE**

8.1. **COMMENCEMENT OF ACCEPTANCE TESTING.** Motorola will provide to Customer at least ten (10) days notice before the Acceptance Tests commence. System testing will occur only in accordance with the Acceptance Test Plan.

8.2. **SYSTEM ACCEPTANCE.** System Acceptance will occur upon successful completion of the Acceptance Tests. Upon System Acceptance, the Parties will memorialize this event by promptly executing a System Acceptance Certificate. If the Acceptance Test Plan includes separate tests for individual Subsystems or phases of the System, acceptance of the individual Subsystem or phase will occur upon the successful completion of the Acceptance Tests for the Subsystem or phase, and the Parties will promptly execute an acceptance certificate for the Subsystem or phase. If Customer believes the System has failed the completed Acceptance Tests, Customer will provide to Motorola a written notice that includes the specific details of the failure. If Customer does not provide to Motorola a failure notice within thirty (30) days after completion of the Acceptance Tests, System Acceptance will be deemed to have occurred as of the completion of the Acceptance Tests. Minor omissions or variances in the System that do not materially impair the operation of the System as a whole will not postpone System Acceptance or Subsystem acceptance, but will be corrected according to a mutually agreed schedule.

8.3. **BENEFICIAL USE.** Customer acknowledges that Motorola's ability to perform its implementation and testing responsibilities may be impeded if Customer begins using the System before System Acceptance. Therefore, Customer will not commence Beneficial Use before System Acceptance without Motorola's prior written authorization, which will not be unreasonably withheld. Motorola is not responsible for System performance deficiencies that occur during unauthorized Beneficial Use. Upon commencement of Beneficial Use, Customer assumes responsibility for the use and operation of the System.

8.4 **FINAL PROJECT ACCEPTANCE.** Final Project Acceptance will occur after System Acceptance when all deliverables and other work have been completed. When Final Project Acceptance occurs, the parties will promptly memorialize this final event by so indicating on the System Acceptance Certificate.

## **Section 9 REPRESENTATIONS AND WARRANTIES**

9.1. **SYSTEM FUNCTIONALITY.** Motorola represents that the System will perform in accordance with the Specifications in all material respects. Upon System Acceptance or Beneficial Use, whichever occurs first, this System functionality representation is fulfilled. Motorola is not responsible for System performance deficiencies that are caused by ancillary equipment not furnished by Motorola which is attached to or used in connection with the System or for reasons or parties beyond Motorola's control, such as natural causes; the construction of a building that adversely affects the microwave path reliability or radio frequency (RF) coverage; the addition of frequencies at System sites that cause RF interference or intermodulation; or Customer changes to load usage or configuration outside the Specifications.

9.2. **EQUIPMENT WARRANTY.** During the Warranty Period, Motorola warrants that the Equipment under normal use and service will be free from material defects in materials and workmanship. If System Acceptance is delayed beyond six (6) months after shipment of the Equipment by events or causes within Customer's control, this warranty expires eighteen (18) months after the shipment of the Equipment.

9.3. **MOTOROLA SOFTWARE WARRANTY.** Unless otherwise stated in the Software License Agreement, during the Warranty Period, Motorola warrants the Motorola Software in accordance with the terms of the Software License Agreement and the provisions of this Section 9 that are applicable to the Motorola Software. If System Acceptance is delayed beyond six (6) months after shipment of the Motorola Software by events or causes within Customer's control, this warranty expires eighteen (18) months after the shipment of the Motorola Software. TO THE EXTENT, IF ANY, THAT THERE IS A SEPARATE LICENSE AGREEMENT PACKAGED WITH, OR PROVIDED ELECTRONICALLY WITH, A PARTICULAR PRODUCT THAT BECOMES EFFECTIVE ON AN ACT OF ACCEPTANCE BY THE END USER, THEN THAT AGREEMENT SUPERCEDES THIS SOFTWARE LICENSE AGREEMENT AS TO THE END USER OF EACH SUCH PRODUCT.

9.4. **EXCLUSIONS TO EQUIPMENT AND MOTOROLA SOFTWARE WARRANTIES.** These warranties do not apply to: (i) defects or damage resulting from: use of the Equipment or Motorola Software in other than its normal, customary, and authorized manner; accident, liquids, neglect, or acts of God; testing, maintenance, disassembly, repair, installation, alteration, modification, or adjustment not provided or authorized in writing by Motorola; Customer's failure to comply with all applicable industry and

OSHA standards; (ii) breakage of or damage to antennas unless caused directly by defects in material or workmanship; (iii) Equipment that has had the serial number removed or made illegible; (iv) batteries (because they carry their own separate limited warranty) or consumables; (v) freight costs to ship Equipment to the repair depot; (vi) scratches or other cosmetic damage to Equipment surfaces that does not affect the operation of the Equipment; and (vii) normal or customary wear and tear.

9.5. **WARRANTY CLAIMS.** To assert a warranty claim, Customer must notify Motorola in writing of the claim before the expiration of the Warranty Period. Upon receipt of this notice, Motorola will investigate the warranty claim. If this investigation confirms a valid warranty claim, Motorola will (at its option and at no additional charge to Customer) repair the defective Equipment or Motorola Software, replace it with the same or equivalent product, or refund the price of the defective Equipment or Motorola Software. That action will be the full extent of Motorola's liability for the warranty claim. If this investigation indicates the warranty claim is not valid, then Motorola may invoice Customer for responding to the claim on a time and materials basis using Motorola's then current labor rates. Repaired or replaced product is warranted for the balance of the original applicable warranty period. All replaced products or parts will become the property of Motorola.

9.6. **ORIGINAL END USER IS COVERED.** These express limited warranties are extended by Motorola to the original user purchasing the System for commercial, industrial, or governmental use only, and are not assignable or transferable.

