

**VILLAGE of LAWTON**  
**VILLAGE COUNCIL MEETING – COMMITTEE OF THE WHOLE**  
***HYBRED - BEING HELD VIRTUALLY and at LAWTON ELEMENTARY MUSIC ROOM***  
**702 E 2<sup>ND</sup> St, Lawton, MI 49065**  
**TUESDAY, MAY 25<sup>TH</sup>, 2021 – 7:00 P.M.**

It has been determined by the Village of Lawton that an electronic meeting is necessary to protect public health. Public participation is encouraged and procedures facilitating that participation are outlined in supplemental materials attached.

**TO ACCESS THE MEETING REMOTELY:**

**BY PHONE:** Dial +1 (312) 626-6799 and ENTER Meeting ID# 223 344 0545

**BY COMPUTER:** <https://us02web.zoom.us/j/2233440545> & ENTER Meeting ID# 223 344 0545

**AGENDA**

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. PLEDGE OF ALLEGIANCE**
- IV. CONSENT AGENDA**
  - A. Approval of May 25<sup>th</sup>, 2021 Agenda**
  - B. Approval of May 11<sup>th</sup> Village Council Meeting Minutes**
- V. COMMUNICATIONS AND CORRESPONDENCE**
- VI. CITIZENS' COMMENTS – (Please keep comments to 3 minutes)**
- VII. OLD BUSINESS**
- VIII. NEW BUSINESS**
  - A. Blaine Allen Marketing Plan for 423 E Second.....Presentation**
  - B. Council Rules of Procedure.....Discussion**
  - C. Water Rate Study.....Discussion**
- IX. BOARD, COMMITTEE, STAFF AND COUNCIL COMMENTS**
- X. ADJOURNMENT - NEXT REGULAR MEETING DATE – *June 8<sup>th</sup>, 2021***

Please Note: The Village follows the Americans with Disabilities Act of 1990. Individuals with disabilities attending the meeting and requiring accommodations are requested to contact the Village Clerk at (269) 624-6407 or bellj@lawtonmi.gov. If you have questions for the Village Council, and are unable to make the meeting, please forward them to the Village Manager at imusl@lawtonmi.gov.

*Posted May 21<sup>st</sup>, 2021 for the VILLAGE OF LAWTON in VAN BUREN COUNTY, MICHIGAN www.lawtonmi.gov 269.624.6407*



## SUPPLEMENTAL MATERIALS TO AGENDA

**PLEASE NOTICE:** It has been determined by the Village of Lawton that an electronic meeting is necessary to protect the public health. Public participation is encouraged and procedures facilitating that participation are outlined as follows:

### **To join the meeting by phone:**

- 1) Attend by phone, using your touchtone keypad
  - Dial +1 (312) 626-6799
  - Enter the Meeting ID# - 223 344 0545

### **To join the meeting by Zoom Video Conference:**

- 1) You will need a computer, tablet, or smartphone with speaker and headphones.
- 2) In your browser enter: <https://us02web.zoom.us/j/2233440545> Meeting ID# - 223 344 0545  
At the start time of the meeting, enter the link to join via computer. You may be instructed to download the Zoom application. You have an opportunity to test your audio at this point by clicking on "Test Computer Audio." Once you are satisfied that your audio works, click on "Join audio by computer."

**We recommend completing these steps ahead of time to assure you are able to connect.**

### **Electronic Meeting Rules for Public**

- 1) All public participants entering the meeting will automatically be muted upon entering.
- 2) All public participants should either turn off or leave off their video camera if recognized by Council and addressing Council. Only Village Council members and Village staff will be allowed to have their video cameras on. Your video camera will be turned off for you if you do not turn it off yourself.
- 3) Public comment:
  - a. Public only will be allowed to address the Council during Public Comments
  - b. Public is allowed three (3) minutes to speak.
  - c. Public must state the name and address slowly and clearly before they start to address the Council.
  - d. Public comments will be addressed in the following order:
    - i. Those provided in writing by 6 pm on the day of the meeting sent to [ImusL@LawtonMI.gov](mailto:ImusL@LawtonMI.gov) will be read aloud by President.
    - ii. Those requesting to speak during meeting, by providing name, address in by 6 pm on the day of the meeting sent to [ImusL@LawtonMI.gov](mailto:ImusL@LawtonMI.gov).
    - iii. Those using the Video Conference Portion (not calling on a telephone) will be asked to use the "Raise Your Hand" Feature in Zoom. The President will call on individuals to speak and they will be unmuted at that time.
    - iv. Participants that are available only by phone, after the President requests.
- 4) Inappropriate or disruptive participants will not be allowed/tolerated and will be removed from the meeting.
- 5) Due to the electronic nature of this type of meeting the President, at his discretion, may adjourn the meeting with or without notice for any reason. Every attempt will be made to remain connected to the meeting, however two examples of abrupt adjournment may be computer connectivity issues or lack of appropriate

participation. According to the Attorney General, interrupting a public meeting in Michigan with hate speech or profanity could result in criminal charges under several State statutes relating to Fraudulent Access to a Computer or Network (MCL 752.797) and/or Malicious Use of Electronics Communication (MCL750.540).

