

SYCAMORE CITY COUNCIL
AGENDA
August 5, 2019

CITY COUNCIL COMMITTEE MEETINGS

No Committee Meetings are Scheduled.

REGULAR CITY COUNCIL MEETING

7:00 P.M.

1. **CALL TO ORDER**
2. **INVOCATION**
3. **PLEDGE OF ALLEGIANCE**
4. **APPROVAL OF AGENDA**
5. **APPOINTMENTS**
6. **AUDIENCE TO VISITORS**
7. **CONSENT AGENDA**
 - A. Approval of the Minutes for the Regular City Council Meeting of July 15, 2019.
 - B. Payment of the Bills for August 5, 2019.
8. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS**
 - A. A Proclamation Declaring August 14, 2019 as National Keep the Spirit of '45 Alive in Recognition of World War II in the City of Sycamore, Illinois.
9. **REPORTS OF OFFICERS**
10. **REPORTS OF STANDING COMMITTEES**
11. **PUBLIC HEARINGS—None**
12. **ORDINANCES—None**

13. RESOLUTIONS

A. Resolution No. 801—A Resolution Relating to Participation by Elected Officials in the Illinois Municipal Retirement Fund.

The Illinois Municipal Retirement Fund (IMRF) requires municipalities to approve new resolutions every two years that re-affirm the eligibility of certain elected officials for participation in the plan. The rule change is designed to encourage the review of eligibility rules, aid in ensuring compliance and may provide opportunity to adjust participation if required hours of duty change. IMRF participation is required for employees that meet the annual hourly standard of 1,000 hours (600 for those hired before December 13, 1998).

The only elected position that is currently authorized by the Council is the position of City Clerk. This position has not changed and is full-time which equates to approximately 2,080 hours per year.

Resolution 801 and the attached IMRF Form 6.64 recertifies the City Clerk position as the only elected position that is IMRF eligible. These actions will ensure the City is in compliance with the new IMRF for the next two years.

City Council approval is recommended.

14. CONSIDERATIONS

A. Consideration of a Recommendation from the Building & Engineering Department Regarding the Award of the Bid for the Crack-Filling as Part of the 2019 Street Maintenance Program to Behm Pavement Maintenance of Crystal Lake, Illinois in the Amount of \$75,000.00.

The City’s current street maintenance program started in 2008 in an effort to address failing street surfaces. The majority of resources available have been dedicated to resurfacing streets. Since 2014, the street maintenance program has included an allocation for crack-filling to preserve these surfaces and lengthen the life of the street. This type of on-going maintenance will continue to be part of the City’s street program each year with \$75,000 allocated toward crack-filling in the FY20 budget.

Bids for crack-filling were opened on Friday, July 19th with a total of two bids (both below the Engineer’s estimate of \$64,800) submitted as follows:

Behm Pavement Maintenance	\$52,201.00
SKC Construction	\$62,200.00

The Building and Engineering Department has reviewed the bids and recommends to award the bid to Behm Pavement Maintenance of Crystal Lake, Illinois, the lowest responsible bidder for a total of \$75,000 to allow for additional streets to be added to the project.

City Council approval is recommended.

B. Consideration of an Administration Recommendation Regarding Health Insurance Coverage for Active and Retired City Employees.

The City’s new plan year for all of its group insurance policies begins on September 1, 2019. By category, the renewal rates and recommendations are as follows:

Basic Health Insurance:

The City’s insurance broker solicited health insurance quotes and received quotes from Blue Cross/Blue Shield, Humana, UHC and Health Alliance. Outside of BCBS, these additional carriers were unable to provide a competitive quote that was consistent with the City’s grandfathered plan. After negotiating with BCBS, the grandfathered renewal was reduced to 6.78%, which is within budget and on par with the industry standard estimated at 7-10% for 2019 grandfathered renewals.

The City offers three medical plan types: HSA, HMO and PPO:

HSA or Health Savings Account is an account that reimburses employees for specific health care expenses. HSAs can be funded by the employee, an employer or anyone else. The money contributed to an HSA belongs to the account owner and can be used to cover eligible current or future medical expenses. The HSA currently has an enrollment of 51 employees, not including their dependents.

