

FINANCE COMMITTEE AGENDA

Called by: John Butitta, Chairman
Members: Jean Crosby, Joe Hoffman, Keith McDonald, Jaime Salgado, John F. Sweeney, Michael Thompson

DATE: THURSDAY, APRIL 6, 2023
TIME: IMMEDIATELY FOLLOWING OPERATIONS & ADMINISTRATIVE COMMITTEE
LOCATION: ROOM 303
COUNTY ADMINISTRATION BLDG
404 ELM STREET
ROCKFORD, IL 61101

AGENDA:

- A. Call to Order
- B. Roll Call
- C. Approval of February 2 and 23, 2023 Minutes
- D. Public Comment – This is the time we invite the public to address the Finance Committee with issues and concerns. We ask you to limit your comments to three minutes. Personal attacks or inappropriate language of any sort will not be tolerated. We will allow a maximum of five speakers on a first come basis with sign up at the meeting. Speakers may not address zoning matters which are pending before the ZBA, the Zoning Committee or the County Board. Personnel matters or pending or threatened litigation may not be addressed in open session. An individual may speak a maximum of three times per calendar year on the same topic. This prohibition shall include the repetition of the same topic in a statement on what is purported to be a different topic. After acknowledgement by the chair, please stand and state your name. Thank you.
- E. Discussion Item American Rescue Plan Act (ARPA Phase 4)
- F. Resolution Adopting the Fiscal Year 2024 Budget Policy
- G. Ordinance for a Budget Amendment for a Buyer Position
- H. Resolution Authorizing a Salary Adjustment for the Winnebago County Supervisor of Assessments
- I. Resolution to Approve Payment of Stipends to the Regional Superintendent and Assistant Regional Superintendent of Schools (Boone and Winnebago Counties)
- J. Ordinance for a Budget Amendment for Procurement of Karpel Solutions Case Management System for the State’s Attorney’s and Public Defender’s Offices
- K. Ordinance for Approval of Budget Amendment for Reimbursable Technology Expenditures
- L. Resolution Approving an Agreement between the County of Winnebago and Winnebago Homes Association for Emergency Rental Assistance Program 2 Funds
- M. Resolution Authorizing the Execution of Contracts to Temporarily Extend the Current Cable Television Franchise Agreements

N. Closed Session to Discuss Pending Litigation

O. Other Matters

P. Adjournment

**Winnebago County Board
Finance Committee Meeting**
County Administration Building
404 Elm Street, Room 303
Rockford, IL 61101

Thursday, February 2, 2023
Immediately Following Operations and Administrative Committee Meeting

Present:

John Butitta, **Chairman**
Jaime Salgado, Vice Chairman
Jean Crosby
Joe Hoffman
Keith McDonald
John F. Sweeney
Michael Thompson

Others Present:

Patrick Thompson, County Administrator
David Rickert, Chief Financial Officer
Lafakeria Vaughn, State's Attorney's Office
Ann Johns, Purchasing Director
Debbie Crozier, Human Resources
Shawn Franks, Facilities
Chris Dornbush, Director of Development Services
Chris Petrus, IT Dept
Rick Ciganek, Sheriff's Office
Tami Goral, WCSO

AGENDA:

- A. Call to Order
- B. Roll Call
- C. Approval of November 17, 2022 Minutes
- D. Public Comment – This is the time we invite the public to address the Finance Committee with issues and concerns. We ask you to limit your comments to three minutes. Personal attacks or inappropriate language of any sort will not be tolerated. We will allow a maximum of five speakers on a first come basis with sign up at the meeting. Speakers may not address zoning matters which are pending before the ZBA, the Zoning Committee or the County Board. Personnel matters or pending or threatened litigation may not be addressed in open session. An individual may speak a maximum of three times per calendar year on the same topic. This prohibition shall include the repetition of the same topic in a statement on what is purported to be a different topic. After acknowledgement by the Chairman, please stand and state your name. Thank you.
- E. Discussion Item Workman's Compensation Review by Deb Crozier (with attachments)
- F. An Ordinance Providing for the Payment of Certain Outstanding Bonds of the County of Winnebago, Illinois, and Authorizing and Directing the Execution of an Escrow Agreement in Connection Therewith
- G. Ordinance for Approval of Budget Amendment for the Circuit Clerk
- H. An Ordinance for Approval of a Budget Adjustment for the Sheriff's Office
- I. Closed Session to Discuss Labor Negotiations
- J. Resolution Authorizing Execution of a Collective Bargaining Agreement with the American Federation of State, County and Municipal Employees, AFL-CIO, Illinois Council 31, Local 473
- K. Resolution Authorizing Execution of a Collective Bargaining Agreement with the Illinois Fraternal Order of Police Labor Council Representing Deputies in the office of the Winnebago County Sheriff

- L. Resolution Authorizing Wage Increases for Non-Bargaining Unit Employees of The County of Winnebago, Illinois
- M. Other Matters
- N. Adjournment

Call to Order

Chairman Butitta called the meeting to order at 7:25 pm.

Roll Call

Chairman Butitta yes, Ms. Crosby yes, Mr. Hoffman yes, Mr. McDonald yes, Mr. Salgado yes, Mr. Sweeney yes, Mr. Thompson yes.

Approval of November 17, 2022 Minutes

Motion: Mr. Thompson. Second: Mr. Hoffman.

Motion passed by unanimous voice vote.

Public Comment

Chairman Butitta omitted reading the Public Comment Section of the Agenda due to no one present to speak.

Discussion Item Workman's Compensation Review by Deb Crozier (with attachments)

Chairman Butitta advised Discussion Item E. is carried over to the next Finance Committee meeting.

Closed Session to Discuss Labor Negotiations

Chairman Butitta called for a motion to enter closed session to discuss labor negotiations.

Motion: Mr. Salgado. Second: Mr. Thompson.

Roll Call: Chairman Butitta yes, Ms. Crosby yes, Mr. Hoffman yes, Mr. McDonald yes, Mr. Salgado yes, Mr. Sweeney yes, Mr. Thompson yes.

Chairman Butitta - No action was taken in Closed Session.

Resolution Authorizing Execution of a Collective Bargaining Agreement with the American Federation of State, County, and Municipal Employees, AFL-CIO, Illinois Council 31, Local 473

Motion: Chairman Butitta. Second: Mr. Salgado.

Motion passed by unanimous voice vote.

Resolution Authorizing Execution of a Collective Bargaining Agreement with the Illinois Fraternal Order of Police Labor Council Representing Deputies in the Office of the Winnebago County Sheriff

Motion: Chairman Butitta. Second: Mr. Thompson.

Motion passed by unanimous voice vote.

Resolution Authorizing Wage Increases for Non-Bargaining Unit Employees of The County of Winnebago, Illinois

Motion: Chairman Butitta. Second: Mr. Salgado.

Motion passed by unanimous voice vote.

An Ordinance Providing for the Payment of Certain Outstanding Bonds of the County of Winnebago, Illinois, and Authorizing and Directing the Execution of an Escrow Agreement in Connection Therewith

Motion: Chairman Butitta. Second: Mr. Salgado.

Mr. Rickert reviewed the summary sheet showing the net financial impact.

Motion passed by unanimous voice vote.

An Ordinance for Approval of a Budget Adjustment for the Sheriff's Office

Motion: Chairman Butitta. Second: Ms. Crosby.

Motion passed by unanimous voice vote.

Ordinance for Approval of Budget Amendment for the Circuit Clerk

Motion: Chairman Butitta. Second: Mr. Thompson.

Chairman Butitta discussed the Ordinance for approval to hire additional staff to support the two new judges. Mr. Salgado advised Mr. Lawson and Mr. Jakeway requested additional judges creating additional cost.

Motion passed by unanimous voice vote.

Other Matters

Chairman Butitta called for any other matters to come before the committee.

- Mr. Salgado reported sending Mr. Thompson, Mr. Butitta and Mr. Rickert information for the ARP Phase 4 on the Ring Doorbells. There was \$100,000 that was removed from ARP Phase 4. Mr. Salgado advised Mr. Nabors brought this to his attention and Mr. Salgado began receiving many calls about the doorbell and would like to add the \$100,000 back in for the doorbells to be made available countywide. This will be added to the agenda for the next meeting.
- Mr. Sweeney suggested agenda items should be staggered when guests attend and are waiting to speak.
- Mr. Rickert advised Abatements were not on the agenda this meeting but will be included at the next committee meeting. The recommendation is to review and vote as a block as they must be on the agenda for approval at the County Board Meeting, February 23, 2023.
- Ms. Vaughn advised Closed Session Finance minutes will be reviewed at the next Finance committee meeting.

Adjournment

Motion: Mr. Sweeney. Second: Mr. Thompson.

Motion to adjourn passed by unanimous voice vote.

Respectfully submitted,

Nancy Bleile
Administrative Assistant

**Winnebago County Board
Finance Committee Meeting**
County Courthouse
400 West State Street, Room 815
Rockford, IL 61101

Thursday, February 23, 2023
5:30 PM (Prior to County Board Meeting)

Present:

John Butitta, **Chairperson**
Jaime Salgado, Vice Chairperson
Jean Crosby
Joe Hoffman
John F. Sweeney
Michael Thompson

Others Present:

David Rickert, Chief Financial Officer
Lafakeria Vaughn, State's Attorney's Office
Chris Petrus, IT Dept.
Michaela Bradley, IT Dept
Rick Ciganek, Sheriff's Office
Tami Goral, WCSO

Absent:

Keith McDonald

AGENDA:

- A. Call to Order
- B. Roll Call
- C. Approval of Minutes - None
- D. Public Comment – This is the time we invite the public to address the Finance Committee with issues and concerns. We ask you to limit your comments to three minutes. Personal attacks or inappropriate language of any sort will not be tolerated. We will allow a maximum of five speakers on a first come basis with sign up at the meeting. Speakers may not address zoning matters which are pending before the ZBA, the Zoning Committee or the County Board. Personnel matters or pending or threatened litigation may not be addressed in open session. An individual may speak a maximum of three times per calendar year on the same topic. This prohibition shall include the repetition of the same topic in a statement on what is purported to be a different topic. After acknowledgement by the Chairperson, please stand and state your name. Thank you.
- E. An Ordinance Abating the 2012C State Income Tax Alternate Bond Property Tax Levy for the year 2022 Payable 2023
- F. An Ordinance to Abate the 2016A Public Safety Sales Tax Alternative Bond Property Tax Levy for the Year 2022 Payable 2023
- G. An Ordinance to Abate the 2016D Public Safety Sales Tax Alternative Bond Property Tax Levy for the Year 2022 Payable 2023
- H. An Ordinance to Abate the 2016E Public Safety Sales Tax Alternative Bond Property Tax Levy for the Year 2022 Payable 2023
- I. An Ordinance to Abate the 2017C Tort Property Tax and Quarter Cent Sales Tax Alternative Bond Property Tax Levy for the Year 2022 Payable 2023
- J. An Ordinance Abating the Tax hereto Levied for the Year 2022 Payable 2023 to Pay the Principle of and Interest on Taxable General Obligation Bonds (Alternative Revenue Source) Series 2018 of Winnebago County, Illinois
- K. An Ordinance to Abate the 2020A Alternative Revenue Bond Property Tax Levy for the Year 2022 Payable 2023

- L. An Ordinance to Abate the 2020B Alternative Revenue Bond Property Tax Levy for the Year 2022 Payable 2023
- M. An Ordinance to Abate the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2021A Bond Property Tax Levy for the Year 2022 Payable 2023
- N. An Ordinance to Abate the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2021B Bond Property Tax Levy for the Year 2022 Payable 2023
- O. An Ordinance to Abate the General Obligation Alternate Refunding Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 2022 Bonds Property Tax Levy for the Year 2022 Payable 2023
- P. An Ordinance Abating Special Tax Roll for 2022 Levy Year for Properties within the Special Service Area for the I39 Baxter Road County Water District Project
- Q. Resolution Modifying the Budget of an American Recovery Act Project for RP011 Animal Service Building Contingency
- R. Ordinance to Amend the Budget for Inmate Medical Contract
- S. Other Matters
- T. Adjournment

Call to Order

Chairperson Butitta called the meeting to order at 5:30 pm.

Roll Call

Chairperson Butitta yes, Ms. Crosby yes, Mr. Hoffman yes, Mr. Salgado yes, Mr. Sweeney yes, Mr. Thompson yes.

Approval of Minutes – None

Public Comment

Chairperson Butitta omitted reading the Public Comment Section of the Agenda due to no one present to speak.

Ordinances E. through P.

Motion: Chairperson Butitta. Second: Mr. Salgado.

Mr. Rickert gave an overview of the Bond Abatements.

Motion passed by unanimous voice vote.

Resolution Modifying the Budget of an American Recovery Act Project for RP011 Animal Service Building Contingency

Motion: Chairperson Butitta. Second: Mr. Salgado.

Mr. Rickert gave a brief explanation of the Resolution.

Motion passed by unanimous voice vote.

Ordinance to Amend the Budget for Inmate Medical Contract

Motion: Chairperson Butitta. Second: Mr. Salgado.

Ms. Goral gave background information on the Ordinance.

Motion passed by unanimous voice vote.

Other Matters

Chairperson Butitta called for any other matters to come before the committee.

Adjournment

Chairperson Butitta called for a motion to adjourn.

Motion: Mr. Hoffman. Second: Mr. Thompson.

Motion to adjourn passed by unanimous voice vote.

Respectfully submitted,

Nancy Bleile
Administrative Assistant

ARP Phase 4 Request List

American Rescue Plan Act Winnebago County	Submitter	Baker Tilly		Rating
		Approved	Amount	
JDC Body Scanner	Debbie Jarvis	Yes	\$ 93,500	1
Winnebago County Employee Hazard Pay	David Rickert	Yes	\$ 2,000,000	2
Economic Development AARC at Booker	Dorothy Redd	Yes	\$ 134,080	3
Tommy Meeks Juneteenth Event	Tommy Meeks	Yes	\$ 5,000	4
Youth Suicide Prevention Program	Marlana Dokken	Yes	\$ 288,000	5
Habitat for Humanity Housing Plan	Dorothy Redd	Yes	\$ 250,000	6
American Legion Post 1207	Burt Gerl	Yes	\$ 176,450	7
Northern Illinois Food Bank - Support Request	Jeannine Kanneg	Yes	\$ 50,000	8
Childrens Advocacy Center	Cathy Pomahac	Yes	\$ 72,000	9
Water Resources Strategic Plan	Joe Chiarelli	Yes	\$ 212,673	10
Rockford Area Arts Council Support Request	Mary McNamara	Yes	\$ 150,000	Medium
Anderson Japanese Gardens Parking Lot	David Anderson	Yes	\$ 50,000	Low
Salon Loyalty ARP Request	TyCeria Posley	Need AP	\$ 170,012	Low
Rockford University Sewer Project	Dr. Eric Fulcomer	Yes	\$ 350,000	Low
Shopstead Storefront for the People	Glenn Greenberg	Revenue Loss	\$ 105,000	Low
Zion West After School Program	Marvin Hightower		\$ 80,000	Low
Zion West After School Program (2)	Marvin Hightower		\$ 272,934	Low
Cosmetology Beauty Institution	Tyceria Posley		\$ 500,000	Low
Times Theater Project	Vince Chiarelli		\$ 500,000	Low
RAEDC Operational Funding	Einar Forsman	Yes	\$ 50,000	Low
Ring Door Bell		Yes	\$ 100,000	low
Bike Path Phase I	Carlos Molina		\$ 100,000	Not Rated
Boys and Girls Club of Rockford (Fire Alarm)	Denise Noe	Yes	\$ 11,660	Not Rated
Boys and Girls Club of Rockford (HVAC)	Denise Noe	Yes	\$ 200,000	Not Rated
Zion West Enterprises nfp (Zion West)	Marvin Hightower		\$ 54,530	Not Rated
Inner City Recon Group (New Carpet)	Tommy Meeks	Yes	\$ 6,220	Not Rated
WFCA-Blackhawk Fire Protection District	Jonathan Trail	Yes	\$ 790,300	Not Rated
WFCA-Cherry Valley Fire Protection District	Joe Corl	Yes	\$ 2,153,310	Not Rated
WFCA-Harlem Roscoe Fire Protection District	Don Shoefflin	Yes	\$ 665,269	Not Rated
WFCA-New Milford Fire Protection District	Jonathan Trail	Yes	\$ 735,300	Not Rated
WFCA-North Park Fire Department	Joel Hallstrom	Yes	\$ 1,057,700	Not Rated
WFCA-Northwest Fire Protection District	Jerry Caskey	Yes	\$ 3,800,000	Not Rated
WFCA-Pecatonica Fire Protection District	Steve Van Vleck	Yes	\$ 2,530,000	Not Rated
WFCA-Rockton Fire Protection District	Kirk Wilson	Yes	\$ 760,000	Not Rated
WFCA-Winnebago County Fire Protection Dist.	Kurt Ditzler	Yes	\$ 866,614	Not Rated
WFCA-West Suburban Fire Department	Lisa Ditzler	Yes	\$ 879,922	Not Rated
WFCA-Win-Bur-Sew FPD	Dave Loria	Yes	\$ 1,267,356	Not Rated
	Total Requests		\$21,487,830	
Budget	\$ 4,300,000	Spent:	\$ 3,281,703	
Available after spent	\$ 1,018,297	High:	\$ -	
Available after high	1,018,297	Medium:	\$ 150,000	
Available after Medium	868,297	Low:	\$ 2,177,946	
Request List as of 2023-04-03.xlsx		Total:	\$ 5,609,649	

ARP Phase 4 Request List

Notes:

(Removed) TIF District Water Project 50% Funding

\$ 2,000,000

New Requests:

Per instruction of the Finance Committee no more new requests will be accepted



Resolution Executive Summary

Prepared By: David J. Rickert
Committee: Finance Committee
Committee Date: 4-6-2023
Resolution Title: Resolution Adopting the Fiscal Year 2024 Budget Policy
County Code: N\A
Board Meeting Date: 4-13-2023

Budget Information:

Was item budgeted? Not Applicable	Appropriation Amount: Not Applicable
If not, explain funding source: Not Applicable	
ORG/OBJ/Project Code: Not Applicable	Budget Impact: Not Applicable

Background Information: The County's budget process is governed by Illinois Compiled Statutes (55 ILCS 5/6) and Winnebago County Board Policies. In addressing concerns for maintaining financial strength while protecting the interest of the taxpayer, the County Board is implementing the following directives for the development of the fiscal year 2024 budget

Recommendation: Administration supports this resolution

Contract/Agreement: Not Applicable

Legal Review: Not Applicable

Follow-Up: Not Applicable

**RESOLUTION OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2023 CR _____

SUBMITTED BY: FINANCE COMMITTEE

SPONSORED BY: JOHN BUTITTA

RESOLUTION ADOPTING FISCAL YEAR 2024 BUDGET POLICY

WHEREAS, the County Board wishes to adopt a budgetary process for use in the 2024 fiscal year; and

WHEREAS, the County Administration has created a process based on sound financial principals for use in the 2024 fiscal year.

NOW, THEREFORE, BE IT RESOLVED, by the County Board of the County of Winnebago, Illinois that it adopts the budgetary process presented by the County Administration for the 2024 fiscal year, a copy of which policy is attached to this Resolution as Exhibit A.

BE IT FURTHER RESOLVED that this Resolution shall be in full force and effect immediately upon its adoption.

BE IT FURTHER RESOLVED, that the Clerk of the County Board is hereby authorized to prepare and deliver certified copies of this Resolution to the County Board Chairman and all County department heads.

**Respectfully Submitted,
FINANCE COMMITTEE**

AGREE

DISAGREE

JOHN BUTITTA, CHAIRMAN

JOHN BUTITTA, CHAIRMAN

JAIME SALGADO, VICE CHAIRMAN

JAIME SALGADO, VICE CHAIRMAN

JEAN CROSBY

JEAN CROSBY

JOE HOFFMAN

JOE HOFFMAN

KEITH McDONALD

KEITH McDONALD

JOHN F. SWEENEY

JOHN F. SWEENEY

MICHAEL THOMPSON

MICHAEL THOMPSON

The above and foregoing Resolution was adopted by the County Board of the County of

Winnebago, Illinois this _____ day of _____ 2023.

ATTESTED BY:

JOSEPH V. CHIARELLI
CHAIRMAN OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

LORI GUMMOW
CLERK OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

Exhibit A



WINNEBAGO COUNTY

Fiscal Year 2024

Budget Policy

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INTRODUCTION

Winnebago County Government operates on policies designed to protect the County's assets and taxpayers' interests, provide guidance to employees, and serve the public efficiently. It is the intent that the policy statements be used to avoid conflicting goals or activities, which may have a negative impact on the overall financial position of the County. The County's system of internal accounting controls is designed to provide reasonable assurance that the financial records are reliable for preparing financial statements and maintaining accountability for assets and obligations.

The County's budget process is governed by Illinois Compiled Statutes (55 ILCS 5/6) and Winnebago County Board Policies (Sec. 2-38 Winnebago County Code of Ordinances). All operating funds (those funds that are presented in the County's Annual Comprehensive Financial Report) are appropriated in the "Official Budget". Appropriations will be considered the maximum authorization to incur obligations and not a mandate to spend.

In addressing concerns for maintaining financial strength while protecting the interest of the taxpayer, the County Board is implementing the following directives for the development of the fiscal year 2024 budget.

ACCOUNTING BASIS

Governmental Funds

The County prepares financial statements based on the modified accrual basis of accounting for all governmental funds in which the revenues are recorded when both measurable and available. The County considers revenue to be available if they are collected within 60 days of the end of the current fiscal period for property taxes, 180 days of the end of the current fiscal policy for certain health department and County reimbursable grants and 90 days of the end of the current period for all other amounts.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Proprietary Funds

The County has two proprietary funds. Expenditures for these funds are budgeted on a full accrual basis of accounting. As such, expenses are recognized when incurred and revenues are recognized when they are obligated to the County.

Under both methods of accounting, Generally Accepted Accounting Principles (GAAP) prescribe that purchases are required to be accounted for in the fiscal year in which the item is received or the service performed. Items ordered or services performed late in the fiscal year and not received or completed by the end of the fiscal year will be applied to the budget of the following year.

BUDGETARY PRIORITIES

Direction is hereby given to the County Administrator and the Chief Financial Officer to create the fiscal year 2024 budget with the following priorities:

1. Debt service payments required
2. Contractual payments based on lease agreements, software agreements and other contractual agreements
3. Mandated services at affordable funding levels
4. All operating necessities (Utilities, IMRF, Health Insurance, Liability Insurance)
5. General operating costs to provide services
6. Non-Union employee compensation
7. Capital needs of the organization
8. Meeting the 25% unrestricted reserve requirement of the General Fund and PSST Fund (See Fund Reserves and Balanced Budgets Section)
9. Outside agency funding to include non-obligated Host Fee Grants and local matching grants

FUND RESERVES AND BALANCED BUDGETS

The intent of the Finance Committee is the budget must balance expenditures against available revenues and fund balance by fund. Special revenue fund expenditure budgets cannot exceed available fund balance of the fund. Special revenue funds with a negative fund balance will not be allowed to submit an expenditure budget until the negative fund balance has been eliminated.

The County has developed a fund reserve policy in which it shall be the intent of the County Board to maintain an unrestricted (total of unassigned) fund balance equal to three months of budgeted operating expenditures in the General Fund and the Public Safety Sales Tax Fund. Surpluses in excess of the necessary reserve required by this policy shall be transferred to the Capital Projects Fund. In addition, it is the intent of the County Board to maintain an unrestricted fund balance equal to three months of budgeted operating expenditures in the River Bluff Nursing Home fund.

BUDGET SUBMITTAL AND PRESENTATION PROCESS

Elected Officials and Department Heads shall be provided budget worksheets with existing levels of funding. Based on revenue estimates for the current and next fiscal year, funding levels may be reduced from the current year's appropriations. Elected Officials and Department Heads are encouraged to analyze all services and programs for the cost of the programs, citizen demand, and mandates by Federal, State or County law.

Exceptions may be considered by the County Administrator and the Chief Financial Officer on a case-by-case basis.

When an Elected Official/Department Head has completed the required budget forms, a meeting can be scheduled (if necessary) with the County Administrator and Chief Financial Officer to review and ensure budget policy compliance. Concerns and/or issues should be addressed by the Department Head/Elected Official at this time. Any resulting changes to submitted budgets will be communicated to the Finance Office for system entry and review. Upon review by County Administrator and Chief Financial Officer, the budget will be scheduled for presentation to the Finance Committee per the attached budget calendar. Meetings will be scheduled with the Finance Committee (if necessary) for individual departments/Elected Officials to address the Finance Committee regarding their individual budget requests.

Prior to the date the County Board places the budget on layover for public review, the Elected Official/Department Head will be required to review the budget as entered in the financial system and sign off that all entered information is correct.

Once the Finance Committee has reviewed departmental budgets, and the recommended supplemental requests have been approved, the budget is moved to the whole board to be placed on public display for a minimum of fifteen (15) days prior to final approval.

The Chief Financial Officer and the County Administrator during the normal course of the budget preparation process may make budget revisions prior to the final board approval of the budget. It should be noted that proposed budget revisions made after the first reading but before final passage shall be documented and presented to the County Board for approval as part of the final budget approval.

New for FY2024, Elected Official/Department Heads will be required to submit a five-year plan for capital improvements. Guidelines for these budgets are on page 7.

REVENUE ESTIMATIONS

The County will project annual revenues on a conservative analytical basis to protect it from short-run fluctuations in any one revenue source. In instances where the County is providing non-mandated services and the revenue stream(s) is/are not covering the costs of said services, direction will be requested by County Administration from the reporting Liaison Committee (and if necessary, the full County Board) on whether said service should be allowed to continue and supplemented with County funds.

Property Tax Assumptions: Winnebago County is mandated to follow the Illinois Property Tax Extension Limitation Law (PTELL) by the State of Illinois. PTELL allows governing bodies the ability to cover the costs of inflationary increases incurred in their day-to-day operations by increasing their previous year's extension by the CPI or 5%, whichever is smallest. For fiscal year 2024 the CPI is 5.0%. During the budget process, County Administration will present the increases available if the County Board chooses to capture new growth and/or to utilize the CPI increase authorized under PTELL in the calculation of property tax revenues when developing the fiscal year 2024 budget. The Finance Committee will inform the Chief Financial Officer of the amount of the levy to include in the budget document.

User Fees and Charges: All user fees and charges should be reviewed by County Administration, Elected Officials and Appointed Department Heads on an annual basis to ensure the fee collected is covering the cost of service provided (subject to State Statutes).

The County charges user fees for items and services which benefit a specific user more than the general public. State statutes or an indirect cost study determines user fees. Fee studies based on costs are conducted as needed to determine the level of fees needed to equal the total cost of providing the service.

Other FY2024 Revenue Assumptions:

- Nonrecurring (one-time) revenue sources will be used for operations unless directed for a specific use by the County Board.
- Cannabis Sales and Excise Taxes support the General Fund.
- All gaming-related revenue, including off-track betting, casino, and video gaming revenues, support the Capital Projects Fund.
- Sale of assets support the Capital Projects Fund.
- New funding sources with a restricted purpose will be reviewed by the County Board to ensure appropriate usage at the department level. Additionally, these funding sources will be identified by a designated project number to meet reporting requirements by the funding agency.

EXPENSE ESTIMATIONS

Salary and Wage Estimates: Each department will be provided a budget document outlining the employees of the department with their rate of pay as of the date of the preparation of the document. It is the responsibility of the department to review the list including the position titles and employment status (FT, PT or seasonal). The department shall budget for any contractual obligations as outlined in respective bargaining contracts for the upcoming year. The department should include any vacant positions that are not included on the list if the intent is to fill that position in the upcoming year.

The Finance Committee will provide the County Administrator the non-union employee wage increase rate to include in the budget document. The Finance Committee will make a recommendation no later than the 1st Finance Committee meeting in June. Non-bargaining employees are eligible to receive the one-percent longevity pay in accordance with County policy and this should be included in the development of the salary and wage budgets.

Employees transferring from one County department to another will be allowed to retain their accrued vacation upon transfer. The new department will assume the liability should the employee terminate their employment while employed by said department.

Grant Budgets: Each department should submit a separate budget document for ongoing grant awards by the project (award) number. Grant revenue estimates should equal grant expenditure estimates for reimbursement-based grants. Grant award performance periods may not align with the County's fiscal year. In such cases, the department should estimate to the best of their ability the expenses that will be incurred for the grant program during the County's fiscal year. Grant budgets should include all applicable expenses as defined in the grant award and approved grant budget.

New grant awards will be budgeted at the time the County Board accepts the award. See further details in the Grant Policy and Grant Procedures documents.

Other FY2024 Expense Assumptions:

- In the event of loss of Federal or State funding and/or reimbursement for specific services, it is understood that Department/Elected Official will be expected to either reduce funded services or identify other reductions/revenue increases to offset the losses. Exceptions will be addressed on a case-by-case basis.
- Contractual obligations should be included in the budget request and, if applicable, noted as a supplemental request.
- Equipment needs and repairs that do not meet the criteria of a capital request as defined below should be included in the departmental operating budgets.
- All appropriations that have not been expended or appropriated to ongoing capital improvement projects shall lapse at the end of the fiscal year.

CAPITAL IMPROVEMENT PROJECTS (CIP) PLANNING AND BUDGETS

The CIP budgets are necessary to provide adequate consideration of the County's short-term and long-term needs and strategic goals and evaluate the options and timing availability of funds to address those needs. As noted in the Revenue Estimate section of this document, the CIP Fund will be funded through Gaming revenue, sale of assets and excess funds in the General and PSST funds. CIP includes major construction, expansion, purchase or major repair of buildings and other physical structures. CIP may also include fleet and equipment replacement needs. Per the County asset policy, capital projects should have a component value greater than \$12,000 and should have a useful life greater than three to five years. CIP does not include highway department projects or equipment funded by grant or other funding sources.

Each Department Head/Elected Official will submit a list of capital needs for the next five years on the document provided for capital requests. Requested projects should be prioritized by the departments. The requesting department should note the need for funding of the project. In addition to the cost of completing the project, the department should identify any costs to operate and maintain the asset over its useful life. These additional expenses would need to be included in the department's operating budget.

Only projects included in the first year of the plan will be considered for approval and funding. Projects presented for future years are shown for planning purposes only. Funding for a capital plan will be reviewed in conjunction with the annual budget. **Submission of capital needs does not guarantee funding.**

Approved CIP projects will be appropriated in the Capital Projects Improvement Fund. County Administration has developed a team consisting of the County Administrator, Chief Financial Officer and representatives from Finance, Purchasing, Facilities, IT and the Sheriff. This team will meet regularly to review and discuss the progress of approved projects.

Capital project appropriations, unlike operating budget appropriations, are typically one-time in nature and the project may take multiple years to complete. Budgetary control for these projects will be at the fund and project level which differs from operating budgets. Due to the fact that capital projects may cross fiscal years, the County Administrator/Chief Financial Officer will have the authority to rollover available project balances to the next fiscal year during the budget preparation process. Each previously approved project will be reviewed with department heads prior to the calculation of the rollover amount. Factors Administration will consider when

calculating the rollover amount would include the timing of any remaining payments and estimated completion percentage. The current year estimated actuals plus any amounts included in the rollover budget will not exceed the amount of the original approved project budget. Administration will not rollover any capital project funds which have not had activity for two fiscal years. A listing of project budgets that are to be rolled over will be reviewed by the aforementioned Administration team and included in the final budget package as presented to the County Board.

CIP appropriations funding projects belonging to the two Enterprise Funds will be budgeted in those respective funds in order to properly track assets according to GAAP and financial reporting. Approval of CIP projects related to these funds will require a budget amendment including a plan to transfer funds from the CIP fund to the Enterprise fund and expenditures for the project in the Enterprise fund. Actual transfers will only be recorded by Finance as related projects are completed.