To comply with the **Americans with Disabilities Act (ADA)**, any citizen requesting accommodation to attend this meeting, and/or to obtain this notice in alternate formats, please contact Michigan Relay at <https://hamiltonrelay.com/michigan/index.html>.

## ADDITIONAL ZOOM INSTRUCTIONS FOR PARTICIPANTS:

### ***Before a videoconference:***

1. You will need a computer, tablet, or smartphone with speaker or headphones. You will have the opportunity to check your audio immediately upon joining a meeting.
2. Details, phone numbers, and links to videoconference or conference call is provided above. The details include a link to “Join via computer” as well as phone numbers for a conference call option. It will also include the 9-digit Meeting ID.

### ***To join the videoconference:***

1. At the start time of your meeting, enter the link to join via computer. You may be instructed to download the Zoom application if you have not previously downloaded.
2. You have an opportunity to test your audio at this point by clicking on “Test Computer Audio.” Once you are satisfied that your audio works, click on “Join audio by computer.” If you are having trouble hearing the meeting, you can join via telephone while remaining on the video conference:
  - On your phone, dial the teleconferencing number provided above.
  - Enter the **Meeting ID number** when prompted using your touch- tone (DTMF) keypad.
  - If you have already joined the meeting via computer, you will have the option to enter your 2- digit participant ID to be associated with your computer.

### ***Participant controls in the lower left corner of the Zoom screen:***



Using the icons in the lower left corner of the Zoom screen, you can:

- Mute/Unmute your microphone (far left)
- Turn on/off camera (“Start/Stop Video”)
- Invite other participants
- View Participant list – opens a pop-out screen that includes a **“Raise Hand”** icon that you may use to raise a virtual hand during Call to the Public
- Change your screen name that is seen in the participant list and video window

Somewhere (usually upper right corner on your computer screen) on your Zoom screen you will also see a choice to toggle between “speaker” and “gallery” view. “Speaker view” shows the active speaker. “Gallery view” tiles all of the meeting participants.

# Rules of procedure for the Lawton Village Council

Rules of procedure help a council to run an efficient meeting and to interact with the public and the media in a positive manner. Accordingly, the Lawton Village Council hereby adopts the following rules:

## **A. Regular and Special Meetings**

All meetings of the Village council will be held in compliance with state statutes, including the Open Meetings Act, 1976 PA 267 as amended, and with these rules.

### **1. Regular meetings**

Regular meetings of the Village council will be held on second and fourth Tuesday of each month beginning at 7:00 p.m. at the Lawton Village Hall, 125 S Main, Lawton MI, unless otherwise rescheduled by the council. If any regularly scheduled meeting falls on a legal holiday, the regular meeting will be scheduled at the call of the President. Changes in the regular meeting schedule shall not be made except upon the approval of the majority of the members in session.

### **2. Special meetings**

A special meeting shall be called by the clerk upon the written request of the President or any two members of the council on at least 18 hours' notice as required by the Open Meetings Act. Written notice to each member of council may be served personally or left at the councilmember's usual place of residence. Special meeting notices shall state the purpose of the meeting. No official action shall be transacted at the special meeting of the council unless the item has been stated in the notice of the meeting. Business conducted at a special meeting is limited to the business indicated in the request and included in the notice of the meeting.

### **3. Posting requirements for regular and special meetings**

- a. Within 10 days after the last meeting of the council in December public notice stating the dates, times and places of the regular monthly council meetings will be published and posted at Village Hall, in accordance with the Open Meetings Act.
- b. For a rescheduled regular meeting or a special meeting of the council, a public notice stating the date, time, and place of the meeting shall be posted at least 18 hours before the meeting at Village Hall.
- c. The notice described above is not required for a meeting of the council in emergency session in the event of a severe and imminent threat to the health, safety or welfare of the public when two-thirds of the members of the council determine that delay would be detrimental to the Village's efforts in responding to the threat.
- d. The Michigan Open Meetings Act requires that copies of the notice of public meetings be provided by first-class mail upon request and payment of a reasonable yearly fee for the costs of printing and postage, as determined by the council.

#### **4. Minutes of regular, special, or committee of the whole meetings**

The clerk shall attend the council meetings and record all the proceedings and resolutions of the council in accordance with the Open Meetings Act. In the absence of the clerk, a designee of the council may temporarily perform the clerk's duties. Copies of minutes of all meetings except closed sessions shall be prepared and made available to the public in accordance with the Open Meetings Act.

