



APPENDIX A



A proposal for

Vermilion County, Illinois

Multi-department Cost of Service Review

County Infrastructure Cost Allocation

Multi-department Operations Activity Inventory

Road Map Capture Plan



INTRODUCTION

Bellwether LLC is a full service Operations Management consulting firm located in Bloomington, Illinois. Our consulting team is made up of experts in Lean and Six Sigma methodologies providing expense management, cost allocation, process improvement, custom technology development and hands-on transitional management to both private industry and local government clients.

Our years of experience in cost accounting, county government operations and finance, and our familiarity with statute regulated fees and A-87 based cost accounting ensures that every fee recommendation will capture the full cost of providing the service and be fully compliant with Illinois statutes.

Bellwether LLC is pleased to present this comprehensive project proposal for **Vermilion County, Illinois**.

CONSULTANTS

Our experience with county finance and reporting allows our analysts to collect needed information from existing reports whenever possible, decreasing the demand on staff and minimizes the distraction from customer services.

Bruce DeLashmit is the founder and Managing Partner of Bellwether LLC. Bruce retired from US Naval services after 21 years. As a Management and Strategy Consultant, Bruce's experiences include over 25 years of extensive transformational efforts, organizational design and business performance improvement consulting in small and large companies as well as national and local government structures.

He has consulted and provided transition leadership in financial services, manufacturing, logistics and distribution, healthcare services and administration, law enforcement, community development and merger and acquisitions in a wide array of industries.

Cathryn Lange - As a Operations Consultant, Cathryn's experiences include financial analysis and reporting in a number of industries. She has provided direct support to county departments designing data management and reporting systems to improve day-to-day operations.

Chris Hole - As a Operations Consultant, Chris' experiences center on planning and consulting for non-profit organizations. She has provided direct support in designing, conducting and analyzing the results of multiple county department surveys, compiling extensive comparative models of department operating costs and staff.



PROJECT SUMMARY

1. In our opinion, Vermilion County would benefit from a project with five distinct approaches:
 - a. A full understanding of the cost of providing services for fee in selected departments.
 - b. An understanding of county infrastructure costs as it relates to supporting county operations.
 - i. This review is limited to allocating general fund expenses to non-general fund revenue sources.
 - c. An understanding of the relationship of each department's guiding statutes and the actual services provided.
 - d. An understanding of the activities within each department and involved employees.
 - i. This review is divided into two groups based on the county's ability to significantly influence process or outcomes to generate savings.
 - e. A road map capture plan that outlines decisions necessary to capture the full potential of the proposed project.

2. Our 21 week project is designed to identify opportunities to improve fee revenue as quickly as possible in the following departments:
 - a. Vermilion County Clerk
 - b. Vermilion County Recorder of Deeds
 - c. Vermilion County GIS Department
 - d. Vermilion County Sheriff / Jail
 - e. Vermilion County Animal Control
 - f. Vermilion County Health Department (Immunization / Environmental Health)
 - g. Vermilion County Highway Department (Culvert / Permits) *

3. The project then continues with a systematic approach to complete operations reviews in each of the following departments.

Auditor	Building & Grounds	Coroner
County Admin	Supervisor of Assessments	Technology Services
Treasurer	Jury Commission *	Probation *
Public Defender *	EMA *	Board of Review *
State's Attorney *		