BUDGET AMENDMENT PROCESS (AFTER ADOPTION BY THE BOARD):

All requests for budget amendments must start with a completed Budget Amendment Form (available upon request from Finance) submitted to the Chief Financial Officer, who upon review, will work with the requesting department head in preparing an ordinance (if required) in the County Board approved format for committee and board presentation.

- The County Board must approve all transfers of budgets between departments or funds by a 2/3rd majority vote (14) of the County Board. (Transfers may not be made from certain special purpose funds to other funds).
- Additional (emergency) appropriations must also be approved by a 2/3rd majority vote (14) of the County Board.
- Budgetary control over expenditures exists at the object-class-level (character code). Line item transfers between object-class-level (character code) or object codes may be requested by the department and approved by the Chief Financial Officer, provided the total amount appropriated by the County Board for the respective department (org code) is not exceeded.

FINANCIAL POLICIES

The following pages include financial policies that have been approved by the County Board. These policies should be considered in addition to the Budget Development Guidelines in completion of budgets.

FISCAL YEAR

The County's fiscal year is October 1st through September 30th. (Set by County Board per 55 ILCS 5/6-1-001).

ACCOUNTING/ AUDITING

State statutes require an annual audit by independent certified public accountants (55 ILCS 5/6-31003). An Annual Comprehensive Financial Report shall be prepared according to the criteria set by the Government Finance Officers Association (GFOA). The County follows Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

ACCOUNTING AND FINANCIAL REPORTING POLICIES

The accounting policies of the County of Winnebago, Illinois will conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB). It shall be the intent of the County to maintain a self-balancing set of accounts on an on-going basis to be closed quarterly. The general ledger will be closed by the Finance department no later than 45 days after month end. The books shall remain open 90 days after the fiscal year end.

It shall be the intent of the County to maintain a program of internal controls to safeguard all assets and ensure effective and efficient use of all assets. It shall be the responsibility of the Finance Director to establish a formal set of "best practice" internal controls. In addition, the County Auditor shall ensure that all departments comply with those controls.

It shall also be the intent for the independent auditor to review the system of internal controls and report any weaknesses detected to the Board as part of the annual audit.

It shall be the intent of the County to utilize fund accounting principles and generally accepted accounting practices in the recording of all financial transactions. The general ledger shall be maintained on a cash basis, with the intent to move to an accrual basis on a quarterly basis. The Finance Committee will be provided with budget versus actual revenue and expenditure reports on a quarterly basis.

It shall be the intent of the County to prepare annually an Annual Comprehensive Financial Report to be presented to the Board no later than 180 days after year-end. The Annual Comprehensive Financial Report should be audited by an independent CPA firm experienced in governmental auditing. It shall be the further intent of the County to present its Annual Comprehensive Financial Report to the Government Finance Officers Association to receive the Certificate of Excellence award in financial reporting. If at any time the County will not receive an unqualified opinion from the CPA firm, the CPA firm and the Finance Director will notify the Board prior to the issuance of the report.

It shall be the intent of the County to maintain a capital asset ledger of all permanent assets acquired. The Finance department will maintain these asset records on an on-going basis to ensure proper controls and report annually regarding these records to the Board. No asset will be considered fixed unless its value or component value exceeds \$12,000 dollars or in the case of infrastructure assets purchased or acquired with an original cost of \$50,000 or more.

Depreciation will be charged on all capital assets. This policy is consistent with the requirements of GASB Statement No. 34. Depreciation will be recorded on a straight-line basis over the normal useful life of the asset.

It shall be the intent of the County to manage all accounts receivable. Accounts receivable are created by operations in certain departments and offices. In general, they arise at the renewal of a permit or license from departments such as Health, River Bluff Nursing Home or Transportation. The department or office that is responsible for the billing is responsible for collections and managing receivables. Consistent with good financial management, each department and office will age their receivables. Departments and Offices shall continue collection efforts.

The Finance department remits vendor payments on a regular schedule twice a month. Vendor payments are released by the County Clerk's office per the defined schedule. Emergency requests for payment are considered

on a case-by-case basis. All remittances will be mailed unless there is a business purpose requiring a department to obtain the check at which time a release form will need to be signed.

It is the intent of the County to comply with the modified accrual basis of accounting, in which revenues are recorded when they are both measurable and available. The County considers revenue to be available if they are collected within 60 days of the end of the current fiscal period for property taxes, 180 days of the end of the current fiscal period for certain health department and County reimbursable grants, and 90 days of the end of the current fiscal period for all other amounts.

GRANTS

The purpose of this policy is to ensure that all grant-funded programs or projects are managed according to the terms set forth in the grant agreement, Winnebago County Grant Administration Policies and Procedures and other applicable County policies and procedures. To inform the County Board of the value of a new grant program, the Board must have full knowledge of the total cost and/or impact of the program and its funding sources. It is a requirement that departments administering grants are familiar with the grant administration policies and procedures; in addition to individual grant requirements.

A grant is an amount of money that a government or other institution gives to an individual or to an organization for a particular purpose.

The following should be considered when applying for, accepting, and/or managing grant awards:

The County Board's definition of a conflicting special condition is:

- A new grant is a grant awarded for a purpose that has not been previously supported by grant funding.
- Grant Award Agreement Federal/State/Local compliance requirements.
- If Indirect Costs are allowable, all new grant application budgets should include the County's 10% de minimis indirect cost rate. If not included, the explanation shall be included in the Grant Summary Worksheet.
- Departments who apply for grants that require a local match must find the local match within their budgets.
- Departments who apply for new grants must understand the special conditions associated with their funding and inform the County Board of the conditions in the Resolution, prior to approval. Upon Board acceptance and approval, the County Board Administration Staff will log each special condition into the Special Conditions System of Register.
 - The County Board's definition of a conflicting special condition is any special condition of funding (outside of standard state/federal conditions) that may prohibit another department's ability to apply for funding.

- Upon notification of a grant award (new or renewal), departments will submit to the respective Committee:
 - Executive Summary and Resolution,
 - Original Grant Award Agreement,
 - Winnebago County Grant Summary Worksheet,
 - And any relevant attachments to the respective Committee.

Upon Committee approval, departments will submit a budget amendment to the Chief Financial Officer to amend the respective budget. A 2/3rd vote of all members constituting the County Board is required to amend department budgets to reflect grant revenues and expenses (55 ILCS 5/6-1003).

- Grants will be controlled at the operating budget level based on the County's fiscal year.
- The grant budget will be periodically reviewed by the designated Grant Managers to ensure that the revenues and expenditures are consistent with the grant award's allowable costs.
- Designated Grant Managers will inform Finance Director of identified sub-award/sub-recipients.
- Grants will be reviewed quarterly, as needed, by the Grant Compliance Officer or Finance Director with the Department Head, Elected Official, or designated Grant Managers.

RISK MANAGEMENT

The County has an established program for unemployment, liability and workers compensation. To forecast expenditures, the County considers claims, retention levels, fixed costs, and fund reserves.

INVESTMENT POLICY

The County Treasurer is responsible for the investing of all Winnebago County funds (55 ILCS 5/3-11006). It is always prudent for any public unit to have an Investment Policy in place for the purpose of safeguarding funds, equitably distributing the investments, and maximizing income of the governmental unit. The following policy is adopted for the Winnebago County Treasurer's Office.

SCOPE OF INVESTMENT POLICY

This Investment Policy applies to the investment activities of all funds under the jurisdiction of the Winnebago County Treasurer. This Investment Policy will also apply to any new funds or temporary funds placed under the jurisdiction of the Winnebago County Treasurer. The Illinois Compiled Statutes will take precedence except where this policy is more restrictive, wherein this policy will take precedence.

OBJECTIVES

The purpose of this Investment Policy of the Winnebago County Treasurer is to establish cash management and investment guidelines for the stewardship of public funds under the jurisdiction of the Winnebago County Treasurer. The specific objectives of this investment policy will be as follows:

1. Safety of Principal.
2. Diversity of investment to avoid unreasonable risks.

3. The portfolio shall remain sufficiently liquid to meet all operating costs, which may be reasonably anticipated.
4. The highest interest rate available will always be the objective of this policy, combined with safety of principal. The Winnebago County Treasurer will require full collateralization of any deposits.
5. In maintaining its investment portfolio, the Winnebago County Treasurer shall avoid any transaction that might impair public confidence in the Winnebago County Treasurer's Office.
6. The Winnebago County Treasurer will give consideration to the financial institutions positive community involvement when consideration is given to the financial institution to be used as a depository.
7. All funds will be invested for a period of one day or longer, depending on the requirement for the disbursement of funds.
8. All funds shall be deposited within two working days at prevailing rates or better, in accordance with Illinois Compiled Statutes.

RESPONSIBILITY

All investment of funds under the control of the Winnebago County Treasurer is the direct responsibility of the Winnebago County Treasurer. The Winnebago County Treasurer shall be responsible for all transactions and shall establish a system of controls of the activities of all subordinates who are directly involved in the assistance of such investment activities.

PRUDENCE

The standard of prudence to be used by investment officials shall be the "prudent person," and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for any individual securities credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.

ACCOUNTING

All investment transactions shall be recorded by the Winnebago County Treasurer or the Winnebago County Treasurer's staff. A report will be generated, at least monthly, listing all active investments, including information regarding securities in portfolio by class or type, book value, interest earned and market value as of report date. This report will be made available to the Winnebago County Board and Winnebago County Treasurer.

FINANCIAL INSTITUTIONS

The Winnebago County Treasurer will have the sole responsibility to select which financial institutions will be depositories for Winnebago County Treasurer funds. The Winnebago County Treasurer will take into consideration security, size, location, condition, service, fees and the community relations involvement of the financial institution when choosing a financial institution.

At no time will the Winnebago County Treasurer investments exceed 65% of the financial institution's capital and surplus.

All financial institutions having any type of financial relationships: deposit investments, loans, etc., are required to provide a complete and current "Call Report," required by their appropriate regulatory authority each calendar quarter within 30 days of the "Call" request date.

INVESTMENT VEHICLES

The Winnebago County Treasurer will use investments approved for governmental units as set forth in the most current issue of the Illinois Compiled Statutes.

COLLATERAL

In order to protect the funds of Winnebago County, it will be a standard practice of the Winnebago County Treasurer to require that all deposits in financial institutions be collateralized. Collateral shall be held under the name of Winnebago County. During the term of the deposit, at least 102% collateralization will be required whenever deposits exceed the insured limits of FDIC. The Winnebago County Treasurer will require a signed

Pledge Agreement between Winnebago County, the Financial Institution, and the Holding Company to be on file at all times.

102% of collateralization of the deposit will be required. Only the following collateral will be accepted:

- U.S. Government direct securities
- Obligations of Federal Instrumentalities
- Obligations of the State of Illinois
- Obligations of the County of Winnebago
- Obligations of municipalities located within the County of Winnebago, subject to acceptance by the Winnebago County Treasurer
- Acceptable Collateral as identified in the Illinois Compiled Statutes for use by the Treasurer of the State of Illinois

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the Winnebago County Treasurer's portfolio, pursuant to the Public Funds Investment Act at 30 Illinois Compiled Statutes 235/2.5 and other provisions included in that Act, along with all other Statutes and Constitutional provisions regarding conflicts of interest and ethical considerations.

SECURITY CONTROLS

Only the Winnebago County Treasurer is authorized to establish financial accounts for the office of Winnebago County Treasurer. At all times either the Winnebago County Treasurer, singly or signatories as designated by the Winnebago County Treasurer, should be authorized to sign on financial accounts of the office of the Winnebago County Treasurer.

ADOPTION

This investment policy or similar policy has been in effect since January 1, 2022. Last revision March 12, 2022.

FISCAL YEAR 2024 BUDGET CALENDAR

Budget Task	Date
Chief Financial Officer and Finance Department to review budget process, refine budget requirements, determine budget calendar and prepare preliminary budget guidelines	Feb 1 st to March 10 th
Finance Committee to review Budget Calendar	March 16 th
Finance Committee to approve 2024 Budget Policy & Guidelines	April 6 th
County Board to approve 2024 Budget Policy & Guidelines	April 13 th
Budget preparation materials are distributed to departments	May 3 rd
Initial forecast of Fiscal Years 2023 and 2024 with tax levy options to be presented to the Finance Committee	June 15 th
Departments to submit all budget documents to the Chief Financial Officer	June 16 th
Departments to submit Budget & Outcome Goals to the Chief Financial Officer	June 21 st
Chief Financial Officer and Administrator to review all preliminary budgets with Departments	June 22 nd – 30 th
Recommended budgets are provided to Department Heads/Elected Officials	July 7 th
Finance Committee will review department budget presentations (if necessary)	July 20 th
Budget to be reviewed by Chairman, Administrator and Chief Financial Officer	July 25 th
County Administrator to present recommended budget to the Committee of the Whole	Aug 10 th
Finance Committee to make recommended budget changes (if necessary)	Aug 17 th
Truth in Taxation Hearing (we will schedule a date if needed)	
Department Heads and Elected Officials sign off sheet on budgets and capital requests due in the Finance Department	Aug 23 rd
Finance Committee to vote on County Budget Ordinance	Aug 31 st
County Board to place balanced Proposed Budget on public display	Sept 7 th
County Board to adopt the appropriation and tax levy ordinance/budget	Sept 28 th

Exhibit B



WINNEBAGO COUNTY

Fiscal Year 202~~4~~

Budget Policy

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INTRODUCTION

Winnebago County Government operates on policies designed to protect the County's assets and taxpayers' interests, provide guidance to employees, and serve the public efficiently. It is the intent that the policy statements be used to avoid conflicting goals or activities, which may have a negative impact on the overall financial position of the County. The County's system of internal accounting controls is designed to provide reasonable assurance that the financial records are reliable for preparing financial statements and maintaining accountability for assets and obligations.

The County's budget process is governed by Illinois Compiled Statutes (55 ILCS 5/6) and Winnebago County Board Policies ([Sec. 2-38 Winnebago County Code of Ordinances](#)). All operating funds (those funds that are presented in the County's Annual Comprehensive Financial Report) are appropriated in the "Official Budget". Appropriations will be considered the maximum authorization to incur obligations and not a mandate to spend.

In addressing concerns for maintaining financial strength while protecting the interest of the taxpayer, the County Board is implementing the following directives for the development of the fiscal year 2024 budget.

ACCOUNTING BASIS

Governmental Funds

The County prepares financial statements based on the modified accrual basis of accounting for all governmental funds in which the revenues are recorded when both measurable and available. The County considers revenue to be available if they are collected within 60 days of the end of the current fiscal period for property taxes, 180 days of the end of the current fiscal policy for certain health department and County reimbursable grants and 90 days of the end of the current period for all other amounts.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Proprietary Funds

The County has two proprietary funds. Expenditures for these funds are budgeted on a full accrual basis of accounting. As such, expenses are recognized when incurred and revenues are recognized when they are obligated to the County.

Under both methods of accounting, Generally Accepted Accounting Principles (GAAP) prescribe that purchases are required to be accounted for in the fiscal year in which the item is received or the service performed. Items ordered or services performed late in the fiscal year and not received or completed by the end of the fiscal year will be applied to the budget of the following year.

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BUDGETARY PRIORITIES

Direction is hereby given to the County Administrator and the Chief Financial Officer to create the fiscal year 2024 budget with the following priorities:

1. Debt service payments required
2. Contractual payments based on lease agreements, software agreements and other contractual agreements
3. Mandated services at affordable funding levels
4. All operating necessities (Utilities, IMRF, Health Insurance, Liability Insurance)
5. General operating costs to provide services
6. Non-Union employee compensation
7. Capital needs of the organization
8. Meeting the 25% unrestricted reserve requirement of the General Fund and PSST Fund (See Fund Reserves and Balanced Budgets Section)
9. Outside agency funding to include non-obligated Host Fee Grants and local matching grants

FUND RESERVES AND BALANCED BUDGETS

The intent of the Finance Committee is the budget must balance expenditures against available revenues and fund balance by fund. Special revenue fund expenditure budgets cannot exceed available fund balance of the fund. Special revenue funds with a negative fund balance will not be allowed to submit an expenditure budget until the negative fund balance has been eliminated.

The County has developed a fund reserve policy in which it shall be the intent of the County Board to maintain an unrestricted (total of unassigned) fund balance equal to three months of budgeted operating expenditures in the General Fund and the Public Safety Sales Tax Fund. Surpluses in excess of the necessary reserve required by this policy shall be transferred to the Capital Projects Fund. In addition, it is the intent of the County Board to maintain an unrestricted fund balance equal to three months of budgeted operating expenditures in the River Bluff Nursing Home fund.

BUDGET SUBMITTAL AND PRESENTATION PROCESS

Elected Officials and Department Heads shall be provided budget worksheets with existing levels of funding. Based on revenue estimates for the current and next fiscal year, funding levels may be reduced from the current year's appropriations. Elected Officials and Department Heads are encouraged to analyze all services and programs for the cost of the programs, citizen demand, and mandates by Federal, State or County law.

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¶ FINANCIAL STRENGTH¶

The County has been significantly impacted financially by the COVID-19 crisis. Revenues have been impacted by business closings, unemployment and other factors. The balances in the General Fund are above the 90 day reserve amount in fiscal year 2022.¶

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Exceptions may be considered by the County Administrator and the Chief Financial Officer on a case-by-case basis.

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When an Elected Official/Department Head has completed the required budget forms, a meeting can be scheduled (if necessary) with the County Administrator and Chief Financial Officer to review and ensure budget policy compliance. Concerns and/or issues should be addressed by the Department Head/Elected Official at this time. Any resulting changes to submitted budgets will be communicated to the Finance Office for system entry and review. Upon review by County Administrator and Chief Financial Officer, the budget will be scheduled for presentation to the Finance Committee per the attached budget calendar. Meetings will be scheduled with the Finance Committee (if necessary) for individual departments/Elected Officials to address the Finance Committee regarding their individual budget requests.

Prior to the date the County Board places the budget on layover for public review, the Elected Official/Department Head will be required to review the budget as entered in the financial system and sign off that all entered information is correct.

Once the Finance Committee has reviewed departmental budgets, and the recommended supplemental requests have been approved, the budget is moved to the whole board to be placed on public display for a minimum of fifteen (15) days prior to final approval.

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The Chief Financial Officer and the County Administrator during the normal course of the budget preparation process may make budget revisions prior to the final board approval of the budget. It should be noted that proposed budget revisions made after the first reading but before final passage shall be documented and presented to the County Board for approval as part of the final budget approval.

New for FY2024, Elected Official/Department Heads will be required to submit a five-year plan for capital improvements. Guidelines for these budgets are on page 7.

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REVENUE ESTIMATIONS

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The County will project annual revenues on a conservative analytical basis to protect it from short-run fluctuations in any one revenue source. In instances where the County is providing non-mandated services and the revenue stream(s) is/are not covering the costs of said services, direction will be requested by County Administration from the reporting Liaison Committee (and if necessary, the full County Board) on whether said service should be allowed to continue and supplemented with County funds.

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Property Tax Assumptions: Winnebago County is mandated to follow the Illinois Property Tax Extension Limitation Law (PTELL) by the State of Illinois. PTELL allows governing bodies the ability to cover the costs of inflationary increases incurred in their day-to-day operations by increasing their previous year's extension by the CPI or 5%, whichever is smallest. For fiscal year 2024 the CPI is 5.0%. During the budget process, County Administration will present the increases available if the County Board chooses to capture new growth and/or to utilize the CPI increase authorized under PTELL in the calculation of property tax revenues when developing the fiscal year 2024 budget. The Finance Committee will inform the Chief Financial Officer of the amount of the levy to include in the budget document.

User Fees and Charges: All user fees and charges should be reviewed by County Administration, Elected Officials and Appointed Department Heads on an annual basis to ensure the fee collected is covering the cost of service provided (subject to State Statutes).

The County charges user fees for items and services which benefit a specific user more than the general public. State statutes or an indirect cost study determines user fees. Fee studies based on costs are conducted as needed to determine the level of fees needed to equal the total cost of providing the service.

Other FY2024 Revenue Assumptions:

- Nonrecurring (one-time) revenue sources will be used for operations unless directed for a specific use by the County Board.
- Cannabis Sales and Excise Taxes support the General Fund.
- All gaming-related revenue, including off-track betting, casino, and video gaming revenues, support the Capital Projects Fund.
- Sale of assets support the Capital Projects Fund.
- New funding sources with a restricted purpose will be reviewed by the County Board to ensure appropriate usage at the department level. Additionally, these funding sources will be identified by a designated project number to meet reporting requirements by the funding agency.

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EXPENSE ESTIMATIONS

Salary and Wage Estimates: Each department will be provided a budget document outlining the employees of the department with their rate of pay as of the date of the preparation of the document. It is the responsibility of the department to review the list including the position titles and employment status (FT, PT or seasonal). The department shall budget for any contractual obligations as outlined in respective bargaining contracts for the upcoming year. The department should include any vacant positions that are not included on the list if the intent is to fill that position in the upcoming year.

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The Finance Committee will provide the County Administrator the non-union employee wage increase rate to include in the budget document. The Finance Committee will make a recommendation no later than the 1st Finance Committee meeting in June. Non-bargaining employees are eligible to receive the one-percent longevity pay in accordance with County policy and this should be included in the development of the salary and wage budgets.

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Employees transferring from one County department to another will be allowed to retain their accrued vacation upon transfer. The new department will assume the liability should the employee terminate their employment while employed by said department.

Grant Budgets: Each department should submit a separate budget document for ongoing grant awards by the project (award) number. Grant revenue estimates should equal grant expenditure estimates for reimbursement-based grants. Grant award performance periods may not align with the County's fiscal year. In such cases, the department should estimate to the best of their ability the expenses that will be incurred for the grant program during the County's fiscal year. Grant budgets should include all applicable expenses as defined in the grant award and approved grant budget.

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New grant awards will be budgeted at the time the County Board accepts the award. See further details in the Grant Policy and Grant Procedures documents.

Other FY2024 Expense Assumptions:

- In the event of loss of Federal or State funding and/or reimbursement for specific services, it is understood that Department/Elected Official will be expected to either reduce funded services or identify other reductions/revenue increases to offset the losses. Exceptions will be addressed on a case-by-case basis.
- Contractual obligations should be included in the budget request and, if applicable, noted as a supplemental request.
- Equipment needs and repairs that do not meet the criteria of a capital request as defined below should be included in the departmental operating budgets.
- All appropriations that have not been expended or appropriated to ongoing capital improvement projects shall lapse at the end of the fiscal year.

CAPITAL IMPROVEMENT PROJECTS (CIP) PLANNING AND BUDGETS

The CIP budgets are necessary to provide adequate consideration of the County's short-term and long-term needs and strategic goals and evaluate the options and timing availability of funds to address those needs. As noted in the Revenue Estimate section of this document, the CIP Fund will be funded through Gaming revenue, sale of assets and excess funds in the General and PSST funds. CIP includes major construction, expansion, purchase or major repair of buildings and other physical structures. CIP may also include fleet and equipment replacement needs. Per the County asset policy, capital projects should have a component value greater than \$12,000 and should have a useful life greater than three to five years. CIP does not include highway department projects or equipment funded by grant or other funding sources.

Each Department Head/Elected Official will submit a list of capital needs for the next five years on the document provided for capital requests. Requested projects should be prioritized by the departments. The requesting department should note the need for funding of the project. In addition to the cost of completing the project, the department should identify any costs to operate and maintain the asset over its useful life. These additional expenses would need to be included in the department's operating budget.

Only projects included in the first year of the plan will be considered for approval and funding. Projects presented for future years are shown for planning purposes only. Funding for a capital plan will be reviewed in conjunction with the annual budget. Submittal of capital needs does not guarantee funding.

Approved CIP projects will be appropriated in the Capital Projects Improvement Fund. County Administration has developed a team consisting of the County Administrator, Chief Financial Officer and representatives from Finance, Purchasing, Facilities, IT and the Sheriff. This team will meet regularly to review and discuss the progress of approved projects.

Capital project appropriations, unlike operating budget appropriations, are typically one-time in nature and the project may take multiple years to complete. Budgetary control for these projects will be at the fund and project level which differs from operating budgets. Due to the fact that capital projects may cross fiscal years, the County Administrator/Chief Financial Officer will have the authority to rollover available project balances to the next fiscal year during the budget preparation process. Each previously approved project will be reviewed with department heads prior to the calculation of the rollover amount. Factors Administration will consider when

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Supplemental Requests¶
Due to anticipated revenue shortfalls in the 2023 budget year no additional funding will be provided during the budget preparation process. Exceptions may be considered by the County Administrator on a case by case basis. Departments with c

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calculating the rollover amount would include the timing of any remaining payments and estimated completion percentage. The current year estimated actuals plus any amounts included in the rollover budget will not exceed the amount of the original approved project budget. Administration will not rollover any capital project funds which have not had activity for two fiscal years. A listing of project budgets that are to be rolled over will be reviewed by the aforementioned Administration team and included in the final budget package as presented to the County Board.

CIP appropriations funding projects belonging to the two Enterprise Funds will be budgeted in those respective funds in order to properly track assets according to GAAP and financial reporting. Approval of CIP projects related to these funds will require a budget amendment including a plan to transfer funds from the CIP fund to the Enterprise fund and expenditures for the project in the Enterprise fund. Actual transfers will only be recorded by Finance as related projects are completed.

BUDGET AMENDMENT PROCESS (AFTER ADOPTION BY THE BOARD):

All requests for budget amendments must start with a completed Budget Amendment Form (available upon request from Finance) submitted to the Chief Financial Officer, who upon review, will work with the requesting department head in preparing an ordinance (if required) in the County Board approved format for committee and board presentation.

- The County Board must approve all transfers of budgets between departments or funds by a 2/3rd majority vote (14) of the County Board. (Transfers may not be made from certain special purpose funds to other funds).
- Additional (emergency) appropriations must also be approved by a 2/3rd majority vote (14) of the County Board.
- Budgetary control over expenditures exists at the object-class-level (character code). Line item transfers between object-class-level (character code) or object codes may be requested by the department and approved by the Chief Financial Officer, provided the total amount appropriated by the County Board for the respective department (org code) is not exceeded.

FINANCIAL POLICIES

The following pages include financial policies that have been approved by the County Board. These policies should be considered in addition to the Budget Development Guidelines in completion of budgets.

FISCAL YEAR

The County's fiscal year is October 1st through September 30th. (Set by County Board per 55 ILCS 5/6-1-001).

ACCOUNTING/ AUDITING

State statutes require an annual audit by independent certified public accountants (55 ILCS 5/6-31003). An Annual Comprehensive Financial Report shall be prepared according to the criteria set by the Government Finance Officers Association (GFOA). The County follows Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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ACCOUNTING AND FINANCIAL REPORTING POLICIES

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The accounting policies of the County of Winnebago, Illinois will conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB). It shall be the intent of the County to maintain a self-balancing set of accounts on an on-going basis to be closed quarterly. The general ledger will be closed by the Finance department no later than 45 days after month end. The books shall remain open 90 days after the fiscal year end.

It shall be the intent of the County to maintain a program of internal controls to safeguard all assets and ensure effective and efficient use of all assets. It shall be the responsibility of the Finance Director to establish a formal set of "best practice" internal controls. In addition, the County Auditor shall ensure that all departments comply with those controls.

It shall also be the intent for the independent auditor to review the system of internal controls and report any weaknesses detected to the Board as part of the annual audit.

It shall be the intent of the County to utilize fund accounting principles and generally accepted accounting practices in the recording of all financial transactions. The general ledger shall be maintained on a cash basis, with the intent to move to an accrual basis on a quarterly basis. The Finance Committee will be provided with budget versus actual revenue and expenditure reports on a quarterly basis.

It shall be the intent of the County to prepare annually an Annual Comprehensive Financial Report to be presented to the Board no later than 180 days after year-end. The Annual Comprehensive Financial Report should be audited by an independent CPA firm experienced in governmental auditing. It shall be the further intent of the County to present its Annual Comprehensive Financial Report to the Government Finance Officers Association to receive the Certificate of Excellence award in financial reporting. If at any time the County will not receive an unqualified opinion from the CPA firm, the CPA firm and the Finance Director will notify the Board prior to the issuance of the report.

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It shall be the intent of the County to maintain a capital asset ledger of all permanent assets acquired. The Finance department will maintain these asset records on an on-going basis to ensure proper controls and report annually regarding these records to the Board. No asset will be considered fixed unless its value or component value exceeds \$12,000 dollars or in the case of infrastructure assets purchased or acquired with an original cost of \$50,000 or more.

Depreciation will be charged on all capital assets. This policy is consistent with the requirements of GASB Statement No. 34. Depreciation will be recorded on a straight-line basis over the normal useful life of the asset.

It shall be the intent of the County to manage all accounts receivable. Accounts receivable are created by operations in certain departments and offices. In general, they arise at the renewal of a permit or license from departments such as Health, River Bluff Nursing Home or Transportation. The department or office that is responsible for the billing is responsible for collections and managing receivables. Consistent with good financial management, each department and office will age their receivables. Departments and Offices shall continue collection efforts.

The Finance department remits vendor payments on a regular schedule twice a month. Vendor payments are released by the County Clerk's office per the defined schedule. Emergency requests for payment are considered

on a case-by-case basis. All remittances will be mailed unless there is a business purpose requiring a department to obtain the check at which time a release form will need to be signed.

It is the intent of the County to comply with the modified accrual basis of accounting, in which revenues are recorded when they are both measurable and available. The County considers revenue to be available if they are collected within 60 days of the end of the current fiscal period for property taxes, 180 days of the end of the current fiscal period for certain health department and County reimbursable grants, and 90 days of the end of the current fiscal period for all other amounts.

GRANTS

The purpose of this policy is to ensure that all grant-funded programs or projects are managed according to the terms set forth in the grant agreement, Winnebago County Grant Administration Policies and Procedures and other applicable County policies and procedures. To inform the County Board of the value of a new grant program, the Board must have full knowledge of the total cost and/or impact of the program and its funding sources. It is a requirement that departments administrating grants are familiar with the grant administration policies and procedures; in addition to individual grant requirements.

A grant is an amount of money that a government or other institution gives to an individual or to an organization for a particular purpose.

The following should be considered when applying for, accepting, and/or managing grant awards;

The County Board's definition of a conflicting special condition is:

- A new grant is a grant awarded for a purpose that has not been previously supported by grant funding.
- Grant Award Agreement Federal/State/Local compliance requirements.
- If Indirect Costs are allowable, all new grant application budgets should include the County's 10% de minimis indirect cost rate. If not included, the explanation shall be included in the Grant Summary Worksheet.
- Departments who apply for grants that require a local match must find the local match within their budgets.
- Departments who apply for new grants must understand the special conditions associated with their funding and inform the County Board of the conditions in the Resolution, prior to approval. Upon Board acceptance and approval, the County Board Administration Staff will log each special condition into the Special Conditions System of Register.
 - The County Board's definition of a conflicting special condition is any special condition of funding (outside of standard state/federal conditions) that may prohibit another department's ability to apply for funding.

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The intent of the Finance Committee is the budget must balance expenditures against available revenues and fund balance by fund.¶
BUDGET PRESENTATION¶

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- Upon notification of a grant award (new or renewal), departments will submit to the respective Committee:
 - Executive Summary and Resolution,
 - Original Grant Award Agreement,
 - Winnebago County Grant Summary Worksheet,
 - And any relevant attachments to the respective Committee.

Upon Committee approval, departments will submit a budget amendment to the Chief Financial Officer to amend the respective budget. A 2/3rd vote of all members constituting the County Board is required to amend department budgets to reflect grant revenues and expenses (55 ILCS 5/6-1003).

- Grants will be controlled at the operating budget level based on the County's fiscal year.
- The grant budget will be periodically reviewed by the designated Grant Managers to ensure that the revenues and expenditures are consistent with the grant award's allowable costs.
- Designated Grant Managers will inform Finance Director of identified sub-award/sub-recipients.
- Grants will be reviewed quarterly, as needed, by the Grant Compliance Officer or Finance Director with the Department Head, Elected Official, or designated Grant Managers.