Within 15 days of a council meeting a synopsis showing the substance of each separate decision of the council or the entirety of the council proceedings shall be prepared by the clerk and shall indicate the vote of the councilmembers. After the President approves this document, it shall be published in a newspaper of general circulation in the city/village or posted in three public places in the city/village.

A copy of the minutes of each regular or special council meeting shall be available for public inspection at the village offices during regular business hours.

#### **5. Study sessions**

Upon the call of the president or the council and with appropriate notice to the councilmembers and to the public, the council may convene a work session devoted exclusively to the exchange of information relating to municipal affairs. No votes shall be taken on any matters under discussion, nor shall any councilmember enter a formal commitment with another member regarding a vote to be taken subsequently.

### **B. Conduct of meetings**

#### **1. Meetings to be public**

All regular and special meetings of the council shall be open to the public, and citizens shall have a reasonable opportunity to be heard in accordance with such rules and regulations as the council may determine, except that the meetings may be closed to the public and the media in accordance with the Open Meetings Act.

All official meetings of the council and its committees shall be open to the public and media who may record or transmit its proceedings by radio, television, and photographic services, provided that such arrangements do not interfere with the orderly conduct of the meeting. Council may establish additional rules and regulations governing recording and broadcasting to minimize disruption.

#### **2. Agenda preparation**

Pending matters and requests for agenda items of business for regularly scheduled Council meetings, shall be compiled by the Village Clerk and/or Manager. The Village Clerk and/or Manager shall prepare the agenda together with copies of meeting minutes, contracts, resolutions, reports, explanations, and supporting documentation, etc., that relate to the matters of business on the agenda, and distributed to all Council Members, and posted for public inspection.

Any Council Member, department head, organization or person desiring to place a matter on the agenda shall notify the Village Clerk and/or Manager of such item by the close of business a 5:00 p.m. on the Wednesday of the week preceding the next regular meeting.

Items that the Village Manager/Clerk do not receive by the stated deadline shall not be considered by the Council except upon the consent of members present. Any council member shall have the right to add items to the regular agenda before it is approved at the council meeting.

The council agenda shall be prepared with the following order of business

- a. Call to Order and Roll Call
- b. Pledge of Allegiance
- c. Approval of Consent Agenda
- d. Approval of Agenda
- e. Approval of Minutes
- f. Approval of Invoices I Payroll
- g. Public Communications
- h. Verbal comments
- i. Written communications
- j. Appointments / Resignations/ Proclamations
- k. Public Hearings / Presentations / Resolutions
- l. Unfinished Business
- m. New Business
- n. Reports from Commission/Committee/Boards
- o. Reports from Officers and Staff
- p. President's Report
- q. Council Reports
- r. Adjournment

### **3. Consent agenda**

A consent agenda is used to allow the council to act on multiple administrative and noncontroversial items in a single motion. Included on this agenda can be approval of the agenda, approval of minutes, payment of bills, approval of recognition resolutions, etc. Upon request of a member, an item shall be removed from the consent agenda and placed on the regular agenda for discussion.

### **4. Agenda distribution**

Council members should receive agenda packets no less than 48 hours prior to any scheduled regular or special meetings via each member's Village-issued email address. If available, agenda packets will accompany the notice of the meeting.

### **5. Quorum**

A majority of the entire elected or appointed and sworn members of the council shall constitute a quorum for the transaction of business at all council meetings. In the absence of a quorum, a lesser number may adjourn any meeting to a later time or date with appropriate public notice. When council members are unable to attend a scheduled council meeting, notification within a reasonable

time, via phone call, text or email to the President, Village Manager and Village Clerk should be given.

Remote Attendance. Members of the Village Council may be connected by means of a two-way communication device for the purpose of participating in any Regular or Special Village Council meeting provided a quorum is physically present at the posted meeting place and the communication equipment allows everyone in the meeting to hear each other. Any votes taken during the meeting shall be by roll call. Remote participation shall not be considered attendance for the purpose of establishing a quorum or receiving per diem. Such participation shall be approved in advance by the President and limited to two (2) consecutive meetings and no more than six (6) meetings total in any fiscal year of the Village.

## **6. Attendance at council meetings**

Election to the village council is a privilege freely sought by the nominee. It carries with it the responsibility to participate in council activities and represent the residents of the village. Attendance at council meetings is critical to fulfilling this responsibility. A general law village council is empowered by Section 65.5 of the General Law Village Act as amended to adjourn a meeting if a quorum is not present and compel attendance a manner prescribed by its ordinance.

The council may excuse absences for cause. If a councilmember has more than three unexcused successive absences for regular or special council meetings, the council may enact a resolution of reprimand. If the member's absences continue for more than three additional successive regular or special meetings of the council, the council may enact a resolution of censure or request the councilmember's resignation or both.

