

CITY OF BATAVIA

DATE: March 21, 2013
TO: Public Utilities Committee
FROM: Gary Holm
SUBJECT: Resolution #13-52-R Authorizing Professional Services Agreement with Morrill and Associates, P.C.

This memo is a follow-up to the March 12 committee meeting where various options related to the sale and distribution of electricity were discussed. At that meeting Staff was directed to research and interview firms who could potentially assist the city with legislative matters. Staff has interviewed three firms and is recommending approval of Resolution #13-52-R authorizing a professional services agreement with Morrill and Associates, P.C. for an amount not-to-exceed \$50,000.00. Attached please find background information and a summary of qualifications for Morrill & Associates, P.C.

**CITY OF BATAVIA, ILLINOIS
RESOLUTION 13-52-R**

**AUTHORIZING PROFESSIONAL SERVICES AGREEMENT WITH
MORRILL AND ASSOCIATES, P.C.**

WHEREAS, the City of Batavia owns and operates an electric utility whereby it purchases wholesale power; and

WHEREAS, the City of Batavia desires to research and potentially pursue various options related to the sale and distribution of electricity; and

WHEREAS, the City of Batavia has reviewed the qualifications and interviewed several consulting firms;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Batavia, Kane and DuPage Counties, Illinois, as follows:

SECTION 1: That the Mayor and City Clerk are hereby authorized to execute a professional services agreement with Morrill and Associates, P.C. for an amount not-to-exceed \$50,000 in accordance with the engagement letter attached hereto as Exhibit A.

PRESENTED to and **PASSED** by the City Council of the City of Batavia, Illinois, this 1st day of April, 2013.

APPROVED by me as Mayor of said City of Batavia, Illinois, this 1st day of April, 2013.

Jeffery D. Schielke, Mayor

Ward	Aldermen	Ayes	Nays	Absent	Abstain	Aldermen	Ayes	Nays	Absent	Abstain
1	O'Brien					Sparks				
2	Dietz					Wolff				
3	Jungles					Chanzit				
4	Volk					Stark				
5	Frydendall					Theilin Atac				
6	Liva					Clark				
7	Tenuta					Brown				
Mayor Schielke										
VOTE:		Ayes	Nays	Absent	Abstentions					
Total holding office: Mayor and 14 aldermen										

ATTEST:

Heidi Wetzel, City Clerk

MORRILL &
ASSOCIATES PC

March 18, 2013

VIA E-MAIL AND U.S. MAIL

Mr. Jeff Schielke
Mayor
City of Batavia
100 N. Island Avenue
Batavia, IL 60510

Mr. William McGrath
City Administrator
City of Batavia
100 N. Island Avenue
Batavia, IL 60510

Re: Professional Services Agreement Under which Morrill and Associates, P.C. Will Provide the City of Batavia with Illinois Government Relations Representation During Calendar Year 2013

Dear Mayor Schielke, City Administrator McGrath, and City Council Members:

This letter agreement reflects the terms under which Morrill and Associates, P.C. ("M&A") will provide the City of Batavia ("Batavia") with Illinois government relations representation during the remainder of the 2013 calendar year. This letter: (i) provides background information relevant to this engagement; (ii) outlines the services we will provide; (iii) gives you background information on our firm; and (iv) outlines the financial terms for this engagement.

I. BACKGROUND

Located in Kane County, Batavia was founded in 1833. Batavia was one of the first Illinois communities to procure electrical service for its residents, enjoys close proximity to Fermi National Accelerator Laboratory, and is nicknamed the "City of

Energy” in part due to Batavia’s history of support for innovation and advancements in energy technologies.

In 2007, the Northern Illinois Municipal Power Agency (“NIMPA”), of which Batavia is a member, agreed to a long-term power contract to purchase electricity from the Prairie State Energy Campus (“PSEC”). Batavia, as a member of the NIMPA, is responsible for 55 megawatts of electricity purchased by NIMPA. Other members of NIMPA include Geneva, Illinois and Rochelle, Illinois, and the NIMPA-purchased electricity serves a population of approximately 60,000 residents in Illinois.