9.7. **DISCLAIMER OF OTHER WARRANTIES. THESE WARRANTIES ARE THE COMPLETE WARRANTIES FOR THE EQUIPMENT AND MOTOROLA SOFTWARE PROVIDED UNDER THIS AGREEMENT AND ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES. MOTOROLA DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

## **Section 10 DELAYS**

10.1. **FORCE MAJEURE.** Neither Party will be liable for its non-performance or delayed performance if caused by a Force Majeure. A Party that becomes aware of a Force Majeure that will significantly delay performance will notify the other Party promptly (but in no event later than fifteen days) after it discovers the Force Majeure. If a Force Majeure occurs, the Parties will execute a change order to extend the Performance Schedule for a time period that is reasonable under the circumstances.

10.2. **PERFORMANCE SCHEDULE DELAYS CAUSED BY CUSTOMER.** If Customer (including its other contractors) delays the Performance Schedule, it will make the promised payments according to the Payment Schedule as if no delay occurred; and the Parties will execute a change order to extend the Performance Schedule and, if requested, compensate Motorola for all reasonable charges incurred because of the delay. Delay charges may include costs incurred by Motorola or its subcontractors for additional freight, warehousing and handling of Equipment; extension of the warranties; travel; suspending and re-mobilizing the work; additional engineering, project management, and standby time calculated at then current rates; and preparing and implementing an alternative implementation plan.

## **Section 11 DISPUTES**

The Parties will use the following procedure to address any dispute arising under this Agreement (a "Dispute").

11.1. **GOVERNING LAW.** This Agreement will be governed by and construed in accordance with the laws of the State in which the System is installed.

11.2. **NEGOTIATION.** Either Party may initiate the Dispute resolution procedures by sending a notice of Dispute ("Notice of Dispute"). The Parties will attempt to resolve the Dispute promptly through good faith negotiations including 1) timely escalation of the Dispute to executives who have authority to settle the Dispute and who are at a higher level of management than the persons with direct responsibility for



the matter and 2) direct communication between the executives. If the Dispute has not been resolved within ten (10) days from the Notice of Dispute, the Parties will proceed to mediation.

**11.3 MEDIATION.** The Parties will choose an independent mediator within thirty (30) days of a notice to mediate from either Party ("Notice of Mediation"). Neither Party may unreasonably withhold consent to the selection of a mediator. If the Parties are unable to agree upon a mediator, either Party may request that American Arbitration Association nominate a mediator. Each Party will bear its own costs of mediation, but the Parties will share the cost of the mediator equally. Each Party will participate in the mediation in good faith and will be represented at the mediation by a business executive with authority to settle the Dispute.

**11.4. LITIGATION, VENUE and JURISDICTION.** If a Dispute remains unresolved for sixty (60) days after receipt of the Notice of Mediation, either Party may then submit the Dispute to a court of competent jurisdiction in the state in which the System is installed. Each Party irrevocably agrees to submit to the exclusive jurisdiction of the courts in such state over any claim or matter arising under or in connection with this Agreement.

**11.5. CONFIDENTIALITY.** All communications pursuant to subsections 11.2 and 11.3 will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law. The use of these Dispute resolution procedures will not be construed under the doctrines of laches, waiver or estoppel to affect adversely the rights of either Party.

## **Section 12 DEFAULT AND TERMINATION**

**12.1 DEFAULT BY A PARTY.** If either Party fails to perform a material obligation under this Agreement, the other Party may consider the non-performing Party to be in default (unless a Force Majeure causes the failure) and may assert a default claim by giving the non-performing Party a written and detailed notice of default. Except for a default by Customer for failing to pay any amount when due under this Agreement which must be cured immediately, the defaulting Party will have thirty (30) days after receipt of the notice of default to either cure the default or, if the default is not curable within thirty (30) days, provide a written cure plan. The defaulting Party will begin implementing the cure plan immediately after receipt of notice by the other Party that it approves the plan. If Customer is the defaulting Party, Motorola may stop work on the project until it approves the Customer's cure plan.

**12.2. FAILURE TO CURE.** If a defaulting Party fails to cure the default as provided above in Section 12.1, unless otherwise agreed in writing, the non-defaulting Party may terminate any unfulfilled portion of this Agreement. In the event of termination for default, the defaulting Party will promptly return to the non-defaulting Party any of its Confidential Information. If Customer is the non-defaulting Party, terminates this Agreement as permitted by this Section, and completes the System through a third Party, Customer may as its exclusive remedy recover from Motorola reasonable costs incurred to complete the System to a capability not exceeding that specified in this Agreement less the unpaid portion of the Contract Price. Customer will mitigate damages and provide Motorola with detailed invoices substantiating the charges.

**12.3. CONVENIENCE.** Customer may terminate this Agreement (in whole or part) at any time. To exercise this right, Customer must provide to Motorola formal written notice at least thirty (30) days in advance of the effective date of the termination. The notice must explicitly state the effective date of the termination and whether the contract termination is in whole or in part, and if in part, which part is being terminated. If Customer exercises this right to terminate for convenience, it will be liable to pay Motorola for (1) the portion of the Contract Price attributable to the Equipment and/or Software delivered, and all services performed, on or before the effective date of the termination; and (2) costs and expenses that Motorola incurs as a result of the termination of the Agreement, including but not limited to costs and expenses associated with cancellation of subcontracts, restocking fees, removal of installation or test equipment, etc. If the portion of the Contract Price and/or the recoverable costs and expenses attributable to the termination of the Agreement are not readily ascertainable, Customer will be liable to pay Motorola for the reasonable value of such Equipment, Software, services, costs and expenses.

Notwithstanding the above, Customer shall have no right to terminate this Agreement if Motorola has given Customer a notice of default and such default has not been cured.