## **7. Presiding officer**

The presiding officer shall be responsible for enforcing these rules of procedure and for enforcing orderly conduct at meetings. The president is ordinarily the presiding officer. The council shall appoint one of its members president pro tempore, who shall preside in the absence of the president. In the absence of both the president and the president pro tempore, the member present who has the longest consecutive service on the council shall preside.

## **8. Disorderly conduct**

The president may call to order any person who is being disorderly by speaking out of order or otherwise disrupting the proceedings, failing to be germane, speaking longer than the allotted time or speaking vulgarities. Such person shall be seated until the chair determines whether the person is in order.

If the person so engaged in presentation is called out of order, he or she shall not be permitted to continue to speak at the same meeting except by special leave of the council. If the person shall continue to be disorderly and disrupt the meeting, the chair may order the sergeant at arms to remove the person from the meeting. No person shall be removed from a public meeting except for an actual breach of the peace committed at the meeting.

## **C. Closed meetings**

### **1. Purpose**

Closed meetings may be held only for the reasons authorized in the Open Meetings Act, which are the following

- a. To consider the dismissal, suspension, or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent when the named person requests a closed meeting.
- b. For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement when either negotiating party requests a closed hearing.
- c. To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.
- d. To consult with the municipal attorney or another attorney regarding trial or settlement strategy in connection with specific pending litigation, but only when an open meeting would have a detrimental financial effect on the litigating or settlement position of the council.
- e. To review the specific contents of an application for employment or appointment to a public office when a candidate requests that the application remain confidential. However, all interviews by a public body for employment or appointment to a public office shall be held in an open meeting.
- f. To consider material exempt from discussion or disclosure by state or federal statute.

### **2. Calling closed meetings**

At a regular or special meeting, any councilmembers, elected or appointed and serving, by a two-thirds roll call vote may call a closed session under the conditions outlined in Section C.1 of the Open Meetings Act. The roll call vote and purpose(s) for calling the closed meeting shall be entered into the minutes of the public part of the meeting at which the vote is taken.

### **3. Minutes of closed meetings**

A separate set of minutes shall be taken by the clerk or the designated secretary of the council at the closed session. These minutes will be retained by the clerk, shall not be available to the public, and shall only be disclosed if required by a civil action, as authorized by the Michigan Open Meetings Act. These minutes may be destroyed one year and one day after approval of the minutes of the regular meeting at which the closed session was approved.

## **D. Discussion and voting**

### **1. Rules of parliamentary procedure**

The rules of parliamentary practice as contained in the latest edition of Robert's Rules of Order -



Revised shall govern the council in all cases to which they are applicable, provided that they are not in conflict with these rules, village ordinances or applicable state statutes. Council may at any time vote to suspend the rules or proceeding and a failure to follow "Roberts Rules of Order" or any other published rules shall not invalidate any action by council taken in accordance with the Village charter and state law.

The chair shall preserve order and decorum and may address points of order in preference to other councilmembers. The chair shall decide all parliamentary questions subject to appeal and reversal by a majority of the councilmembers present.

Any member may appeal to the council a parliamentary ruling of the chair. If the appeal is seconded, the member making the appeal may briefly state the reason for the appeal and the chair may briefly defend the ruling. There shall be no debate on the appeal. The question shall be, "Shall the decision of the chair be sustained?" If the majority of the members present vote "aye," the ruling of the chair is sustained; otherwise it is overruled.

## **2. Conduct of discussion**

During the council discussion and debate, no member should speak until recognized for that purpose by the chair. After such recognition, the member should confine discussion to the question at hand and to its merits and should not be interrupted except by a point of order or privilege raised by another member. Speakers should address their remarks to the chair, maintain a courteous tone and avoid interjecting a personal note into debate.

No member will be permitted speak more than once on the same question until every other member desiring to speak to that question has had the opportunity to do so.

The chair, at his or her discretion and subject to the appeal process, may permit any person to address the council during its deliberations.

## **3. Ordinances and resolutions**

No ordinance, except an appropriation ordinance, an ordinance adopting or embodying an administrative or governmental code or an ordinance adopting a code of ordinances, shall relate to more than one subject, and that subject shall be clearly stated in its title.

A vote on all ordinances and resolutions shall be taken by a roll call vote and entered in the minutes unless it is a unanimous vote. If the vote is unanimous, it shall be necessary only to so state in the minutes, unless a roll call vote is required by law or by council rules.

## **4. Roll call**

In all roll call votes, the names of the members of the council shall be called in an order at the discretion of the Village clerk.

## **5. Duty to vote**

Election to council carries with it the duty to vote on all matters properly brought before it.

Councilmembers present at a council meeting shall vote on every matter before the body, unless otherwise excused or prohibited from voting by law. A councilmember who is present and abstains or does not respond to a roll call vote shall be counted as voting with the prevailing side and shall be so recorded, unless otherwise excused or prohibited by law from voting.