RISK MANAGEMENT

The County has an established program for unemployment, liability and workers compensation. To forecast expenditures, the County considers claims, retention levels, fixed costs, and fund reserves.

INVESTMENT POLICY

The County Treasurer is responsible for the investing of all Winnebago County funds (55 ILCS 5/3-11006). It is always prudent for any public unit to have an Investment Policy in place for the purpose of safeguarding funds, equitably distributing the investments, and maximizing income of the governmental unit. The following policy is adopted for the Winnebago County Treasurer's Office.

SCOPE OF INVESTMENT POLICY

This Investment Policy applies to the investment activities of all funds under the jurisdiction of the Winnebago County Treasurer. This Investment Policy will also apply to any new funds or temporary funds placed under the jurisdiction of the Winnebago County Treasurer. The Illinois Compiled Statutes will take precedence except where this policy is more restrictive, wherein this policy will take precedence.

OBJECTIVES

The purpose of this Investment Policy of the Winnebago County Treasurer is to establish cash management and investment guidelines for the stewardship of public funds under the jurisdiction of the Winnebago County Treasurer. The specific objectives of this investment policy will be as follows:

1. Safety of Principal.
2. Diversity of investment to avoid unreasonable risks.
3. The portfolio shall remain sufficiently liquid to meet all operating costs, which may be reasonably anticipated.

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4. The highest interest rate available will always be the objective of this policy, combined with safety of principal. The Winnebago County Treasurer will require full collateralization of any deposits.
5. In maintaining its investment portfolio, the Winnebago County Treasurer shall avoid any transaction that might impair public confidence in the Winnebago County Treasurer's Office.
6. The Winnebago County Treasurer will give consideration to the financial institutions positive community involvement when consideration is given to the financial institution to be used as a depository.
7. All funds will be invested for a period of one day or longer, depending on the requirement for the disbursement of funds.
8. All funds shall be deposited within two working days at prevailing rates or better, in accordance with Illinois Compiled Statutes.

RESPONSIBILITY

All investment of funds under the control of the Winnebago County Treasurer is the direct responsibility of the Winnebago County Treasurer. The Winnebago County Treasurer shall be responsible for all transactions and shall establish a system of controls of the activities of all subordinates who are directly involved in the assistance of such investment activities.

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PRUDENCE

The standard of prudence to be used by investment officials shall be the "prudent person," and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for any individual securities credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.

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ACCOUNTING

All investment transactions shall be recorded by the Winnebago County Treasurer or the Winnebago County Treasurer's staff. A report will be generated, at least monthly, listing all active investments, including information regarding securities in portfolio by class or type, book value, interest earned and market value as of report date. This report will be made available to the Winnebago County Board and Winnebago County Treasurer.

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FINANCIAL INSTITUTIONS

The Winnebago County Treasurer will have the sole responsibility to select which financial institutions will be depositories for Winnebago County Treasurer funds. The Winnebago County Treasurer will take into consideration security, size, location, condition, service, fees and the community relations involvement of the financial institution when choosing a financial institution.

At no time will the Winnebago County Treasurer investments exceed 65% of the financial institution's capital and surplus.

All financial institutions having any type of financial relationships: deposit investments, loans, etc., are required to provide a complete and current "Call Report," required by their appropriate regulatory authority each calendar quarter within 30 days of the "Call" request date.

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INVESTMENT VEHICLES

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The Winnebago County Treasurer will use investments approved for governmental units as set forth in the most current issue of the Illinois Compiled Statutes.

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COLLATERAL

In order to protect the funds of Winnebago County, it will be a standard practice of the Winnebago County Treasurer to require that all deposits in financial institutions be collateralized. Collateral shall be held under the name of Winnebago County. During the term of the deposit, at least 102% collateralization will be required whenever deposits exceed the insured limits of FDIC. The Winnebago County Treasurer will require a signed

Pledge Agreement between Winnebago County, the Financial Institution, and the Holding Company to be on file at all times.

102% of collateralization of the deposit will be required. Only the following collateral will be accepted:

- U.S. Government direct securities
- Obligations of Federal Instrumentalities
- Obligations of the State of Illinois
- Obligations of the County of Winnebago
- Obligations of municipalities located within the County of Winnebago, subject to acceptance by the Winnebago County Treasurer
- Acceptable Collateral as identified in the Illinois Compiled Statutes for use by the Treasurer of the State of Illinois

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the Winnebago County Treasurer's portfolio, pursuant to the Public Funds Investment Act at 30 Illinois Compiled Statutes 235/2.5 and other provisions included in that Act, along with all other Statutes and Constitutional provisions regarding conflicts of interest and ethical considerations.

SECURITY CONTROLS

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Only the Winnebago County Treasurer is authorized to establish financial accounts for the office of Winnebago County Treasurer. At all times either the Winnebago County Treasurer, singly or signatories as designated by the Winnebago County Treasurer, should be authorized to sign on financial accounts of the office of the Winnebago County Treasurer.

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The County has an established program for unemployment, liability and workers compensation. To forecast expenditures, the County considers claims, retention levels, fixed costs, and fund reserves.¶

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ADOPTION

This investment policy or similar policy has been in effect since January 1, 2022. Last revision March 12, 2022.

FISCAL YEAR 2024 BUDGET CALENDAR

Budget Task	Date
Chief Financial Officer and Finance Department to review budget process, refine budget requirements, determine budget calendar and prepare preliminary budget guidelines	Feb 1 st to March 10 th
Finance Committee to review Budget Calendar	March 16 th
Finance Committee to approve 2024 Budget Policy & Guidelines	April 6 th
County Board to approve 2024 Budget Policy & Guidelines	April 13 th
Budget preparation materials are distributed to departments	May 3 rd
Initial forecast of Fiscal Years 2023 and 2024 with tax levy options to be presented to the Finance Committee	June 15 th
Departments to submit all budget documents to the Chief Financial Officer	June 16 th
Departments to submit Budget & Outcome Goals to the Chief Financial Officer	June 21 st
Chief Financial Officer and Administrator to review all preliminary budgets with Departments	June 22 nd – 30 th
Recommended budgets are provided to Department Heads/Elected Officials	July 7 th
<u>Finance Committee will review department budget presentations (if necessary)</u>	<u>July 20th</u>
<u>Budget to be reviewed by Chairman, Administrator and Chief Financial Officer</u>	<u>July 25th</u>
<u>County Administrator to present recommended budget to the Committee of the Whole</u>	<u>Aug 10th</u>
<u>Finance Committee to make recommended budget changes (if necessary)</u>	<u>Aug 17th</u>
<u>Truth in Taxation Hearing (we will schedule a date if needed)</u>	
<u>Department Heads and Elected Officials sign off sheet on budgets and capital requests due in the Finance Department</u>	<u>Aug 23rd</u>
<u>Finance Committee to vote on County Budget Ordinance</u>	<u>Aug 31st</u>
<u>County Board to place balanced Proposed Budget on public display</u>	<u>Sept 7th</u>
<u>County Board to adopt the appropriation and tax levy ordinance/budget</u>	<u>Sept 28th</u>

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Ordinance Executive Summary

Prepared By: Ann Johns
Committee: Finance Committee
Committee Date: April 6, 2023
Ordinance Title: Ordinance for a Budget Amendment for a Buyer Position
County Code: Not Applicable
Board Meeting Date: April 13, 2023

Budget Information:

Was item budgeted?	No	Appropriation Amount: \$41,900
If not, explain funding source: General Fund Reserve		
ORG/OBJ/Project Code: 14500 / General Fund Purchasing Salaries and Office Equipment		
FY2023 Budget Impact: \$41,900		

Background Information: The Winnebago County Purchasing Department is requesting a budget amendment to use funds from the General Fund Reserve. We intend on hiring an employee for the position of Buyer, in response to the increase of ARPA, CIP and Forest Preserve bids and purchasing requests we are experiencing. The budget will be used to fund this position for the remaining five months of the current year. Also included is Office Equipment 42115 - (\$500) (Mitel phone equipment) and Non-Capital Computer Equipment 42117 - (\$3400). There are also salary adjustments for staff included in the overall Salary line item for a total Salary 41110 request - (\$38,000).

Recommendation: Patrick Thompson and David Rickert recommend the hiring of a Buyer position for the Department.

Contract/Agreement: Not Applicable

Legal Review: Not Applicable

Follow-Up: Not Applicable

2023 Fiscal Year

Finance: April 6, 2023

Lay Over: April 13, 2023

Sponsored by:

Final Vote: April 27, 2023

John Butitta, Finance Committee Chairman

2023 CO

TO: THE HONORABLE BOARD MEMBERS OF THE COUNTY OF WINNEBAGO, ILLINOIS

The Winnebago County Finance Committee presents the following Ordinance amending the Annual Appropriation Ordinance for the fiscal year ending September 30, 2023 and recommends its adoption.

Ordinance for a Budget Amendment for a Buyer Position

WHEREAS, The Purchasing Department has found itself in need of a buyer due to the increased projects associated with ARPA, CIP and Forest Preserve bids,

WHEREAS, the Winnebago County Board adopted the “Annual Budget and Appropriation Ordinance” for the fiscal year ending September 30, 2023 at its September 29, 2022 meeting; and,

WHEREAS, 55ILCS 5/6-1003(2014), states, “After the adoption of the county budget, no further appropriations shall be made at any other time during such fiscal year, except as provided in this Act. Appropriations in excess of those authorized by the budget in order to meet an immediate emergency may be made at any meeting of the board by a two-thirds vote of all the members constituting such board, the vote to be taken by ayes and nays and entered on the record of the meeting.”

NOW, THEREFORE, BE IT ORDAINED, that the County Board deems that pursuant to provisions as set forth in 55ILCS 5/6-1003(2014), certain conditions have occurred in connection with the operations of the County which are deemed to be immediate emergencies; therefore, the increases detailed per the attached Request for Budget Amendment are hereby authorized for Amendment **#23-018 Purchasing Dept Employee**.

Respectfully Submitted,
FINANCE COMMITTEE

AGREE

DISAGREE

JOHN BUTITTA, CHAIR

JOHN BUTITTA, CHAIR

JAIME SALGADO, VICE CHAIR

JAIME SALGADO, VICE CHAIR

JEAN CROSBY

JEAN CROSBY

JOE HOFFMAN

JOE HOFFMAN

KEITH McDONALD

KEITH McDONALD

JOHN F. SWEENEY

JOHN F. SWEENEY

MICHAEL THOMPSON

MICHAEL THOMPSON

The above and foregoing Ordinance was adopted by the County Board of the County of

Winnebago, Illinois this _____ day of _____ 2023.

ATTESTED BY:

JOSEPH CHIARELLI
CHAIRMAN OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

LORI GUMMOW
CLERK OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

2023
WINNEBAGO COUNTY
 FINANCE COMMITTEE
 REQUEST FOR BUDGET AMENDMENT

DATE SUBMITTED:		3/28/2023			AMENDMENT NO: 23-018			
DEPARTMENT:		Purchasing Department			SUBMITTED BY: Ann Johns			
FUND#:		0001 General Fund			DEPT. BUDGET NO. 14500 Purchasing			
Department Org Number	Object (Account) Number	Project Number	Object (Account) Description	Adopted Budget	Amendments Previously Approved	Revised Approved Budget	Increase (Decrease)	Revised Budget after Approved Budget Amendment
Expenditures								
14500	41110		Regular Salaries	\$256,466	\$0	\$256,466	\$38,000	\$294,466
14500	42115		Non-Capital Equipment	\$0	\$0	\$0	\$500	\$500
14500	42117		Non-Capital Computer Equipment	\$0	\$0	\$0	\$3,400	\$3,400
Revenue								
TOTAL ADJUSTMENT:								
							\$41,900	
Reason budget amendment is required:								
Due to increased purchasing request activity, the Purchasing Department is requesting funds to add an employee and outfit them with technology equipment.								
Potential alternatives to budget amendment:								
None								
Impact to Fiscal Year 2023 budget:								
\$41,900								
Revenue Source:								
General Fund Reserve								



Resolution Executive Summary

Prepared By: David J. Rickert
Committee: Finance Committee
Committee Date: 4-6-2023
Resolution Title: Resolution Authorizing a Salary Adjustment for the Winnebago County Supervisor of Assessments
County Code: N\A
Board Meeting Date: 4-13-2023

Budget Information:

Was item budgeted? Not Applicable	Appropriation Amount: Not Applicable
If not, explain funding source: Not Applicable	
ORG/OBJ/Project Code: Not Applicable	Budget Impact: Not Applicable

Background Information: On October 27, 2022, the Winnebago County Board approved the reappointment of Thomas Hodges, as Winnebago County Supervisor of Assessments for a four-year term from November 8, 2022 to November 8, 2026, with an annual salary of \$93,636.14. The Finance Committee of the County Board of the County of Winnebago, Illinois, having conferred with the County Administration, recommends that the annual salary of the Supervisor of Assessments be adjusted to \$114,188.00, Starting on 10-1-2023.

Recommendation: Administration supports this resolution

Contract/Agreement: Not Applicable

Legal Review: States Attorney's Office did review this proposal

Follow-Up: Will be included in fiscal year 2024 budget

**RESOLUTION
OF THE
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2023 CR _____

SUBMITTED BY: FINANCE COMMITTEE

SPONSORED BY: JOHN BUTITTA

**RESOLUTION AUTHORIZING A SALARY ADJUSTMENT FOR THE
WINNEBAGO COUNTY SUPERVISOR OF ASSESSMENTS**

WHEREAS, the Property Tax Code, 35 ILCS 200/3-40 (Code), provides that the annual salary of the supervisor of assessments is fixed by the county board subject to a minimum amount depending on the population of the county; and

WHEREAS, Section 3-40 of the Code further provides that if the Department of Revenue of the State of Illinois determines that the total assessed value of property in a county, as equalized by the supervisor of assessments under Section 9-210, is between 31 1/3% and 35 1/3% of the total fair cash value of property in the county, subject to appropriation, the Department shall reimburse the county monthly from the Personal Property Tax Replacement Fund 50% of the amount of salary the county paid to the officer for the preceding month; and

WHEREAS, the minimum amount for Winnebago County, Illinois (County) falls into the category of “in counties with 200,000 or more but less than 300,000 inhabitants, not less than \$13,000” and the County meets the parameters for 50% reimbursement by the Department; and

WHEREAS, on October 27, 2022, the Winnebago County Board approved the reappointment of Thomas Hodges, as Winnebago County Supervisor of Assessments for a four-year term from November 8, 2022 to November 8, 2026, with an annual salary of \$93,636.14; and

WHEREAS, the Finance Committee of the County Board of the County of Winnebago, Illinois, having conferred with the County Administration, recommends that the annual salary of the Supervisor of Assessments be adjusted to \$114,188.00, effected 10-1-2023.

NOW, THEREFORE BE IT RESOLVED, by the County Board of the County of Winnebago, Illinois that the annual salary for the Winnebago County Supervisor of Assessments is hereby authorized, set and adjusted from \$93,636.14 to \$114,188.00, effective October 1, 2023.

BE IT FURTHER RESOLVED, that this Resolution shall be in full force and effective immediately upon its adoption and the Clerk of the County Board is hereby authorized to prepare and deliver certified copies of this Resolution to the Winnebago County Treasurer, County Auditor, County Board Office, Director of Human Resources and the Supervisor of Assessments.

Respectfully Submitted,
FINANCE COMMITTEE

AGREE

DISAGREE

JOHN BUTITTA, CHAIRMAN

JOHN BUTITTA, CHAIRMAN

JAIME SALGADO, VICE CHAIRMAN

JAIME SALGADO, VICE CHAIRMAN

JEAN CROSBY

JEAN CROSBY

JOE HOFFMAN

JOE HOFFMAN

KEITH McDONALD

KEITH McDONALD

JOHN F. SWEENEY

JOHN F. SWEENEY

MICHAEL THOMPSON

MICHAEL THOMPSON

The above and foregoing Resolution was adopted by the County Board of the County of
Winnebago, Illinois this _____ day of _____ 2023.

ATTESTED BY:

JOSEPH V. CHIARELLI
CHAIRMAN OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

LORI GUMMOW
CLERK OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS



WINNEBAGO COUNTY

— ILLINOIS —

Memorandum

Date: March, 23, 2023

To: County Chairman, Joseph Chiarelli & County Administrator, Patrick Thompson

From: Supervisor of Assessments, Tom Hodges

Re: Compensation Adjustment for Supervisor of Assessments

Please let this memo serve as a humble request to the Winnebago County Board to review and adjust the salary allocated to the position of Supervisor of Assessments in order to ensure that it is equitable with other Chief County Assessment Officers (CCAO) in similar jurisdictions throughout the State of Illinois. One item to note is that pursuant to Section 3-40 of the Illinois Property Tax Code, 50% of the salary for the position in question is reimbursed monthly by the State of Illinois as long as certain metrics are achieved¹.

Winnebago County, according to the 2020 census, is the 7th most populous county in the State of Illinois. Currently, the salary of the Winnebago County Supervisor of Assessments is ranked 20th³ in the State of Illinois. When viewing the salary per resident of the ten most similar counties based on population (5 larger & 5 smaller), the median salary per resident is \$0.40. This would equate to an annual salary of \$114,188.

I respectfully request that the Winnebago County Board set the annual salary for the Supervisor of Assessments to \$114,188 with future increases that reflect those increases given to other non-bargaining County Employees. This would result in a County expenditure increase of \$10,275.93 (\$46,818.07 to \$57,094) and would allow the County to leverage the State's reimbursement funds to pay a competitive wage in relation to similarly sized jurisdictions.

¹Level of Assessments as determined by the Illinois Department of Revenue is between 31 1/3% & 35 1/3%

²Bureau of Labor Statistics CPI-U year over inflation

³Based on the February 2023 State of Illinois Reimbursement from the Illinois Department of Revenue

CCAO Salary - Statewide

County	CCAO Annual Salary ¹	Population ²	Salary per Resident
DUPAGE	\$160,117.92	934,094	\$0.17
LAKE	\$155,902.32	714,484	\$0.22
KANE	\$146,603.76	518,648	\$0.28
JOHNSON	\$130,000.32	13,238	\$9.82
SHELBY	\$126,660.00	21,160	\$5.99
MACOUPIN	\$125,297.76	45,152	\$2.78
MCHENRY	\$121,836.00	310,749	\$0.39
WILL	\$120,000.00	696,403	\$0.17
MASSAC	\$116,689.92	14,280	\$8.17
COLES	\$110,000.16	47,542	\$2.31
MADISON	\$109,948.80	266,112	\$0.41
SANGAMON	\$105,004.32	196,759	\$0.53
MCLEAN	\$104,209.92	171,455	\$0.61
LA SALLE	\$100,042.08	109,986	\$0.91
CASS	\$96,947.04	13,058	\$7.42
PEORIA	\$95,120.16	182,439	\$0.52
KENDALL	\$95,000.16	130,757	\$0.73
JEFFERSON	\$94,800.24	37,362	\$2.54
WINNEBAGO	\$93,636.24	285,471	\$0.33
WILLIAMSON	\$91,534.08	62,271	\$1.47
DEKALB	\$90,625.44	100,922	\$0.90
CHAMPAIGN	\$89,249.76	206,583	\$0.43
GRUNDY	\$87,393.60	52,364	\$1.67
ROCK ISLAND	\$86,698.56	144,694	\$0.60
WHITESIDE	\$85,680.00	55,932	\$1.53
TAZEWELL	\$85,000.08	131,977	\$0.64
HARDIN	\$83,652.00	3,700	\$22.61
MORGAN	\$83,607.12	33,189	\$2.52
MONROE	\$83,537.76	34,732	\$2.41
KANKAKEE	\$82,740.96	108,104	\$0.77
MACON	\$79,500.00	104,331	\$0.76
LEE	\$79,102.56	34,373	\$2.30
DEWITT	\$78,810.48	16,653	\$4.73
SALINE	\$78,034.08	23,869	\$3.27
JACKSON	\$77,502.00	53,676	\$1.44
VERMILION	\$77,265.12	74,953	\$1.03
BOONE	\$75,377.04	53,592	\$1.41
LIVINGSTON	\$74,300.16	35,902	\$2.07
MASON	\$74,214.96	13,225	\$5.61
CLINTON	\$73,967.04	37,048	\$2.00
ADAMS	\$73,830.96	65,878	\$1.12
HENRY	\$72,500.16	49,412	\$1.47
LOGAN	\$72,000.00	28,238	\$2.55
CARROLL	\$71,646.00	15,586	\$4.60
CHRISTIAN	\$70,353.12	34,038	\$2.07
JO DAVIESS	\$70,303.92	21,995	\$3.20
FULTON	\$69,480.00	34,022	\$2.04
DOUGLAS	\$69,349.44	19,708	\$3.52
EFFINGHAM	\$69,000.96	34,576	\$2.00
OGLE	\$68,900.16	51,787	\$1.33
RANDOLPH	\$68,000.16	30,632	\$2.22
MARION	\$67,200.24	37,781	\$1.78
BUREAU	\$67,158.96	33,338	\$2.01
GREENE	\$66,935.04	12,187	\$5.49
PIATT	\$65,170.80	16,664	\$3.91
STEPHENSON	\$65,000.16	44,817	\$1.45
UNION	\$64,945.92	17,259	\$3.76
SCHUYLER	\$64,887.12	6,953	\$9.33
MENARD	\$64,832.16	12,343	\$5.25
HANCOCK	\$63,282.96	17,750	\$3.57
JERSEY	\$63,202.08	21,533	\$2.94
FAYETTE	\$62,667.12	21,514	\$2.91
CLAY	\$62,628.00	13,313	\$4.70
CRAWFORD	\$62,510.16	18,825	\$3.32
PERRY	\$62,500.08	21,158	\$2.95
WASHINGTON	\$61,450.08	13,827	\$4.44

County	CCAO Annual Salary ¹	Population ²	Salary per Resident
KNOX	\$61,359.84	50,193	\$1.22
LAWRENCE	\$60,000.00	15,465	\$3.88
PIKE	\$59,416.08	14,923	\$3.98
GALLATIN	\$59,310.00	5,038	\$11.77
WHITE	\$58,765.68	13,959	\$4.21
EDWARDS	\$58,184.16	6,233	\$9.33
MARSHALL	\$58,000.08	11,781	\$4.92
MOULTRIE	\$57,915.36	14,634	\$3.96
MONTGOMERY	\$57,500.16	28,482	\$2.02
EDGAR	\$57,253.92	16,998	\$3.37
MCDONOUGH	\$57,000.00	27,743	\$2.05
PUTNAM	\$55,860.96	5,638	\$9.91
BROWN	\$55,500.24	6,330	\$8.77
CLARK	\$55,000.08	15,587	\$3.53
HAMILTON	\$54,727.20	8,021	\$6.82
WAYNE	\$54,621.12	16,250	\$3.36
MERCER	\$54,207.12	15,779	\$3.44
WARREN	\$54,000.00	16,887	\$3.20
HENDERSON	\$53,915.04	6,485	\$8.31
ALEXANDER	\$52,000.08	5,488	\$9.48
RICHLAND	\$51,633.84	15,876	\$3.25
POPE	\$51,225.12	3,820	\$13.41
CUMBERLAND	\$51,042.00	10,528	\$4.85
SCOTT	\$48,420.00	4,923	\$9.84
STARK	\$44,678.16	5,436	\$8.22
WABASH	\$41,800.08	11,414	\$3.66
IROQUOIS	\$21,547.44	27,362	\$0.79

10 Most Similar Counties

County	CCAO Annual Salary ¹	Population ²	Salary per Resident
DUPAGE	\$160,117.92	934,094	\$0.17
LAKE	\$155,902.32	714,484	\$0.22
WILL	\$120,000.00	696,403	\$0.17
KANE	\$146,603.76	518,648	\$0.28
MCHENRY	\$121,836.00	310,749	\$0.39
WINNEBAGO	\$93,636.24	285,471	\$0.33
MADISON	\$109,948.80	266,112	\$0.41
CHAMPAIGN	\$89,249.76	206,583	\$0.43
SANGAMON	\$105,004.32	196,759	\$0.53
PEORIA	\$95,120.16	182,439	\$0.52
MCLEAN	\$104,209.92	171,455	\$0.61

Median Salary per Resident (Not incl. WinnCo.)= \$0.40
285,471 X \$0.40 = \$114,188

Previous WinnCo. CCAO Salary 2018 = \$105,227.20

Year	CPI-U Year % Change
2018	2.4
2019	1.8
2020	1.2
2021	4.7
2022	8

Year	Corresponding Salary
2018	\$105,227.20
2019	\$107,752.65
2020	\$109,692.20
2021	\$111,886.04
2022	\$117,144.69
2023	\$126,516.26

¹Based upon February 2023 State of Illinois Reimbursement

²Based upon 2020 Census



Resolution Executive Summary

Prepared By: David J. Rickert
Committee: Finance Committee
Committee Date: 4-6-2023
Resolution Title: Resolution to Approve Payment of Stipends to the Regional Superintendent and Assistant Regional Superintendent of Schools (Boone and Winnebago Counties)
County Code: N\A
Board Meeting Date: 4-13-2023

Budget Information:

Was item budgeted? Not Applicable	Appropriation Amount: Not Applicable
If not, explain funding source: Not Applicable	
ORG/OBJ/Project Code: Not Applicable	Budget Impact: Not Applicable

Background Information: The County Board of the County of Winnebago, Illinois, desires to provide stipends to the Regional Superintendent and Assistant Regional Superintendent of Schools (Boone and Winnebago Counties) in the total amounts of twenty-five thousand dollars (\$25,000.00) and fifteen thousand dollars (\$15,000.00), respectively. The Resolution shall be in full force and effect October 1st, 2023.

Recommendation: Administration supports this resolution

Contract/Agreement: Not Applicable

Legal Review: States Attorney's Office did review this proposal

Follow-Up: Will be included in fiscal year 2024 budget

**RESOLUTION
OF THE
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2023 CR _____

SUBMITTED BY: FINANCE COMMITTEE

SPONSORED BY: JOHN BUTITTA

**RESOLUTION TO APPROVE PAYMENT OF STIPENDS TO THE REGIONAL
SUPERINTENDENT AND ASSISTANT REGIONAL SUPERINTENDENT OF
SCHOOLS (BOONE AND WINNEBAGO COUNTIES)**

WHEREAS, Section 3-2.5 of the School Code, [105 ILCS 5/3-2.5)] provides that “County boards may provide for additional compensation for the regional superintendent or the assistant regional superintendents, or for each of them, to be paid quarterly from the county treasury” (School Code); and

WHEREAS, both the Regional Superintendent and Assistant Superintendent (Boone and Winnebago Counties) have taken on additional duties and responsibilities within the Regional Office of Education (Boone and Winnebago Counties) and the Office shall have sufficient funding within its fiscal year 2024 budget for both stipends and future stipends shall be budgeted; and

WHEREAS, the stipends for the Regional Superintendent and Assistant Regional Superintendent of Schools shall be paid on a pro-rated quarterly basis; and

WHEREAS, the County Board of the County of Winnebago, Illinois, desires to provide the stipends to the Regional Superintendent and Assistant Regional Superintendent of Schools (Boone and Winnebago Counties) in the total amounts of twenty-five thousand dollars (\$25,000.00) and fifteen thousand dollars (\$15,000.00), respectively.

THEREFORE, BE IT RESOLVED, by the County Board of the County of Winnebago, Illinois, that it approves payment of the stipends to the Regional Superintendent and Assistant Regional Superintendent of Schools (Boone and Winnebago Counties) in the total amounts of twenty-five thousand dollars (\$25,000.00) and fifteen thousand dollars (\$15,000.00) respectively, which shall be paid on a pro-rated quarterly basis, and any future stipends shall be budgeted.

BE IT FURTHER RESOLVED, that the Resolution shall be in full force and effect October 1st, 2023.

BE IT FURTHER RESOLVED, that the Clerk of the County Board shall prepare and deliver certified copies of this Resolution to the Winnebago County Finance Department and the Regional Superintendent of Schools (Boone and Winnebago Counties).

Respectfully Submitted,
FINANCE COMMITTEE

AGREE

DISAGREE

JOHN BUTITTA, CHAIRMAN

JOHN BUTITTA, CHAIRMAN

JAIME SALGADO, VICE CHAIRMAN

JAIME SALGADO, VICE CHAIRMAN

JEAN CROSBY

JEAN CROSBY

JOE HOFFMAN

JOE HOFFMAN

KEITH McDONALD

KEITH McDONALD

JOHN F. SWEENEY

JOHN F. SWEENEY

MICHAEL THOMPSON

MICHAEL THOMPSON

The above and foregoing Resolution was adopted by the County Board of the County of Winnebago, Illinois this _____ day of _____ 2023.

ATTESTED BY:

JOSEPH V. CHIARELLI
CHAIRMAN OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

LORI GUMMOW
CLERK OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS



March 10, 2023

Chairman Chiarelli,

Thank you, and the Winnebago County Board, for taking into consideration a stipend, to be paid, to the Regional Superintendent and Assistant Superintendent of Schools.

In consideration of this, I would ask the board to consider the following:

- Our Regional Office of Education is one of the largest in the state in relation to the amount of students we serve in our region (13 public school districts and over 50,000 students) with additional support to our non-public schools.
- We have one of the largest staffs in the state (nearing 100).
- We have the largest alternative school program in the state (serving 300+ at risk students).
- We have one of the largest teams in the state serving students that are truant (supporting over 700 students and families).
- We annually help secure bus driver permits for over 600 drivers
- We fingerprint approximately 1,700 school employees or support staff a year.
- We increased our professional development support to our community by over 10% from the previous year (over 2,500 participants) and we will serve more this year.
- We annually inspect 111 buildings for fire and health life safety code violations.
- We have provided building permits to over 50 projects totaling nearly \$120,000,000 in construction projects in FY 23.
- We lead a region wide Social Emotional Support initiative from the State Board of Education encompassing 7 Regional Offices of Education for Northwest Illinois.
- In addition, we offer more services and supports.

As a Regional Office we have not asked for an increase in our budget from the County Board in over 6 years. We have made cuts to personnel and become more efficient. To this end, in addition to the regular duties these two positions have in leading an organization and a staff our size, we have taken on the extra duties as technology support, Health Life Safety coordinator, compliance audits, permit applications, and director of the regional SEL work as described above.

The base pay for all regional superintendents of the state is paid by the Illinois State Board of Education (105 ILCS 5/3-2.5). The statute goes on to state at the end of subsection (a) that the Regional Superintendent's respective County Board may provide additional compensation. This is precisely what many County Boards have done for their Regional Superintendents.

As proposed to Mr. Thompson in our discussions over the last few years, this stipend can be paid with the current budget the County Board has allocated. There would be no need for extra funding or even a budget amendment.

I was asked to research a fair amount for the stipend and it ranged in a variety of amounts but the common amount was that many are paid a stipend similar to comparable positions within the County Government. In looking at the published salaries in the County, I believe what has been requested is fair.

Lastly, as presented in the resolution created by the States Attorney's office, the annual stipend would always be subject to available funds within the Board approved budget. This is a protection for the County Board to know our intention would not receive the stipend one year then ask for a large increase to sustain it in the future. Any additional funding for our budget would be tied to specific needs or staffing NOT connected with the roles and responsibilities we carry in our local office.

In summary I believe the County Board should support this for the following reasons:

- We are a leading Regional Office of Education providing some of the highest quality and quantity of support to our schools in the state,
- School Code clearly allows this as an option,
- We have provided a proposal with checks and balances in it to protect the County Budget in the future,
- And we can and will fund it with the already approved budget with no additions or amendments needed.

For further information on the work we provide, I have included a link to our annual report to help get a picture of the service we provide.

<https://roe4.org/images/advocate/2022-annual-report-boone-winnebago-roe4.pdf>

I thank you for your consideration.