12.4. **UNEARNED DISCOUNTS.** If the Customer terminates this Agreement before the end of the Term, for any reason other than Motorola default, then the Customer will pay to Motorola an early termination fee equal to the discount applied to the last three (3) years of service payments for the original Term. Annual discounts for the Term can be found on the Pricing exhibit.

### **Section 13 INDEMNIFICATION**

13.1. **GENERAL INDEMNITY BY MOTOROLA.** Motorola will indemnify and hold Customer harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Customer to the extent it is caused by the negligence of Motorola, its subcontractors, or their employees or agents, while performing their duties under this Agreement, if Customer gives Motorola prompt, written notice of any the claim or suit. Customer will cooperate with Motorola in its defense or settlement of the claim or suit. This section sets forth the full extent of Motorola's general indemnification of Customer from liabilities that are in any way related to Motorola's performance under this Agreement.

13.2. **GENERAL INDEMNITY BY CUSTOMER.** Customer will indemnify and hold Motorola harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Motorola to the extent it is caused by the negligence of Customer, its other contractors, or their employees or agents, while performing their duties under this Agreement, if Motorola gives Customer prompt, written notice of any the claim or suit. Motorola will cooperate with Customer in its defense or settlement of the claim or suit. This section sets forth the full extent of Customer's general indemnification of Motorola from liabilities that are in any way related to Customer's performance under this Agreement.

#### **13.3. PATENT AND COPYRIGHT INFRINGEMENT.**

13.3.1. Motorola will defend at its expense any suit brought against Customer to the extent it is based on a third-party claim alleging that the Equipment manufactured by Motorola or the Motorola Software ("Motorola Product") directly infringes a United States patent or copyright ("Infringement Claim"). Motorola's duties to defend and indemnify are conditioned upon: Customer promptly notifying Motorola in writing of the Infringement Claim; Motorola having sole control of the defense of the suit and all negotiations for its settlement or compromise; and Customer providing to Motorola cooperation and, if requested by Motorola, reasonable assistance in the defense of the Infringement Claim. In addition to Motorola's obligation to defend, and subject to the same conditions, Motorola will pay all damages finally awarded against Customer by a court of competent jurisdiction for an Infringement Claim or agreed to, in writing, by Motorola in settlement of an Infringement Claim.

13.3.2. If an Infringement Claim occurs, or in Motorola's opinion is likely to occur, Motorola may at its option and expense: (a) procure for Customer the right to continue using the Motorola Product; (b) replace or modify the Motorola Product so that it becomes non-infringing while providing functionally equivalent performance; or (c) accept the return of the Motorola Product and grant Customer a credit for the Motorola Product, less a reasonable charge for depreciation. The depreciation amount will be calculated based upon generally accepted accounting standards.

13.3.3. Motorola will have no duty to defend or indemnify for any Infringement Claim that is based upon: (a) the combination of the Motorola Product with any software, apparatus or device not furnished by Motorola; (b) the use of ancillary equipment or software not furnished by Motorola and that is attached to or used in connection with the Motorola Product; (c) Motorola Product designed or manufactured in accordance with Customer's designs, specifications, guidelines or instructions, if the alleged infringement would not have occurred without such designs, specifications, guidelines or instructions; (d) a modification of the Motorola Product by a party other than Motorola; (e) use of the Motorola Product in a manner for which the Motorola Product was not designed or that is inconsistent with the terms of this Agreement; or (f) the failure by Customer to install an enhancement release to the Motorola Software that

is intended to correct the claimed infringement. In no event will Motorola's liability resulting from its indemnity obligation to Customer extend in any way to royalties payable on a per use basis or the Customer's revenues, or any royalty basis other than a reasonable royalty based upon revenue derived by Motorola from Customer from sales or license of the infringing Motorola Product.

13.3.4. This Section 13 provides Customer's sole and exclusive remedies and Motorola's entire liability in the event of an Infringement Claim. Customer has no right to recover and Motorola has no obligation to provide any other or further remedies, whether under another provision of this Agreement or any other legal theory or principle, in connection with an Infringement Claim. In addition, the rights and remedies provided in this Section 13 are subject to and limited by the restrictions set forth in Section 14.

#### **Section 14      LIMITATION OF LIABILITY**

Except for personal injury or death, Motorola's total liability, whether for breach of contract, warranty, negligence, strict liability in tort, indemnification, or otherwise, will be limited to the direct damages recoverable under law, but not to exceed the price of the Equipment, Software, or services with respect to which losses or damages are claimed. **ALTHOUGH THE PARTIES ACKNOWLEDGE THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, THEY AGREE THAT MOTOROLA WILL NOT BE LIABLE FOR ANY COMMERCIAL LOSS; INCONVENIENCE; LOSS OF USE, TIME, DATA, GOOD WILL, REVENUES, PROFITS OR SAVINGS; OR OTHER SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES IN ANY WAY RELATED TO OR ARISING FROM THIS AGREEMENT, THE SALE OR USE OF THE EQUIPMENT OR SOFTWARE, OR THE PERFORMANCE OF SERVICES BY MOTOROLA PURSUANT TO THIS AGREEMENT.** This limitation of liability provision survives the expiration or termination of the Agreement and applies notwithstanding any contrary provision. No action for contract breach or otherwise relating to the transactions contemplated by this Agreement may be brought more than one (1) year after the accrual of the cause of action, except for money due upon an open account.