Conflict of interest, as defined by law, shall be the sole reason for a member to abstain from voting. The opinion of the village attorney shall be binding on the council with respect to the existence of a conflict of interest. A vote may be tabled, if necessary, to obtain the opinion of the city/village attorney.

The right to vote is limited to the members of council present at the time the vote is taken. Voting by proxy or by telephone is not permitted. All votes must be held and determined in public; no secret ballots are permitted.

## **6. Results of voting**

In all cases where a vote is taken, the chair shall declare the result. Any council member voting in the majority may move for a reconsideration of the vote on any question at that meeting or at the next succeeding meeting of the council. When a motion to reconsider fails, it cannot be reconsidered.

Except as otherwise provided by Public Act 317 of 1968, as amended, being MCL 15.321 et seq., regarding public contracts involving members of the Council, no member of the Council shall vote on any question in which he or she has a financial interest, or on any question concerning his or her own conduct.

Roll Call Votes. The names and votes of members shall be recorded on all actions to adopt ordinances and resolutions, to appoint or elect officers, financial matters, and all other final actions. Procedural questions may be decided by voice vote. Upon the request of any Council Member, a roll call vote shall be taken on other motions and actions.

When a roll call vote is required on a question, and after the President has stated the question, the Clerk is directed to call the roll. No motion shall be in order until such roll call is completed, and the result is announced by the President.

In all cases where a non-roll call vote is taken, the President shall decide the results. Any member may call for a division and the "yes" and "no's" shall be called upon by the request of the President or any member.

## **E. Citizen participation**

### **1. General**

Each regular council meeting agenda shall provide for reserved time for public comment. If requested by a member of the council, the chair may allow a member of the audience to speak at times other than reserved time for public comment.

### **2. Length of presentation**

Any person who addresses the council during a council meeting under public comment or for a public hearing shall be limited to 3 minutes in length per individual presentation. The clerk will maintain the official time and notify the speakers when their time is up.

### **3. Addressing the council**

Persons addressing the council shall state his or her name and home address. Remarks should be confined to the question at hand and addressed to the chair in a courteous tone. No person shall have the right to speak more than once on any particular subject until all other persons wishing to be heard on that subject have had the opportunity to speak.

## **F. Miscellaneous**

### **1. Adoption and amendment of rules of procedure**

A copy of these rules, as and when adopted by council, shall be distributed to each council member. The council may alter or amend its rules at any time by a vote of a majority of its members serving.

### **2. Suspension of rules**

These rules may be suspended for a specified portion of a meeting by an affirmative vote of a majority of the members present, with the exception that council actions shall conform to state statutes and to the Michigan and the United States Constitutions.

### **3. Bid awards**

Bids will be awarded by the council during regular or special meetings. A bid award may be made at a special meeting of council if that action is announced in the notice of the special meeting.

### **4. Committees**

a. The city/village shall have the following standing committees: [Committees should be listed by name and with a definition of their purposes and scopes.]

- Water and Sewer
- Public Services
- Finance & Administration
- Public Safety
- Community & Economic Development

Committee members will be appointed by the President. They shall be members of the council. The President shall fill any committee vacancies. Committee members shall serve for a term of one year and may be reappointed.

Special committees may be established for a specific period of time by the president or by a resolution of the council which specifies the task of the special committee and the date of its dissolution.

b. Citizen task forces

Citizen task forces may be established by the council which specifies the task to be accomplished and the date of its dissolution. Members of such committees will be appointed by the President, subject to approval by a majority vote of the council and must be residents of the Village, unless special skills or experience are useful to the task force in which case up to two non-residents may be appointed to a citizen task force. Vacancies will be filled by majority vote of the council in the same way appointments are made.

**5. Authorization for contacting the Village attorney**

The following officials (by title) are authorized to contact the city/village attorney regarding municipal matters:

- a. Village Manager
- b. Village Clerk
- c. those approved by the Village Manager

DRAFT



MUNICIPAL ADVISORS

Baker Tilly Municipal Advisors, LLC  
2852 Eyde Pkwy, Ste 150  
East Lansing, MI 48823  
United States of America

T: +1 (517) 321 0110  
bakertilly.com

May 19, 2021

Village of Lawton  
PO Box 367  
125 S. Main Street  
Lawton, MI 49065

RE: Engagement Letter Agreement Related to Services – Water and Sewer Rate Studies

This letter agreement (the "Engagement Letter") is to confirm our understanding of the basis upon which Baker Tilly Municipal Advisors, LLC ("Baker Tilly") and its affiliates are being engaged by the Village of Lawton (the "Client") to assist the Client with advisory services.

### **Scope, Objectives and Approach**

It is anticipated that projects undertaken in accordance with this Engagement Letter will be at the request of the Client. The scope of services, additional terms and associated fee for individual engagements will be contained in the Scope Appendix to this Engagement Letter. Authorization to provide services will commence upon execution and return of this Engagement Letter.