Scott Bloomquist
Regional Superintendent of Schools
CC: Patrick Thompson



Ordinance Executive Summary

Prepared By: Dan Magers
Committee: Finance Committee
Committee Date: April 6, 2023
Ordinance Title: Ordinance for a Budget Amendment for procurement of Karpel Solutions Case Management System for the State’s Attorney’s and Public Defender’s Offices
County Code: Not Applicable
Board Meeting Date: April 13, 2023

Budget Information:

Was item budgeted?	No	Appropriation Amount: \$244,725
If not, explain funding source: Pretrial Fairness Act Contingency Budget		
ORG/OBJ/Project Code: 40100 / 40101 /40102 PSST Contingency Budget / PSST State’s Atty / PSST Public Defender		
FY2023 Budget Impact: \$0.00		

Background Information: The Winnebago County State’s Attorney’s Office, Public Defender’s Office, and Department of Information Technology are requesting a budget amendment to receive funds from the Pretrial Fairness Act funding. These funds will be used to procure Karpel Solutions Case Management System. There is a necessity to increase efficiencies and cohesion; as current system “FullCase” is outdated, not meeting the growing needs, and at “end of life” stage.

Recommendation: State’s Attorney J. Hanley

Contract/Agreement:

Legal Review:

Follow-Up: Not Applicable

2023 Fiscal Year

Finance: April 6, 2023

Lay Over: April 13, 2023

Sponsored by:

Final Vote: April 27, 2023

John Butitta, Finance Committee Chairman

2023 CO

TO: THE HONORABLE BOARD MEMBERS OF THE COUNTY OF WINNEBAGO, ILLINOIS

The Winnebago County Finance Committee presents the following Ordinance amending the Annual Appropriation Ordinance for the fiscal year ending September 30, 2023 and recommends its adoption.

**Ordinance for a Budget Amendment
procurement of Karpel Solutions Case Management System**

WHEREAS, The State’s Attorney’s Office and the Public Defender’s Office are in need of a new case management system as their current one is at its end of life,

WHEREAS, the Winnebago County Board adopted the “Annual Budget and Appropriation Ordinance” for the fiscal year ending September 30, 2023 at its September 29, 2022 meeting; and,

WHEREAS, 55ILCS 5/6-1003(2014), states, “After the adoption of the county budget, no further appropriations shall be made at any other time during such fiscal year, except as provided in this Act. Appropriations in excess of those authorized by the budget in order to meet an immediate emergency may be made at any meeting of the board by a two-thirds vote of all the members constituting such board, the vote to be taken by ayes and nays and entered on the record of the meeting.”

NOW, THEREFORE, BE IT ORDAINED, that the County Board deems that pursuant to provisions as set forth in 55ILCS 5/6-1003(2014), certain conditions have occurred in connection with the operations of the County which are deemed to be immediate emergencies; therefore, the increases detailed per the attached Request for Budget Amendment are hereby authorized for Amendment **#23-019 Karpel Case Management System**.

Respectfully Submitted,
FINANCE COMMITTEE

AGREE

DISAGREE

JOHN BUTITTA, CHAIR

JOHN BUTITTA, CHAIR

JAIME SALGADO, VICE CHAIR

JAIME SALGADO, VICE CHAIR

JEAN CROSBY

JEAN CROSBY

JOE HOFFMAN

JOE HOFFMAN

KEITH McDONALD

KEITH McDONALD

JOHN F. SWEENEY

JOHN F. SWEENEY

MICHAEL THOMPSON

MICHAEL THOMPSON

The above and foregoing Ordinance was adopted by the County Board of the County of

Winnebago, Illinois this _____ day of _____ 2023.

ATTESTED BY:

JOSEPH CHIARELLI
CHAIRMAN OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

LORI GUMMOW
CLERK OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

2023
WINNEBAGO COUNTY
 FINANCE COMMITTEE
 REQUEST FOR BUDGET AMENDMENT

DATE SUBMITTED:		3/28/2023			AMENDMENT NO: 23-019			
DEPARTMENT:		State's Attorney, and Public Defender			SUBMITTED BY: Dan Magers			
FUND#:		0101 PSST Fund			40100 Public Safety Sales Tax 40101 State's Attorney DEPT. BUDGET NO. 40102 Public Defender			
Department Org Number	Object (Account) Number	Project Number	Object (Account) Description	Adopted Budget	Amendments Previously Approved	Revised Approved Budget	Increase (Decrease)	Revised Budget after Approved Budget Amendment
Expenditures								
40100	41999		Contingency Budget	\$2,250,000	(\$36,392)	\$2,213,608	(\$244,725)	\$1,968,883
40101	43167		Software Subscription	\$0	\$0	\$0	\$180,600	\$180,600
40102	43167		Software Subscription	\$0	\$0	\$0	\$64,125	\$64,125
Revenue								
TOTAL ADJUSTMENT:							\$0	
Reason budget amendment is required:								
The State's Attorney's Office and Public Defender's Office are in need of a new court management system as their old one FullCase software has reached it's end of life and is no longer being supported.								
Potential alternatives to budget amendment:								
None								
Impact to Fiscal Year 2023 budget:								
\$0								
Revenue Source:								
PSST Pretrial Fairness Act Contingency Budget								

PROSECUTORbyKarpel (PbyK)	
Software Product / Licensing	\$225,750
Installation Services	\$15,350
Professional Services	\$62,100
Training Services	\$26,400
Customization Services	\$15,000
Estimated Travel Expenses	\$16,300
Year 1 Support Services	\$67,725
Sub Total	<u>\$428,625</u>
20% Contingency	<u>\$85,725</u>
Estimated Total	<u><u>\$514,350</u></u>
Total Due at signing (FY23)	\$180,600
Total Due in FY24	\$401,475
Projected Ongoing Annual Maintenance	\$67,725

DEFENDERbyKarpel (DbyK)	
Software Product / Licensing	\$67,500
Installation Services	\$8,250
Professional Services	\$31,700
Training Services	\$12,000
Customization Services	\$15,000
Estimated Travel Expenses	\$5,400
Year 1 Support Services	\$30,375
Sub Total	<u>\$170,225</u>
20% Contingency	<u>\$34,045</u>
Estimated Total	<u><u>\$204,270</u></u>
Total Due at signing (FY23)	\$64,125
Total Due in FY24	\$170,520
Projected Ongoing Annual Maintenance	\$30,375

Combined Total Due at Signing (FY23)	\$244,725
Combined Total Due in FY24 (Includes Maintenance)	\$571,995
Projected Combined Ongoing Annual Maintenance (FY25 forward)	\$98,100



Ordinance Executive Summary

Prepared By: Circuit Court – Thomas Jakeway

Committee: Finance

Committee Date: April 6, 2023

Resolution Title: Ordinance for Approval of Budget Amendment for Reimbursable Technology Expenditures

County Code: Winnebago County Purchasing Ordinance

Board Meeting Date: April 13, 2023

Budget Information:

Was item budgeted? No	Appropriation Amount: \$167,295
If not, explain funding source: Pre-Approved State Reimbursement	
ORG/OBJ/Project Code: 32000-42290 Circuit Court\Other Departmental Supplies	
Budget Impact: Neutral	

Background Information:

The Administrative Office of the Illinois Courts is administering a Court Technology Modernization Program for court technology needs. The Court and County were jointly awarded specified reimbursable expenses totaling \$167,295. Approved goods and services will support courtroom operations and court staff, inclusive of capital improvement wiring needs in all of the courtrooms.

Recommendation: Good/resources were selected in consultation with the Department of Information Technology and Winnebago County Facilities.

Contract/Agreement: See attached.

Legal Review: Not necessary

Follow-Up: Process necessary reimbursement paperwork.

ORDINANCE
of the
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS

Sponsored by: John Butitta, Committee Chairman
Submitted by: Finance Committee

2023 CR

ORDINANCE FOR APPROVAL OF BUDGET AMENDMENT FOR REIMBURSEABLE TECHNOLOGY

WHEREAS, the Winnebago County Board adopted the “Annual Budget and Appropriations Ordinance” for the fiscal year ending September 30, 2023 at its September 29, 2022 Board Meeting;

WHEREAS, 55ILCS 5/6-1003(2014), states, “After the adoption of the county budget, no further appropriations shall be made at any other time during such fiscal year, except as provided in this Act. Appropriations in excess of those authorized by the budget in order to meet an immediate emergency may be made at any meeting of the board by a two-thirds vote of all the members constituting such board, the vote to be taken by ayes and nays and entered on the record of the meeting; and

WHEREAS, preapproved reimbursement funds from the Administrative Office of the Illinois Courts have been awarded to the Winnebago County Circuit Court for court technology expenses;

NOW, THEREFORE, BE IT ORDAINED, that the County Board deems that pursuant to the provisions as set forth in 55ILCS 5/6-1003 (2014), certain conditions have occurred in connection with the operations of the County which are deemed to be immediate emergencies; therefore the increases detailed per the attached Request for Budget Amendment are hereby authorized for Amendment **#2023- Reimbursable Technology Expenditures**.

BE IT FURTHER ORDAINED that this Ordinance shall be in full force and effective immediately upon its adoption and the Clerk of the County Board is hereby authorized to prepare and deliver certified copies of this Ordinance to the Office of the Chief Judge, Director of Purchasing, Finance Director, County Board Office and County Auditor.

Respectfully Submitted,
FINANCE COMMITTEE

AGREE

DISAGREE

JOHN BUTITTA, CHAIR

JOHN BUTITTA, CHAIR

JAIME SALGADO, VICE CHAIR

JAIME SALGADO, VICE CHAIR

JEAN CROSBY

JEAN CROSBY

JOE HOFFMAN

JOE HOFFMAN

KEITH McDONALD

KEITH McDONALD

JOHN F. SWEENEY

JOHN F. SWEENEY

MICHAEL THOMPSON

MICHAEL THOMPSON

The above and foregoing Ordinance was adopted by the County Board of the County of Winnebago, Illinois
this _____ day of _____ 2023.

ATTESTED BY:

JOSEPH CHIARELLI
CHAIRMAN OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

LORI GUMMOW
CLERK OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

2023
WINNEBAGO COUNTY
 FINANCE COMMITTEE
 REQUEST FOR BUDGET AMENDMENT

DATE SUBMITTED:	3/6/2023	AMENDMENT NO: 2022-
DEPARTMENT:	Circuit Court	SUBMITTED BY: Thomas Jakeway
FUND#:	32000	DEPT. BUDGET NO.

Department Org Number	Object (Account) Number	Object (Account) Description	Adopted Budget	Amendments Previously Approved	Revised Approved Budget	Increase (Decrease)	Revised Budget after Approved Budget Amendment
32000	42290	Other Dept. Supplies	\$5,000	\$0	\$5,000	\$167,295	\$172,295
32000	32240	Revenue	\$76,000	\$0	\$72,000	\$167,295	\$239,295
TOTAL ADJUSTMENT:						\$0	\$0

Reason budget amendment is required:

The Administrative Office of the Illinois Courts is administering a Court Technology Modernization Program for court technology needs. Preapproved reimbursement funds from the Administrative Office of the Illinois Courts have been awarded to the Winnebago County Circuit Court for court technology expenses totaling \$167,295. Approved goods and services will support courtroom operations and court staff, inclusive of capital improvement wiring needs in all of the courtrooms.

N/A

Impact to fiscal year 2022 budget:

N/A

Revenue Source: AOIC State Reimbursement



9717 Landmark Parkway | St. Louis, MO 63127 | (314) 892-6300

**WINNEBAGO COUNTY PUBLIC DEFENDER
WINNEBAGO COUNTY, IL**

CONTRACT FOR



DEFENDERbyKarpel® & HOSTEDbyKarpel®

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This agreement between Karpel Computer Systems Inc., a Missouri corporation, doing business as Karpel Solutions (hereinafter referred to as “Karpel Solutions”) and Winnebago County a political subdivision of the State of Illinois (hereinafter referred to as “Client”) is for the purposes of reviewing this proposal and to enter into this Agreement, together with the Master Terms and Conditions expressly incorporated herein, with respect to the license of Karpel Solutions’ copyrighted software program known as DEFENDERbyKarpel® (hereinafter referred to as “DbK”).

1. DEFINITIONS

1. “Confidential Information” means information of either Karpel Solutions or Client which is disclosed under this Agreement in oral, written, graphic, machine recognizable, electronic, sample or any other form by one of us to the other, and which is considered to be proprietary or trade secret by the disclosing party. Confidential Information of Karpel Solutions expressly includes, without limitation, the Software and Documentation. The Confidential Information of Client includes, without limitation, Personally Identifiable Information and Client Content. Confidential Information shall not include information which the party receiving the information can demonstrate: (i) was in the possession of or known by it without an obligation of confidentiality prior to receipt of the information, (ii) is or becomes general public knowledge through no act or fault of the party receiving the information, (iii) is or becomes lawfully available to the receiving party from a third party without an obligation of confidentiality, or (iv) is independently developed by the receiving party without the use of any Confidential Information.
2. “Client Content” means all data, information, documents, and files Client uploads or inputs into DbK on the Service through the website, including, without limitation, Personally Identifiable Information.
3. “Enhancements” means any specific configurations or customizations to the Software, which Client may request, and Karpel Solutions agrees in writing to provide.
4. “Documentation” means any operating instructions, specifications and other documentation related to the operation, description and function of DbK, the Service or Website provided by Karpel Solutions whether supplied in paper or electronic form.
5. “Intellectual Property” (IP) means any patents, patent applications, copyrights, mask works, trademarks, service marks, trade names, domain names, inventions, improvements (whether patentable or not), trade secrets, Confidential Information, moral rights, and any other intellectual property rights provided by applicable law.
6. “Hosted” or “Hosting” means the act of providing service and access to Client Content by the Internet.
7. “Personally Identifiable Information” (PII) means any information that may be used to identify specific persons or individuals, which is collected by either Karpel Solutions or Client for use in conjunction with the use of DbK on HOSTEDbyKarpel. Personally Identifiable Information shall be considered Confidential Information.

8. "DbK" mean the DEFENDERbyKarpel® case management system and specifically the Client's licensed copy of DbK.
9. "Service" means the HOSTEDbyKarpel hosting platform provided by Karpel Solutions which allows internet-based hosting of the Client's licensed copy of DbK through the Website.
10. "Service Level Requirements" means the technical service levels Karpel Solutions shall meet for Services as set forth below in the Service Level Commitments for the delivery of the Services.
11. "Software" means the Client's licensed copy of the DbK application, and includes any and all updates, enhancements, underlying technology or content, law enforcement transfer interfaces, other Enhancements and any Documentation as may be provided the Client by Karpel Solutions.
12. "Website" means the content and functionality currently located at the domain www.hostedbykarpel.com on the internet, or any successor or related domain that provides access to the Software and Service.

2. SCOPE OF WORK

Karpel Solutions will perform all work in accordance with the descriptions, scopes and specifications hereafter described.

<u>Deadline</u>		<u>Minimum Number of Days Out</u>
	Final Contract & Implementation Agreement signed. Project Pre-Implementation Meeting scheduled. Minimum Workstation requirements are explained to agency project manager.	90
	Workstation assessment completed and any necessary hardware or software ordered to meet PbK Installation Prerequisites.	80
	4-hour remote pre-implementation meeting with project manager and System Administrator(s). PbK Overview. Project Team is selected including Karpel Staff and Customer System Administrator(s). (One Customer System Administrator must be a Policy Setting Attorney). This meeting will begin with application overview and enhancement definitions. PbK Pre-load configuration is explained and initial Document Templates are received. Workflow pre-configuration is conducted.	60
	Teleconference status meeting with Karpel and agency project manager will occur to review progress on hardware/software assessments, finalize pre-implementation meeting timeline agreement.	50
	Agency Document Templates are received. System Administrator training begins. Workflow pre-configuration is conducted. System enhancements are completed and demonstrated.	45
	Teleconference status meeting with Karpel and agency project manager will occur to review progress and answer additional questions regarding pre-load spreadsheet.	40

	Karpel Support installation and application testing on each workstation should begin at this time. Karpel Solutions or local IT support will schedule workstation application testing and follow Karpel testing procedures to thoroughly test browser functionality, document generation, Outlook Calendaring and email on each workstation.	35
	The agency project manager will provide Karpel with any additional legacy documents.	35
	Training Schedule is completed with assignment of all office staff to specific training sessions. The Policy Setting Attorney must attend the initial Configuration, Case Initiation and Event Entry sessions at a minimum.	35
	Karpel will install the preliminary document templates and Event Entry Configuration. Application testing will begin. Agency project manager will report all inaccuracies to Karpel. All Custom Enhancements are tested and verified. Begin testing of all application interfaces.	30
	Complete installation and testing of all workstations by Karpel Solutions or local IT support.	14
	Final teleconference status meeting with Karpel and agency project manager to verify final data accuracy.	7
TBD	Final configuration of PbK is performed with all System Administrators. User training begins. Customer begins using PbK in a live state.	<u>Go Live</u>

(hereinafter referred to as “the Project Timeline”).

The above Go Live date will no longer be valid if Client fails to sign this contract within 30 days of receipt. Furthermore, the Project Timeline may be modified as mutually agreed upon by Client and Karpel Solutions.

Karpel Solutions will use its best efforts to convert existing Microsoft Word®, Microsoft Works® and Corel WordPerfect® documents provided by Client up to the time of training as outlined in the Project Timeline listed above into a format that can be utilized by DbK. However, Karpel Solutions does not support, nor will Karpel Solutions convert customized macros, auto-text files or other custom programming items not a part of the ordinary functionality of Microsoft Word®, Microsoft Works® and/or Corel WordPerfect®

3. OTHER WORK

Any additional work requirements outside the scope of this Agreement must be presented in the form of a written change order and must be approved by Client prior to start of such work. No additional charges will be incurred without prior written approval from Client.

4. GENERAL CLIENT RESPONSIBILITIES & OBLIGATIONS

In order for the project to be completed on time and on budget, Client shall provide at a minimum:

1. Access to Client facilities while onsite, as deemed necessary by the Karpel Solutions project manager.
2. Access to systems and equipment as required by Karpel Solutions including:

- a. DbK application access using Karpel Solutions laptops and Client's network for training and application testing.
 - b. Installation of the Karpel Solutions remote support tool on all desktops accessing the DbK application. Failure of Client to provide access to enable support tool will render the Karpel Solutions support null and void.
3. Access to Client data and document templates (if applicable) that will be provided by Client if such data is to be converted and populated by Karpel Solutions into DbK.
 - a. Legacy data (*i.e.*, any data from Client's current system which is being replaced under this Agreement) must be provided to Karpel Solutions as soon as possible but not later than 120 days from the above go live date. Data provided after this date will not be converted unless mutually agreed otherwise.
 - b. Document templates must be provided to Karpel Solutions as soon as possible but no later than 90 days from the above go live date. Document templates provided after this date will not be converted unless mutually agreed otherwise.
4. An authorized contact person with decision making authority to assist in the definition of any project unknowns.
 - a. Appointed decision maker must be present during the following activities:
 - i. Project kickoff
 - ii. Establishment of timeline
 - iii. Interface definition meetings
 - iv. Document review signoff
 - v. Data conversion signoff
5. Sufficient time, if applicable, for all data reviews which will include a minimum of:
 - a. Verification and review of ten (10) cases per year of any legacy system(s) data during each review.
 - b. Client is responsible for validating their data during the project (if applicable). Validating data is key to a successful implementation. If issues arise with converted data after go-live, Karpel Solutions will determine if a fix is possible and an additional fee for this work may be required for the work required to fix the issue.
6. **PASSWORD PROTECTION.** Access to the Software through the Service and Website is password-protected. Karpel Solutions provides multiple authentication alternatives for access to the Website and Software. **KARPEL SOLUTIONS STRONGLY ENCOURAGES THE USE OF STRONG PASSWORD AUTHENTICATION.** Karpel Solutions is not responsible for Client's use of the Service, Website or Software. Only the number of users set forth in the Cost Sheet may access the Service and Website. Client must inform their users that they are subject to, and must comply with, all of the terms of this Agreement. Client is fully responsible for the activities of Client's employees and agents who access the Service and Website. Client agrees that Karpel Solutions is not liable for and Client agrees to hold Karpel Solutions harmless for any unauthorized access to the Service and Website, including without limitation access caused by failure to protect the login and password information of users.

7. **RESTRICTIONS ON USE.** Client agrees to conduct all activities on the Service and Website in accordance with all applicable laws and regulations. Access to the Service, Website, Software and Documentation must be solely for Client’s own internal use. Client may not (and may not allow any third party to) (i) alter, modify, decompile, mirror, translate, disassemble or otherwise reverse engineer any part of the Software, source code, algorithms, or underlying ideas of the Software; (ii) provide, lease, lend, subcontract, sublicense, or re-publish for,, service bureau or hosting purposes any or all of the Software or Documentation; (iii) reproduce, modify, copy, distribute, publish, display or create derivative works of any or all of the Software or Documentation or (iv) alter, remove, or obscure any copyright, trademark or other proprietary notices or confidentiality legends on or in the Software or Documentation.

8. **SUSPENSION.** Karpel Solutions reserves the right to immediately suspend access to Software and/or Website without notice and at any time if Karpel Solutions suspects or has reason to suspect a security or data breach, if suspension is necessary to protect Karpel Solutions’ rights, Client’s rights or the rights of a third party, if Client misuses the Software and/or Website, and/or if Client otherwise violates this Agreement. Karpel Solutions will provide note to client upon suspension of the Service and Website.

5. INVESTMENT SUMMARY

Karpel Solutions will perform its Services as set forth in this Agreement in exchange for payment as set forth below.

Software Products/Licensing	Qty.	Price	Total
DEFENDERbyKarpel	45	\$1,500	\$67,500
Total Software			\$67,500

Installation Services	Qty.	Price	Total
DEFENDERbyKarpel Installation and Configuration	1	\$1,000	\$1,000
Data Preload	1	\$5,000	\$5,000
Client Support Tool, Scanning Tool and System Compatibility Check (per computer)	45	\$50	\$2,250
Total Installation Services			\$8,250

Professional Services	Qty.	Price	Total
Project Management		No Additional Cost	
Pre-Implementation Services (hours, remote)	12	\$150	1 resource \$1,800
Data Conversion: FullCase	1	\$25,000	\$25,000
Mock Go-Live and System Administrator Training (30 days prior to go-live, hours, remote)	8	\$300	2 resources \$2,400
Document Template Setup, Training and Conversion of Up To 100 Document Templates	1	\$2,500	\$2,500
Total Professional Services			\$31,700

Training Services	Qty.	Price	Total
Onsite Training (days)	5	\$2,400	2 resources \$12,000
Post Go-Live Support and Training (remote days)	1	\$1,200	1 resource \$1,200
Total Onsite Training Services			\$12,000

Customization Services	Qty.	Price	Total
Interface: None	0		\$0
Total Customization Services			\$0

Estimated Travel Expenses **\$5,400**

Total One-Time Costs	\$124,850
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Annual Support Services	Qty.	Price	Total
DEFENDERbyKarpel	45	\$450	\$20,250
Unlimited eDiscovery	1	\$5,625	\$5,625
Hosted Services (per user/year)	45	\$100	\$4,500
Total Annual Support Services			\$30,375

Optional Items	Price
JasperSoft Reporting Module	\$1,000
<i>JasperSoft Reporting Module Annual Support</i>	\$5,000
<i>JasperSoft Reporting Module Training (minimum)</i>	\$600
Custom Reports (per report)	\$1,000
Document Template Conversion After 100 Documents (per document)	
<i>Criminal document templates</i>	\$25
<i>Civil document templates</i>	\$50
Additional Storage After Included 2TB (per terabyte, per year)	\$1,000
Additional Storage After Included 2TB (per 100 terabytes, per year)	\$32,000

This pricing is based upon the following terms and conditions:

1. Interfaces must conform to the appropriate DEFENDERbyKarpel® Information Exchange Package Documentation (IEPD) for that interface. Interfaces that do not conform to the appropriate DEFENDERbyKarpel IEPD (i.e., require a new schema to be designed or database modification), will require Karpel Solutions and Client review before approval of both design and potential additional development and maintenance costs.
2. All phase one (1) interfaces must have an IRF (Interface Request Form) completed and signed off by all parties within 30 days of the project kick-off meeting. If not completed within this time frame, the interfaces will be automatically moved into phase 2.

PLEASE NOTE: THERE MAY BE ADDITIONAL COSTS FROM THE OTHER VENDOR(S), WHICH IS NOT INCLUDED WITHIN THE ABOVE PRICING FOR THIS CONTRACT, AND WHICH WILL BE BILLED SEPARATELY. CLIENT SHALL BE SOLELY RESPONSIBLE FOR THESE SEPARATE COSTS.

3. Interfaces not currently in production will be considered as “Phase 2” and implemented post-go live.
4. The above costs do not include additional hardware, Microsoft licenses, or networking services which may be necessary to properly and legally operate DbK. Such expenses are solely the Client’s responsibility.
5. Changes to the Project Timeline or project scope will impact other work of Karpel Solutions and will result in an increased financial burden to Karpel Solutions. As such, if a scheduled go-live date is rescheduled due to delays by the client or a client’s 3rd party vendor, a penalty of 10% of the total first year costs may be assessed by Karpel Solutions as compensation to Karpel Solutions for costs incurred and lost time, including, but not limited to, costs associated with booked travel and accommodations and time that will be lost on other client start dates as a result of Client’s change to the Project Timeline.
6. Karpel Solutions will honor pricing proposals for Optional Services for up to 90 days of execution of this Agreement. Upon the request of Client to provide an Optional Service, an official notice to begin the service must be received from Client before the Optional Services will be provided by Karpel Solutions. This is to ensure there are no misunderstandings between Client and Karpel Solutions as to the provision of Optional Services.
7. The aggregate document / file storage space included with the stated hosted service fee is two terabytes (2TB) of storage per instance of DbK. If the Client’s storage exceeds 2TB in any instance, any additional storage above 2TB will automatically be added to the Client’s bill at a flat rate of \$1,000 per 1TB, per year. Client hereby consents to this additional charge in advance and waives any requirement for additional notice regarding the same.
8. Hosted eDiscovery services will be invoiced monthly at the rate of \$1 per submission to the hosted eDiscovery site if Client does not elect the unlimited annual fee option.
9. All travel costs are estimates and the Client is responsible for all the project’s actual travel expenses to include airfare, lodging, ground transportation, meals, and incidental expenses.
10. As with any project, all prices herein are subject to change as new information arises that will alter or impact the project or as workload for the project increases. Karpel Solutions will seek approval from Client if additional work becomes necessary to make requested changes during the project.
11. In the event Client or Karpel terminates this Agreement, Client understands and agrees to pay \$1,000 to Karpel Solutions as compensation for work to be performed by Karpel Solutions in connection with the return of Client Content and Confidential Information.

5.1 Payment Terms

50% of Software User Licenses is due and must be paid upon execution of this Agreement by Client, with the remaining amount, including first year annual fees, due and payable within thirty (30) days of completion of implementation of the Service and initial training provided to Client by Karpel Solutions.

TERM. Annual Fees in the Agreement will begin upon Client's go live month and will be due each year thereafter, unless Karpel Solutions or Client terminates this Agreement before the renewal date. This Agreement shall be for a term of one (1) year and shall automatically renew for subsequent one-year terms, unless either Karpel Solutions or Client gives notice to the other party at least thirty (30) days prior to the expiration of the then-current term of Karpel Solutions or Client's intent not to renew. Prior to the expiration of the term, Karpel Solutions will send Client a renewal invoice, which must be paid in full within thirty (30) days from the date of the invoice. Pricing for subsequent annual terms is subject to change at the sole discretion of Karpel Solutions. Karpel Solutions will provide Client with at least ninety (90) days' notice of any pricing change prior to the renewal date.

INTEREST AND LATE FEES. Past due accounts will be charged interest on a monthly basis, calculated at one and one-half percent (1.5%) per month of the unpaid balance or the maximum rate allowable by law.

6. ANNUAL SUPPORT

6.1 TECHNICAL SUPPORT FEES

Client understands that technical support fees will be required annually, in order to receive software updates and technical support. The support period shall begin from the date of go-live as part of the initial first year costs. The Client may elect to purchase subsequent annual support, on a yearly basis at a fixed cost, and billed annually, separate and apart from any license fees required by this Agreement. The option to purchase annual support is solely at the Client's discretion. The Client's license to use DbK is not dependent upon the Client purchasing annual support; however, if Client discontinues annual support, Client will not be provided with updated versions of the software, unless it is purchased. Provided Client's computers, network and systems meet recommended specifications set by Karpel Solutions and the Client has purchased and is current with annual support payments, Karpel Solutions will provide updated versions of the System and/or Software as they become available during the terms of the contract. If Client elects to renew the annual support service, Karpel Solutions has the right to increase current pricing for annual support at the time of renewal, provided that notice of the increased pricing is provided to Client prior to the effective date of the renewal of the annual support service.

6.1.1 SUPPORT PROVIDED

Karpel Solutions will provide support (e.g. software updates, general program enhancements and technical support) for all Software provided, including ongoing unlimited telephone technical support problem determination, and resolution.

6.1.2 HOURS OF OPERATION

Karpel Solutions will provide technical support Monday through Friday, at a minimum of eight (8) hours a day. Technical support services shall be available between the hours of 7:00 a.m. through 9:00 p.m. Central time, via a toll-free telephone number provided. After-hours support is available as well via the same toll-free number which will reach the on-call support group.

6.1.3 INCLUDED SUPPORT

Support services include the detection and correction of Software errors and the implementation of all DbK program changes, updates, and upgrades. Karpel Solutions shall respond to the inquiries regarding the use and functionality of the solution as issues are encountered by Authorized Users. Support to users will be provided through the remote support tool installed on the end user's computer. This tool was installed at the time of go-live allowing Karpel to provide the needed support to meet the service level agreement. If this access is not allowed, support will be delayed and the service level agreement (severity levels) will no longer be applicable.

6.1.4 RESPONSE TIMES

Karpel Solutions shall be responsive and timely to technical support calls/inquires made by the Client. The Client will first make support inquires through their qualified system administrators to assure the policies and business practices of the Client are enforced prior to contacting Karpel Solutions. The timeliness of the response is dependent upon the severity of the issue/support problem, as defined below:

The severity of the issue/support problem shall determine the average problem resolution response time as follows:*

**If the remote support tool is not installed or available, all issues will fall into the general assistance and the severity levels are no longer applicable.*

Severity Level 1 shall be defined as urgent situations, when the Client's production system is down and the Client is unable to use DbK, Karpel Solutions' technical support staff shall accept the Client's call for assistance at the time the Client places the initial call; however, if such staff is not immediately available, Karpel Solutions shall return the customer's call within one (1) business hour. Karpel Solutions shall resolve Severity Level 1 problems as quickly as possible, which on average should not exceed two (2) business days, unless otherwise authorized in writing by the Client.

Severity Level 2 shall be defined as critical Software system component(s) that has significant outages and/or failure precluding its successful operation, and possibly endangering the customer's environment. DbK may operate but are severely restricted. Karpel Solutions' technical support staff shall accept the customer's call for assistance at the time the customer places the initial call; however, if such staff is not immediately available, Karpel Solutions shall return the Client's call within four (4) business hours. Karpel Solutions shall resolve Severity Level 2 problems as quickly as possible, which on average should not exceed three (3) business days, unless otherwise authorized in writing by the Client.

Severity Level 3 shall be defined as a minor problem that exists with DbK but the majority of the functions are still usable and some circumvention may be required to provide service. Karpel Solutions' technical support staff shall accept the Client's call for assistance at the time the customer places the initial call; however, if such staff is not immediately available, Karpel Solutions shall return the Client's call on average no later than the next business day. Karpel Solutions shall resolve Severity Level 3 problems as quickly as possible, which should not exceed the next available release of Software, unless otherwise authorized in writing by the Client.

General Assistance: For general Software support/helpdesk calls not covered by the above severity level descriptions, Karpel Solutions' technical support staff shall accept the Client's call for assistance at the time the Client places the initial call; however, if such staff is not immediately available, Karpel Solutions shall return the Client's call on average no later than the next business day.