#### **Section 15      CONFIDENTIALITY AND PROPRIETARY RIGHTS**

15.1. **CONFIDENTIAL INFORMATION.** During the term of this Agreement, the parties may provide each other with Confidential Information. Each Party will: maintain the confidentiality of the other Party's Confidential Information and not disclose it to any third party, except as authorized by the disclosing Party in writing or as required by a court of competent jurisdiction; restrict disclosure of the Confidential Information to its employees who have a "need to know" and not copy or reproduce the Confidential Information; take necessary and appropriate precautions to guard the confidentiality of the Confidential Information, including informing its employees who handle the Confidential Information that it is confidential and is not to be disclosed to others, but these precautions will be at least the same degree of care that the receiving Party applies to its own confidential information and will not be less than reasonable care; and use the Confidential Information only in furtherance of the performance of this Agreement. Confidential Information is and will at all times remain the property of the disclosing Party, and no grant of any proprietary rights in the Confidential Information is given or intended, including any express or implied license, other than the limited right of the recipient to use the Confidential Information in the manner and to the extent permitted by this Agreement.

15.2. **PRESERVATION OF MOTOROLA'S PROPRIETARY RIGHTS.** Motorola, the third party manufacturer of any Equipment, and the copyright owner of any Non-Motorola Software own and retain all of their respective Proprietary Rights in the Equipment and Software, and nothing in this Agreement is intended to restrict their Proprietary Rights. All intellectual property developed, originated, or prepared by Motorola in connection with providing to Customer the Equipment, Software, or related services remain vested exclusively in Motorola, and this Agreement does not grant to Customer any shared development rights of intellectual property. Except as explicitly provided in the Software License Agreement, Motorola does not grant to Customer, either directly or by implication, estoppel, or otherwise, any right, title or interest in Motorola's Proprietary Rights. Customer will not modify, disassemble, peel components, decompile, otherwise reverse engineer or attempt to reverse engineer, derive source code or create derivative works from, adapt, translate, merge with other software, reproduce, distribute, sublicense, sell or export the Software, or permit or encourage any third party to do so. The preceding sentence does not apply to Open Source Software which is governed by the standard license of the copyright owner.

## Section 16 GENERAL

16.1. **TAXES.** The Contract Price does not include any excise, sales, lease, use, property, or other taxes, assessments or duties, all of which will be paid by Customer except as exempt by law. If Motorola is required to pay any of these taxes, Motorola will send an invoice to Customer and Customer will pay to Motorola the amount of the taxes (including any interest and penalties) within twenty (20) days after the date of the invoice. Customer will be solely responsible for reporting the Equipment for personal property tax purposes, and Motorola will be solely responsible for reporting taxes on its income or net worth.

16.2. **ASSIGNABILITY AND SUBCONTRACTING.** Except as provided herein, neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld. Any attempted assignment, delegation, or transfer without the necessary consent will be void. Notwithstanding the foregoing, Motorola may assign this Agreement to any of its affiliates or its right to receive payment without the prior consent of Customer. In addition, in the event Motorola separates one or more of its businesses (each a "Separated Business"), whether by way of a sale, establishment of a joint venture, spin-off or otherwise (each a "Separation Event"), Motorola may, without the prior written consent of the other Party and at no additional cost to Motorola, assign this Agreement such that it will continue to benefit the Separated Business and its affiliates (and Motorola and its affiliates, to the extent applicable) following the Separation Event. Motorola may subcontract any of the work, but subcontracting will not relieve Motorola of its duties under this Agreement.

16.3. **WAIVER.** Failure or delay by either Party to exercise a right or power under this Agreement will not be a waiver of the right or power. For a waiver of a right or power to be effective, it must be in a writing signed by the waiving Party. An effective waiver of a right or power will not be construed as either a future or continuing waiver of that same right or power, or the waiver of any other right or power.

16.4. **SEVERABILITY.** If a court of competent jurisdiction renders any part of this Agreement invalid or unenforceable, that part will be severed and the remainder of this Agreement will continue in full force and effect.

16.5. **INDEPENDENT CONTRACTORS.** Each Party will perform its duties under this Agreement as an independent contractor. The Parties and their personnel will not be considered to be employees or agents of the other Party. Nothing in this Agreement will be interpreted as granting either Party the right or authority to make commitments of any kind for the other. This Agreement will not constitute, create, or be interpreted as a joint venture, partnership or formal business organization of any kind.

16.6. **HEADINGS AND SECTION REFERENCES.** The section headings in this Agreement are inserted only for convenience and are not to be construed as part of this Agreement or as a limitation of the scope of the particular section to which the heading refers. This Agreement will be fairly interpreted in accordance with its terms and conditions and not for or against either Party.

16.7. **ENTIRE AGREEMENT.** This Agreement, including all Exhibits, constitutes the entire agreement of the Parties regarding the subject matter of the Agreement and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. A facsimile copy or computer image, such as a PDF or tiff image, or a signature shall be treated as and shall have the same effect as an original signature. In addition, a true and correct facsimile copy or computer image of this Agreement shall be treated as and shall have the same effect as an original signed copy of this document. This Agreement may be amended or modified only by a written instrument signed by authorized representatives of both Parties. The preprinted terms and conditions found on any Customer purchase order, acknowledgment or other form will not be considered an amendment or modification of this Agreement, even if a representative of each Party signs that document.

16.8. **NOTICES.** Notices required under this Agreement to be given by one Party to the other must be in writing and either personally delivered or sent to the address shown below by certified mail, return receipt requested and postage prepaid (or by a recognized courier service, such as Federal Express, UPS, or DHL), or by facsimile with correct answerback received, and will be effective upon receipt:

Motorola Solutions, Inc.  
Attn: Law Department  
500 West Monroe Street, 43rd Floor  
Chicago, IL 60661

Customer  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

16.9. **COMPLIANCE WITH APPLICABLE LAWS.** Each Party will comply with all applicable federal, state, and local laws, regulations and rules concerning the performance of this Agreement or use of the System. Customer will obtain and comply with all Federal Communications Commission ("FCC") licenses and authorizations required for the installation, operation and use of the System before the scheduled installation of the Equipment. Although Motorola might assist Customer in the preparation of its FCC license applications, neither Motorola nor any of its employees is an agent or representative of Customer in FCC or other matters.