### **Management's Responsibilities**

It is understood that Baker Tilly will serve in an advisory capacity with the Client. The Client is responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee the services we provide. The Client is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for decisions regarding implementation of the advice or recommendations included in such services. The Client is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

The procedures we perform in our engagement will be heavily influenced by the representations that we receive from Client personnel. Accordingly, false representations could cause material errors to go undetected. The Client, therefore, agrees that Baker Tilly will have no liability in connection with claims based upon our failure to detect material errors resulting from false representations made to us by any Client personnel and our failure to provide an acceptable level of service due to those false representations unless the failure to detect such material errors is within the scope of the applicable engagement and/or Baker Tilly knew or should have known of such material error, subject to Baker Tilly's applicable professional standard of care.

The ability to provide service according to timelines established and at fees indicated will rely in part on receiving timely responses from the Client.

The responsibility for auditing the records of the Client rests with the Client's separately retained auditor and the work performed by Baker Tilly shall not include an audit or review of the records or the expression of an opinion on financial data.

## **Ownership of IP**

Unless otherwise stated the Scope Appendix, subject to Baker Tilly's rights in Baker Tilly's Knowledge (as defined below), Client shall own all intellectual property rights in the deliverables developed under the applicable Scope Appendix or Appendices ("Deliverables"). Notwithstanding the foregoing, Baker Tilly will maintain all ownership right, title and interest to all Baker Tilly's Knowledge. For purposes of this Agreement "Baker Tilly's Knowledge" means Baker Tilly's proprietary programs, modules, products, inventions, designs, data, or other information, including all copyright, patent, trademark and other intellectual property rights related thereto, that are (1) owned or developed by Bakery Tilly prior to the Effective Date of this Agreement or the applicable Scope Appendix or Appendices ("Baker Tilly's Preexisting Knowledge") (2) developed or obtained by Baker Tilly after the Effective Date, that are reusable from client to client and project to project, where Client has not paid for such development; and (3) extensions, enhancements, or modifications of Baker Tilly's Preexisting Knowledge which do not include or incorporate Client's confidential information. To the extent that any Baker Tilly Knowledge is incorporated into the Deliverables, Baker Tilly grants to Client a non-exclusive, paid up, perpetual royalty-free worldwide license to use such Baker Tilly Knowledge in connection with the Deliverables, and for no other purpose without the prior written consent of Baker Tilly. Additionally, Baker Tilly may maintain copies of its work papers for a period of time and for use in a manner sufficient to satisfy any applicable legal or regulatory requirements for records retention.

The supporting documentation for this engagement, including, but not limited to work papers, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to required third parties, the Client hereby authorizes us to do so.

## **Timing and Fees**

Specific services will commence upon execution and return of this Engagement Letter and our professional fees will be based on the rates outlined in the Scope Appendix.

## **Dispute Resolution**

Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Engagement Letter or the applicable Scope Appendix or Appendices as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation, or termination of this Agreement or the applicable Scope Appendix or Appendices as shall be resolved as set forth in this section using the following procedure: In the unlikely event that differences concerning the services or fees provided by Baker Tilly should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties may pursue any legal or equitable remedies available to them.

Because a breach of any the provisions of this Engagement Letter or the applicable Scope Appendix or Appendices as concerning confidentiality or intellectual property rights will irreparably harm the non-breaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the non-breaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this section in order to seek injunctive or declaratory relief.

## **Limitation on Damages**

To the extent allowed under applicable law, the aggregate liability (including attorney's fees and all other costs) of either party and its present or former partners, principals, agents or employees to the other party related to the services performed under an applicable Scope Appendix or Appendices shall not exceed (i) if Client is the at-fault-party, then the fees paid to Baker Tilly under the applicable Scope Appendix or Appendices to which the claim relates, or (ii) if Baker Tilly is the at-fault party, then a multiple of three times (3x) fees paid to Baker Tilly under the applicable Scope Appendix except to the extent finally determined to have resulted from the legally determined negligence, willful misconduct or fraudulent behavior of the at-fault party. Additionally, to the extent permitted by law, in no event shall either party be liable to the other for any lost profits, lost business opportunity, lost data, consequential, special, exemplary or punitive damages arising out of or related to this Engagement Letter or the applicable Scope Appendix or Appendices even if the other party has been advised of the possibility of such damages.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within the applicable statute of limitations.

## **Other Matters**

In the event Baker Tilly is requested by the Client to produce its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is neither a party to the proceeding in which the information is sought nor Baker Tilly's Services are at issue, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses incurred in responding to such a request.

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated, or subcontracted by either party without the 'written consent of the other part. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

In the event that any provision of this Engagement Letter or statement of work contained in a Scope Appendix hereto is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Engagement Letter or statement of work did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Engagement Letter would impair Baker Tilly's independence under its rules, such provision(s) shall be of no effect.