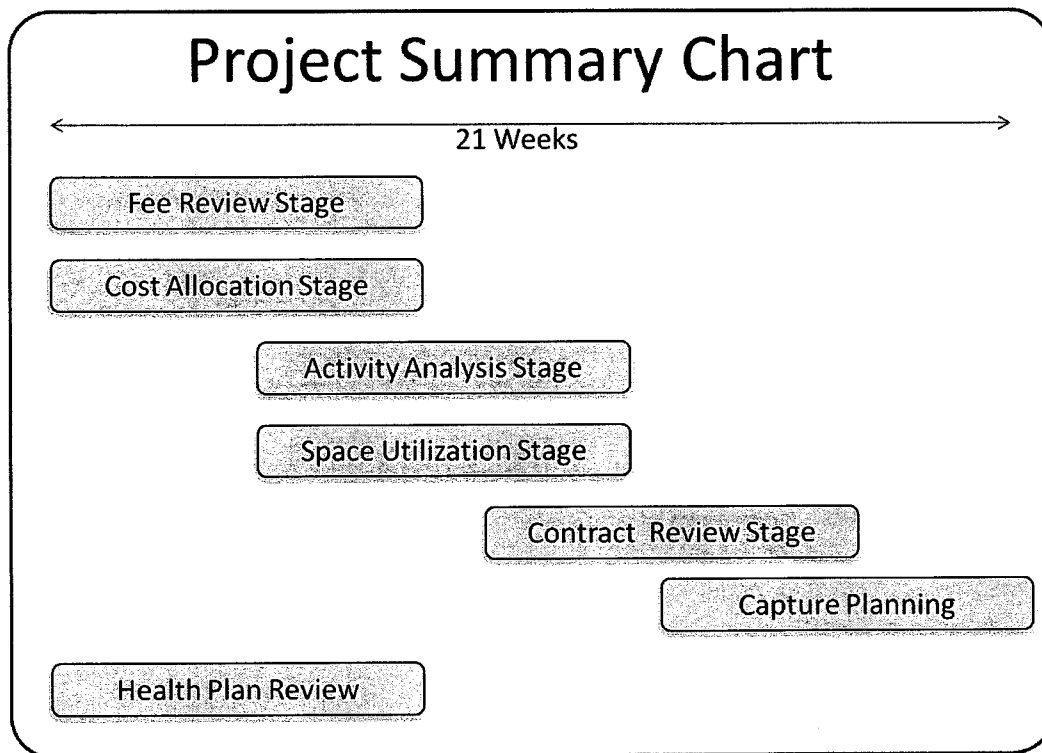
* Focus is narrowed to county controllable areas of operation.

The operations review is designed to catalogue all department activities and show how staff resources support the missions of each department. Each department review is designed to address the issues under control by the county elected officials.

Operation Review for departments with specific state funding sources (i.e. Highway) and / or specific direction from outside of the county (i.e. Probation, Jury Commission) have narrowed reviews focused on issues controllable by Vermilion County.

4. The Capture Plan outlines steps and timing on capture of project benefit, including service or staffing changes. Staff changes are based on individual department attrition patterns.

The following represents the project timeline.



The proposed project has a conservative annual value of over \$250,000 in new annual revenue. When added to the new revenue from the Court Security Fee, Vermilion County is projected to realize in excess of \$525,000 in gross new revenue annually.



We have forecasted the revenue flow over the 26 weeks (21 active) of the project. Based on our conservative projections, Vermilion County will gross \$195,000 in new revenue over the life of the project. Less the cost of the project, we estimate Vermilion County will net approximately \$135,000 in new revenue. (Representing 321% Return-on-Investment in the timeframe of the project and a 837% Return-on-Investment over the first year after implementation)

Once completed, the total fee adjustments will represent in excess of \$525,000 in new revenue annually. These results do not include the previously estimated savings in healthcare costs estimated at over \$1.1 million annually.

We are happy to provide any additional information and look forward to meeting to discuss the steps necessary to achieve Vermilion County's goals. Please do not hesitate to contact me at 309-310-3178 if we can be of any service.

Bruce DeLashmit
Principal, Bellwether LLC



Project Details

The initial weeks of the project concentrates on the collection of cost data in direct service departments (fee charging) and indirect service departments (infrastructure).

	7-Mar	14-Mar	21-Mar	28-Mar	4-Apr	11-Apr	18-Apr
PHASE #1 - Revenue Enhancements							PRESENT FEES
Recorder	Fee Review		Start Up	Baseline	Survey	Survey	B Space Util.
GIS	Fee Review		Start Up	Baseline	Survey	Survey	O Space Util.
Sheriff	Fee Review		Start Up	Baseline	Survey	Survey	O Space Util.
County Clerk	Fee Review		Start Up	Baseline	Survey	Survey	A Space Util.
Circuit Clerk		Fee Review		Start Up	Baseline		R
Animal Shelter		Fee Review		Start Up	Baseline		D
Health			Fee Review		Space Util.	Vendor Inventory	
Highway			Fee Review		Space Util.	Vendor Inventory	M
Phase #2 - GENERAL FUND RECAPTURE & ANALYSIS							E
Cost Allocation / Fee Generating Depts	Cost Allocation for Fees						Rapid department
Benchmark Review							Ongoing analysis
Phase #3 - Activity Value Analysis - Wave #1							I
Auditor	Budget	Initial Allocation Calls	Fee Allocation				N Start Up
Building & Grounds	Budget	Initial Allocation Calls	Fee Allocation				G Start Up
Coroner							Start Up
County Admin (Comp & Process)	Budget	Initial Allocation Calls	Fee Allocation				A
Supervisor of Assessments							P
Technology Services	Budget	Initial Allocation Calls	Fee Allocation				R
Treasurer	Budget	Initial Allocation Calls	Fee Allocation				
Phase #3 - Expense Based Analysis - Wave #2							I
Jury Commission							12
Probation							
Public Defender							
EMA							
Board of Review							
State's Attorney	Budget	Initial Allocation Calls	Fee Allocation				
Phase #4 - Enterprise Opportunities							
Healthcare Costs Review	ongoing analysis				PRESENT TO BID		
Other Post Employment Benefits (OPEB)	ongoing analysis				PRESENT TO BID		
Service Contract Review							