6.2 SERVICE LEVEL COMMITMENT

UPTIME: Karpel Solutions is committed to providing the Software, Website and Service in a consistent and reliable manner. Karpel Solutions will provide the Software, Website and Service to Client with a stated minimum uptime of 99.5% to Client.

SCHEDULED MAINTENANCE: Karpel Solutions periodically performs scheduled maintenance including, but not limited to, outline, preventative or emergency maintenance of the Software, Website, and/or Service. Client understands that schedule maintenance may affect availability of the Service, Website, and/or Software. If schedule maintenance is to be performed, Karpel Solutions will provide notice to Client three (3) days prior to the scheduled maintenance. Karpel Solutions will make every effort to schedule maintenance outside of normal business hours of the Client between the hours of ten (10) p.m. and five (5) a.m. Central Standard Time.

DATA RETENTION AND BACKUPS: As a part of the Service and Website, Karpel Solutions will maintain under this Agreement consistent, regular and validated backup both onsite and offsite of the Client Content, Confidential Information and Software. Backups occur and will be maintained pursuant to Karpel Solutions internal backup policies. Upon written request, Karpel Solutions will make available to Client a copy of Karpel Solutions' current backup policies and procedures.

AUDITS AND SECURITY: Karpel Solutions is committed to maintaining the security of Client Content, Confidential Information, and Software on Karpel Solutions' Service and Website. Karpel Solutions will maintain the Software, Website and Service in a reasonably secure manner, subject to Client's own obligations to protect and safeguard usernames and passwords on Client's end. Karpel Solutions will perform annual security audits of the Website and Service to ensure the integrity and security of the Website and Service. Results of the Audits and Security Policy for Karpel Solutions will be made available to Client upon written request.

DATA TRANSMISSION: Karpel Solutions ensures that all data transmitted to and from the Service and Website is transmitted at a minimum level of 128-bit SSL encryption using digital certificates issued by an internationally recognized domain registrar and certificate authority.

DATA LOCATION: Karpel Solutions will maintain the Service, Software, Client Content and

Confidential Information of Client in a SAS 70/SSAE 16 certified data facility.

7. OWNERSHIP OF INTELLECTUAL PROPERTY

KARPEL SOLUTIONS OWNERSHIP: Karpel Solutions retains all right, title and interest in and to the Software, Documentation, Website, Service, and related Intellectual Property. Any suggestions, solutions, improvements, corrections, or other contributions Client provides regarding the Software, Documentation, Website or Services will become the property of Karpel Solutions and Client hereby assigns all such rights to Karpel Solutions without charge. Client is granted a non-exclusive, non-transferable license with respect to the Software on the terms and conditions set forth in Section 8 below.

CLIENT OWNERSHIP: Client retains all rights, title, and interest in and to the Client Content. Client hereby grants to Karpel Solutions and Karpel Solutions hereby accepts a non-exclusive, non-transferable, worldwide, fully paid license to use, copy, and modify the Client Content solely to the extent necessary and for the sole purposes of providing access to the Software, Documentation, Website, and Services or otherwise complying with its obligations under this Agreement.

8. LICENSE TERMS AND USE

The Software, DbK, is a proprietary product of Karpel Solutions. It is licensed (not sold) and is licensed to Client for its use and only in accordance with the terms set forth below. During the term of this Agreement, Karpel Solutions hereby grants Client a non-exclusive, non-transferable right and license to use DbK solely in accordance with the terms of this Agreement. Client's license will terminate immediately and automatically upon the expiration or termination of this Agreement. Client may not sub-license any rights under this Agreement to any party without Karpel Solution's prior written consent. Client's license is subject at all times to Client's full compliance with this Agreement.

1. Karpel Solutions hereby grants Client a non-exclusive and non-transferable sublicense to use any associated manuals and/or documentation furnished.
2. Client cannot distribute, rent, sublicense, or lease the Software. A separate license of DbK is required for each authorized user or employee. Each license of DbK may not be shared by more than one full time employee or user (defined as working 20 hours or more per week), nor more than two (2) part-time employees or users (defined as working less than 20 hours per week each and working no more than 40 hours per week combined). The Client agrees that Karpel Solutions will suffer damages from the Client's breach of this term and further agrees that in the event of such breach by Client, Karpel Solutions shall be entitled to and Client must pay to Karpel Solutions the monetary equivalent of the costs that would have been incurred by Client had Client properly obtained the license, installation and training associated with each violation, in addition to any attorneys' fees and costs incurred by Karpel Solutions with respect to the same
3. This license does not transfer any rights to Software source codes, unless Karpel Solutions ceases to do business without transferring its obligations under this Agreement to another qualified software business. Karpel Solutions will, at Client's expense, enter into escrow agreement for the storage of the source codes.

4. DbK and its Documentation are protected by copyright and trade secret laws. Client may not use, copy, modify, or transfer the Software or its Documentation, in whole or in part, except as expressly provided herein. Karpel Solutions retains all rights in any copy, derivative or modification to the Software or its Documentation no matter by whom made. DbK is licensed for single installations of one full time employee or two part-time employees as defined in Section 8.2 above. A separate license is required for each installation of DbK. Client shall not provide or disclose or otherwise make available DbK or any portion thereof in any form to any third party. Client acknowledges that unauthorized copying and distribution will cause substantial damage to Karpel Solutions far greater than the value of the copies involved.
5. DbK was developed exclusively at private expense and is Karpel Solutions' trade secret. For all purposes of the Freedom of Information Act or any other similar statutory right of "open" or public records, the Software shall be considered exempt from disclosure. DbK is "commercial computer software" subject to limited utilization "Restricted Rights." DbK, including all copies, is and shall remain proprietary to Karpel Solutions or its licensors. In the event that a third party seeks to compel disclosure and/or production of the Software, the Documentation, and/or the Website by court order or otherwise, Client shall promptly give notice to Karpel Solutions so as to allow Karpel Solutions to take whatever steps it deems necessary to prevent such disclosure and/or production, and Client agrees to cooperate with Karpel Solutions in connection therewith.
6. Public Agency Participation: Other public agencies may utilize the terms and conditions established by this Contract. "Public agency", for purposes of this paragraph, is defined to include any city, county, district, public authority, public agency, municipality, and other political subdivision. Client is not an agent, partner, or representative of such public agency, and is not obligated or liable for any action or debts that may arise out of such independently negotiated procurements. These so called "piggy-back" awards shall be made independently by each public agency, and that agency shall accept sole responsibility for placing orders with Vendor. Client does not accept any responsibility or involvement in the purchase orders or Contracts issued by other public agencies. Any such contract by another public agency must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of such public agency.

9. WARRANTY

1. LIMITED WARRANTY: Karpel Solutions warrants it will provide the Services and Website in a professional manner by qualified personnel. Karpel Solutions warrants it has the requisite power and authority to enter into and perform its obligations under this Agreement. Karpel Solutions warrants that the performance by Karpel Solutions of any services described in this Agreement shall be in compliance with all applicable laws, rules and regulations. Karpel Solutions warrants it will provide access to and use of the Software, Service and Website in material accordance with the Service Level Commitment outlined in this Agreement. No representations or warranties as to the use, functionality or operation of the Website, Software, or Service are made by Karpel Solutions other than as expressly stated in this Agreement. Karpel Solutions disclaims all other warranties as set forth in Section 9.5 below.

2. INTERNET: Karpel Solutions makes the Website, Software and Services available to Client through the internet to the extent commercially reasonable, and subject to outages, communication and data flow failures, interruptions and delays inherent in Internet communications. Client recognizes that problems with the Internet, including equipment, software and network failures, impairments or congestion, or the configuration of Client's computer systems, may prevent, interrupt or delay Client's access to the Service, Website or Software. Client agrees that Karpel Solutions is not liable for and agreed to hold Karpel Solutions harmless from any delays, interruptions, suspensions or unavailability of the Website or Software attributable to problems with the Internet or the configuration of Client's computer systems or network.
3. SYSTEM REQUIREMENTS: Karpel Solutions provides the Services and Website based upon the system requirements as specified by Karpel Solutions for Client. Client agrees that Karpel Solutions is not liable for and agrees to hold Karpel Solutions harmless from any failure of the Services, or the Software based upon Client's failure to comply with the system requirements of Karpel Solutions.
4. WARRANTY LIMITATION: The warranties set forth in this Agreement do not apply if non-compliance is caused by, or has resulted from (i) Client's failure to use any new or corrected versions of the Software or Documentation made available by Karpel Solutions, (ii) use of the Software, Documentation, Website, or Services by Client for any purpose other than that authorized in this Agreement, (iii) use of the Software, Documentation, Website, or Services in combination with other software, data or products that are defective, incompatible with, or not authorized in writing by Karpel Solutions for use with the Software, Documentation, Website, or Services, (iv) misuse of the Software, Documentation, Website, or Services by Client, (v) any malfunction of Client's software, hardware, computers, computer-related equipment or network connection, (vi) any modification of the Software, Documentation, Website, or Services not performed by or otherwise authorized by Karpel Solutions in writing, or (vii) an event of Force Majeure.
5. DISCLAIMER: THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE MADE IN LIEU OF ALL OTHER WARRANTIES, EITHER EXPRESS AND IMPLIED, WHICH ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NON-INFRINGEMENT, TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING OUT OF A USE IN TRADE OR COURSE OF DEALING OR PERFORMANCE. KARPEL SOLUTIONS DOES NOT WARRANT (i) THAT ACCESS TO OR USE OF ALL OR ANY PART OF THE SERVICE, SOFTWARE, DOCUMENTATION OR WEBSITE WILL BE CONTINUOUS, ERROR-FREE OR UNINTERRUPTED, (ii) THAT THE RESULTS ARISING OUT OF CLIENT'S USE OF THE SOFTWARE, DOCUMENTATION OR WEBSITE WILL BE ACCURATE, COMPLETE OR ERROR-FREE, OR (iii) THAT THE SERVICE, SOFTWARE, DOCUMENTATION OR WEBSITE WILL MEET CLIENT'S NEEDS.
6. EXCLUSIVE REMEDIES: If the Software, Documentation, Website, or Services provided under this Agreement do not materially comply with the requirements stated in the Limited Warranty Section outlined above, Karpel Solutions' sole obligation shall be to correct or modify the Software, Documentation, Website or Services, at no additional charge to Client. If Karpel Solutions determines it is unable to correct what is non-conforming, Client's sole remedy will be to receive a refund of the fees paid for the non-conforming Services, even if such remedy fails of its essential purpose. In that event, Client may also elect to terminate this Agreement as set forth in Section 12 of this Agreement.

10. LIMITATION OF LIABILITY

CLIENT AGREES THAT KARPEL SOLUTIONS IS NOT RESPONSIBLE FOR ANY LOSS OF DATA, COST OF PROCUREMENT OF SUBSTITUTE GOODS, SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY BREACH OF THIS AGREEMENT, EVEN IF KARPEL SOLUTIONS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND CLIENT WAIVES ANY RIGHTS AND AGREES TO HOLD KARPEL SOLUTIONS HARMLESS FROM AND AGAINST ANY SUCH DAMAGES OR LOSSES. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), STATUTE OR OTHERWISE. REGARDLESS OF THE FORM OF THE CLAIM, **KARPEL SOLUTIONS' TOTAL LIABILITY TO THE CLIENT SHALL BE LIMITED TO: (i) THE EXTENT AND AMOUNT OF ANY INSURANCE COVERAGE WHICH IS AVAILABLE FOR SUCH CLAIM(S), OR (ii) THE AMOUNT OF FEES CLIENT HAS PAID TO KARPEL SOLUTIONS PURSUANT TO THIS AGREEMENT IN THE TWELVE (12) MONTH PERIOD PRIOR TO SUCH CLAIM(S) ARISING. TO THE EXTENT THAT INSURANCE COVERAGE IS AVAILABLE FOR SUCH CLAIM(S), CLIENT'S SOLE RECOURSE SHALL BE PAYMENT OF ANY AVAILABLE INSURANCE PROCEEDS.**

11. INDEMNIFICATION

CLIENT'S INDEMNIFICATION: Client will indemnify, defend, and hold harmless Karpel Solutions from and against any and all liability, damage, loss or expense (including reasonable attorneys' fees) arising out of (i) any claim, demand, action or proceeding, statutory or otherwise, relating to the use of the Website, Software, Documentation or Services in a manner not expressly described or permitted by this Agreement, (ii) use of the Website, Software, Documentation or Services in any unlawful manner or for any unlawful purpose, (iii) Karpel Solutions' use of Client Content as permitted by this Agreement that allegedly infringes upon or violates any third party Intellectual Property rights, or (iv) Karpel Solutions' use of Client Content as permitted by this Agreement that allegedly violates privacy rights or other rights with respect to Personally Identifiable Information of a third party.

KARPEL SOLUTIONS' INDEMNIFICATION: Karpel Solutions will indemnify, defend, and hold harmless the Client from and against any claim or suit brought against Client alleging that the Software directly infringes upon or violates any valid U.S. Intellectual Property rights. Karpel Solutions shall have the right to select counsel for purposes of its defense obligations hereunder and will at all times have the right to control the defense of such claim or suit. Karpel Solutions will not be liable for any cost or expense incurred by Client in connection with any such suit or claim, without Karpel Solutions' prior and specific authorization and consent. Client agrees to cooperate with Karpel Solutions and to provide such assistance as may be requested by Karpel Solutions in connection with the defense of such claim or suit.

Notwithstanding the foregoing, Karpel Solutions shall not be obligated to defend or indemnify Client if the infringement claim is based solely or in part upon or arises out of: (i) any modification of or alteration to the Software not made by Karpel Solutions, (ii) any combination or use of the Software with products, hardware or services not supplied by Karpel Solutions or approved in writing by Karpel Solutions in advance of such combination, (iii) Client's continuance of allegedly infringing activity after being notified of such activity, or after being informed of modifications that would have avoided the alleged infringement, (iv) Client's failure to use corrections or enhancements made available by Karpel Solutions, (v) use of the Software not in accordance with the applicable Documentation or this Agreement, or (vi) use of the Software in a manner for which it was neither designed nor contemplated.

In no event shall Karpel Solutions' total liability and obligation under this Section exceed the total fees Client has paid to Karpel Solutions under this Agreement in the twelve (12) month period prior to the assertion or filing of such claim against Client. The foregoing remedies constitute Client's sole and exclusive remedies, and Karpel Solutions' entire liability and obligation with respect to any suit or claim for infringement or misappropriation of third-party Intellectual Property rights or with respect to the Software.

NOTIFICATION OBLIGATIONS OF INDEMNIFIED PARTIES: The indemnification obligations set forth above will apply only if and to the extent (i) the indemnified party gives prompt written notice to the indemnifying party of the assertion of any such claims, demands, action or proceeding, (ii) the indemnifying party has the right to select counsel and control the defense and all negotiations for settlement thereof and (iii) the indemnified party provides all reasonable information, assistance and cooperation required to defend such claim, demand, action or proceeding. The indemnifying party shall not settle or dispose of any such claim, demand, action or proceeding without written notification to the indemnified party in the event that the proposed settlement or disposal would materially adversely impact the indemnified party.

12. TERMINATION

TERMINATION: Client may terminate this Agreement upon thirty (30) days' notice to Karpel Solutions of Client's intent to terminate in the event that Karpel Solutions has failed to perform under or materially breaches this Agreement. Thereafter, Karpel Solutions will have thirty (30) days from the receipt of such notice to cure the alleged failure or breach. If at the end of such thirty (30) day period, Karpel Solutions has not cured the alleged failure or breach, then Client may terminate this Agreement. Karpel Solutions may terminate this Agreement on thirty (30) days' written notice for any reason. Either party may immediately terminate this Agreement in the event the other party (i) files for, or has filed against it, a bankruptcy petition, and such petition is not dismissed within sixty (60) days of the filing date, (ii) ceases to conduct business in the normal course, (iii) makes an assignment for the benefit of its creditors, (iv) is liquidated or otherwise dissolved, (v) becomes insolvent or unable to pay its debts in the normal course, or (vi) has a receiver, trustee or custodian appointed for it.

RIGHTS AFTER EXPIRATION OR TERMINATION: Upon expiration or termination of this Agreement, Karpel Solutions will immediately terminate Client's access to and use of the Website, Documentation, and Services. Upon expiration or termination of this Agreement, each party shall immediately cease use of any Confidential Information received from the other party. Within thirty (30) days of written request following termination or expiration of this Agreement, Karpel Solutions shall coordinate with Client with respect to the return of Client Content and Confidential Information obtained or shared during the course of the Agreement. Client understands that upon any termination or expiration of this Agreement, Client must return to Karpel Solutions (or at Karpel Solutions' election, destroy and certify such destruction in writing) any Documentation or other materials provided by Karpel Solutions, whether in written or electronic form, regarding the Website, Software or Services provided under this Agreement.

13. GENERAL PROVISIONS

NOTICES: Any notices provided under this Agreement will be in writing in the English language and will be deemed to have been properly given if delivered personally or if sent by (i) a recognized overnight courier, (ii) certified or registered mail, postage prepaid, return receipt requested, or (iii) electronic means, followed by mailing a copy by regular U.S. mail, postage prepaid. Karpel Solutions' address for such notices is set forth below. Client's address for such notices will be the address on file with Karpel Solutions as provided by Client. Such address or contact information may be revised from time to time by Karpel Solutions and/or Client by written notice as described in this Section. All notices sent by mail will be deemed received on the tenth (10th) business day after deposit in the mail. All notices sent by overnight courier will be deemed given on the next business day after deposit with the overnight courier. All notices sent by electronic means will be deemed given on the next business day after successful transmission.

Karpel Solutions
c/o Jeffery L. Karpel, CEO
9717 Landmark Parkway, Suite 200
St. Louis, MO 63127
(314) 892-6300
karpel@karpel.com

GOVERNING LAW AND DISPUTE RESOLUTION. This Agreement is to be construed and governed by the laws of the United States and the State of Missouri, without regard to conflict of law's provisions. Any dispute arising out of or in connection with this Agreement must be brought exclusively in the appropriate court(s) located in St. Louis County, Missouri, and Client expressly waives any and all objections regarding jurisdiction, venue, and forum *non conveniens* in such court(s). If either Karpel Solutions or Client employs attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date set forth below. This Agreement, together with the Master Terms and Conditions attached hereto and incorporated herein and all other attachments, constitutes the entire agreement between the parties, superseding all prior written and oral agreements. The parties hereto agree that this Agreement may not be modified, altered, or changed except by a written agreement signed by the parties hereto. Prior to acceptance of this Agreement, Karpel Solutions reserves the right to make modifications to this Agreement. The signatories warrant they have the authority to bind their respective party.

Winnebago County, IL

Karpel Solutions

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

Initials _____

Mailing Contact:

Mailing Address:

Billing Contact:

Phone Number: _____

Email Address: _____

Billing Address:

Tax Exempt? No Yes ***If yes, please attach copy of tax exempt certificate***

Agency Project Manager Contact:

Phone Number: _____

Email Address: _____

Project IT Contact:

Phone Number: _____

Email Address: _____

Initials _____

14. MASTER TERMS AND CONDITIONS

KARPEL COMPUTER SYSTEMS, INC. (dba "Karpel Solutions"), MASTER TERMS AND CONDITIONS

GENERAL TERMS

1. ACCEPTANCE TERM. The proposal attached to these Master Terms and Conditions is tendered for acceptance in its entirety within thirty (30) days from the date of the proposal, after which it is to be considered null and void.
2. MODIFICATION AND WAIVER. Any modifications of this Agreement must be in writing and signed by both parties. Neither party will be deemed to have waived any of its rights under the Agreement by any statement or representation other than (i) by an Authorized Representative and (ii) in an explicit written waiver. No waiver of a breach of this Agreement will constitute a waiver of any prior or subsequent breach of this Agreement.
3. ASSIGNMENT. This Agreement will inure to the benefit of and be binding upon Karpel Solutions, Client, and Karpel Solutions' successors and assigns. Notwithstanding the foregoing, Client may not assign or otherwise transfer this Agreement or Client's rights and obligations under this Agreement without the prior written consent of Karpel Solutions, and any purported assignment or other transfer without such consent will be void and of no force or effect. Karpel Solutions may assign and /or transfer this Agreement or Karpel Solutions' rights and obligations under this Agreement at any time and the Client's consent to such assignment or transfer is not needed.
4. FORCE MAJEURE. Neither party shall be deemed in default of this Agreement, to the extent that performance of its obligations or attempts to cure any breach thereof are delayed or prevented by reason of any act of God, government, fire, natural disaster, accident, terrorism, network or telecommunication system failure, sabotage or any other cause beyond the control of such party ("Force Majeure"), provided that such party promptly gives the other party written notice of such Force Majeure.
5. INDEPENDENT CONTRACTORS. The parties will be deemed to have the status of independent contractors, and nothing in this Agreement will be deemed to place the parties in the relationship of employer-employee, principal-agent, or partners or joint ventures. Neither party has the authority to bind, commit or make any representations, claims or warranties on behalf of the other party without the other party's prior written approval.
6. SOFTWARE ANOMALIES. New commercial software releases or upgrades, or any hardware and/or software owned by or licensed to Client, used in connection with Karpel Solutions' Services may have anomalies, performance or integration issues unknown to Karpel Solutions which can impact the timely, successful implementation of information systems. Karpel Solutions will inform the Client promptly if this occurs and will attempt to analyze, correct and/or work around the anomalies or performance issues on a "best efforts" basis. Karpel Solutions is not responsible for any delay or inability to complete its Services if such anomalies or performance issues occur. Client is responsible for payment for all of Karpel Solutions' Services at the rate stated in the Agreement whether or not a successful solution is achieved.

7. **SOFTWARE AUDIT.** Client agrees to allow Karpel Solutions the right to audit Client's use of DbK and license of DbK at any time. Client will cooperate with the audit, including providing access to any books, computers, records or other information that relate to the use of DbK. Such audit will not unreasonably interfere with Client's activities. In the event that an audit reveals unauthorized use, reproduction, distribution, or other exploitation of DbK, Client will reimburse Karpel Solutions for the reasonable cost of the audit, in addition to such other rights and remedies that Karpel Solutions may have. Absent extenuating circumstances or circumstances which lead Karpel Solutions to believe that there has been unauthorized use, reproduction, distribution or other exploitation of DbK by Client or Client's agents, Karpel Solutions will not conduct an audit more than once per year.
8. **CLIENT ENVIRONMENT.** Client is responsible for the application, operation and management of its information technology environment, including but not limited to: (a) purchasing, licensing and maintaining hardware and software; (b) following appropriate operating procedures; (c) following appropriate protective measures to safeguard the software and data from unauthorized duplication, modification, destruction or disclosure; (d) following adequate backup contingency plans; and (e) employing qualified personnel to obtain the desired results. Karpel Solutions is not responsible for the loss of data in DbK or security breaches that result in the unauthorized dissemination of data contained in DbK that is the result of Client not following appropriate operating procedures, security and protective measures and/or following adequate backup contingency plans.
9. **MATERIALS.** Client Agrees to pay Karpel Solutions for materials purchased for the Client's use. Materials may include computer hardware, software, hosting, facility leases, other services, telecommunications charges, freight, shipping, mailing, document reproduction and any other such costs incurred in performance of services for Client. Client will reimburse Karpel Solutions for all out of town travel expenses, such as automobile/airline travel, hotel, meals, and cab fare provided these costs are discussed and approved in advance by Client. Billing for services rendered on-site on an as needed basis will include portal-to-portal time.
10. **COPYRIGHT.** Karpel Solutions reserves the right to seek damages if Client is responsible for a violation of Karpel Solutions' copyright, and Client assumes full responsibility for the acts and omissions of its agents acting in the course and scope of their duties for Client with respect to the protection of Karpel Solutions' copyright.
10. **INTERNET AND NETWORK.** Karpel Solutions makes DbK available to Client through the Internet and/or Client's own network and systems, to the extent commercially reasonable, and subject to outages, communication and data flow failures, interruptions and delays inherent in the Internet and network communications on the Client's own network and systems. Client recognizes that problems with the Internet, including equipment, software and network failures, impairments or congestion, or the configuration of Client's own computer systems and network, may prevent, interrupt or delay Client's access to DbK. Client agrees that Karpel Solutions is not liable for and Client agrees to hold Karpel Solutions harmless from any delays, interruptions, suspensions or unavailability of DbK attributable to problems with the Internet or the configuration of Client's computer systems or network.
11. **PASSWORD PROTECTION.** Access to DbK is password-protected. Karpel Solutions provides multiple authentication alternatives for access to DbK. **KARPEL SOLUTIONS STRONGLY ENCOURAGES THE USE OF STRONG PASSWORD AUTHENTICATION.** Karpel Solutions is not responsible for Client's use of DbK. Only the number of authorized users may access the Service and Website. Client must inform their

users that they are subject to, and must comply with, all of the terms of this Agreement. Client is fully responsible for the activities of Client's employees and agents who access DbK. Client agrees that Karpel Solutions is not liable for and Client agrees to hold Karpel Solutions harmless from any unauthorized access to DbK and data or information contained therein, including without limitation, access caused by Client's failure to protect the login and password information of users.

12. **SYSTEM REQUIREMENTS.** Karpel Solutions provides DbK based upon the system requirements as specified by Karpel Solutions for Client. Client agrees that Karpel Solutions is not liable for and Client agrees to hold Karpel Solutions harmless from any failure of DbK based upon Client's failure to comply with the system requirements of Karpel Solutions.
13. **THIRD PARTY SOFTWARE.** Karpel Solutions makes no warranties, express or implied, as to any third party software or as to Karpel Solutions' ability to support such software on an on-going basis.
14. **LIMITED ENGAGEMENT.** Karpel Solutions makes no warranties, express or implied, as to the quality of, or the ability of software developed by Karpel Solutions to operate with, any hardware, network, software, systems and/or external data flows already in place at Client's facilities or as may be added by the Client.

NON-SOLICITATION OF KARPEL SOLUTIONS EMPLOYEES

Karpel Solutions has invested substantial sums of money and large amounts of time in recruiting, supervising and training Karpel Solutions' employees. Client acknowledges that it has a unique opportunity to evaluate Karpel Solutions employees' performance, and has the potential to hire Karpel Solutions employees. Client further acknowledges that such hiring away would substantially disrupt Karpel Solutions' business and ability to provide its services for others. Client understands that Karpel Solutions' employees are subject to non-competition agreements; therefore, Client agrees during the term of this Agreement and for a period of two (2) years thereafter, Client will not in any manner, directly or indirectly, solicit, recruit or hire, or attempt to solicit, recruit or hire, or otherwise interfere with the employment or engagement of any other employees of Karpel Solutions who are employed or engaged by the Company at the time of the solicitation, attempted solicitation, and/or hire.

CONFIDENTIALITY

1. **CONFIDENTIALITY.** Neither party shall disclose or use any confidential or proprietary information of the other party. The foregoing obligations shall not apply to information which the party receiving the information can demonstrate: (i) was in the possession of or known by it without an obligation of confidentiality prior to receipt of the information, (ii) is or becomes general public knowledge through no act or fault of the party receiving the information, (iii) is or becomes lawfully available to the receiving party from a third party without an obligation of confidentiality, or (iv) is independently developed by the receiving party without the use of any Confidential Information.
2. **PERSONALLY IDENTIFIABLE INFORMATION.** The parties recognize that certain data Client or Karpel Solutions may use in conjunction with DbK may be confidential Personally Identifiable Information of third parties. Karpel Solutions shall use all best efforts to protect the confidentiality of Personally Identifiable Information of third parties. Client Agreements that Karpel Solutions is not liable and Client agrees to hold Karpel Solutions harmless from any claims arising out of disclosure of Personally Identifiable Information caused by Client's own negligence or misconduct.

3. **DISCLOSURE REQUIRED BY LAW.** In the event that any Confidential Information is required to be disclosed pursuant to any law, code, regulation or court order from a court of competent jurisdiction, the receiving party shall give the disclosing party immediate written notice of such requirement and shall use its best efforts to seek or to cooperate with the disclosing party in seeking a protective order with respect to the Confidential Information requested.
4. **SIMILAR PROGRAMS AND MATERIALS.** Provided Karpel Solutions is not in violation of the provisions of this Agreement regarding confidentiality, the Agreement shall not preclude Karpel Solutions from developing for itself, or for others, programs or materials which are similar to those produced as a result of Services provided to Client.
5. **INJUNCTIVE RELIEF.** The parties acknowledge that any breach of the confidentiality provisions of this Section will cause irreparable harm to the other party. Accordingly, the parties agree that the non-breaching party may enforce the provisions of this Agreement by seeking an injunction, specific performance, criminal prosecution or other equitable relief without prejudice to any other rights and remedies the non-breaching party may have available to it.

MARKETING

1. Client agrees that Karpel Solutions may identify Client as a customer of Karpel Solutions in Karpel Solutions' written promotional and marketing materials, as well as in any oral or visual presentations regarding the business of Karpel Solutions.
2. Provided Karpel Solutions is not in violation of the provisions of this Agreement regarding confidentiality, Karpel Solutions shall have the right to demonstrate for other prospective clients any application developed by Karpel Solutions under this Agreement and shall have the right to include information about any such application in marketing materials and presentations.

MISCELLANEOUS

1. **ELECTRONIC DOCUMENTS.** To the extent possible, and under the terms required by Client, Client and Karpel Solutions may communicate by electronic means, including but not limited to, facsimile documents and email. Both parties agree that: a signature or an identification code ("USERID") contained in an electronic document is legally sufficient to verify the sender's identity and the document's authenticity; an electronic document that contains a signature or USERID is a signed writing; and that an electronic document, or any computer printout of it, is an original when maintained in the normal course of business.
2. **SEVERABILITY.** If any portion of this Agreement is held to be void, invalid or otherwise unenforceable, in whole or in part, the remaining portions of the Agreement shall remain in full force and effect.



9717 Landmark Parkway | St. Louis, MO 63127 | (314) 892-6300

**WINNEBAGO COUNTY STATE'S ATTORNEY
WINNEBAGO COUNTY, ILLINOIS**

CONTRACT FOR



PROSECUTORbyKarpel® & HOSTEDbyKarpel®

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This agreement between Karpel Computer Systems Inc., a Missouri corporation, doing business as Karpel Solutions (hereinafter referred to as “Karpel Solutions”) and 41st Judicial Circuit District Attorney, Alabma (hereinafter referred to as “Client”) is for the purposes of reviewing this proposal and to enter into this Agreement, together with the Master Terms and Conditions expressly incorporated herein, with respect to the license of Karpel Solutions’ copyrighted software program known as PROSECUTORbyKarpel® (hereinafter referred to as “PbK”).

1. DEFINITIONS

1. “Confidential Information” means information of either Karpel Solutions or Client which is disclosed under this Agreement in oral, written, graphic, machine recognizable, electronic, sample or any other form by one of us to the other, and which is considered to be proprietary or trade secret by the disclosing party. Confidential Information of Karpel Solutions expressly includes, without limitation, the Software and Documentation. The Confidential Information of Client includes, without limitation, Personally Identifiable Information and Client Content. Confidential Information shall not include information which the party receiving the information can demonstrate: (i) was in the possession of or known by it without an obligation of confidentiality prior to receipt of the information, (ii) is or becomes general public knowledge through no act or fault of the party receiving the information, (iii) is or becomes lawfully available to the receiving party from a third party without an obligation of confidentiality, or (iv) is independently developed by the receiving party without the use of any Confidential Information.
2. “Client Content” means all data, information, documents, and files Client uploads or inputs into PbK on the Service through the website, including, without limitation, Personally Identifiable Information.
3. “Enhancements” means any specific configurations or customizations to the Software, which Client may request, and Karpel Solutions agrees in writing to provide.
4. “Documentation” means any operating instructions, specifications and other documentation related to the operation, description and function of PbK, the Service or Website provided by Karpel Solutions whether supplied in paper or electronic form.
5. “Intellectual Property” (IP) means any patents, patent applications, copyrights, mask works, trademarks, service marks, trade names, domain names, inventions, improvements (whether patentable or not), trade secrets, Confidential Information, moral rights, and any other intellectual property rights provided by applicable law.
6. “Hosted” or “Hosting” means the act of providing service and access to Client Content by the Internet.