**Termination**

Both the Client and the Baker Tilly have the right to terminate this Engagement Letter or any work being done under the Scope Appendix at any time after reasonable advance written notice. On termination, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Scope Appendix will terminate 60 days after completion of the services in such Appendix.

**Important Disclosures**

Incorporated as Attachment A and part of this Engagement Letter are important disclosures. These include disclosures that apply generally and those that are applicable in the event Baker Tilly is engaged to provide municipal advisory services.

This Engagement Letter, including the attached Disclosures as updated from time to time, comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals, oral or written, and all other communications between the parties. Both parties acknowledge that work performed pursuant to the Engagement Letter will be done through Scope Appendices executed and made a part of this document.

Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Engagement Letter shall survive the expiration or termination of this Engagement Letter or any statement of work contained in a Scope Appendix hereto.

If this Engagement Letter is in agreement with your understanding, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,



Andy Campbell, CPA, Director

**Signature Section:**

The services and terms as set forth in this Engagement Letter are agreed to on behalf of the Client by:

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

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

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



## **Attachment A Important Disclosures**

### Non-Exclusive Services

Client acknowledges and agrees that Baker Tilly, including but not limited to Baker Tilly US, LLP, Baker Tilly Municipal Advisors, LLC, Baker Tilly Capital, LLC, and Baker Tilly Investment Services, LLC, are free to render municipal advisory and other services to others and that Baker Tilly does not make its services available exclusively to the Client.

### Affiliated Entities

Baker Tilly US, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

Baker Tilly Investment Services, LLC ("BTIS"), a U.S. Securities and Exchange Commission ("SEC") registered investment adviser, may provide services to the Client in connection with the investment of proceeds from an issuance of securities. In such instances, services will be provided under a separate engagement, for an additional fee. Notwithstanding the foregoing, Baker Tilly may act as solicitor for and recommend the use of BTIS, but the Client shall be under no obligation to retain BTIS or to otherwise utilize BTIS relative to Client's investments. The fees paid with respect to investment services are typically based in part on the size of the issuance proceeds and Baker Tilly may have incentive to recommend larger financings than would be in the Client's best interest. Baker Tilly will manage and mitigate this potential conflict of interest by this disclosure of the affiliated entity's relationship, a Solicitation Disclosure Statement when Client retains BTIS's services and adherence to Baker Tilly's fiduciary duty and/or fair dealing obligations to the Client.

Baker Tilly Capital, LLC ("BTC") Baker Tilly Capital, LLC ("BTC") is a limited service broker-dealer specializing in merger and acquisition, capital sourcing, project finance and corporate finance advisory services. BTC does not participate in any municipal offerings advised on by its affiliate Baker Tilly Municipal Advisors. Any services provided to Client by BTC would be done so under a separate engagement for an additional fee.

Baker Tilly Municipal Advisors ("BTMA") is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the SEC) and the Municipal Securities Rulemaking Board ("MSRB"). As such, BTMA may provide certain specific municipal advisory services to the Client. BTMA is neither a placement agent to the Client nor a broker/dealer. The offer and sale of any Bonds is made by the Client, in the sole discretion of the Client, and under its control and supervision. The Client acknowledges that BTMA does not undertake to sell or attempt to sell bonds or other debt obligations, and will not take part in the sale thereof.

Baker Tilly, may provide services to the Client in connection with human resources consulting, including, but not limited to, executive recruitment, talent management and community survey services. In such instances, services will be provided under a separate scope of work for an additional fee. Certain executives of the Client may have been hired after the services of Baker Tilly were utilized and may make decisions about whether to engage other services of Baker Tilly or its subsidiaries. Notwithstanding the foregoing, Baker Tilly may recommend the use of Baker Tilly or a subsidiary, but the Client shall be under no obligation to retain Baker Tilly or a subsidiary or to otherwise utilize either relative to the Client's activities.

## Conflict Disclosure Applicable to Municipal Advisory Services Provided by BTMA.

*Legal or Disciplinary Disclosure.* BTMA is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving BTMA. Pursuant to MSRB Rule G-42, BTMA is required to disclose any legal or disciplinary event that is material to the Client's evaluation of BTMA or the integrity of its management or advisory personnel.

There are no criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations or civil litigation involving BTMA. Copies of BTMA filings with the SEC can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Baker Tilly Municipal Advisors, LLC or for our CIK number which is 0001616995. The MSRB has made available on its website ([www.msrb.org](http://www.msrb.org)) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

*Contingent Fee.* The fees to be paid by the Client to BTMA are or may be based on the size of the transaction and partially contingent on the successful closing of the transaction. Although this form of compensation may be customary in the municipal securities market, it presents a conflict because BTMA may have an incentive to recommend unnecessary financings, larger financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause a financing or other transaction to be delayed or fail to close, BTMA may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

*Hourly Fee Arrangements.* Under an hourly fee form of compensation, BTMA will be paid an amount equal to the number of hours worked multiplied by an agreed upon billing rate. This form of compensation presents a potential conflict of interest if BTMA and the Client do not agree on a maximum fee under the applicable Appendix to this Engagement Letter because BTMA will not have a financial incentive to recommend alternatives that would result in fewer hours worked. In addition, hourly fees are typically payable by the Client whether or not the financing transaction closes.