Located in Washington County, Illinois, PSEC includes a coal-fired generating plant and adjacent coal mine and generates 1600 megawatts of power, with 95 percent of the output already dedicated to eight Midwestern-based public power utilities. In addition to NIMPA, PSEC currently sells its power to Prairie Power Inc., the Illinois Municipal Electric Association, the Kentucky Municipal Power Agency, the Missouri Public Utility Alliance, the Indiana Municipal Power Agency, the Southern Illinois Power Cooperative, and American Municipal Power Ohio. PSEC is overseen by a Management Committee comprised of representatives from all entities that have ownership of PSEC.

In October 2012, NIMPA facilitated a proposed sale of the power (of up to 50 megawatts, in 5 megawatt blocks) allocated to Batavia under its current agreement with PSEC; however, there was little interest from potential buyers and the proposed sale was ended in January 2013.

II. DESCRIPTION OF SERVICES

A. Specific Services

M&A will provide Batavia with governmental relations services to encourage the passage and enactment of legislation to either: (a) allow Batavia, as a home-rule municipal electric utility, obtain the ability to sell a portion of the power it receives from PSEC at the retail level to consumers located outside of its municipal borders -- while continuing to keep its municipal borders closed to other electric suppliers; or (b) allow NIMPA to sell the electric power it receives from PSEC at the retail level.

In this regard, M&A will provide Batavia with Illinois government relations representation during the remainder of calendar year 2013 directed generally at the members and staff of the Illinois General Assembly, the Office of the Governor, the Illinois Commerce Commission, the Illinois Power Agency, and those outside interests that may be impacted by the desired legislative effort (e.g., Illinois Municipal League and other Illinois councils of government, investor-owned electric utilities in Illinois, alternative retail energy suppliers, and representatives of electric customer groups).

The legislative effort shall occur during the balance of calendar year 2013, with particular emphasis on the time during which the Illinois General Assembly is in session. At this writing, the Illinois legislature is almost midway through its spring session. Adjournment is scheduled for late May. Should the session adjourn on time, and should the desired legislation pass (as most legislation does) just prior to the conclusion of the session, Governor's action on the bill will take place in mid-to-late August.

B. General Services

Morrill and Associates, P.C. ("M&A") proposes to provide Batavia with legislative representation before the Illinois General Assembly during the remainder calendar year 2013, including the regular session, veto session and any special session.

In pursuing the foregoing legislative objectives for Batavia, M&A will do the following: (1) draft final legislative language, with input from Batavia and others as appropriate, for formal introduction with the General Assembly, as well as draft any amendments that may be necessary; (2) prepare fact sheets and other supportive documents for use in securing legislative and executive branch support; (3) develop and implement, with input and approval from Batavia, a legislative strategy for the desired legislation; (4) solicit support from key potential allies; (5) obtain bill sponsors who would be particularly effective in obtaining passage; (6) educate legislative and executive branch staff; (7) lobby General Assembly members and the Governor for support; (8) monitor carefully the progress of the desired legislation, and help ensure that all procedural posting and other requirements are met; (9) appear and testify before legislative committees as needed; (10) keep Batavia reasonably apprised on the progress of our efforts; and (11) give Batavia guidance on its supportive participation in this legislative effort, particularly with outreach efforts at potential allies.

As part of this engagement, and without additional fee to Batavia, M&A will informally consult and collaborate with Christopher Townsend, a noted energy attorney with Quarles & Brady with whom M&A enjoys a longstanding and close relationship; however, any work with Townsend will be advisory in nature and shall not include the filing or prosecution of any proceedings before any court or administrative agency by Townsend or his firm.

III. PROFESSIONAL EXPERIENCE

A. Our Experience

We collectively have well over 100 years of experience in state government and state government relations work. Our professionals know Illinois government from having served in both its legislative and executive branches, and having represented a wide range of clients including corporations, associations, partnerships, non-profits, governments and individuals.

We bring substantial resources to our practice. Our Springfield office, located a block-and-a-half from the state capitol, is staffed throughout the year. In Chicago, we are a subtenant of a 450-attorney law firm with offices in Chicago and Washington, D.C., among other cities, affording us with substantial resources and ready access to attorneys who concentrate in virtually every legal discipline. We have a fully-equipped and stocked library, and subscribe to numerous electronic databases and governmental periodicals and newsletters.