Sequential weeks focus on the collection of activity data.

	25-Apr	2-May	9-May	16-May	23-May	30-May	6-Jun	13-Jun
PHASE #1 - Revenue Enhancements	PROJECT UPDATE							
Recorder	Vendor Inven	Capture Strategy						
GIS	Vendor Inven	Capture Strategy						
Sheriff	Vendor Inven	Capture Strategy						
County Clerk	Vendor Inven	Capture Strategy						
Circuit Clerk	Space Util	Vendor Inventory						
Animal Shelter	Vendor Inventory							
Health								
Highway								
Phase #2 - GENERAL FUND RECAPTURE & ANALYSIS								
Cost Allocation / Fee Generating Depts								
Benchmark Review								
Phase #3 - Activity Value Analysis - Wave #1								
Auditor	Baseline	Strategy	Strategy					
Building & Grounds	Baseline	Strategy	Strategy					
Coroner	Baseline	Strategy	Strategy					
County Admin (Comp & Process)	Start Up	Baseline	Strategy					
Supervisor of Assessments	Start Up	Baseline	Strategy					
Technology Services	Start Up	Baseline	Strategy					
Treasurer		Start Up	Baseline					
Phase #3 - Expense Based Analysis - Wave #2								
Jury Commission		Start Up	Baseline					
Probation		Start Up	Baseline					
Public Defender			Staffing					
EMA			Staffing					
Board of Review			Staffing					
State's Attorney			Staffing					
Phase #4 - Enterprise Opportunities								
Healthcare Costs Review								
Other Post-Employment Benefits (OPEB)								
Service Contract Review			ongoing analysis					

Regardless of start date there are two periods the onsite project team is unavailable. The team is still reachable for questions.

	20-Jun	27-Jun	4-Jul	11-Jul	18-Jul	25-Jul	1-Aug	8-Aug	15-Aug	22-Aug	29-Aug	5-Sep	12-Sep
PHASE #1 - Revenue Enhancements	PROJECT UPDATE												
Recorder													
GIS													
Sheriff													
County Clerk													
Circuit Clerk													
Animal Shelter													
Health													
Highway													
Phase #2 - GENERAL FUND RECAPTURE & ANALYSIS													
Cost Allocation / Fee Generating Depts													
Benchmark Review													
Phase #3 - Activity Value Analysis - Wave #1													
Auditor	strategy												
Building & Grounds	strategy												
Coroner	strategy												
County Admin (Comp & Process)	Capture Strategy												
Supervisor of Assessments	Capture Strategy												
Technology Services	Capture Strategy												
Treasurer	Vendor Inventory												
Phase #3 - Expense Based Analysis - Wave #2													
Jury Commission	Vendor Inventory												
Probation	Vendor Inventory												
Public Defender	Space Util												
EMA	Space Util												
Board of Review	Space Util												
State's Attorney	Space Util												
Phase #4 - Enterprise Opportunities													
Healthcare Costs Review													
Other Post-Employment Benefits (OPEB)													
Service Contract Review													

The project time (activity) represents 21 working weeks across 26 weeks time. The project final report is anticipated to be complete by September 13, 2016.



PROJECT PRICING

Bellwether's experience allows us to define contributing costs quickly and accurately with a minimum of disruption to your departments. Our use of leading practices and cost definition tool saves time and effort for both Bellwether and Vermilion County. These savings are passed to you in lower fees and overall lower project costs.