16.10. **AUTHORITY TO EXECUTE AGREEMENT.** Each Party represents that it has obtained all necessary approvals, consents and authorizations to enter into this Agreement and to perform its duties under this Agreement; the person executing this Agreement on its behalf has the authority to do so; upon execution and delivery of this Agreement by the Parties, it is a valid and binding contract, enforceable in accordance with its terms; and the execution, delivery, and performance of this Agreement does not violate any bylaw, charter, regulation, law or any other governing authority of the Party.

16.11. **ADMINISTRATOR LEVEL ACCOUNT ACCESS.** Motorola will provide Customer with Administrative User Credentials. Customer agrees to only grant Administrative User Credentials to those personnel with the training or experience to correctly use the access. Customer is responsible for protecting Administrative User Credentials from disclosure and maintaining Credential validity by, among other things, updating passwords when required. Customer may be asked to provide valid Administrative User Credentials when in contact with Motorola System support. Customer understands that changes made as the Administrative User can significantly impact the performance of the System. Customer agrees that it will be solely responsible for any negative impact on the System or its users by any such changes. System issues occurring as a result of changes made by an Administrative User may impact Motorola's ability to perform its obligations under the Agreement or its Maintenance and Support Agreement. In such cases, a revision to the appropriate provisions of the Agreement, including the Statement of Work, may be necessary. To the extent Motorola provides assistance to correct any issues caused by or arising out of the use of or failure to maintain Administrative User Credentials, Motorola will be entitled to bill Customer and Customer will pay Motorola on a time and materials basis for resolving the issue.

16.12. **SURVIVAL OF TERMS.** The following provisions will survive the expiration or termination of this Agreement for any reason: Section 3.6 (Motorola Software); Section 3.7 (Non-Motorola Software); if any payment obligations exist, Sections 5.1 and 5.2 (Contract Price and Invoicing and Payment); Subsection 9.7 (Disclaimer of Implied Warranties); Section 11 (Disputes); Section 14 (Limitation of Liability); and Section 15 (Confidentiality and Proprietary Rights); and all of the General provisions in Section 16.

The Parties hereby enter into this Agreement as of the Effective Date.

**Motorola Solutions, Inc.**

**Customer**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

---

## Exhibit A

### SOFTWARE LICENSE AGREEMENT

This Exhibit A Software License Agreement ("Agreement") is between Motorola Solutions, Inc., ("Motorola"), and \_\_\_\_\_ ("Licensee").

For good and valuable consideration, the parties agree as follows:

#### Section 1 DEFINITIONS

1.1 "Designated Products" means products provided by Motorola to Licensee with which or for which the Software and Documentation is licensed for use.

1.2 "Documentation" means product and software documentation that specifies technical and performance features and capabilities, and the user, operation and training manuals for the Software (including all physical or electronic media upon which such information is provided).

1.3 "Open Source Software" means software with either freely obtainable source code, license for modification, or permission for free distribution.

1.4 "Open Source Software License" means the terms or conditions under which the Open Source Software is licensed.

1.5 "Primary Agreement" means the agreement to which this exhibit is attached.

1.6 "Security Vulnerability" means a flaw or weakness in system security procedures, design, implementation, or internal controls that could be exercised (accidentally triggered or intentionally exploited) and result in a security breach such that data is compromised, manipulated or stolen or the system damaged.

1.7 "Software" (i) means proprietary software in object code format, and adaptations, translations, de-compilations, disassemblies, emulations, or derivative works of such software; (ii) means any modifications, enhancements, new versions and new releases of the software provided by Motorola; and (iii) may contain one or more items of software owned by a third party supplier. The term "Software" does not include any third party software provided under separate license or third party software not licensable under the terms of this Agreement.

#### Section 2 SCOPE

Motorola and Licensee enter into this Agreement in connection with Motorola's delivery of certain proprietary Software or products containing embedded or pre-loaded proprietary Software, or both. This Agreement contains the terms and conditions of the license Motorola is providing to Licensee, and Licensee's use of the Software and Documentation.

#### Section 3 GRANT OF LICENSE

3.1. Subject to the provisions of this Agreement and the payment of applicable license fees, Motorola grants to Licensee a personal, limited, non-transferable (except as permitted in Section 7) and non-exclusive license under Motorola's copyrights and Confidential Information (as defined in the Primary Agreement) embodied in the Software to use the Software, in object code form, and the Documentation solely in connection with Licensee's use of the Designated Products. This Agreement does not grant any rights to source code.

3.2. If the Software licensed under this Agreement contains or is derived from Open Source Software, the terms and conditions governing the use of such Open Source Software are in the Open Source Software Licenses of the copyright owner and not this Agreement. If there is a conflict between the terms

and conditions of this Agreement and the terms and conditions of the Open Source Software Licenses governing Licensee's use of the Open Source Software, the terms and conditions of the license grant of the applicable Open Source Software Licenses will take precedence over the license grants in this Agreement. If requested by Licensee, Motorola will use commercially reasonable efforts to: (i) determine whether any Open Source Software is provided under this Agreement; (ii) identify the Open Source Software and provide Licensee a copy of the applicable Open Source Software License (or specify where that license may be found); and, (iii) provide Licensee a copy of the Open Source Software source code, without charge, if it is publicly available (although distribution fees may be applicable).