In our government relations work, in addition to pursuing specific client objectives, we provide comprehensive monitoring of all bills, amendments, conference committee reports and resolutions introduced before the General Assembly, monitoring of all rulemaking efforts of state agencies, and review of major Illinois newspapers for articles pertaining to Illinois government. A summary of our backgrounds appears below.

B. Professional Backgrounds

The professional backgrounds of our personnel may be found at our website (www.smorrill.com); the background of key M&A personnel expected to be involved in this engagement are as follows:

Stephen S. Morrill. Mr. Morrill is an attorney who concentrates in the government relations and administrative law areas, having served as a lawyer, lobbyist and government official for more than 25 years. After graduating from Northwestern University with a B.A. in Economics, Morrill was a Governor's Fellow in Springfield, working for a year in various areas of the Illinois Governor's Office. Following graduation *cum laude* from the Northwestern University School of Law, where he was an editor of the Law Review, Morrill served as Parliamentarian of the Illinois Senate and staffed the Senate Judiciary Committee during the tenure of Senate President Philip J. Rock. Morrill thereafter practiced for six years in the governmental, administrative law and litigation departments of the Chicago law firm Winston & Strawn. Before forming his own firm, Morrill returned to Springfield to serve as Chief Legal Counsel to the Senate President, developing new rules for the Senate and assisting then newly elected President during his first legislative session. As a lobbyist, Morrill has represented scores of clients before the Illinois General Assembly, Illinois Joint Committee on Administrative Rules and Cook County Board. As a lawyer, Morrill has practiced before virtually every Illinois agency and executive branch office, as well as in the state and federal courts. Morrill's governmental experience includes service as Commissioner of the Illinois Human Rights Commission, the agency that adjudicates anti-discrimination claims with respect to employment, housing, education and public accommodations, Special Assistant Attorney General, Special Counsel to the Cook County Board, Counsel to the State Employees' Retirement System, Counsel to the Board of Trustees of the Teachers' Retirement System of Illinois, and Member of the Illinois Attorney General Advisory Board on Not-For-Profit Corporations. Morrill has served on transition teams of state constitutional officers, on the boards of charities, and as a member of numerous legal and civic organizations. Morrill has published articles in such publications as the Northwestern University Law Review, DePaul University Law Review and Illinois Bar Journal, as well as magazines such as Chicago Southland Business and Chicago Office.

Morrill has been recognized by his peers in the Illinois legal community as a "Leading Lawyer" in his field, a designation maintained by the Law Bulletin Publishing Company, and is a member of the Illinois Bar Association and the Chicago Bar Association. Morrill resides in Glenview, Illinois.

Chuck Hartke. Mr. Hartke is a government relations consultant working exclusively with Morrill & Associates. In his distinguished governmental career, he has held the positions of Director, Illinois Department of Agriculture (2003–2008); Illinois State Representative, 108th District (1985–2003); and Assistant Majority Leader (1997–2003). During his tenure overseeing the Department of Agriculture, Mr. Hartke supported the expansion of livestock in the State of Illinois, and worked to expand the biofuels industry, including ethanol, biodiesel, and biomass by strengthening relations with foreign trading partners. He served as president of the Midwest Association of State Departments of Agriculture, and was also a board member of the National Association of State Departments of Agriculture. From 2003–2008, he served as chairman of the following boards and commissions: Advisory Board of Livestock Commissioners; Agricultural Export Advisory Committee; Biotechnology Advisory Council; Board of Agricultural Advisors; Board of State Fair Advisors; County Fair Advisory Board; DuQuoin State Fair Advisory Board; Export Promotion Coordinating Council; Fertilizer Research and Education Council; Illinois Grain Insurance Corporation; Illinois Horse Racing and Breeding Industry Promotion Board; Illinois Standardbred Breeders Fund Advisory Board; Illinois Thoroughbred Breeders Fund Advisory Board; Interagency Committee on Farmland Preservation; Interagency Committee on Pesticides; the Seed Arbitration Act-Review Committee and Seed Arbitration Council. From 1985–2003, Mr. Hartke was the State Representative for Illinois 108th District. For the final six years of his service in the General Assembly, he was the Assistant Majority Leader of the House, and an ex officio member of all House committees. Mr. Hartke has a long record of service in Effingham County and in agricultural organizations all across the state. From 1966–1968, he served his country in the United States Army, including a tour in Vietnam. Mr. Hartke lives on his farm in Teutopolis, Illinois.