Activity	Scope	Pricing
Fee Review and Operations Review	<ul style="list-style-type: none"> ▪ Vermilion County Clerk ▪ Vermilion County Recorder of Deeds ▪ Vermilion County GIS Department ▪ Vermilion County Sheriff / Jail ▪ Vermilion County Animal Control ▪ Vermilion County Health Department (selected services) ▪ Vermilion County Highway Department (permits) 	\$ 35,000.00
Cost Allocation Benchmark Profile	<ul style="list-style-type: none"> ▪ Cost Allocation of indirect costs to direct service departments ▪ Compensation, volume and staffing analysis compared to Bellwether Benchmark Counties 	\$ 6,000.00
Activity Analysis and Operations Review	<ul style="list-style-type: none"> ▪ Auditor ▪ Building & Grounds ▪ Coroner ▪ County Admin ▪ Supervisor of Assessments ▪ Technology Services ▪ Treasurer 	\$ 12,000.00
Expense Based Analysis and Operations Review	<ul style="list-style-type: none"> ▪ Jury Commission ▪ Probation ▪ Public Defender ▪ EMA ▪ Board of Review ▪ State's Attorney 	\$ 6,000.00
	SUB-TOTAL	\$ 59,000.00
	Team Out-of-Pocket Expenses	\$ 3,700.00
	TOTAL	\$ 62,700.00

Professional Services Agreement #BW02052016

This Agreement for Professional Services (the "Agreement") is by and between the Vermilion County Board, Vermilion County Illinois, an incorporated body politic in the State of Illinois, with its principle offices located in 6 North Vermilion St, Danville, Illinois (hereinafter the "Client"), and Bellwether, LLC with its principle office at 3006 Gill Street, Suite E, Bloomington, Illinois 61704 (hereinafter the "Consultant").

WHEREAS, Client finds that the Consultant is willing to perform certain work hereinafter described in accordance with the provisions of this Agreement; and

WHEREAS, Client finds that the Consultant is qualified to perform the work, all relevant factors considered, and that such performance will be in the furtherance of Client's business.

NOW THEREFORE, in consideration of the mutual covenants set forth herein and intending to be legally bound, the parties here to agree as follows:

1. **SERVICES** – The Consultant shall provide services as described in Appendix A and as summarized below:
 - 1.1. Perform a **Fully Compliant Fee Review** of the following departments:
 - 1.1.1. Vermilion County Clerk
 - 1.1.2. Vermilion County Recorder of Deeds
 - 1.1.3. Vermilion County GIS Department
 - 1.1.4. Vermilion County Sheriff / Jail
 - 1.1.5. Vermilion County Animal Control
 - 1.1.6. Vermilion County Health Department (Immunization / Environmental Health)
 - 1.1.7. Vermilion County Highway Department (Culvert / Permits)
 - 1.2. Complete a **Cost Allocation** of infrastructure supporting direct service departments in accomplishing their feeable transactions.
 - 1.2.1. Identify eligible general fund expenses and quantify allocation to non-general fund revenue sources.
 - 1.3. Complete an **Operations Review** of selected county departments with a focus on controllable cost elements within each department.
 - 1.3.1. **Activity Value Analysis** - providing inventory of departments activities, staff effort and projected activity costs.
 - 1.3.2. Observations on factors influencing public demand for services.
 - 1.3.3. Observations on space and equipment utilization.
 - 1.3.4. Inventory of existing contractual relationships and observations on potential savings
 - 1.4. Compile baseline compensation and operations data for use in a **Multi-County Benchmark** comparison of cost, compensation and productivity.
 - 1.5. Provide data collection and technical support for the ongoing **Healthcare Review** at no cost to Vermilion County.
2. **PAYMENT, INVOICING, AND TERMS**
 - 2.1. Consultant shall be paid a fee of Fifty-nine Thousand Dollars (\$59,000) plus allowed mileage and lodging for services described in section 1.1. (Mileage is estimated at \$3,700)

Professional Services Agreement #BW02052016

2.2. Payment shall be invoiced monthly based on the following schedule.

2.2.1. Twenty Thousand Dollars (\$20,000) at project initiation.

2.2.2. Six monthly payments of Six Thousand, Five Hundred Dollars (\$6,500) invoiced each month with Net 30 terms.

3. TERM; TERMINATION

3.1. The initial term of this Agreement is the duration of the project anticipated to be no more than 26 weeks from time of execution of this agreement.

3.1.1. The actual onsite team is anticipated to last 21 weeks with absences during two short periods. (May 20 - June 4 and June 23 - July 15) The team will be available by email and phone but will not be onsite.