#### **Section 4      LIMITATIONS ON USE**

4.1. Licensee may use the Software only for Licensee's internal business purposes and only in accordance with the Documentation. Any other use of the Software is strictly prohibited. Without limiting the general nature of these restrictions, Licensee will not make the Software available for use by third parties on a "time sharing," "application service provider," or "service bureau" basis or for any other similar commercial rental or sharing arrangement.

4.2. Licensee will not, and will not allow or enable any third party to: (i) reverse engineer, disassemble, peel components, decompile, reprogram or otherwise reduce the Software or any portion to a human perceptible form or otherwise attempt to recreate the source code; (ii) modify, adapt, create derivative works of, or merge the Software; (iii) copy, reproduce, distribute, lend, or lease the Software or Documentation to any third party, grant any sublicense or other rights in the Software or Documentation to any third party, or take any action that would cause the Software or Documentation to be placed in the public domain; (iv) remove, or in any way alter or obscure, any copyright notice or other notice of Motorola's proprietary rights; (v) provide, copy, transmit, disclose, divulge or make the Software or Documentation available to, or permit the use of the Software by any third party or on any machine except as expressly authorized by this Agreement; or (vi) use, or permit the use of, the Software in a manner that would result in the production of a copy of the Software solely by activating a machine containing the Software. Licensee may make one copy of Software to be used solely for archival, back-up, or disaster recovery purposes; *provided* that Licensee may not operate that copy of the Software at the same time as the original Software is being operated. Licensee may make as many copies of the Documentation as it may reasonably require for the internal use of the Software.

4.3. Unless otherwise authorized by Motorola in writing, Licensee will not, and will not enable or allow any third party to: (i) install a licensed copy of the Software on more than one unit of a Designated Product; or (ii) copy onto or transfer Software installed in one unit of a Designated Product onto one other device. Licensee may temporarily transfer Software installed on a Designated Product to another device if the Designated Product is inoperable or malfunctioning, if Licensee provides written notice to Motorola of the temporary transfer and identifies the device on which the Software is transferred. Temporary transfer of the Software to another device must be discontinued when the original Designated Product is returned to operation and the Software must be removed from the other device. Licensee must provide prompt written notice to Motorola at the time temporary transfer is discontinued.

4.4. When using Motorola's Radio Service Software ("RSS"), Licensee must purchase a separate license for each location at which Licensee uses RSS. Licensee's use of RSS at a licensed location does not entitle Licensee to use or access RSS remotely. Licensee may make one copy of RSS for each licensed location. Licensee shall provide Motorola with a list of all locations at which Licensee uses or intends to use RSS upon Motorola's request.

4.5. Licensee will maintain, during the term of this Agreement and for a period of two years thereafter, accurate records relating to this license grant to verify compliance with this Agreement. Motorola or an independent third party ("Auditor") may inspect Licensee's premises, books and records, upon reasonable prior notice to Licensee, during Licensee's normal business hours and subject to Licensee's facility and security regulations. Motorola is responsible for the payment of all expenses and costs of the Auditor. Any information obtained by Motorola and the Auditor will be kept in strict confidence by Motorola and the Auditor and used solely for the purpose of verifying Licensee's compliance with the terms of this Agreement.



## **Section 5 OWNERSHIP AND TITLE**

Motorola, its licensors, and its suppliers retain all of their proprietary rights in any form in and to the Software and Documentation, including, but not limited to, all rights in patents, patent applications, inventions, copyrights, trademarks, trade secrets, trade names, and other proprietary rights in or relating to the Software and Documentation (including any corrections, bug fixes, enhancements, updates, modifications, adaptations, translations, de-compilations, disassemblies, emulations to or derivative works from the Software or Documentation, whether made by Motorola or another party, or any improvements that result from Motorola's processes or, provision of information services). No rights are granted to Licensee under this Agreement by implication, estoppel or otherwise, except for those rights which are expressly granted to Licensee in this Agreement. All intellectual property developed, originated, or prepared by Motorola in connection with providing the Software, Designated Products, Documentation or related services, remains vested exclusively in Motorola, and Licensee will not have any shared development or other intellectual property rights.

## **Section 6 LIMITED WARRANTY; DISCLAIMER OF WARRANTY**

6.1. The commencement date and the term of the Software warranty will be a period of ninety (90) days from Motorola's shipment of the Software (the "Warranty Period"). If Licensee is not in breach of any of its obligations under this Agreement, Motorola warrants that the unmodified Software, when used properly and in accordance with the Documentation and this Agreement, will be free from a reproducible defect that eliminates the functionality or successful operation of a feature critical to the primary functionality or successful operation of the Software. Whether a defect occurs will be determined by Motorola solely with reference to the Documentation. Motorola does not warrant that Licensee's use of the Software or the Designated Products will be uninterrupted, error-free, completely free of Security Vulnerabilities, or that the Software or the Designated Products will meet Licensee's particular requirements. Motorola makes no representations or warranties with respect to any third party software included in the Software.

6.2 Motorola's sole obligation to Licensee and Licensee's exclusive remedy under this warranty is to use reasonable efforts to remedy any material Software defect covered by this warranty. These efforts will involve either replacing the media or attempting to correct significant, demonstrable program or documentation errors or Security Vulnerabilities. If Motorola cannot correct the defect within a reasonable time, then at Motorola's option, Motorola will replace the defective Software with functionally-equivalent Software, license to Licensee substitute Software which will accomplish the same objective, or terminate the license and refund the Licensee's paid license fee.

6.3. Warranty claims are described in the Primary Agreement.

6.4. The express warranties set forth in this Section 6 are in lieu of, and Motorola disclaims, any and all other warranties (express or implied, oral or written) with respect to the Software or Documentation, including, without limitation, any and all implied warranties of condition, title, non-infringement, merchantability, or fitness for a particular purpose or use by Licensee (whether or not Motorola knows, has reason to know, has been advised, or is otherwise aware of any such purpose or use), whether arising by law, by reason of custom or usage of trade, or by course of dealing. In addition, Motorola disclaims any warranty to any person other than Licensee with respect to the Software or Documentation.