Curt A. Fiedler. Mr. Fiedler focuses on the legislative process, government relations, and legislative research for Morrill & Associates. Fiedler manages the legislative monitoring program of Morrill & Associates, and he enjoys strong staff relationships within all four legislative caucuses and the Office of the Governor. Since joining Morrill & Associates, Fiedler has developed broad lobbying experience at the state and local levels of government. Prior to joining Morrill & Associates, Fiedler spent five years working under House Republican Leader Tom Cross concentrating on state finance, economic development, state gaming, and taxation issues. Fiedler graduated *cum laude* from Olivet Nazarene University in 2000, earning a B.A. in Political Science. Fiedler resides in Tinley Park, Illinois.

Michelle L. McAnarney. Ms. McAnarney serves as Office Manager for Morrill & Associates. In addition to her duties as Office Manager for M & A, she oversees the lobbyist registration and disclosure program for the firm and its clients, participates in legislative monitoring and client reporting programs of the firm, and assists with lobbying the members of the General Assembly. Ms. McAnarney has almost

ten years of client-focused, public service, and government relations experience. She has served as the legislative aide for two Illinois State Senators, Dan Kotowski and Toi Hutchinson. In that role, Ms. McAnarney focused on constituent services, state agency relations, committee clerking for the Senate Revenue committee, and assisting with and monitoring legislation. Ms. McAnarney has thorough knowledge of the legislative process and enjoys strong relationships with members of the Illinois General Assembly and legislative staff. Ms. McAnarney resides in Springfield, Illinois.

IV. TERMS OF ENGAGEMENT

In addition to the description of services above, the terms of this engagement shall be as follows:

1. This representation shall be for a nine-month period beginning on April 1, 2013, and ending on December 31, 2013, at a monthly rate of \$5,555.55 (or \$50,000 total). Consistent herewith, M&A will send monthly invoices to Batavia, with payment due within 10 business days after receipt. All checks shall be made payable to Morrill and Associates, P.C., FEIN 36-4003011.
2. In any month during this engagement the legislative effort becomes non-viable, through mutual agreement of the parties (which agreement may not be unreasonably withheld), Batavia may early terminate this engagement, and in such event shall be responsible for the payment of services through the end of the month of early termination.
3. Expenses incurred by M&A specifically in connection with this representation, including messenger delivery or overnight mail charges, copying charges, lobbyist registration fees, travel and lodging costs in connection with the legislative session (pro-rated among other legislative clients), and pre-approved entertainment expenses, shall be reimbursable by Batavia and included on the appropriate monthly invoice. Expenses under this engagement agreement shall not exceed \$2,500 without prior authorization from Batavia. Expenses shall be billed at cost, without markup.
4. This work shall be performed by Stephen S. Morrill, together with such staff of M&A as he may assign. M&A will regularly report to City Administrator William McGrath, or his designee, throughout the course of this representation. Such reporting shall be by telephone calls, emails or written reports, as appropriate. Reporting may also be accomplished through the use of a secure area, developed exclusively for Batavia, on M&A's website.
5. Throughout the entirety of its work for Batavia, M&A shall comply with the Illinois Lobbyist Registration Act and its implementing regulations. M&A shall also advise Batavia on its independent obligations related to Illinois lobbyist registration and expenditure reporting.

6. This engagement agreement shall be construed and enforced in accordance with the laws of the State of Illinois.

V. EXECUTION OF AGREEMENT

Please indicate your acceptance of and agreement to the terms of this letter agreement by signing below and returning one of the two enclosed original copies, fully executed, to me – thereby creating an enforceable contract between us.

Very truly yours,

Stephen S. Morrill
MORRILL AND ASSOCIATES, P.C.

AGREED AND ACCEPTED:

Mr. Jeff Schielke, Mayor
CITY OF BATAVIA