4. CHANGES

4.1. Client may, with the approval of the Consultant, issue written directions within the general scope of any Services to be ordered. Such changes (the "Change Order") may be for additional work or the Consultant may be directed to change the direction of the work covered by the Agreement or any Change Order, but no change will be allowed unless agreed to by the Consultant in writing.

5. STANDARD CARE

5.1. The Consultant warrants that Services shall be performed by personnel possessing competency consistent with applicable industry standards. No other representation, express or implied, and no warranty or guarantee are included or intended in this Agreement, or in any report, opinion, deliverable, work product, document or otherwise. Furthermore, no guarantee is made as to the efficacy or value of any services performed or software developed. THIS SECTION SETS FORTH THE ONLY WARRANTIES PROVIDED BY THE CONSULTANT CONCERNING THE SERVICES AND RELATED WORK PRODUCT. THIS WARRANTY IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT, TITLE OR OTHERWISE.

6. CONFIDENTIALITY AND NON-DISCLOSURE

6.1. During the term of this agreement there may be disclosed certain trade secrets of Client; said trade secrets consisting of but not necessarily limited to:

6.1.1. Technical information: Methods, processes, formulae, compositions, systems, techniques, inventions, machines, computer programs and research projects.

6.1.2. Business information: Customer lists, pricing data, sources of supply, financial data and marketing, production, or merchandising systems or plans.

6.2. Consultant does agree that it shall not during, or at any time after the termination of this agreement with Client, disclose or divulge to others including future employees, any trade secrets, confidential information, or any other proprietary data of Client in violation of this agreement.

Professional Services Agreement #BW02052016

7. LIABILITY

- 7.1. Limitation:** The Consultant's liability, including but not limited to Client's claims of contributions and indemnification related to third party claims arising out of services rendered by the Consultant, and for any losses, injury or damages to persons or properties or work performed arising out of or in connection with this Agreement and for any other claim, shall be limited to the lesser of (i) Five-Thousand dollars (\$5,000) or (ii) payment received by the Consultant from Client for the particular service provided giving rise to the claim. Notwithstanding anything to the contrary in this Agreement, the Consultant shall not be liable for any special, indirect, consequential, lost profits, or punitive damages. Client agrees to limit the Consultant's liability to Client and any other third party for any damage on account of any error, omission or negligence to a sum not to exceed the lesser of (i) Five-Thousand dollars (\$5,000) or (ii) the payment received by the Consultant for the particular service provided giving rise to the claim. The limitation of liability set forth herein is for any and all matters for which the Consultant may otherwise have liability arising out of or in connection with this Agreement, whether the claim arises in contract, tort, statute, or otherwise.
- 7.2. Remedy:** Client's exclusive remedy for any claim arising out of or related to this Agreement will be for the Consultant, upon receipt of written notice, either (i) to use commercially reasonable efforts to cure, at its expense, the matter that gave rise to the claim for which the Consultant is at fault, or (ii) return to Client the fees paid by Client to the Consultant for the particular service provided that gives rise to the claim, subject to the limitation contained in section 5.1. Client agrees that it will not allege that this remedy fails its essential purpose.
- 7.3. Survival:** Articles 2, 4, 5, and 6 survive the expiration or termination of this Agreement for any reason.

8. MISCELLANEOUS

- 8.1. Severability:** Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any remaining provisions, which remaining provisions shall remain in full force and effect as if this Agreement had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties that they would have executed the remaining portion of the Agreement without including any such part, parts, or portions which may, for any reason, be hereafter declared invalid. Any provisions shall nevertheless remain in full force and effect in all other circumstances.
- 8.2. Modification and Waiver:** Waiver of breach of this Agreement by either part shall not be considered a waiver of any other subsequent breach.
- 8.3. Independent Contractor:** The Consultant is an independent contractor of Client.