7. "Personally Identifiable Information" (PII) means any information that may be used to identify specific persons or individuals, which is collected by either Karpel Solutions or Client for use in conjunction with the use of PbK on HOSTEDbyKarpel. Personally Identifiable Information shall be considered Confidential Information.
8. "PbK" mean the PROSECUTORbyKarpel® case management system and specifically the Client's licensed copy of PbK.
9. "DbK" mean the DEFENDERbyKarpel® case management system and specifically the Client's licensed copy of PbK.
10. "Service" means the HOSTEDbyKarpel hosting platform provided by Karpel Solutions which allows internet-based hosting of the Client's licensed copy of PbK through the Website.
11. "Service Level Requirements" means the technical service levels Karpel Solutions shall meet for Services as set forth below in the Service Level Commitments for the delivery of the Services.
12. "Software" means the Client's licensed copy of the PbK application, and includes any and all updates, enhancements, underlying technology or content transfer interfaces, other Enhancements and any Documentation as may be provided the Client by Karpel Solutions.
13. "Website" means the content and functionality currently located at the domain www.hostedbykarpel.com on the internet, or any successor or related domain that provides access to the Software and Service.

2. SCOPE OF WORK

Karpel Solutions will perform all work in accordance with the descriptions, scopes and specifications hereafter described.

		<u>Minimum Number of Days Out</u>
	Final Contract & Implementation Agreement signed. Project Pre-Implementation Meeting scheduled. Minimum Workstation requirements are explained to agency project manager.	90
	Workstation assessment completed and any necessary hardware or software ordered to meet PbK Installation Prerequisites.	80

	4-hour remote pre-implementation meeting with project manager and System Administrator(s). PbK Overview. Project Team is selected including Karpel Staff and Customer System Administrator(s). (One Customer System Administrator must be a Policy Setting Attorney). This meeting will begin with application overview and enhancement definitions. PbK Pre-load configuration is explained, and initial Document Templates are received. Workflow pre-configuration is conducted.	60
	Teleconference status meeting with Karpel and agency project manager will occur to review progress on hardware/software assessments, finalize pre-implementation meeting timeline agreement.	50
	Agency Document Templates are received. System Administrator training begins. Workflow pre-configuration is conducted. System enhancements are completed and demonstrated.	45
	Teleconference status meeting with Karpel and agency project manager will occur to review progress and answer additional questions regarding pre-load spreadsheet.	40
	Karpel Support installation and application testing on each workstation should begin at this time. Karpel Solutions or local IT support will schedule workstation application testing and follow Karpel testing procedures to thoroughly test browser functionality, document generation, Outlook Calendaring and email on each workstation.	35
	The agency project manager will provide Karpel with any additional legacy documents.	35
	Training Schedule is completed with assignment of all office staff to specific training sessions. The Policy Setting Attorney must attend the initial Configuration, Case Initiation and Event Entry sessions at a minimum.	35
	Karpel will install the preliminary document templates and Event Entry Configuration. Application testing will begin. Agency project manager will report all inaccuracies to Karpel. All Custom Enhancements are tested and verified. Begin testing of all application interfaces.	30
	Complete installation and testing of all workstations by Karpel Solutions or local IT support.	14
	Final teleconference status meeting with Karpel and agency project manager to verify final data accuracy.	7
	Final configuration of PbK is performed with all System Administrators. User training begins. Customer begins using PbK in a live state.	<u>Go Live</u>

(hereinafter referred to as “the Project Timeline”).

The above Go Live date will no longer be valid if Client fails to sign this contract within 30 days of receipt. Furthermore, the Project Timeline may be modified as mutually agreed upon by Client and Karpel Solutions.

Karpel Solutions will use its best efforts to convert existing Microsoft Word®, Microsoft Works® and Corel WordPerfect® documents provided by Client up to the time of training as outlined in the Project Timeline listed above into a format that can be utilized by PbK. However, Karpel Solutions does not support, nor will Karpel Solutions convert customized macros, auto-text files or other custom programming items not a part of the ordinary functionality of Microsoft Word®, Microsoft Works® and/or Corel WordPerfect®

3. OTHER WORK

Any additional work requirements outside the scope of this Agreement must be presented in the form of a written change order and must be approved by Client prior to start of such work. No additional charges will be incurred without prior written approval from Client.

4. GENERAL CLIENT RESPONSIBILITIES & OBLIGATIONS

In order for the project to be completed on time and on budget, Client shall provide at a minimum:

1. Access to Client facilities while onsite, as deemed necessary by the Karpel Solutions project manager.
2. Access to systems and equipment as required by Karpel Solutions including:
 - a. PbK application access using Karpel Solutions laptops and Client's network for training and application testing.
 - b. Installation of the Karpel Solutions remote support tool on all desktops accessing the PbK application. Failure of Client to provide access to enable support tool will render the Karpel Solutions support null and void.
3. Access to Client data and document templates (if applicable) will be provided by Client if such data is to be converted and populated by Karpel Solutions into PbK.
 - a. Legacy data source(s) (*i.e.*, any data from Client's current system which is being replaced under this Agreement) must be provided to Karpel Solutions as soon as possible but not later than 120 days from the above go live date. Additional data sources provided after this date will not be converted unless mutually agreed otherwise.
 - b. Document templates must be provided to Karpel Solutions as soon as possible but no later than 90 days from the above go live date. Document templates provided after this date will not be converted unless mutually agreed otherwise.
4. An authorized attorney with decision making authority to assist in the definition of any project unknowns.
 - a. Appointed decision maker must be present during the following activities:
 - i. Project kickoff
 - ii. Establishment of timeline
 - iii. Interface definition meetings
 - iv. Workflow meetings
 - v. Change language review and approval
 - vi. Document template review and signoff
 - vii. Data conversion signoff

5. Sufficient time, if applicable, for all data reviews which will include a minimum of:
 - a. Verification and review of ten (10) cases per year per department of any legacy system(s) data during each review.
 - b. Client is responsible for validating their data and codes tables during the project. Validating data is key to a successful implementation. If issues arise with converted data after go-live, Karpel Solutions will determine if a fix is possible and an additional fee for this work may be required for the work required to fix the issue.
6. **PASSWORD PROTECTION.** Access to the Software through the Service and Website is password-protected. Karpel Solutions provides multiple authentication alternatives for access to the Website and Software. **KARPEL SOLUTIONS STRONGLY ENCOURAGES THE USE OF STRONG PASSWORD AUTHENTICATION.** Karpel Solutions is not responsible for Client's use of the Service, Website or Software. Only the number of users set forth in the Cost Sheet may access the Service and Website. Client must inform their users that they are subject to, and must comply with, all of the terms of this Agreement. Client is fully responsible for the activities of Client's employees and agents who access the Service and Website. Client agrees that Karpel Solutions is not liable for and Client agrees to hold Karpel Solutions harmless for any unauthorized access to the Service and Website, including without limitation access caused by data destruction and/or failure to protect the login and password information of users.
7. **RESTRICTIONS ON USE.** Client agrees to conduct all activities on the Service and Website in accordance with all applicable laws and regulations. Access to the Service, Website, Software and Documentation must be solely for Client's own internal use. Client may not (and may not allow any third party to) (i) alter, modify, decompile, mirror, translate, disassemble or otherwise reverse engineer any part of the Software, source code, algorithms, or underlying ideas of the Software; (ii) provide, lease, lend, subcontract, sublicense, or re-publish for,, service bureau or hosting purposes any or all of the Software or Documentation; (iii) reproduce, modify, copy, distribute, publish, display or create derivative works of any or all of the Software or Documentation or (iv) alter, remove, or obscure any copyright, trademark or other proprietary notices or confidentiality legends on or in the Software or Documentation.
8. **SUSPENSION.** Karpel Solutions reserves the right to immediately suspend access to Software and/or Website without notice and at any time if Karpel Solutions suspects or has reason to suspect a security or data breach, if suspension is necessary to protect Karpel Solutions' rights, Client's rights or the rights of a third party, if Client misuses the Software and/or Website, and/or if Client otherwise violates this Agreement. Karpel Solutions will provide note to client upon suspension of the Service and Website.

5. INVESTMENT SUMMARY

Karpel Solutions will perform its Services as set forth in this Agreement in exchange for payment as set forth below.

Software Products/Licensing	Qty.	Price	Total
PROSECUTORbyKarpel	87	\$2,250	\$195,750
External Agency Portal	1	\$30,000	\$30,000
Total Software			\$225,750

Installation Services	Qty.	Price	Total
PROSECUTORbyKarpel Installation and Configuration	1	\$1,000	\$1,000
Data Preload	1	\$10,000	\$10,000
Client Support Tool, Scanning Tool and System Compatibility Check (per computer)	87	\$50	\$4,350
Total Installation Services			\$15,350

Professional Services	Qty.	Price	Total
Project Management		No Additional Cost	
Pre-Implementation Services (on-site/days)	2	\$2,400	2 resources \$4,800
Data Conversion: FullCase	1	\$50,000	\$50,000
Mock Go-Live and System Administrator Training (30 days prior to go-live, hours, remote)	2	\$2,400	2 resources \$4,800
Document Template Setup, Training and Conversion of Up To 100 Document (max of 50 Civil) Templates	1	\$2,500	\$2,500
Total Professional Services			\$62,100

Training Services	Qty.	Price	Total
Pre-Go-Live Review and Training (onsite/days)	3	\$2,400	2 resources \$7,200
Go-Live Training (onsite/days)	5	\$3,600	3 resources \$18,000
Post Go-Live Support and Training (remote/days)	1	\$1,200	1 resource \$1,200
Total Training Services			\$26,400

Customization Services	Qty.	Price	Total
Interface: Illinois Court Events (FullCourt)	1	\$15,000	\$15,000
Total Customization Services			\$15,000

Estimated Travel Expenses **\$16,300**

Total One-Time Costs	\$360,900		
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Annual Support Services	Qty.	Price	Total
PROSECUTORbyKarpel	87	\$450	\$39,150
External Agency Portal	1	\$6,000	\$6,000
Hosted Services (per user/year)	87	\$100	\$8,700
Unlimited eDiscovery	1	\$10,875	\$10,875

Interface: IL Court Interface	1	\$3,000	\$3,000
Total Annual Support Services			\$67,725

Optional Items	Price
JasperSoft Reporting Module	\$2,000
<i>JasperSoft Reporting Module Annual Support</i>	\$10,000
<i>JasperSoft Reporting Module Training (minimum)</i>	\$600
Custom Reports (per report)	\$1,000
Document Template Conversion After 100 Documents (per document)	
<i>Criminal document templates</i>	\$25
<i>Civil document templates</i>	\$50
Additional Storage After Included 2TB (per terabyte, per year)	\$1,000
Additional Storage After Included 2TB (per 100 terabytes, per year)	\$32,000

This pricing is based upon the following terms and conditions:

1. Interfaces must conform to the appropriate Karpel Solutions Information Exchange Package Documentation (IEPD) for that interface. Interfaces that do not conform to the appropriate PROSECUTORbyKarpel IEPD (i.e., require a new schema to be designed or database modification), will require Karpel Solutions and Client review before approval of both design and potential additional development and maintenance costs.
2. All phase one (1) interfaces must have an IRF (Interface Request Form) completed and signed off by all parties within 30 days of the project kick-off meeting. If not completed within this time frame, the interfaces will be automatically moved into phase 2.

PLEASE NOTE: THERE MAY BE ADDITIONAL COSTS FROM THE OTHER VENDOR(S), WHICH IS NOT INCLUDED WITHIN THE ABOVE PRICING FOR THIS CONTRACT, AND WHICH WILL BE BILLED SEPARATELY. CLIENT SHALL BE SOLELY RESPONSIBLE FOR THESE SEPARATE COSTS.

3. Interfaces not currently in production will be considered as "Phase 2" and implemented post-go live.
4. The above costs do not include additional hardware, Microsoft licenses, or networking services which may be necessary to properly and legally operate PbK. Such expenses are solely the Client's responsibility.
5. Changes to the Project Timeline or project scope will impact other work of Karpel Solutions and will result in an increased financial burden to Karpel Solutions. As such, if a scheduled go-live date is rescheduled due to delays by the client or a client's 3rd party vendor, a penalty of 10% of the total first year costs may be assessed by Karpel Solutions as compensation to Karpel Solutions for costs incurred and lost time, including, but not limited to, costs associated with booked travel and accommodations and time that will be lost on other client start dates as a result of Client's change to the Project Timeline.

6. Karpel Solutions will honor pricing proposals for Optional Services for up to 90 days of execution of this Agreement. Upon the request of Client to provide an Optional Service, an official notice to begin the service must be received from Client before the Optional Services will be provided by Karpel Solutions. This is to ensure there are no misunderstandings between Client and Karpel Solutions as to the provision of Optional Services.
7. The aggregate document / file storage space included with the stated hosted service fee is two terabytes (2TB) of storage per instance of PbK. If the Client's storage exceeds 2TB in any instance, any additional storage above 2TB will automatically be added to the Client's bill at a flat rate of \$1,000 per 1TB, per year. Client hereby consents to this additional charge in advance and waives any requirement for additional notice regarding the same.
8. Hosted eDiscovery services will be invoiced monthly at the rate of \$1 per submission to the hosted eDiscovery site if Client does not elect the unlimited annual fee option.
9. Statewide service is a free service provided to all PROSECUTORbyKarpel clients. To enroll in and activate this additional service, the *Memorandum Of Understanding at Appendix A* must be separately signed by the Client.
10. All travel costs are estimates and the Client is responsible for all the project's actual travel expenses to include airfare, lodging, ground transportation, meals, and incidental expenses.
11. As with any project, all prices herein are subject to change as new information arises that will alter or impact the project or as workload for the project increases. Karpel Solutions will seek approval from Client if additional work becomes necessary to make requested changes during the project.
12. In the event Client or Karpel terminates this Agreement, Client understands and agrees to pay \$1,000 to Karpel Solutions as compensation for work to be performed by Karpel Solutions in connection with the return of Client Content and Confidential Information. All fees incurred up to point of termination are also due in full.

5.1 Payment Terms

50% of Software User Licenses is due and must be paid upon execution of this Agreement by Client, with the remaining amount, including first year annual fees, due and payable within thirty (30) days of completion of implementation of the Service and initial training provided to Client by Karpel Solutions.

TERM. Annual Fees in the Agreement will begin upon Client's go live month and will be due each year thereafter, unless Karpel Solutions or Client terminates this Agreement before the renewal date. This Agreement shall be for a term of one (1) year and shall automatically renew for subsequent one-year terms, unless either Karpel Solutions or Client gives notice to the other party at least thirty (30) days prior to the expiration of the then-current term of Karpel Solutions or Client's intent not to renew. Prior to the expiration of the term, Karpel Solutions will send Client a renewal invoice, which must be paid in full within thirty (30) days from the date of the invoice. Pricing for subsequent annual terms is subject to change at the sole discretion of Karpel Solutions. Karpel Solutions will provide Client with at least ninety (90) days' notice of any pricing change prior to the renewal date.

INTEREST AND LATE FEES. Past due accounts will be charged interest on a monthly basis, calculated at one and one-half percent (1.5%) per month of the unpaid balance or the maximum rate allowable by law.

6. ANNUAL SUPPORT

6.1 TECHNICAL SUPPORT FEES

Client understands that technical support fees will be required annually, in order to receive software updates and technical support. The support period shall begin from the date of go-live as part of the initial first year costs. The Client may elect to purchase subsequent annual support, on a yearly basis at a fixed cost, and billed annually, separate and apart from any license fees required by this Agreement. The option to purchase annual support is solely at the Client's discretion. The Client's license to use PbK is not dependent upon the Client purchasing annual support; however, if Client discontinues annual support, Client will not be provided with updated versions of the software, unless it is purchased. Provided Client's computers, network and systems meet recommended specifications set by Karpel Solutions and the Client has purchased and is current with annual support payments, Karpel Solutions will provide updated versions of the System and/or Software as they become available during the terms of the contract. If Client elects to renew the annual support service, Karpel Solutions has the right to increase current pricing for annual support at the time of renewal, provided that notice of the increased pricing is provided to Client prior to the effective date of the renewal of the annual support service.

6.1.1 SUPPORT PROVIDED

Karpel Solutions will provide support (e.g. software updates, general program enhancements and technical support) for all Software provided, including ongoing unlimited telephone technical support problem determination, and resolution.

6.1.2 HOURS OF OPERATION

Karpel Solutions will provide technical support Monday through Friday between the hours of 7:00 a.m. through 9:00 p.m. Central time, via a toll-free telephone number provided. After-hours support is available as well via the same toll-free number which will reach the on-call support group.

6.1.3 INCLUDED SUPPORT

Support services include the detection and correction of Software errors and the implementation of all PbK program changes, updates, and upgrades. Karpel Solutions shall respond to the inquiries regarding the use and functionality of the solution as issues are encountered by Authorized Users. Support to users will be provided through the remote support tool installed on the end user's computer. This tool was installed at the time of go-live allowing Karpel to provide the needed support to meet the service level agreement. If this access is not allowed, support will be delayed and the service level agreement (severity levels) will no longer be applicable.

6.1.4 RESPONSE TIMES

Karpel Solutions shall be responsive and timely to technical support calls/inquires made by the Client. The Client will first make support inquires through their qualified system administrators to assure the policies and business practices of the Client are enforced prior to contacting Karpel Solutions. The timeliness of the response is dependent upon the severity of the issue/support problem, as defined below:

The severity of the issue/support problem shall determine the average problem resolution response time as follows:*

**If the remote support tool is not installed or available, support will not be provided..*

Severity Level 1 shall be defined as urgent situations, when the Client's production system is down and the Client is unable to use the system, Karpel Solutions' technical support staff shall accept the Client's call for assistance at the time the Client places the initial call; however, if such staff is not immediately available, Karpel Solutions shall return the customer's call within one (1) business hour. Karpel Solutions shall resolve Severity Level 1 problems as quickly as possible, which on average should not exceed two (2) business days, unless otherwise authorized in writing by the Client.

Severity Level 2 shall be defined as critical Software system component(s) that has significant outages and/or failure precluding its successful operation, and possibly endangering the customer's environment. Karpel Solution's may operate but are severely restricted. Karpel Solutions' technical support staff shall accept the customer's call for assistance at the time the customer places the initial call; however, if such staff is not immediately available, Karpel Solutions shall return the Client's call within four (4) business hours. Karpel Solutions shall resolve Severity Level 2 problems as quickly as possible, which on average should not exceed three (3) business days, unless otherwise authorized in writing by the Client.

Severity Level 3 shall be defined as a minor problem that exists with Karpel Solution's but the majority of the functions are still usable and some circumvention may be required to provide service. Karpel Solutions' technical support staff shall accept the Client's call for assistance at the time the customer places the initial call; however, if such staff is not immediately available, Karpel Solutions shall return the Client's call on average no later than the next business day. Karpel Solutions shall resolve Severity Level 3 problems as quickly as possible, which should not exceed the next available release of Software, unless otherwise authorized in writing by the Client.

General Assistance: For general Software support/helpdesk calls not covered by the above severity level descriptions, Karpel Solutions' technical support staff shall accept the Client's call for assistance at the time the Client places the initial call; however, if such staff is not immediately available, Karpel Solutions shall return the Client's call on average no later than the next business day.

6.2 SERVICE LEVEL COMMITMENT

UPTIME: Karpel Solutions is committed to providing the Software, Website and Service in a consistent and reliable manner. Karpel Solutions will provide the Software, Website and Service to Client with a stated minimum uptime of 99.5% to Client.

SCHEDULED MAINTENANCE: Karpel Solutions periodically performs scheduled maintenance including, but not limited to, routine, preventative or emergency maintenance of the Software, Website, and/or Service. Client understands that scheduled maintenance may affect availability of the Service, Website, and/or Software. If scheduled maintenance is to be performed, Karpel Solutions will provide notice to Client three (3) days prior to the scheduled maintenance. Karpel Solutions will make every effort to schedule maintenance outside of normal business hours of the Client between the hours of ten (10) p.m. and five (5) a.m. Central Standard Time.

DATA RETENTION AND BACKUPS: As a part of the Service and Website, Karpel Solutions will maintain under this Agreement consistent, regular and validated backup both onsite and offsite of the Client Content, Confidential Information and Software. Backups occur and will be maintained pursuant to Karpel Solutions internal backup policies. Upon written request, Karpel Solutions will make available to Client a copy of Karpel Solutions' current backup policies and procedures.

AUDITS AND SECURITY: Karpel Solutions is committed to maintaining the security of Client Content, Confidential Information, and Software on Karpel Solutions' Service and Website. Karpel Solutions will maintain the Software, Website and Service in a reasonably secure manner, subject to Client's own obligations to protect and safeguard usernames and passwords on Client's end. Karpel Solutions will perform annual security audits of the Website and Service to ensure the integrity and security of the Website and Service. Results of the Audits and Security Policy for Karpel Solutions will be made available to Client upon written request.

DATA TRANSMISSION: Karpel Solutions ensures that all data transmitted to and from the Service and Website is transmitted at a minimum level of 128-bit SSL encryption using digital certificates issued by an internationally recognized domain registrar and certificate authority.

DATA LOCATION: Karpel Solutions will maintain the Service, Software, Client Content and Confidential Information of Client in a SAS 70/SSAE 16 certified data facility.

7. OWNERSHIP OF INTELLECTUAL PROPERTY

KARPEL SOLUTIONS OWNERSHIP: Karpel Solutions retains all right, title and interest in and to the Software, Documentation, Website, Service, and related Intellectual Property. Any suggestions, solutions, improvements, corrections, or other contributions Client provides regarding the Software, Documentation, Website or Services will become the property of Karpel Solutions and Client hereby assigns all such rights to Karpel Solutions without charge. Client is granted a non-exclusive, non-transferable license with respect to the Software on the terms and conditions set forth in Section 8 below.

CLIENT OWNERSHIP: Client retains all rights, title, and interest in and to the Client Content. Client hereby grants to Karpel Solutions and Karpel Solutions hereby accepts a non-exclusive, non-transferable, worldwide, fully paid license to use, copy, and modify the Client Content solely to the extent necessary and for the sole purposes of providing access to the Software, Documentation, Website, and Services or otherwise complying with its obligations under this Agreement.

8. LICENSE TERMS AND USE

The Software, is a proprietary product of Karpel Solutions. It is licensed (not sold) and is licensed to Client for its use and only in accordance with the terms set forth below. During the term of this Agreement, Karpel Solutions hereby grants Client a non-exclusive, non-transferable right and license to use Karpel Solutions solely in accordance with the terms of this Agreement. Client's license will terminate immediately and automatically upon the expiration or termination of this Agreement. Client may not sublicense any rights under this Agreement to any party without Karpel Solution's prior written consent. Client's license is subject at all times to Client's full compliance with this Agreement.

1. Karpel Solutions hereby grants Client a non-exclusive and non-transferable sublicense to use any associated manuals and/or documentation furnished.
2. Client cannot distribute, rent, sublicense, or lease the Software. A separate license is required for each authorized user or employee. Each license may not be shared by more than one full time employee or user (defined as working 20 hours or more per week), nor more than two (2) part-time employees or users (defined as working less than 20 hours per week each and working no more than 40 hours per week combined). The Client agrees that Karpel Solutions will suffer damages from the Client's breach of this term and further agrees that in the event of such breach by Client, Karpel Solutions shall be entitled to and Client must pay to Karpel Solutions the monetary equivalent of the costs that would have been incurred by Client had Client properly obtained the license, installation and training associated with each violation, in addition to any attorneys' fees and costs incurred by Karpel Solutions with respect to the same
3. This license does not transfer any rights to Software source codes, unless Karpel Solutions ceases to do business without transferring its obligations under this Agreement to another qualified software business. Karpel Solutions will, at Client's expense, enter into escrow agreement for the storage of the source codes.
4. Karpel Solutions and its Documentation are protected by copyright and trade secret laws. Client may not use, copy, modify, or transfer the Software or its Documentation, in whole or in part, except as expressly provided herein. Karpel Solutions retains all rights in any copy, derivative or modification to the Software or its Documentation no matter by whom made. Karpel Solutions is licensed for single installations of one full time employee or two part-time employees as defined in Section 8.2 above. A separate license is required for each installation of Karpel Solutions. Client shall not provide or disclose or otherwise make available the application or any portion thereof in any form to any third party. Client acknowledges that unauthorized copying and distribution will cause substantial damage to Karpel Solutions far greater than the value of the copies involved.
5. Karpel Solutions was developed exclusively at private expense and is Karpel Solutions' trade secret. For all purposes of the Freedom of Information Act or any other similar statutory right of "open" or public records, the Software shall be considered exempt from disclosure. Karpel Solutions is "commercial computer software" subject to limited utilization "Restricted Rights." PbK, including all copies, is and shall remain proprietary to Karpel Solutions or its licensors. In the event that a third party seeks to compel disclosure and/or production of the Software, the Documentation, and/or the Website by court order or otherwise, Client shall promptly give notice to Karpel Solutions so as to allow Karpel Solutions to take whatever steps it deems necessary to

prevent such disclosure and/or production, and Client agrees to cooperate with Karpel Solutions in connection therewith.

6. **Public Agency Participation:** Other public agencies may utilize the terms and conditions established by this Contract. "Public agency", for purposes of this paragraph, is defined to include any city, county, district, public authority, public agency, municipality, and other political subdivision. Client is not an agent, partner, or representative of such public agency, and is not obligated or liable for any action or debts that may arise out of such independently negotiated procurements. These so called "piggy-back" awards shall be made independently by each public agency, and that agency shall accept sole responsibility for placing orders with Vendor. Client does not accept any responsibility or involvement in the purchase orders or Contracts issued by other public agencies. Any such contract by another public agency must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of such public agency.

9. **WARRANTY**

1. **LIMITED WARRANTY:** Karpel Solutions warrants it will provide the Services and Website in a professional manner by qualified personnel. Karpel Solutions warrants it has the requisite power and authority to enter into and perform its obligations under this Agreement. Karpel Solutions warrants that the performance by Karpel Solutions of any services described in this Agreement shall be in compliance with all applicable laws, rules and regulations. Karpel Solutions warrants it will provide access to and use of the Software, Service and Website in material accordance with the Service Level Commitment outlined in this Agreement. No representations or warranties as to the use, functionality or operation of the Website, Software, or Service are made by Karpel Solutions other than as expressly stated in this Agreement. Karpel Solutions disclaims all other warranties as set forth in Section 9.5 below.
2. **INTERNET:** Karpel Solutions makes the Website, Software and Services available to Client through the internet to the extent commercially reasonable, and subject to outages, communication and data flow failures, interruptions and delays inherent in Internet communications. Client recognizes that problems with the Internet, including equipment, software and network failures, impairments or congestion, or the configuration of Client's computer systems, may prevent, interrupt or delay Client's access to the Service, Website or Software. Client agrees that Karpel Solutions is not liable for and agreed to hold Karpel Solutions harmless from any delays, interruptions, suspensions or unavailability of the Website or Software attributable to problems with the Internet or the configuration of Client's computer systems or network.
3. **SYSTEM REQUIREMENTS:** Karpel Solutions provides the Services and Website based upon the system requirements as specified by Karpel Solutions for Client. Client agrees that Karpel Solutions is not liable for and agrees to hold Karpel Solutions harmless from any failure of the Services, or the Software based upon Client's failure to comply with the system requirements of Karpel Solutions.
4. **WARRANTY LIMITATION:** The warranties set forth in this Agreement do not apply if non-compliance is caused by, or has resulted from (i) Client's failure to use any new or corrected versions of the Software or Documentation made available by Karpel Solutions, (ii) use of the

Software, Documentation, Website, or Services by Client for any purpose other than that authorized in this Agreement, (iii) use of the Software, Documentation, Website, or Services in combination with other software, data or products that are defective, incompatible with, or not authorized in writing by Karpel Solutions for use with the Software, Documentation, Website, or Services, (iv) misuse of the Software, Documentation, Website, or Services by Client, (v) any malfunction of Client's software, hardware, computers, computer-related equipment or network connection, (vi) any modification of the Software, Documentation, Website, or Services not performed by or otherwise authorized by Karpel Solutions in writing, or (vii) an event of Force Majeure.

5. **DISCLAIMER: THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE MADE IN LIEU OF ALL OTHER WARRANTIES, EITHER EXPRESS AND IMPLIED, WHICH ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NON-INFRINGEMENT, TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING OUT OF A USE IN TRADE OR COURSE OF DEALING OR PERFORMANCE. KARPEL SOLUTIONS DOES NOT WARRANT (i) THAT ACCESS TO OR USE OF ALL OR ANY PART OF THE SERVICE, SOFTWARE, DOCUMENTATION OR WEBSITE WILL BE CONTINUOUS, ERROR-FREE OR UNINTERRUPTED, (ii) THAT THE RESULTS ARISING OUT OF CLIENT'S USE OF THE SOFTWARE, DOCUMENTATION OR WEBSITE WILL BE ACCURATE, COMPLETE OR ERROR-FREE, OR (iii) THAT THE SERVICE, SOFTWARE, DOCUMENTATION OR WEBSITE WILL MEET CLIENT'S NEEDS.**
6. **EXCLUSIVE REMEDIES: If the Software, Documentation, Website, or Services provided under this Agreement do not materially comply with the requirements stated in the Limited Warranty Section outlined above, Karpel Solutions' sole obligation shall be to correct or modify the Software, Documentation, Website or Services, at no additional charge to Client. If Karpel Solutions determines it is unable to correct what is non-conforming, Client's sole remedy will be to receive a refund of the fees paid for the non-conforming Services, even if such remedy fails of its essential purpose. In that event, Client may also elect to terminate this Agreement as set forth in Section 12 of this Agreement.**

10. LIMITATION OF LIABILITY

CLIENT AGREES THAT KARPEL SOLUTIONS IS NOT RESPONSIBLE FOR ANY LOSS OF DATA, COST OF PROCUREMENT OF SUBSTITUTE GOODS, SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY BREACH OF THIS AGREEMENT, EVEN IF KARPEL SOLUTIONS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND CLIENT WAIVES ANY RIGHTS AND AGREES TO HOLD KARPEL SOLUTIONS HARMLESS FROM AND AGAINST ANY SUCH DAMAGES OR LOSSES. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), STATUTE OR OTHERWISE. REGARDLESS OF THE FORM OF THE CLAIM, **KARPEL SOLUTIONS' TOTAL LIABILITY TO THE CLIENT SHALL BE LIMITED TO: (i) THE EXTENT AND AMOUNT OF ANY INSURANCE COVERAGE WHICH IS AVAILABLE FOR SUCH CLAIM(S), OR (ii) THE AMOUNT OF FEES CLIENT HAS PAID TO KARPEL SOLUTIONS PURSUANT TO THIS AGREEMENT IN THE TWELVE (12) MONTH PERIOD PRIOR TO SUCH CLAIM(S) ARISING. TO THE EXTENT THAT INSURANCE COVERAGE IS AVAILABLE FOR SUCH CLAIM(S), CLIENT'S SOLE RECOURSE SHALL BE PAYMENT OF ANY AVAILABLE INSURANCE PROCEEDS.**

11. INDEMNIFICATION

CLIENT'S INDEMNIFICATION: Client will indemnify, defend, and hold harmless Karpel Solutions from and against any and all liability, damage, loss or expense (including reasonable attorneys' fees) arising out of (i) any claim, demand, action or proceeding, statutory or otherwise, relating to the use of the Website, Software, Documentation or Services in a manner not expressly described or permitted by this Agreement, (ii) use of the Website, Software, Documentation or Services in any unlawful manner or for any unlawful purpose, (iii) Karpel Solutions' use of Client Content as permitted by this Agreement that allegedly infringes upon or violates any third party Intellectual Property rights, or (iv) Karpel Solutions' use of Client Content as permitted by this Agreement that allegedly violates privacy rights or other rights with respect to Personally Identifiable Information of a third party.