## **Section 7 TRANSFERS**

Licensee will not transfer the Software or Documentation to any third party without Motorola's prior written consent. Motorola's consent may be withheld at its discretion and may be conditioned upon transferee paying all applicable license fees and agreeing to be bound by this Agreement. If the Designated Products are Motorola's radio products and Licensee transfers ownership of the Motorola radio products to a third party, Licensee may assign its right to use the Software (other than RSS and Motorola's FLASHport® software) which is embedded in or furnished for use with the radio products and the related Documentation; *provided* that Licensee transfers all copies of the Software and Documentation to the

transferee, and Licensee and the transferee sign a transfer form to be provided by Motorola upon request, obligating the transferee to be bound by this Agreement.

## **Section 8      TERM AND TERMINATION**

8.1      Licensee's right to use the Software and Documentation will begin when the Primary Agreement is signed by both parties and will continue for the life of the Designated Products with which or for which the Software and Documentation have been provided by Motorola, unless Licensee breaches this Agreement, in which case this Agreement and Licensee's right to use the Software and Documentation may be terminated immediately upon notice by Motorola.

8.2      Within thirty (30) days after termination of this Agreement, Licensee must certify in writing to Motorola that all copies of the Software have been removed or deleted from the Designated Products and that all copies of the Software and Documentation have been returned to Motorola or destroyed by Licensee and are no longer in use by Licensee.

8.3      Licensee acknowledges that Motorola made a considerable investment of resources in the development, marketing, and distribution of the Software and Documentation and that Licensee's breach of this Agreement will result in irreparable harm to Motorola for which monetary damages would be inadequate. If Licensee breaches this Agreement, Motorola may terminate this Agreement and be entitled to all available remedies at law or in equity (including immediate injunctive relief and repossession of all non-embedded Software and associated Documentation unless Licensee is a Federal agency of the United States Government).

## **Section 9      UNITED STATES GOVERNMENT LICENSING PROVISIONS**

This Section applies if Licensee is the United States Government or a United States Government agency. Licensee's use, duplication or disclosure of the Software and Documentation under Motorola's copyrights or trade secret rights is subject to the restrictions set forth in subparagraphs (c)(1) and (2) of the Commercial Computer Software-Restricted Rights clause at FAR 52.227-19 (JUNE 1987), if applicable, unless they are being provided to the Department of Defense. If the Software and Documentation are being provided to the Department of Defense, Licensee's use, duplication, or disclosure of the Software and Documentation is subject to the restricted rights set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 (OCT 1988), if applicable. The Software and Documentation may or may not include a Restricted Rights notice, or other notice referring to this Agreement. The provisions of this Agreement will continue to apply, but only to the extent that they are consistent with the rights provided to the Licensee under the provisions of the FAR or DFARS mentioned above, as applicable to the particular procuring agency and procurement transaction.

## **Section 10     CONFIDENTIALITY**

Licensee acknowledges that the Software and Documentation contain Motorola's valuable proprietary and Confidential Information and are Motorola's trade secrets, and that the provisions in the Primary Agreement concerning Confidential Information apply.

## **Section 11     LIMITATION OF LIABILITY**

The Limitation of Liability provision is described in the Primary Agreement.

## **Section 12     NOTICES**

Notices are described in the Primary Agreement.

## **Section 13     GENERAL**

**13.1. COPYRIGHT NOTICES.** The existence of a copyright notice on the Software will not be construed as an admission or presumption of publication of the Software or public disclosure of any trade secrets associated with the Software.

**13.2. COMPLIANCE WITH LAWS.** Licensee acknowledges that the Software is subject to the laws and regulations of the United States and Licensee will comply with all applicable laws and regulations, including export laws and regulations of the United States. Licensee will not, without the prior authorization of Motorola and the appropriate governmental authority of the United States, in any form export or re-export, sell or resell, ship or reship, or divert, through direct or indirect means, any item or technical data or direct or indirect products sold or otherwise furnished to any person within any territory for which the United States Government or any of its agencies at the time of the action, requires an export license or other governmental approval. Violation of this provision is a material breach of this Agreement.

**13.3. ASSIGNMENTS AND SUBCONTRACTING.** Motorola may assign its rights or subcontract its obligations under this Agreement, or encumber or sell its rights in any Software, without prior notice to or consent of Licensee.

**13.4. GOVERNING LAW.** This Agreement is governed by the laws of the United States to the extent that they apply and otherwise by the internal substantive laws of the State to which the Software is shipped if Licensee is a sovereign government entity, or the internal substantive laws of the State of Illinois if Licensee is not a sovereign government entity. The terms of the U.N. Convention on Contracts for the International Sale of Goods do not apply. In the event that the Uniform Computer Information Transaction Act, any version of this Act, or a substantially similar law (collectively "UCITA") becomes applicable to a party's performance under this Agreement, UCITA does not govern any aspect of this Agreement or any license granted under this Agreement, or any of the parties' rights or obligations under this Agreement. The governing law will be that in effect prior to the applicability of UCITA.

**13.5. THIRD PARTY BENEFICIARIES.** This Agreement is entered into solely for the benefit of Motorola and Licensee. No third party has the right to make any claim or assert any right under this Agreement, and no third party is deemed a beneficiary of this Agreement. Notwithstanding the foregoing, any licensor or supplier of third party software included in the Software will be a direct and intended third party beneficiary of this Agreement.