Professional Services Agreement #BW02052016

- 8.4. Notices:** Client shall give the Consultant written notice within one hundred eighty (180) days of obtaining knowledge of the occurrence of any claim or cause of action which Client believes that it has, or may seek to assert or allege, against the Consultant, whether such claim is based in law or equity, arising under or related to this Agreement or to the transactions contemplated hereby, or any act or omission to act by the Consultant with respect hereto. If Client fails to give such notice to the Consultant with regard to any such claim or cause of action and shall not have brought legal action for such claim or cause of action within said time period, Client shall be deemed to have waived, and shall be forever barred from bringing or asserting such claim or cause of action in any suit, action or proceeding in any court or before any governmental agency or authority or any arbitrator. All notices or other communications hereunder shall be in writing, sent by courier or the fastest possible means, provided that recipient receives a manually signed copy and the transmission method is scheduled to deliver within 48 hours, and shall be deemed given when delivered to the address specified below or such other address as may be specified in a written notice in accordance with this Section. Any Party may, by notice given in accordance with this Section to the other parties, designate another address or person or entity for receipt of notices hereunder.
- 8.5. Disputes:** The Consultant and Client recognize that disputes arising under this Agreement are best resolved at the working level by the parties directly involved. Both parties are encouraged to be imaginative in designing mechanism and procedures to resolve disputes at this level. Such efforts shall include the referral of any remaining issues in dispute to higher authority within each participating party's organization for resolution. Failing resolution of conflicts at the organizational level, the Consultant and Client agree that any remaining conflicts arising out of or relating to this Contract shall be submitted to nonbinding mediation unless the Consultant and Client mutually agree otherwise. If the dispute is not resolved through non-binding mediation, then the parties may take other appropriate action subject to the other terms of this Agreement.
- 8.6. Representation; Counterparts:** Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party, with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder. This Agreement may be executed by (original or faxed signature) in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.
- 8.7. Residuals:** Nothing in the Agreement or elsewhere will prohibit or limit the Consultant's ownership and use of ideas, concepts, know-how, methods, models, data, techniques, skill knowledge and experience that were used, developed or gained in connection with the Agreement. The Consultant and Client shall each have the right to use all work product generated under this Agreement.

Professional Services Agreement #BW02052016

- 8.8. Cooperation:** Client will cooperate with the Consultant in taking actions and executing document, as appropriate, to achieve the objectives of this Agreement. Client agrees that the Consultant's performance is dependent on Client's timely and effective cooperation with the Consultant. Accordingly, Client acknowledges that any delay by Client may result in the Consultant being released from an obligation or scheduled deadline or in Client having to pay extra fees for the Consultant's agreement to meet specific obligation or deadline despite of delay.
- 8.9. Governing Law and Construction:** This Agreement will be governed by and construed in accordance with the laws of Illinois, without regard to the principles of conflicts of law. The language of this Agreement shall be deemed to be the result of negotiation among the parties and shall not be construed strictly for or against any party.
- 8.10. Entire Agreement; Survival:** This Agreement, including any Exhibits, states the entire Agreement between the parties and supersedes all previous contracts, proposals, oral or written, and all other communications between the parties regarding the subject matter hereof, and supersedes any and all prior understandings, representations, warranties, agreements or contracts (oral or written) between Client and the Consultant regarding the subject matter hereof. This Agreement may only be amended by an agreement in writing executed by the parties hereto.
- 8.11. Force Majeure:** The Consultant shall not be responsible for delays or failures (including any delay by the Consultant to make progress in the prosecution of any Services) if such delay arises out of causes beyond its control. Such causes may include, but are not restricted to, acts of God or of public enemy, fires, floods, epidemics, riots, quarantine restrictions, strikes, freight embargoes, earthquakes, electrical outages, computer or communications failures, and severe weather, and acts of omissions of subcontractors or third parties.

IN WITNESS WHEREOF, The parties hereto have executed this Agreement.

Vermilion County, Illinois

By: Michael T. Marron

Printed: Michael T. Marron

Date: 4/20/16

Notice To:

Vermilion County Court House
6 North Vermilion St,
Danville, Illinois 61832

CONSULTANT

By: Bruce DeLashmit

Printed: Bruce DeLashmit

Date: February 8, 2016

Notice To:

Bellwether, LLC.
200 W. North St, Box 803
Normal, IL 61761

RE: BELLWETHER PROPOSAL

APPROVED BY EXECUTIVE/LEGISLATION:

Mike Marron Y N A 3/24/14
Date

Bill Wright Y N A

Bob Fox Y N A

Kevin Green Y N A

Larry Davis Y N A

Steve Fourez Y N A

Becky Stark Y N A

APPROVED BY FINANCE/PERSONNEL:

Steve Fourez Y N A 4/11/14
Date

Bill Wright Y N A

Wes Bieritz Y N A

Chuck Mockbee Y N A

Bruce Stark Y N A

Robert Boyd Y N A

Larry Davis Y N A