KARPEL SOLUTIONS' INDEMNIFICATION: Karpel Solutions will indemnify, defend, and hold harmless the Client from and against any claim or suit brought against Client alleging that the Software directly infringes upon or violates any valid U.S. Intellectual Property rights. Karpel Solutions shall have the right to select counsel for purposes of its defense obligations hereunder and will at all times have the right to control the defense of such claim or suit. Karpel Solutions will not be liable for any cost or expense incurred by Client in connection with any such suit or claim, without Karpel Solutions' prior and specific authorization and consent. Client agrees to cooperate with Karpel Solutions and to provide such assistance as may be requested by Karpel Solutions in connection with the defense of such claim or suit.

Notwithstanding the foregoing, Karpel Solutions shall not be obligated to defend or indemnify Client if the infringement claim is based solely or in part upon or arises out of: (i) any modification of or alteration to the Software not made by Karpel Solutions, (ii) any combination or use of the Software with products, hardware or services not supplied by Karpel Solutions or approved in writing by Karpel Solutions in advance of such combination, (iii) Client's continuance of allegedly infringing activity after being notified of such activity, or after being informed of modifications that would have avoided the alleged infringement, (iv) Client's failure to use corrections or enhancements made available by Karpel Solutions, (v) use of the Software not in accordance with the applicable Documentation or this Agreement, or (vi) use of the Software in a manner for which it was neither designed nor contemplated.

In no event shall Karpel Solutions' total liability and obligation under this Section exceed the total fees Client has paid to Karpel Solutions under this Agreement in the twelve (12) month period prior to the assertion or filing of such claim against Client. The foregoing remedies constitute Client's sole and exclusive remedies, and Karpel Solutions' entire liability and obligation with respect to any suit or claim for infringement or misappropriation of third-party Intellectual Property rights or with respect to the Software.

NOTIFICATION OBLIGATIONS OF INDEMNIFIED PARTIES: The indemnification obligations set forth above will apply only if and to the extent (i) the indemnified party gives prompt written notice to the indemnifying party of the assertion of any such claims, demands, action or proceeding, (ii) the indemnifying party has the right to select counsel and control the defense and all negotiations for settlement thereof and (iii) the indemnified party provides all reasonable information, assistance and cooperation required to defend such claim, demand, action or proceeding. The indemnifying party shall not settle or dispose of any such claim, demand, action or proceeding without written notification to the indemnified party in the event that the proposed settlement or disposal would materially adversely impact the indemnified party.

12. TERMINATION

TERMINATION: Client may terminate this Agreement upon thirty (30) days' notice to Karpel Solutions of Client's intent to terminate in the event that Karpel Solutions has failed to perform under or materially breaches this Agreement. Thereafter, Karpel Solutions will have thirty (30) days from the receipt of such notice to cure the alleged failure or breach. If at the end of such thirty (30) day period, Karpel Solutions has not cured the alleged failure or breach, then Client may terminate this Agreement. Karpel Solutions may terminate this Agreement on thirty (30) days' written notice for any reason. Either party may immediately terminate this Agreement in the event the other party (i) files for, or has filed against it, a bankruptcy petition, and such petition is not dismissed within sixty (60) days of the filing date, (ii) ceases to conduct business in the normal course, (iii) makes an assignment for the benefit of its creditors, (iv) is liquidated or otherwise dissolved, (v) becomes insolvent or unable to pay its debts in the normal course, or (vi) has a receiver, trustee or custodian appointed for it.

RIGHTS AFTER EXPIRATION OR TERMINATION: Upon expiration or termination of this Agreement, Karpel Solutions will immediately terminate Client's access to and use of the Website, Documentation, and Services. Upon expiration or termination of this Agreement, each party shall immediately cease use of any Confidential Information received from the other party. Within thirty (30) days of written request following termination or expiration of this Agreement, Karpel Solutions shall coordinate with Client with respect to the return of Client Content and Confidential Information obtained or shared during the course of the Agreement. Client understands that upon any termination or expiration of this Agreement, Client must return to Karpel Solutions (or at Karpel Solutions' election, destroy and certify such destruction in writing) any Documentation or other materials provided by Karpel Solutions, whether in written or electronic form, regarding the Website, Software or Services provided under this Agreement.

13. GENERAL PROVISIONS

NOTICES: Any notices provided under this Agreement will be in writing in the English language and will be deemed to have been properly given if delivered personally or if sent by (i) a recognized overnight courier, (ii) certified or registered mail, postage prepaid, return receipt requested, or (iii) electronic means, followed by mailing a copy by regular U.S. mail, postage prepaid. Karpel Solutions' address for such notices is set forth below. Client's address for such notices will be the address on file with Karpel Solutions as provided by Client. Such address or contact information may be revised from time to time by Karpel Solutions and/or Client by written notice as described in this Section. All notices sent by mail will be deemed received on the tenth (10th) business day after deposit in the mail. All notices sent by overnight courier will be deemed given on the next business day after deposit with the overnight courier. All notices sent by electronic means will be deemed given on the next business day after successful transmission.

Karpel Solutions
c/o Jeffery L. Karpel, CEO
9717 Landmark Parkway, Suite 200
St. Louis, MO 63127
(314) 892-6300
karpel@karpel.com

GOVERNING LAW AND DISPUTE RESOLUTION. This Agreement is to be construed and governed by the laws of the United States and the State of Missouri, without regard to conflict of law's provisions. Any dispute arising out of or in connection with this Agreement must be brought exclusively in the appropriate court(s) located in St. Louis County, Missouri, and Client expressly waives any and all objections regarding jurisdiction, venue, and forum *non conveniens* in such court(s). If either Karpel Solutions or Client employs attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date set forth below. This Agreement, together with the Master Terms and Conditions attached hereto and incorporated herein and all other attachments, constitutes the entire agreement between the parties, superseding all prior written and oral agreements. The parties hereto agree that this Agreement may not be modified, altered, or changed except by a written agreement signed by the parties hereto. Prior to acceptance of this Agreement, Karpel Solutions reserves the right to make modifications to this Agreement. The signatories warrant they have the authority to bind their respective party.

Winnebago County, IL

Karpel Solutions

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

Initials _____

Mailing Contact:

Mailing Address:

Billing Contact:

Phone Number: _____

Email Address: _____

Billing Address:

Tax Exempt? No Yes ***If yes, please attach copy of tax exempt certificate***

Agency Project Manager Contact:

Phone Number: _____

Email Address: _____

Project IT Contact:

Phone Number: _____

Email Address: _____

Initials _____

14. MASTER TERMS AND CONDITIONS

KARPEL COMPUTER SYSTEMS, INC. (dba "Karpel Solutions"), MASTER TERMS AND CONDITIONS

GENERAL TERMS

1. ACCEPTANCE TERM. The proposal attached to these Master Terms and Conditions is tendered for acceptance in its entirety within thirty (30) days from the date of the proposal, after which it is to be considered null and void.
2. MODIFICATION AND WAIVER. Any modifications of this Agreement must be in writing and signed by both parties. Neither party will be deemed to have waived any of its rights under the Agreement by any statement or representation other than (i) by an Authorized Representative and (ii) in an explicit written waiver. No waiver of a breach of this Agreement will constitute a waiver of any prior or subsequent breach of this Agreement.
3. ASSIGNMENT. This Agreement will inure to the benefit of and be binding upon Karpel Solutions, Client, and Karpel Solutions' successors and assigns. Notwithstanding the foregoing, Client may not assign or otherwise transfer this Agreement or Client's rights and obligations under this Agreement without the prior written consent of Karpel Solutions, and any purported assignment or other transfer without such consent will be void and of no force or effect. Karpel Solutions may assign and /or transfer this Agreement or Karpel Solutions' rights and obligations under this Agreement at any time and the Client's consent to such assignment or transfer is not needed.
4. FORCE MAJEURE. Neither party shall be deemed in default of this Agreement, to the extent that performance of its obligations or attempts to cure any breach thereof are delayed or prevented by reason of any act of God, government, fire, natural disaster, accident, terrorism, network or telecommunication system failure, sabotage or any other cause beyond the control of such party ("Force Majeure"), provided that such party promptly gives the other party written notice of such Force Majeure.
5. INDEPENDENT CONTRACTORS. The parties will be deemed to have the status of independent contractors, and nothing in this Agreement will be deemed to place the parties in the relationship of employer-employee, principal-agent, or partners or joint ventures. Neither party has the authority to bind, commit or make any representations, claims or warranties on behalf of the other party without the other party's prior written approval.
6. SOFTWARE ANOMALIES. New commercial software releases or upgrades, or any hardware and/or software owned by or licensed to Client, used in connection with Karpel Solutions' Services may have anomalies, performance or integration issues unknown to Karpel Solutions which can impact the timely, successful implementation of information systems. Karpel Solutions will inform the Client promptly if this occurs and will attempt to analyze, correct and/or work around the anomalies or performance issues on a "best efforts" basis. Karpel Solutions is not responsible for any delay or inability to complete its Services if such anomalies or performance issues occur. Client is responsible for payment for all of Karpel Solutions' Services at the rate stated in the Agreement whether or not a successful solution is achieved.

7. **SOFTWARE AUDIT.** Client agrees to allow Karpel Solutions the right to audit Client's use and license of the software at any time. Client will cooperate with the audit, including providing access to any books, computers, records or other information that relate to the use of Karpel Solutions. Such audit will not unreasonably interfere with Client's activities. In the event that an audit reveals unauthorized use, reproduction, distribution, or other exploitation of the software, Client will reimburse Karpel Solutions for the reasonable cost of the audit, in addition to such other rights and remedies that Karpel Solutions may have. Absent extenuating circumstances or circumstances which lead Karpel Solutions to believe that there has been unauthorized use, reproduction, distribution or other exploitation of Karpel Solutions by Client or Client's agents, Karpel Solutions will not conduct an audit more than once per year.
8. **CLIENT ENVIRONMENT.** Client is responsible for the application, operation and management of its information technology environment, including but not limited to: (a) purchasing, licensing and maintaining hardware and software; (b) following appropriate operating procedures; (c) following appropriate protective measures to safeguard the software and data from unauthorized duplication, modification, destruction or disclosure; (d) following adequate backup contingency plans; and (e) employing qualified personnel to obtain the desired results. Karpel Solutions is not responsible for the loss of data in the software or security breaches that result in the unauthorized dissemination of data contained in Karpel Solutions that is the result of Client not following appropriate operating procedures, security and protective measures and/or following adequate backup contingency plans.
9. **MATERIALS.** Client Agrees to pay Karpel Solutions for materials purchased for the Client's use. Materials may include computer hardware, software, hosting, facility leases, other services, telecommunications charges, freight, shipping, mailing, document reproduction and any other such costs incurred in performance of services for Client. Client will reimburse Karpel Solutions for all out of town travel expenses, such as automobile/airline travel, hotel, meals, and cab fare provided these costs are discussed and approved in advance by Client. Billing for services rendered on-site on an as needed basis will include portal-to-portal (travel) time.
10. **COPYRIGHT.** Karpel Solutions reserves the right to seek damages if Client is responsible for a violation of Karpel Solutions' copyright, and Client assumes full responsibility for the acts and omissions of its agents acting in the course and scope of their duties for Client with respect to the protection of Karpel Solutions' copyright.
10. **INTERNET AND NETWORK.** Karpel Solutions makes the software available to Client through the Internet and/or Client's own network and systems, to the extent commercially reasonable, and subject to outages, communication and data flow failures, interruptions and delays inherent in the Internet and network communications on the Client's own network and systems. Client recognizes that problems with the Internet, including equipment, software and network failures, impairments or congestion, or the configuration of Client's own computer systems and network, may prevent, interrupt or delay Client's access to Karpel Solutions. Client agrees that Karpel Solutions is not liable for and Client agrees to hold Karpel Solutions harmless from any delays, interruptions, suspensions or unavailability of Karpel Solutions attributable to problems with the Internet or the configuration of Client's computer systems or network.
11. **PASSWORD PROTECTION.** Access to Karpel Solutions is password-protected. Karpel Solutions provides multiple authentication alternatives for access to Karpel Solutions. **KARPEL SOLUTIONS STRONGLY**

ENCOURAGES THE USE OF STRONG PASSWORD AUTHENTICATION. Karpel Solutions is not responsible for Client's use of Karpel Solutions. Only the number of authorized users may access the Service and Website. Client must inform their users that they are subject to, and must comply with, all of the terms of this Agreement. Client is fully responsible for the activities of Client's employees and agents who access Karpel Solutions. Client agrees that Karpel Solutions is not liable for and Client agrees to hold Karpel Solutions harmless from any unauthorized access to Karpel Solutions and data or information contained therein, including without limitation, access caused by Client's failure to protect the login and password information of users.

12. SYSTEM REQUIREMENTS. Karpel Solutions provides Karpel Solutions based upon the system requirements as specified by Karpel Solutions for Client. Client agrees that Karpel Solutions is not liable for and Client agrees to hold Karpel Solutions harmless from any failure of Karpel Solutions based upon Client's failure to comply with the system requirements of Karpel Solutions.
13. THIRD PARTY SOFTWARE. Karpel Solutions makes no warranties, express or implied, as to any third party software or as to Karpel Solutions' ability to support such software on an on-going basis.
14. LIMITED ENGAGEMENT. Karpel Solutions makes no warranties, express or implied, as to the quality of, or the ability of software developed by Karpel Solutions to operate with, any hardware, network, software, systems and/or external data flows already in place at Client's facilities or as may be added by the Client.

NON-SOLICITATION OF KARPEL SOLUTIONS EMPLOYEES

Karpel Solutions has invested substantial sums of money and large amounts of time in recruiting, supervising and training Karpel Solutions' employees. Client acknowledges that it has a unique opportunity to evaluate Karpel Solutions employees' performance, and has the potential to hire Karpel Solutions employees. Client further acknowledges that such hiring away would substantially disrupt Karpel Solutions' business and ability to provide its services for others. Client understands that Karpel Solutions' employees are subject to non-competition agreements; therefore, Client agrees during the term of this Agreement and for a period of two (2) years thereafter, Client will not in any manner, directly or indirectly, solicit, recruit or hire, or attempt to solicit, recruit or hire, or otherwise interfere with the employment or engagement of any other employees of Karpel Solutions who are employed or engaged by the Company at the time of the solicitation, attempted solicitation, and/or hire.

CONFIDENTIALITY

1. CONFIDENTIALITY. Neither party shall disclose or use any confidential or proprietary information of the other party. The foregoing obligations shall not apply to information which the party receiving the information can demonstrate: (i) was in the possession of or known by it without an obligation of confidentiality prior to receipt of the information, (ii) is or becomes general public knowledge through no act or fault of the party receiving the information, (iii) is or becomes lawfully available to the receiving party from a third party without an obligation of confidentiality, or (iv) is independently developed by the receiving party without the use of any Confidential Information.
2. PERSONALLY IDENTIFIABLE INFORMATION. The parties recognize that certain data Client or Karpel Solutions may use in conjunction with PbK may be confidential Personally Identifiable Information of third parties. Karpel Solutions shall use all best efforts to protect the confidentiality of Personally

Identifiable Information of third parties. Client Agreements that Karpel Solutions is not liable and Client agrees to hold Karpel Solutions harmless from any claims arising out of disclosure of Personally Identifiable Information caused by Client's own negligence or misconduct.

3. DISCLOSURE REQUIRED BY LAW. In the event that any Confidential Information is required to be disclosed pursuant to any law, code, regulation or court order from a court of competent jurisdiction, the receiving party shall give the disclosing party immediate written notice of such requirement and shall use its best efforts to seek or to cooperate with the disclosing party in seeking a protective order with respect to the Confidential Information requested.
4. SIMILAR PROGRAMS AND MATERIALS. Provided Karpel Solutions is not in violation of the provisions of this Agreement regarding confidentiality, the Agreement shall not preclude Karpel Solutions from developing for itself, or for others, programs or materials which are similar to those produced as a result of Services provided to Client.
5. INJUNCTIVE RELIEF. The parties acknowledge that any breach of the confidentiality provisions of this Section will cause irreparable harm to the other party. Accordingly, the parties agree that the non-breaching party may enforce the provisions of this Agreement by seeking an injunction, specific performance, criminal prosecution or other equitable relief without prejudice to any other rights and remedies the non-breaching party may have available to it.

MARKETING

1. Client agrees that Karpel Solutions may identify Client as a customer of Karpel Solutions in Karpel Solutions' written promotional and marketing materials, as well as in any oral or visual presentations regarding the business of Karpel Solutions.
2. Provided Karpel Solutions is not in violation of the provisions of this Agreement regarding confidentiality, Karpel Solutions shall have the right to demonstrate for other prospective clients any application developed by Karpel Solutions under this Agreement and shall have the right to include information about any such application in marketing materials and presentations.

MISCELLANEOUS

1. ELECTRONIC DOCUMENTS. To the extent possible, and under the terms required by Client, Client and Karpel Solutions may communicate by electronic means, including but not limited to, facsimile documents and email. Both parties agree that: a signature or an identification code ("USERID") contained in an electronic document is legally sufficient to verify the sender's identity and the document's authenticity; an electronic document that contains a signature or USERID is a signed writing; and that an electronic document, or any computer printout of it, is an original when maintained in the normal course of business.
2. SEVERABILITY. If any portion of this Agreement is held to be void, invalid or otherwise unenforceable, in whole or in part, the remaining portions of the Agreement shall remain in full force and effect.

Appendix A

MEMORANDUM OF UNDERSTANDING (MOU) **BETWEEN 41ST JUDICIAL CIRCUIT DISTRICT ATTORNEY AND KARPEL SOLUTIONS** **FOR PARTICIPATION IN STATEWIDE DATA SHARING** **FOR PROSECUTORBYKARPEL®**

Parties:

1. The parties to this MOU are Karpel Solutions and Prosecution Offices that are willing to contribute potentially Confidential, Personally Identifiable, Criminal Justice Information to a Statewide Search system for purposes of information sharing with other Prosecution Offices.
2. The parties agree that maximum participation by all Prosecution Offices will strengthen the purposes of this MOU. Accordingly, the parties anticipate and desire that other eligible offices will join this MOU from time to time in the future. A joining agency shall also be considered a party and shall have the same rights, privileges, obligations, and responsibilities as the original parties.

Authority

Each participating Office warrants that it has the legal authority to enter into this MOU and share Confidential Information, Personally Identifiable Information and Criminal Justice Information with each other and with Karpel Solutions for the sole purpose under this MOU for the delivery of a Statewide Search function.

Definitions

Confidential Information - Means information of either Karpel Solutions or Contributing Party which is disclosed under this MOU in oral, written, graphic, machine recognizable, electronic, sample or any other form by one office to the other, and which is considered to be proprietary, sensitive, or trade secret by the disclosing party. Confidential Information of Karpel Solutions expressly includes HOSTEDbyKarpel, PROSECUTORbyKarpel, and Statewide Search. The Confidential Information of Contributing Party includes, subject to the limitation below, Personally Identifiable Information and Criminal Justice Information. Confidential Information

for purposes of this MOU does not include information with access restricted to certain users or teams within PROSECUTORbyKarpel by the Contributing Party.

Contributing Party - A Prosecuting Attorney's Office that is a party to this MOU.

Criminal Justice Information - Any information collected and retained by each Contributing Party within PROSECUTORbyKarpel and securely cached on HOSTEDbyKarpel for use by Statewide Search. Criminal Justice Information shall be considered Confidential Information. Criminal Justice Information includes limited information regarding defendants, co-defendants, court dates, charges, cases, and law enforcement referrals.

HOSTEDbyKarpel - Application and database delivery platform and website used by PROSECUTORbyKarpel to securely cache Confidential Information, Personally Identifiable Information, and Criminal Justice Information delivered through the Statewide Search function.

Information - Includes Confidential Information, Personally Identifiable Information and Criminal Justice Information.

Personally Identifiable Information - Means any information that may be used to identify specific persons or individuals, which is collected by each Contributing Party for use in conjunction with the use of PROSECUTORbyKarpel and Statewide Search on HOSTEDbyKarpel. Personally Identifiable Information shall be considered Confidential Information. Personally Identifiable Information includes pedigree information used to identify specific persons or individuals and may include, but is not limited to, date of birth, social security numbers, addresses, and alias names.

PROSECUTORbyKarpel - Means the PROSECUTORbyKarpel criminal case management system and specifically each Contributing Party's licensed copy of PROSECUTORbyKarpel.

Statewide Search - Functionality contained in PROSECUTORbyKarpel that allows each Contributing Party to query or search defendant information, co-defendant information, court dates charge and case information of other Contributing Parties.

Purpose

The Contributing Parties and Karpel Solutions agree that criminal history and case information currently available through other law enforcement and public portals is inadequate and sometimes incomplete.

The Contributing Parties and Karpel Solutions agree that the sharing of information between each Contributing Party will benefit criminal justice statewide as it will allow for better charging, filing and case disposition decisions.

The purpose of this Memorandum of Understanding (MOU) is to establish permissions and guidelines for the use of Personally Identifiable Information, Confidential Information, and Criminal Justice.

Information data the parties agree to share between each other and Karpel Solutions in connection with the Statewide Search function inside PROSECUTORbyKarpel that is housed in a secure database on HOSTEDbyKarpel.

In addition to the permissions and guidelines the purpose of the Statewide Search function is multifold:

1. Defendant information - Provide a mechanism for each Contributing Party to search and view basic defendant pedigree information that is contained in each Contributing Party's installation of PROSECUTORbyKarpel and that is cached in a secure database on HOSTEDbyKarpel accessible only from inside PROSECUTORbyKarpel.
2. Charge and Case information - Provide a mechanism for each Contributing Party to search and view defendant charge, referral and basic case information contained in each Contributing Party's installation of PROSECUTORbyKarpel and that is cached in a secure database on HOSTEDbyKarpel that is accessible only from inside PROSECUTORbyKarpel.
3. Co-Defendant information - Provide a mechanism for each Contributing Party to search and view co-defendant information and associations that are contained in each Contributing Party's installation of PROSECUTORbyKarpel and that is cached in a secure database on HOSTEDbyKarpel that is accessible only from inside PROSECUTORbyKarpel.
4. Court Dates - provide a mechanism for each Contributing Party to search and view court date information for cases that are contained in each Contributing Party's installation of PROSECUTORbyKarpel and that is cached in a secure database on HOSTEDbyKarpel that is accessible only from inside PROSECUTORbyKarpel.

Ownership, Entry and Maintenance of Information

1. Each Contributing Party retains sole ownership of, exclusive control over, and sole responsibility over all the information it contributes through Statewide Search including Confidential Information, Personally Identifiable Information and Criminal Justice Information, and may at any time update, correct or delete any information contained in PROSECUTORbyKarpel. Any changes made to Information in PROSECUTORbyKarpel by the Contributing Party will be reflected in the Information shared through Statewide Search. Information shared through Statewide Search cannot be altered by the Contributing Party independent of PROSECUTORbyKarpel. All entries into Statewide Search are clearly delineated to identify the jurisdiction or Contributing Party.

2. Each Contributing Party has the sole responsibility and accountability for ensuring the information it enters into PROSECUTORbyKarpel and subsequently shared through Statewide Search was not obtained in violation of any federal, state, local or tribal law applicable to the Contributing Party.
3. Each Contributing Party has the sole responsibility and accountability for ensuring compliance with all applicable laws, regulations, policies and procedures applicable to the party's entry of information in PROSECUTORbyKarpel that is subsequently shared through Statewide Search and cached by Karpel Solutions on HOSTEDbyKarpel.
4. As information entered into PROSECUTORbyKarpel and subsequently shared through Statewide Search is separately maintained by each Contributing Party in their separate installation of PROSECUTORbyKarpel, and for which each Contributing Party is solely responsible and accountable, information is not alterable or changeable in the Statewide Search database in any way by any other Contributing Party.
5. Statewide Search is only populated with loaned information derived from each Contributing Party and is not intended to be an official repository of original records, or to be used as a substitute for one, nor is the information contained in Statewide Search accorded any independent record status. Statewide Search is merely an application to facilitate the sharing of copies of the information outlined above that is contributed from already existing records contained in each Contributing Party's installation of PROSECUTORbyKarpel.
6. Each Contributing Party agrees to treat information shared through Statewide Search, including Confidential Information, Personally Identifiable Information, and Criminal Justice Information as confidential to the extent authorized by law, including the Freedom of Information Act, 5.U.S.C. § 552, the Privacy Act, 5 U.S.C. § 552a, and STATE SUNSHINE LAWS.

Access to and Use of Information

1. Each Contributing Party will contribute Confidential Information, Personally Identifiable Information, and Criminal Justice Information automatically through PROSECUTORbyKarpel. Each Contributing party agrees and permits other Contributing Parties to access and use through the Statewide Search function such Confidential Information, Personally Identifiable Information, and Criminal Justice Information.
2. Each Contributing Party will have access via PROSECUTORbyKarpel through the Statewide Search function to Information securely cached on HOSTEDbyKarpel for use by Statewide Search.
3. Each Contributing Party agrees and understands that cases, persons, and other Information that is given an authorization level by each Contributing Party within PROSECUTORbyKarpel is not subject to dissemination to other Contributing Parties through Statewide Search. Such cases, persons and Information that are assigned specific users or teams (authorizations) through PROSECUTORbyKarpel authorization levels are excluded in Statewide Search results.
4. Prosecution Offices that are not Contributing Parties are not eligible to use Statewide Search function through PROSECUTORbyKarpel and will not have direct access to Statewide Search within PROSECUTORbyKarpel.
5. Each Contributing Party is responsible for providing its own Internet connectivity to use Statewide Search.
6. Karpel Solutions is responsible for securely caching Information for use by the Statewide Search function. Karpel Solutions houses Information within a secured datacenter that is CJIS compliant and SAS70 audited. Multiple levels of security are in place to access the physical systems along with multiple levels of authentication. All systems are backed up and a copy of those backups is kept in two different locations. Additionally, an outside third-party security audit is performed annually, testing both the network and application layers.
7. Karpel Solutions is responsible for providing a secure method of delivery of the Information that is requested through Statewide Search. Karpel Solutions accomplishes this by providing the information in an encrypted stream through SSL (Secure Sockets Layer) that is only accessible by Contributing Parties with the necessary GUID (Globally Unique Identifier) to access such Information.

8. Each Contributing Party has the sole responsibility and accountability for ensuring that the use of the Statewide Search function conforms with laws, regulations, policies and procedures applicable to the Contributing Party.
9. All Contributing Parties agree that any information that is accessed through Statewide Search may only be disseminated in the furtherance of a legitimate law enforcement investigation or criminal prosecution.
10. All Contributing Parties agree that Karpel Solutions is allowed to use Statewide Search for demonstration purposes showing only fictitious Information.

Effective Date, Duration, Modification and Termination

1. As among the Contributing Parties and Karpel Solutions, this MOU shall become effective as to each such party when an authorized representative of the party signs it.
2. This MOU shall remain in full force and effect for each Contributing Party as long as they continue to use PROSECUTORbyKarpel.
3. This MOU may be modified or altered upon the mutual written consent of the duly authorized representatives of each Contributing Party and Karpel Solutions. However, Karpel Solutions and the Contributing Parties may modify, address, and resolve technical and operational details with regards to the functionality of Statewide Search and PROSECUTORbyKarpel that relate to this MOU without obtaining the consent of all Contributing Parties provided that such does not conflict with this MOU.
4. This MOU may be terminated at any time by the mutual written agreement of the authorized representatives of all the parties. A duly authorized representative of a Contributing Party may also terminate participation in the MOU upon thirty (30) day written notice to all other parties. Karpel Solutions may terminate the provision of Statewide Search to the Contributing Parties upon thirty (30) day written notice to all the Contributing Parties. A Contributing Party's participation may also be terminated involuntarily if the Contributing Party is not in compliance with the terms of this MOU.
5. Upon termination of this MOU, Karpel Solutions agrees to return or destroy all data that is cached on HOSTEDbyKarpel for use by the Statewide Search function.

SO AGREED, the parties below have executed this MOU by the signatures of the authorized representative of the Contributing Party on the dates indicated below.

Winnebago County, IL

Karpel Solutions

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

Initials _____

Statewide Data Sharing Portal Details

When PROSECUTORbyKarpel recognizes identical Persons in the Statewide Data Sharing Portal, the Statewide button will automatically turn blue. Selecting the Statewide button will show the data in the portal as seen below.

Bogus, Charles Robert Jr. Gang Member, Violent Criminal, Sex Offender, Strike 3

<input type="checkbox"/> Entity	Bogus, Charles Robert Jr.	Name	09-18-1968	DOB	50	Age	Place of Birth	919-99-9999	SSN			
<input type="checkbox"/> Int.	999 Losing His Way	Address 1	White	Race	Male	Sex	6'02	Height	195	Weight	81818	Local ID
Brady List		Address 2	Black	Hair	Brown	Eye	(555)555-5555	Phone	53245243	State ID		
Unavailable	Saint Louis	City	MO	State	63101	Zip	State-License#	CA 19191818238	LiCo/Class/Exp	665544333	Federal ID	
Police	Walmart	Employer	WRD-Ward of the Court 07-15-2015			Defendant Status						

Deceased
Statewide
CLEAR

Person Type	Contact Info	Address Hist
User Fields	Alias	Notes
Authorized	Relations	Schools
Marks/Tattoos	Gangs	Criminal Hist

Defendant	Witness	CoDefendant	Documents	Subscriptions	Finance	Civil		
Merced	03-01-2012	MSO 2014-05555	047-450671	CR-0032445	PC459 - First Degree Burglary, Person Presen...	F	PROBATION	INVEST
Merced	03-01-2012	MSO 2014-05598	047-450424	CR-556677-1	PC459 - First Degree Burglary, Person Presen...	F	OPEN	JURYTR
Merced	03-01-2012	MSO 2012-05511	047-449923	AP-654654	PC664/PC220(a)(2) - Assault With Intent To C...	F	CLOSED	FILED
Merced	09-27-2011	MSO 11-9199999	047-428330	CR-35214	HS11104(a) - Sale, Transfer And Furnishing A...	F	CLOSED	DISP

Party Search Results

Name	Address	City, State	Race	Sex	Birth Year
Grafton Bogus, Charly C	P.O. Box 666	North Haverhill, NH		Fem...	1959
Carroll Bogus, Charlene Test	123 Forest dr	Ossipee, NH	White	Fem...	1991
Rockingham Bogus, Charles James	1313 Main St.	Portsmouth, NH	White ...	Male	1968
Beknap Bogus, Charles Jimmy	1456 Loser Way	Center Barnstead, NH	White	Male	1968

Jurisdiction	Offense	Report#	File #	Court#	Charge	Status	Stage
Rockingham	09-13-2016 NH-FISH PD-55432		015-066192	CR-12345	Prohbtd Device; Fish & Game	CLOSED	Disposed

Case Information - Bogus, Charles James

File #

Report # Status Stage

L.E. Agency Jurisdiction

Assigned: Karpel Solutions Defense Attorney: Lynn Aaby

[Charges](#) [Co-Defend](#) [Court Dates](#)

CNT	Current/Plea Charge	Type	Class	Disposition	Sentence
1	Prohbtd Device; Fish & Game	V		Guilty-Plea	Home Confinement For Not More Than
2	AFSA - Victim<13	F	A	Dismissed- Bench	
3	AFSA - Victim<13	F	A	Dismissed- Bench	
4	AFSA - Victim<13	F	A	Dismissed- Bench	
5	FSA - Sexual Contact - Victim <13	F	B	Dismissed- Bench	

[Exit](#)



Resolution Executive Summary

Prepared By: David J. Rickert

Committee: Finance Committee

Committee Date: April 6, 2023

Resolution Title: Resolution Approving an Agreement between the County of Winnebago and Winnebago Homes Association for Emergency Rental Assistance Program 2 Funds

County Code: Not Applicable

Board Meeting Date: April 13, 2023

Budget Information

Budgeted? NO	Amount Budgeted? N/A
If not, originally budgeted, explain the funding source?	Emergency Rental Assistance Grant
Actual Amount?	\$90,000
ORG/OBJ/Project Codes: 61200 Descriptor: Emergency Rental Assistance II	

Background Information: The County has approximately \$94,000.00 remaining in WCERA2 (ERA2) funding and has met its threshold to obligate the funds for affordable rental housing and eviction prevention purposes. The County seeks to grant \$90,000.00 to Winnebago Homes Association (WHA) for the renovation and/or operations of very low-income housing in accordance with the Treasury Guidance

Recommendation: Staff concurs

Legal Review: Legal review conducted by the State's Attorney's Office

Follow-Up: The County Board Chairman, is authorized and directed to, on behalf of the County of Winnebago, execute the agreement by and between the County of Winnebago, Illinois and Winnebago Homes Association, in substantially the same form as that set forth in Exhibit A, attached hereto.