*Fixed Fee Arrangements.* The fees to be paid by the Client to BTMA may be in a fixed amount established at the outset of the service. The amount is usually based upon an analysis by Client and BTMA of, among other things, the expected duration and complexity of the transaction and the work documented in the Scope Appendix to be performed by Baker Tilly. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Baker Tilly may suffer a loss. Thus, Baker Tilly may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives.

BTMA manages and mitigates conflicts related to fees and/or other services provided primarily through clarity in the fee to be charged and scope of work to be undertaken and by adherence to MSRB Rules including, but not limited to, the fiduciary duty which it owes to the Client requiring BTMA to put the interests of the Client ahead of its own and BTMA's duty to deal fairly with all persons in its municipal advisory activities.

To the extent any additional material conflicts of interest have been identified specific to a scope of work the conflict will be identified in the respective Scope Appendix. Material conflicts of interest that arise after the date of a Scope Appendix will be provide to the Client in writing at that time.

## Scope Appendix

The Firm is providing the outline below describing the scope of service for a Water and Sewer Rate Study. Fees are detailed below:

### Sewer

The Firm has agreed to work with the Village on the sewer rate conversion for an extended period under a previous engagement. The Firm will continue this process, free of charge, if the engagement wraps up by the end of September 2021. This requires that the Village (or its engineers), provide the information necessary to finish the engagement by the end of August 2021. Two in-person meetings will be included, at no charge, to wrap up the engagement.

If the engagement goes beyond September 2021, meaning the information necessary to complete the engagement is not received prior to the end of August 2021, the Firm will contact the Village by email to inquire about continuing the process. If the Village agrees to continue, the Village will pay the Firm \$250/hour for time incurred to complete the engagement. This will entail a not-to-exceed amount of \$10,000. If the time incurred goes beyond \$10,000, the Firm will contact the Village by email to inquire about continuing the engagement.

### Water

The fee for a water rate study will be \$10,000. The fee includes time incurred, three in-person meetings and routine expenses.

Scope detail for both:

### *Historical and Current Financials*

Historical operating expenses are reviewed using audit and budget information.

- Three years audits and budgets.
- Current and proposed (if available) budget.

A “Test Year” is developed that reflects a baseline operating cost.

- Based on current budget with leveling for base operating cost.
- Determination of anticipated changes to operating cost.
- Inflation factors by budget line item.

### *Customer Base*

The customer base is reviewed, including the number of billable customers and volumetric sales.

- The accuracy of this data is verified by applying it to the current rate structure and compared to current audit and budget revenue.
- Other operating and non-operating revenues evaluated.

### *Forecasting*

Assumptions are made regarding the customer base through the forecasted period.

- Prediction of customer and volume counts (may include more than one scenario).
- Trending in system utilization, particularly for industry.

Projection of operating cost.

- Anticipated inflation by expense category.
- Determination of any additions or reductions based on changing operations.

#### Compilation of existing debt.

- Existing annual debt service by debt issue.
- Debt is separated by revenue support, in particular, debt that is paid from rates.
- Refinancing and/or restructuring possibilities are explored.

#### *Operating and Capital Funding*

Capital improvement planning will identify the estimated asset investment cost by year for a selected forecast period of time.

- The annual investment cost is evaluated, and scenarios developed for cash funding and debt financing.
- Funding asset investment from cash balances is weighed against potential efficiency of grouping certain cost together for purposes of debt financing.
- Financing options are considered including State and Federal agency funding sources as well as open market bonds. Open market options will be affected by the size of the borrowing as well as other aspects such as credit and security.

The projected cash flow is solved to a cash and investment balance.

- Actual cash and investments are analyzed including restricted assets.
- A cash balance policy is developed that identifies a targeted upper limit as well as a minimum balance as appropriate for the particular system. These balances encompass legal commitments and good business practices.
- The policy includes flexibility for temporary reductions below the minimum balance based on a plan to attain the level within a given period.
- Separate capital improvement funds are considered. If utilized, policy is developed as to whether they are to be restricted, and if so, whether by resolution or ordinance.

Rate management may be accomplished with more than one approach as to rate structuring and rate adjustment timing.

- The elements of a rate structure, including the proportion of revenue generated from ready to serve and commodity charge are determined by policy decision, and other customer base characteristics.
- Rate adjustment over time may be incremental or one time in nature.