**13.6. SURVIVAL.** Sections 4, 5, 6.4, 7, 8, 9, 10, 11 and 13 survive the termination of this Agreement.

**13.7. ORDER OF PRECEDENCE.** In the event of inconsistencies between this Exhibit and the Primary Agreement, the parties agree that this Exhibit prevails, only with respect to the specific subject matter of this Exhibit, and not the Primary Agreement or any other exhibit as it applies to any other subject matter.

**13.8 SECURITY.** Motorola uses reasonable means in the design and writing of its own Software and the acquisition of third party Software to limit Security Vulnerabilities. While no software can be guaranteed to be free from Security Vulnerabilities, if a Security Vulnerability is discovered, Motorola will take the steps set forth in Section 6 of this Agreement.

PRICING SUMMARY

# PRICE SUMMARY

## EQUIPMENT AND SERVICES

Description – Dispatch Center Only	Price
Positions MCC7500 / 10 APX Consolettes -Equipment/Services /Training ) NO MONITORS	\$493,350.00
<b>TOTAL:</b>	<b>\$493,350.00</b>
Customer Loyalty Incentive – Ends 12/10/2016	(\$50,000.00)
<b>GRAND TOTAL:</b>	<b>\$443,350.00</b>
*PRICING is PER STARCOM21 CONTRACT	
*0% Financing for 5 years	

**Exhibit B-2**

**PAYMENT SCHEDULE**

**For System Purchase:**

The System price will be paid via the disbursement of the financing proceeds pursuant to the Equipment Lease-Purchase Agreement executed between the parties.

**For Maintenance Support Plan (based on initial System design)**

Motorola will invoice Customer annually in advance of each year of the plan. Customer will make payments to Motorola within twenty (20) days after the date of each invoice. Customer will make payments when due in the form of a check, cashier's check, or wire transfer drawn on a U.S. financial institution in accordance with the following schedule.

Year 2	\$26,008	in advance of the period of performance
Year 3	\$26,789	in advance of the period of performance
Year 4	\$27,592	in advance of the period of performance
Year 5	\$28,420	in advance of the period of performance
Year 6	\$29,273	in advance of the period of performance
Year 7	\$30,151	in advance of the period of performance
Year 8	\$31,055	in advance of the period of performance
Year 9	\$31,987	in advance of the period of performance
Year 10	\$32,947	in advance of the period of performance

AGREEMENT FOR IMPROVEMENT OF  
TRIPP ROAD

WHEREAS, Becknell Services, L.L.C., an Illinois limited liability company (Becknell) is the developer for 675 Corporate Parkway Illinois Investors LLC (the Owner), owner of certain real property commonly known as 675 Corporate Parkway Belvidere, IL (the Property), and

WHEREAS, the Owner and Becknell wish to subdivide and final plat the Property which consists of four (4) lots as described in the subdivision plat which is the subject of this Agreement; and

WHEREAS, the City of Belvidere (the City), a home rule unit of local government, has previously adopted a Subdivision Control Ordinance (the Ordinance) which requires, in part, a subdivider to dedicate land and improve, at their own cost and to the Ordinance's standards, any road adjacent to the subdivision (Section 150.41(g) of the Ordinance). The City, Becknell, and the Owner are sometimes hereinafter referred to collectively as the Parties; and

WHEREAS, the Owner and Becknell intend to subdivide the Property and construct on the Property a new manufacturing and warehousing facility that is anticipated to employ in excess of 400 employees and includes \$18,000,000.00 in new investment; and

WHEREAS, the Owner and Becknell were not made aware of Section 150.41(g) at the time they purchased the Property; and

WHEREAS, Tripp Road is adjacent to the proposed new subdivision, and has not been improved to the Ordinance's standards.

Now, Therefore in consideration of the following obligations, covenants and conditions, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

- 1) The foregoing recitals are incorporated herein by this reference.
- 2) The Parties agree that Tripp Road shall be improved, pursuant to the Ordinance, from Corporate Parkway to Crystal Parkway (the Road Improvements). The City Agrees to assist in the Road Improvements by funding one half (1/2) of the cost of all construction costs necessary for the Road Improvements. Owner and Becknell shall be responsible for engineering costs and one half (1/2) the cost of constructing the Road Improvements adjacent to the Property. The Parties agree that the City shall use its best effort to retain Arc Design Recourses Inc. for the engineering work associated with the Road Improvements if requested by Becknell.
- 3) The Parties also agree that the City will apply to the State of Illinois for grant funds which are anticipated to be awarded in an amount equal to one half (1/2) of the costs of the Road Improvements. These grant funds, if awarded, will be allocated to the Owner's and Becknell's obligation under section two (2) above. Owner and Becknell agree to assist in applying for the grant funds, including the provision of any necessary documents or information required by the State of Illinois.

- 4) If the grant funds are awarded, the City also agrees that it will be the lead agency and will bid or contract for the engineering and construction work for the Road Improvements notwithstanding any other contrary provision in the Ordinance. If the grant funds are not awarded, Owner and Becknell shall be the lead agency for engineering and bidding purposes for the Road Improvements in accordance with the Ordinance. In such event, the City shall have the right to review and approve any bid prior to its award in its reasonable discretion.
- 5) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to conflicts of law provisions. Any action arising out of this Agreement shall be brought in the 17<sup>th</sup> Judicial Circuit Court, Boone County, Illinois and the Parties hereby submit to the jurisdiction and venue of that Court. This Agreement supersedes all prior agreements, negotiations and is a full integration of the agreement between the Parties with respect to the reconstruction of the Road Improvements. This Agreement may be executed in counterparts each of which will be deemed an original and which shall constitute one instrument.

Date: \_\_\_\_\_.

By: THE CITY OF BELVIDERE

By: \_\_\_\_\_.  
Michael W. Chamberlain, Mayor

Attest: \_\_\_\_\_.  
Shauna Arco, City Clerk