**RESOLUTION
OF THE
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2023 CR _____

SUBMITTED BY: FINANCE COMMITTEE

SPONSORED BY: JOHN BUTITTA

**RESOLUTION APPROVING AN AGREEMENT BETWEEN THE COUNTY OF
WINNEBAGO AND WINNEBAGO HOMES ASSOCIATION FOR EMERGENCY
RENTAL ASSISTANCE PROGRAM 2 FUNDS**

WHEREAS, the Emergency Rental Assistance program 2 (hereinafter “ERA2”) was established under the American Rescue Plan Act of 2021 which authorized the U.S. Department of the Treasury (hereinafter the “Treasury”) to make payments to certain recipients to be used to provide emergency rental assistance; and

WHEREAS, the County of Winnebago, Illinois (County) was awarded two rounds of funding by the Treasury for its Winnebago County Emergency Rental Assistance Program (WCERA), in the amounts of \$8,376,029.00 and \$6,627,599.00, respectively, which provided funding throughout the County of Winnebago, Illinois to “eligible households” or to landlords on behalf of an eligible household that were unable to pay rent and utilities based on certain guidelines; and

WHEREAS, the County has approximately \$94,000.00 remaining in WCERA2 (ERA2) funding and has met its threshold to obligate the funds for affordable rental housing and eviction prevention purposes; and

WHEREAS, the County seeks to grant \$90,000.00 to Winnebago Homes Association (WHA) for the renovation and/or operations of very low-income housing in accordance with the Treasury Guidance as provided in the Treasury’s Frequently Asked Questions (FAQ) dated July 27, 2022 (Exhibit A) specifically, FAQ #46, page 22, and the County will utilize the remaining \$4,000 for administrative costs related to the final compliance reports required by the Treasury for the close-out of the program; and

WHEREAS, WHA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended, and pursuant to WHA’s Articles of Incorporation, as amended, and its Bylaws, is organized and shall be operated to protect the health, safety and welfare of the public within Winnebago County, Illinois and in part, engage in low-rent housing projects and acquire improved or unimproved property for said purpose; and

WHEREAS, the County and WHA desire to enter into this Agreement toward a mutually beneficial purpose of reducing blight and providing affordable rental housing to serve very low-income families of Winnebago County, Illinois.

NOW, THEREFORE BE IT RESOLVED, by the County Board of the County of Winnebago, Illinois that Joseph V. Chiarelli, the Winnebago County Board Chairman, is authorized and directed to, on behalf of the County of Winnebago, execute the agreement by and between the County of Winnebago, Illinois and Winnebago Homes Association, in substantially the same form as that set forth in Exhibit A, attached hereto.

BE IT FURTHER RESOLVED that this Resolution shall be in full force and effect immediately upon its adoption.

BE IT FURTHER RESOLVED that the Clerk of the County Board is hereby authorized and directed to prepare and deliver certified copies of this Resolution to the County Auditor, County Board Office, County Treasurer and the President of Winnebago Homes Association.

Respectfully Submitted,
FINANCE COMMITTEE

AGREE

DISAGREE

JOHN BUTITTA, CHAIRMAN

JOHN BUTITTA, CHAIRMAN

JAIME SALGADO, VICE CHAIRMAN

JAIME SALGADO, VICE CHAIRMAN

JEAN CROSBY

JEAN CROSBY

JOE HOFFMAN

JOE HOFFMAN

KEITH McDONALD

KEITH McDONALD

JOHN F. SWEENEY

JOHN F. SWEENEY

MICHAEL THOMPSON

MICHAEL THOMPSON

The above and foregoing Resolution was adopted by the County Board of the County of
Winnebago, Illinois this _____ day of _____ 2023.

ATTESTED BY:

JOSEPH V. CHIARELLI
CHAIRMAN OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

LORI GUMMOW
CLERK OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

**AGREEMENT
BETWEEN THE COUNTY OF WINNEBAGO AND
WINNEBAGO HOMES ASSOCIATION**

This Agreement (hereinafter “**Agreement**”) is entered into this _____ day of _____, 2023, by and between the County of Winnebago, an Illinois body politic and corporate, (hereinafter “**County**”) and the Winnebago Homes Association, an Illinois not-for-profit corporation (hereinafter “**WHA**”). The County and WHA are collectively referred to as the “**Parties**” or individually as a “**Party**.”

RECITALS

WHEREAS, the Emergency Rental Assistance program 2 (hereinafter “**ERA2**”) was established under the American Rescue Plan Act of 2021 which authorized the U.S. Department of the Treasury (hereinafter the “**Treasury**”) to make payments to certain recipients to be used to provide emergency rental assistance; and

WHEREAS, the County was awarded two rounds of funding by the Treasury for its Winnebago County Emergency Rental Assistance Program (WCERA), in the amounts of \$8,376,029.00 and \$6,627,599.00, respectively, which provided funding throughout the County of Winnebago, Illinois to “eligible households” or to landlords on behalf of an eligible household that were unable to pay rent and utilities based on certain guidelines; and

WHEREAS, the County has approximately \$94,000.00 remaining in WCERA2 (ERA2) funding and has met its threshold to obligate the funds for affordable rental housing and eviction prevention purposes; and

WHEREAS, the County seeks to grant \$90,000.00 to WHA for the renovation and/or operations of very low-income housing in accordance with the Treasury Guidance as provided in the Treasury’s Frequently Asked Questions (FAQ) dated July 27, 2022 (Exhibit A) specifically, FAQ #46, page 22, and the County will utilize the remaining \$4,000 for administrative costs related to the final compliance reports required by the Treasury for the close-out of the program; and

WHEREAS, WHA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended, and pursuant to WHA’s Articles of Incorporation, as amended, and its Bylaws, is organized and shall be operated to protect the health, safety and welfare of the public within Winnebago County, Illinois and in part, engage in low-rent housing projects and acquire improved or unimproved property for said purpose; and

WHEREAS, the Parties desire to enter into this Agreement toward a mutually beneficial purpose of reducing blight and providing affordable rental housing to serve very low-income families of Winnebago County, Illinois.

NOW, THEREFORE, in consideration of the above recitals, mutual covenants, terms and provisions set forth in this Agreement and other good and valuable consideration, the sufficiency and receipt of which is acknowledged, the parties agree as follows:

- I. **RECITALS.** The above Recitals are incorporated in this Agreement by their reference and made part of this Agreement.

- II. **EFFECTIVE DATE AND TERM.** This Agreement will take effect as soon as it is signed by all authorized representatives of the parties. This Agreement shall terminate at the conclusion of the WCERA2 (ERA2) program and satisfactory compliance with all requirements set by the Treasury for the award.

- III. **DUTIES AND RESPONSIBILITIES OF THE COUNTY**
 - a. **Grant Funds.** The WCERA2 (ERA2) funds to be disbursed by the County to WHA as part of this Agreement shall not exceed ninety thousand dollars (\$90,000.00) for affordable rental housing purposes. The County will utilize the remaining four thousand dollars (\$4,000.00) for administrative costs related to the final compliance reports required by the Treasury for the close-out of the program.

 - b. **Timeframe for Disbursement of Funds.** Upon approval by the Winnebago County Board and WHA Board of Commissioners, the County shall distribute the WCERA2 (ERA2) funds within forty-five (45) days. The grant from the County to WHA is contingent on the availability of WCERA2 (ERA2) funds, and further subject to all applicable federal, state, and local laws regarding the governance of WCERA2 (ERA2) funds within the ERA2.

 - c. **Expiration and reallocation of funds.** In accordance with the Uniform Guidance, 2 CFR § 200.344, the funds may be obligated only until September 30, 2025. The funds are considered obligated upon the County's approval of the grant to WHA and such obligation is considered to be liquidated for the purpose of award closeout upon the County's disbursement of the WCERA2 (ERA2) funds to WHA.

 - d. **Compliance, Records and Reporting.** The County shall prepare all reports necessary for compliance requirements of external auditors, state and/or federal authorities and specifically of the ERA2 by the Treasury. The data necessary to satisfy the compliance requirements shall be supplied by WHA to the County. In fulfilling its obligations under this Agreement, the County further agrees to comply with all applicable federal, state and local laws, statutes and regulations, executive orders and Treasury interpretive guidance regarding such requirements for ERA2. The County shall maintain records and financial documents sufficient

to support compliance regarding the eligible uses of WCERA2 (ERA2) funds, for a period of five (5) years after all funds have been expended or returned to Treasury. The County may request additional information from WHA, to meet any additional guidelines regarding the use of WCERA2 funds that may be established by the Treasury during the scope of this Agreement.

IV. DUTIES AND RESPONSIBILITIES OF WHA

- a. Utilization of WCERA2 funds. WHA shall utilize the WCERA2 funds for affordable rental housing and eviction prevention purposes, specifically for the renovation and/or operations of very low-income housing in accordance with the Treasury Guidance as provided in the Treasury's FAQ #46 (see Exhibit A). By executing this Agreement, WHA agrees that its proposed use of the WCERA2 (ERA2) funds comports with the guidelines of the ERA2 as set forth by the Treasury.
- b. Compliance, Records and Reporting. WHA shall comply with all federal, state, and local laws and all requirements and published guidance set forth regarding the usage of any and all monies appropriated under the ERA2. In order to ensure compliance with the existing and any future ERA2 guidelines set forth by the Treasury during the term of this Agreement, WHA, shall provide to the County a written description and an invoice to support its expenditure(s) of all WCERA2 funds. WHA shall provide the County with any additional information, as needed, to meet any additional guidelines regarding the use of WCERA2 (ERA2) funds that may be established by the Treasury during the scope of this Agreement. The parties agree and acknowledge the requirements of this subsection are for purposes of the County's program documentation and shall not be construed to require the County's pre-approval over WHA's use of the WCERA2 funds.

V. GENERAL PROVISIONS

- a. Independent Contractor. Each Party under the Agreement shall be for all purposes an independent contractor. Nothing contained herein will be deemed to create an association, a partnership, a joint venture, or a relationship of principal and agent, or employer and employee between the Parties. WHA shall not be, or be deemed to be, or act or purport to act, as an employee, agent, or representative of the County for any purpose.
- b. Hold Harmless and Indemnification.
 - i. WHA agrees to defend, indemnify, and hold the County, its officers, officials, employees, agents and representatives harmless from and against

any and all claims, injuries, damages, losses or expenses, including without limitation personal injury, bodily injury, sickness, disease, or death, or damage to or destruction of property, which are alleged or proven to be caused in whole or in part by an act or omission of WHA, its officers, directors, employees, and/or agents relating to WHA's performance or failure to perform under this Agreement. This section shall survive the expiration or termination of this Agreement.

- ii. The County agrees to defend, indemnify, and hold the WHA, its officers, officials, employees, agents and representatives harmless from and against any and all claims, injuries, damages, losses or expenses, including without limitation personal injury, bodily injury, sickness, disease, or death, or damage to or destruction of property, which are alleged or proven to be caused in whole or in part by an act or omission of the County, its officers, directors, employees, and/or agents relating to the County's performance or failure to perform under this Agreement. This section shall survive the expiration or termination of this Agreement.
- c. Maintenance and Audit of Records. WHA shall maintain records, books, documents, and other materials relevant to its performance under this Agreement. These records shall be subject to inspection, review, and audit by the County or its designees, and the Treasury for five (5) years following termination of this Agreement. If it is determined during the course of the audit that WHA was granted funds for any ineligible costs or expenses under this Agreement, WHA agrees to promptly reimburse the County for such payment(s) upon request.
- d. No Third-Party Beneficiaries. Nothing herein shall or be deemed to create or confer any right, action, or benefit in, to, or on the part of any person or entity that is not a party to this Agreement. This provision shall not limit any obligation which either party has to the Treasury in connection with the use of WCERA2 (ERA2) funds, including the obligations to provide access to records and cooperate with audits as provided in this Agreement.
- e. Civil Rights Compliance. Recipients of Federal financial assistance from the Treasury are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31

CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23.

- f. Assignment. Neither party shall not assign or transfer any of its interests in or obligations under this Agreement without the prior written consent of the other party.
- g. Amendments. No amendment or modification to the Agreement shall be effective without prior written consent of the authorized representatives of the parties.
- h. Notices. All notices, approvals, demands, requests or other documents required or permitted under this Agreement, other than routine communications necessary for the day-to-day operation of this program, shall be deemed properly given if hand delivered or sent by nationally recognized overnight carrier or mailed by certified mail, postage prepaid, return receipt requested, to the following addresses:

If to the COUNTY:

Winnebago County
Attn: Patrick Thompson, County Administrator
Winnebago County Administration Building
404 Elm Street
Rockford, Illinois 61101

If to WHA:

Winnebago Homes Association
Attn: President
3617 Delaware Street
Rockford, Illinois 61102

- i. Governing Law. The Agreement shall be governed in all respects by the laws of the State of Illinois, both as to interpretation and performance, without regard to conflicts of law or choice of law provisions. Any action arising out of or in conjunction with the Agreement may be instituted and maintained only in the Circuit Court of the 17th Judicial Circuit of Winnebago County, Illinois.

- j. Headings. Sections and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.
- k. Severability. If any provisions, covenants, agreements or portions of this Agreement or its application to any person, entity or property is held invalid, such invalidity shall not invalidate any other portion of this Agreement. The parties intend to be bound to this agreement even in the event that a portion of the agreement is declared invalid, in accordance with law.
- l. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
- m. Waivers. No terms or provisions hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- n. Entire Agreement. This Agreement constitutes the entire agreement between the County and WHA for the use of WCERA2 (ERA2) funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the parties with respect to this Agreement.
- o. Authority. The County and WHA each warrant to the other that they have the authority to enter into this Agreement and that the person or persons executing this Agreement on their behalf has been duly authorized to act as the representative or officer of each respective party in affixing their signatures to the Agreement. The County and WHA hereto agree to sign such documents, enact such ordinances or resolutions, or perform such further obligations as may be necessary to effectuate the purposes of this Agreement.

<signature page follows>

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

COUNTY OF WINNEBAGO,
an Illinois body politic and corporate

Joseph V. Chiarelli
Chairman of the County Board of the
County of Winnebago, Illinois

Date: _____

ATTEST:

Lori Gummow
Clerk of the County Board of the
County of Winnebago, Illinois

Date: _____

WINNEBAGO HOMES ASSOCIATION,
an Illinois not-for-profit corporation

Name:
Its: President

Date: _____



WINNEBAGO COUNTY

— ILLINOIS —

Proposal to Utilize Emergency Rental Assistance Budget for Very Low-Income Housing in Winnebago County, Illinois

The Winnebago County Emergency Rental Assistance Program (WCERA 1) expended all of the \$8,376,029 awarded by the Treasury for the first round of emergency rental assistance as of September 30, 2022, including a reallocation by the Treasury in the amount of \$70,961. As per the award, at least 90 percent of the award was to be used for low-income rental and utility assistance to those impacted by the COVID-19 outbreak, and not more than 10 percent was to be used for administrative costs attributable to providing financial assistance and housing stability services to eligible households. The final distribution of WCERA 1 funds resulted in 91.19 percent (\$7,702,448) expended for rental and utility assistance, and 8.81 percent (\$744,766) for the administration of the WCERA 1 program.

The second round of funding provided by the Treasury for the Winnebago County Emergency Rental Assistance Program (WCERA 2) required that at least 85 percent of the awarded amount of \$6,627,599 was to be used for low-income rental and utility assistance to those impacted by the coronavirus pandemic, and not more than 15 percent to be used for administrative costs attributable to providing financial assistance, housing stability services, and other affordable rental housing and eviction prevention activities. As of December 31, 2022, 91.61 percent (\$6,071,835) has been expended for rental and utility assistance, and 6.97 percent (\$461,827.05) for the administration of the WCERA 2 program, with approximately \$94,000 available for remaining administrative and/or housing stability expenses.

As to the remaining WCERA 2 administrative funds, we propose that \$90,000 be used for the purchase and/or renovation of very low-income housing in accordance with the Treasury Guidance as provided in the Treasury FAQ's dated July 27, 2022 (Attachment A) specifically, FAQ #46, page 22, and \$4,000 be used for administrative costs related to the final compliance reports required by the Treasury for the close-out of the program.

Provided for your consideration is a proposal (Attachment B) from Alan Zais of Winnebago County Housing Authority (dba NI ReACH, the Northern Illinois Regional Affordable Community Housing) for the purchase of one or two foreclosed homes, which, when layered with a sustainable housing assistance funding source, will provide sustainable low-income housing for those in Winnebago County who meet the very low-income limits as established by the U.S. Department of Housing and Urban Development (HUD).

This proposal requests the Winnebago County Board’s approval of providing a grant in the amount of \$90,000 to Winnebago Homes Association, the 501 (c)(3) nonprofit affordable housing component of WCHA, for the purchase and/or renovation of very low-income rental housing.

NI ReACH would assist with the tenant eligibility process by utilizing the Illinois Housing Development Authority’s Rental Housing Assistance Program, which also meets the requirements set forth in FAQ #46.

As an example, tenant eligibility would be based on the 30th percentile in the table below (allowing for future adjustments by HUD):

RHSP Income Limits 4-18-2022								
Winnebago and Boone								
	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
30%	\$ 16,920	\$ 19,320	\$ 21,750	\$ 24,150	\$ 26,100	\$ 28,020	\$ 29,970	\$ 31,890

Excerpt from Treasury FAQ #46:

Eligible Affordable Rental Housing Purposes. Eligible “affordable rental housing purposes” are expenses for:

- the construction, rehabilitation, or preservation of affordable rental housing projects serving very low-income families; and
- the operation of affordable rental housing projects serving very low-income families that were constructed, rehabilitated, or preserved using ERA2 funds.

For purposes of the definition above, affordable rental housing projects serve very low-income families only if:

- the household income of occupants of units funded by ERA2 funds is limited to the maximum income applicable to very low-income families, as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)); and
- such income limitation is imposed through a covenant, land use restriction agreement (LURA), or other enforceable legal requirement for a period of at least 20 years.

In addition, to be considered an affordable rental housing purpose serving very low-income families, an affordable rental housing project funded, in whole or in part, with ERA2 funds must conform to and meet the program regulations and other requirements of one or more of the types of assistance listed below. In other words, uses of ERA2 funds for an affordable rental

housing purpose must be aligned with at least one of the following programs and must meet the requirements of that program along with the other conditions specifically set forth in this FAQ:

- **Low-Income Housing Tax Credit (Treasury);**
- HOME Investment Partnerships Program (U.S. Department of Housing and Urban Development (HUD));
- HOME-ARP Program (HUD);
- Housing Trust Fund Program (HUD);
- Public Housing Capital Fund (HUD);
- Indian Housing Block Grant Program (HUD);
- Section 202 Supportive Housing for the Elderly (HUD);
- Section 811 Supportive Housing for Persons with Disabilities (HUD);
- Farm Labor Housing Direct Loans and Grants (U.S. Department of Agriculture (USDA));
- Multifamily Preservation and Revitalization Program (USDA).

Form of Provision of Funds and Time of Obligation. Grantees that use ERA2 funds for an eligible affordable rental housing purpose may provide such funds in the form of loans (including no-interest loans and deferred-payment loans), interest subsidies, **grants**, or other financial arrangements. ERA2 funds may not be used to establish, provide financial support to, or invest in revolving loan funds or other structured funds.

Proposal from Northern Illinois Regional Affordable Community Housing (NI ReACH) to Utilize Emergency Rental Assistance Budget for Low-Income Housing in Winnebago County

NI ReACH proposes an approach that would provide affordable housing and would assist the County in concluding the Winnebago Emergency Rental Assistance Program by utilizing the remaining funds for eligible affordable rental housing purposes with the housing authority assisting.

The immediate idea would be for the Winnebago Homes Association (WHA) to purchase one or two foreclosed homes and layer it with a sustainable housing assistance funding source. WHA is our 501 c 3 (formed in 1950) that is our affordable housing developer that is an instrumentality of the WCHA board (the WCHA board self-appoints itself as the WHA board), and has completed about \$110 million in New Construction and Rehab programs across Winnebago and Stephenson counties and in California since 2006, primarily with Low Income Housing Tax Credits, the Rental Assistance Demonstration I and II, HOPE VI, AHP, HOME, RDA and CFFP.

We have used some of the development and ROI monies to purchase about 25 homes throughout Winnebago County as rental assisted housing, the Rockford Police Department's ROCK Homes (we provide free to RPD officer and family) and the Rockford Veterans Drop-In Center (we donated to them after we rehabbed it), and about 10 of these homes were acquired through the National Community Stabilization Trust (NCST), which allowed us to acquire a vacant, foreclosed home in an otherwise good neighborhood. We are careful to choose a home where the surrounding homes are in good condition and are generally owner-occupied.

We are very transparent to the neighborhood with notices of who we are and what we would like to do, and an open house, and have always been welcomed because the neighbors want the vacant, eyesore home restored for both the neighborhood aesthetic and the positive impact on the neighborhood home values. We then use the Illinois Housing Development Authority's Rental Housing Support Program (RHSP), which attaches housing assistance so that it is affordable to a very low-income family. We have an RHSP wait list with preference points for senior/disabled, veteran or the surviving spouse, victim of domestic violence, and working/living/trade program in Winnebago County.

This would be a nice conclusion to the Winnebago County Emergency Rental Assistance program in that it would continue to serve the housing needs for low-income families in Winnebago County, it creates a cross-sector partnership that leverages additional non-profit and state government services to enhance the grant, helps in foreclosure and neighborhood recovery while blending seamlessly with the surrounding homes (it's one of them), and would be an ongoing and sustainable plan that has proven to be welcomed by the community.

Below are some of the homes that we have acquired using this exact process.

Three-bedroom home on Grant Avenue in West Central Rockford. We acquired this for free but spent about \$20,000 on rehab.



Two-bedroom home on Loomis Avenue in Southwest Rockford. We acquired this for free and spent about \$20,000 on rehab.



Four-bedroom home on Swan Trail in Northwest Rockford. We paid about \$60,000.



Four-bedroom home on Freemont in near west Rockford. We paid about \$40,000.



Two units (2 and 3 bedroom) on Salmon Avenue in South Beloit. We received it for free and spent about \$20,000 on rehab.



Four-bedroom home on Bradley in near East side of Rockford. We paid about \$80,000.



Three-bedroom on 15th Street in southwest Rockford. We paid about \$60,000. This is one of the homes we give to use for free by the Rockford Police Department.



Three-bedroom home on 15th Street in Mid East Rockford. We paid about \$75,000.



Four-bedroom on Trenton in west Rockford that we purchased for about \$60,000 recently.



The families and their needs that are served by these homes and this program include a senior couple caring for their adult developmentally-disabled daughter who lives with them and who have now lived in a home provided by this program for eight years. We housed them with their RHA voucher when we were originally partnered with RHA for their families with our WHA/NCST program. When the WHA program that assisted RHA ended, they gave up their RHA voucher to remain under WHA assistance.



Resolution Executive Summary

Prepared By: Lafakeria S. Vaughn
Committee: Finance Committee
Committee Date: April 6, 2023
Resolution Title: Resolution Authorizing the Execution of Contracts to Temporarily Extend the Current Cable Television Franchise Agreements
County Code: Not Applicable
Board Meeting Date: April 13, 2023

Budget Information

Budgeted? NO	Amount Budgeted?	N/A
If not, originally budgeted, explain the funding source? N/A		
If ARPA or CIP funded, original amount requested? N/A		
Actual Amount? N/A		
Over or Under approved amount? N/A		By: N/A
If ARPA funded, was it approved by Baker Tilly? N/A		
ORG/OBJ/Project Codes: N/A Descriptor: N/A		

Background Information: The two cable television franchise agreements with Comcast of Illinois/Indiana/Ohio, LLC and Charter Communications expire on April 30, 2023. The parties are in the process of negotiating terms for new franchise agreements and are seeking an extension to June 30, 2023, or until a new franchise agreement is entered into; whichever occurs first.

Recommendation: Staff concurs

Legal Review: Legal review conducted by the State's Attorney's Office

Follow-Up: On behalf of the County, the Winnebago County Board Chairman will execute the agreements.

**RESOLUTION
OF THE
COUNTY BOARD OF THE COUNTY OF WINNEBAGO, ILLINOIS**

2023 CR _____

SUBMITTED BY: FINANCE COMMITTEE

SPONSORED BY: JOHN BUTITTA

**RESOLUTION AUTHORIZING THE EXECUTION OF CONTRACTS
TO TEMPORARILY EXTEND THE CURRENT CABLE TELEVISION
FRANCHISE AGREEMENTS**

WHEREAS, Comcast of Illinois/Indiana/Ohio, LLC (Comcast), Charter Communications f/k/a Charter Cable Partners, LLC (Charter), and Mediacom Illinois LLC (Mediacom) currently provide cable video programming services within unincorporated Winnebago County, Illinois pursuant to cable television franchises granted by the County of Winnebago, Illinois (County) in 2013; and

WHEREAS, by their terms the aforesaid franchise agreements are scheduled to expire on April 30, 2023; and

WHEREAS, the County, Comcast and Charter are in the process of negotiating terms for new franchise agreements but do not expect the negotiations to be completed, and the new franchise agreements signed, by April 30, 2023; and

WHEREAS, the County has yet to begin negotiations with Mediacom or discuss a temporary extension of its franchise agreement; and

WHEREAS, the Comcast and Charter franchisees are, and have been, satisfactorily providing cable video programming services within unincorporated Winnebago County and otherwise fulfilling their obligations under the aforesaid franchise agreements; and

WHEREAS, it is in the best interests of the two franchisees, the County, and the franchisees' customers in unincorporated Winnebago County for the franchisees to continue to provide cable video programming services to their customers in unincorporated Winnebago County while the County and the franchisees negotiate the terms of new franchise agreements.

NOW, THEREFORE, BE IT RESOLVED, by the County Board of the County of Winnebago, Illinois, that Joseph V. Chiarelli, the Winnebago County Board Chairman is hereby authorized and directed to, on behalf of the County of Winnebago, enter into agreements with Comcast of Illinois/Indiana/Ohio, LLC and Charter Communications to extend the expiration

dates of their current cable television franchise agreements with the County of Winnebago, Illinois through June 30, 2023, or until a new franchise agreement is entered into; whichever occurs first.

BE IT FURTHER RESOLVED, that any cable television franchise extension agreement entered into by the authority granted in this Resolution shall contain substantially similar terms to the agreement which is attached to this Resolution as “Exhibit A”.

BE IT FURTHER RESOLVED, that this Resolution shall be in full force and effect immediately upon its adoption.

Respectfully Submitted,
FINANCE COMMITTEE

AGREE

DISAGREE

JOHN BUTITTA, CHAIRMAN

JOHN BUTITTA, CHAIRMAN

JAIME SALGADO, VICE CHAIRMAN

JAIME SALGADO, VICE CHAIRMAN

JEAN CROSBY

JEAN CROSBY

JOE HOFFMAN

JOE HOFFMAN

KEITH McDONALD

KEITH McDONALD

JOHN F. SWEENEY

JOHN F. SWEENEY

MICHAEL THOMPSON

MICHAEL THOMPSON

The above and foregoing Resolution was adopted by the County Board of the County of
Winnebago, Illinois this _____ day of _____ 2023.

ATTESTED BY:

JOSEPH V. CHIARELLI
CHAIRMAN OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

LORI GUMMOW
CLERK OF THE COUNTY BOARD
OF THE COUNTY OF WINNEBAGO, ILLINOIS

**CABLE TELEVISION FRANCHISE
AGREEMENT EXTENSION**

WHEREAS, Comcast of Illinois/Indiana/Ohio, LLC (hereinafter referred to as “Comcast”) currently provides cable video programming services within unincorporated Winnebago County, Illinois pursuant to a cable television franchise granted by the County of Winnebago, Illinois (hereinafter referred to as “County”) in May, 2013; and

WHEREAS, by its terms the aforesaid franchise agreement was scheduled to expire on April 30, 2023; and

WHEREAS, the County and Comcast are in the process of negotiating terms for a new franchise agreement but do not expect the negotiations to be completed, and a new franchise agreement signed, by April 30, 2023; and

WHEREAS, Comcast is, and has been, satisfactorily providing cable video programming services within unincorporated Winnebago County and otherwise fulfilling its obligations under the aforesaid franchise agreement; and

WHEREAS, it is in the best interests of Comcast, the County of Winnebago, and Comcast’s customers in unincorporated Winnebago County for Comcast to continue to provide cable video programming services to its customers in unincorporated Winnebago County while the County and Comcast negotiate the terms of a new franchise agreement.

NOW, THEREFORE, in consideration of the foregoing, Comcast and County agree as follows:

1. The expiration date of the currently existing cable television franchise agreement between Comcast and County shall be extended to June 30, 2023.

2. All other rights, obligations, and conditions arising out of the currently existing cable television franchise agreement between Comcast and County shall remain in full force and effect, to the extent consistent with applicable federal and state law and regulation, through June 30, 2023, or until a new franchise agreement is entered into; whichever occurs first.

IN WITNESS WHEREOF, this Cable Television Franchise Agreement Extension has been executed by the duly authorized representatives of the parties as set forth below on the date set forth below.

**THE COUNTY OF WINNEBAGO,
ILLINOIS**

**COMCAST OF
ILLINOIS/INDIANA/OHIO, LLC**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**CABLE TELEVISION FRANCHISE
AGREEMENT EXTENSION**

WHEREAS, Charter Communications (hereinafter referred to as “Charter”) currently provides cable video programming services within unincorporated Winnebago County, Illinois pursuant to a cable television franchise granted by the County of Winnebago, Illinois (hereinafter referred to as “County”) in June, 2013; and

WHEREAS, by its terms the aforesaid franchise agreement was scheduled to expire on April 30, 2023; and

WHEREAS, the County and Charter are in the process of negotiating terms for a new franchise agreement but do not expect the negotiations to be completed, and a new franchise agreement signed, by April 30, 2023; and

WHEREAS, Charter is, and has been, satisfactorily providing cable video programming services within unincorporated Winnebago County and otherwise fulfilling its obligations under the aforesaid franchise agreement; and

WHEREAS, it is in the best interests of Charter, the County of Winnebago, and Charter’s customers in unincorporated Winnebago County for Charter to continue to provide cable video programming services to its customers in unincorporated Winnebago County while the County and Charter negotiate the terms of a new franchise agreement.

NOW, THEREFORE, in consideration of the foregoing, Charter and County agree as follows:

1. The expiration date of the currently existing cable television franchise agreement between Charter and County shall be extended to June 30, 2023.

2. All other rights, obligations, and conditions arising out of the currently existing cable television franchise agreement between Charter and County shall remain in full force and effect, to the extent consistent with applicable federal and state law and regulation, through June 30, 2023, or until a new franchise agreement is entered into; whichever occurs first.

IN WITNESS WHEREOF, this Cable Television Franchise Agreement Extension has been executed by the duly authorized representatives of the parties as set forth below on the date set forth below.

**THE COUNTY OF WINNEBAGO,
ILLINOIS**

CHARTER COMMUNICATIONS

By:

By:

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____