HMO or Health Maintenance Organization is a type of health benefits plan for which members are required to receive health care only from providers that are part of the HMO network. A primary care physician coordinates each member’s health care. Services (except emergency care) performed by out-of-network providers aren’t covered except under specific circumstances. Currently there are two participants participating in an HMO plan.

PPO or Preferred Provider Organization is a Plan that allows members to choose any provider but offers higher levels of coverage if members receive services from health care providers in the plan’s PPO network. This year there were 54 employees plus their dependents who have elected to participate in the PPO.

The effective monthly rate based on the Blue Cross renewal is calculated based on the number of participants in each plan as shown below:

Plan: HSA	No.	Current	Renewal
Employee	7	\$761.27	\$818.99
Employee/Spouse	3	\$1,556.41	\$1,682.77
Employee/Children	3	\$1,471.92	\$1,587.83
Family	38	\$2,267.07	\$2,451.62
Total	51	\$100,562.54	\$108,706.29
Plan: HMO	No.	Current	Renewal
Employee	1	\$734.78	\$765.43

Employee/Spouse	0	\$1,502.18	\$1,572.71
Employee/Children	0	\$1,420.63	\$1,483.96
Family	1	\$2,188.09	\$2,291.25
Total	2	\$2,922.87	\$3,056.68
Plan: PPO	No.		Renewal
Employee	5	\$911.05	\$958.28
Employee/Spouse	19	\$1,862.64	\$1,968.95
Employee/Children	8	\$1,761.52	\$1,857.85
Family	22	\$2,713.13	\$2,868.55
Total	54	\$113,726.43	\$120,172.35
Total	107	\$217,211.84	\$231,935.32
Percentage			6.78%

In terms of actual cost, the HSA plan continues to be more economical than the traditional PPO plan. For this reason, staff proposes that the City continue to fund 100% of the deductible for HSA participants, which is \$1,500 for a single participant and \$3,000 for a family. Of the 51 employees participating in the HSA, 38 have family coverage, 7 single coverage, 3 employee and spouse and 3 employee and children.

The renewals were based upon the following:

- ✓ The City had eleven large claims over \$50,000.
- ✓ There was a decrease in generic prescription utilization from 83% to 79%.
- ✓ There was a substantial increase in prescription costs.
- ✓ Health care reform continues to bring about changes that may affect our future insurance coverage and premium rates. Our broker and Human and Administrative Resources Director will continue to monitor this and keep the City informed.

The proposed premiums include the “administrative” fee dictated by the federal government as a result of the Affordable Care Act. The City’s Health Insurance Committee was provided updates throughout the summer and met on July 30, 2019 to review proposals and recommended continuing the same coverage with the Blue Cross/Blue Shield plan for health coverage.

The proposed Blue Cross rates are spread in the table below, by type:

PPO Plan	Plan Year 2018-19 Monthly Premium	Plan Year 2019-20 Monthly Premium	% of 2018-19	Employer Monthly	Employer Annually	Employee monthly	Employee Biweekly	Employee per year	Total Annual premium
EMPLOYEE	\$911.05	\$958.28	5.18%	\$958.28	\$11,399.36	\$8.33	\$3.85	\$100.00	\$11,499.36
Employee + Spouse	\$1,862.64	\$1,968.95	5.71%	\$1,817.35	\$21,808.19	\$151.60	\$69.97	\$1,819.21	\$23,627.40
Employee + Children	\$1,761.52	\$1,857.85	5.47%	\$1,722.91	\$20,674.97	\$134.94	\$62.28	\$1,619.23	\$22,294.20
Family	\$2,713.13	\$2,868.55	5.73%	\$2,582.01	\$30,984.11	\$286.54	\$132.25	\$3,438.49	\$34,422.60
HSA Plan	Plan Year 2018-19 Monthly Premium	Plan Year 2019-20 Monthly Premium	% of 2018-19	Employer Monthly	Employer Annually	Employee monthly	Employee Biweekly	Employee per year	Total Annual premium
EMPLOYEE	\$761.27	\$818.99	7.58%	\$818.99	\$9,727.88	\$8.33	\$3.85	\$100.00	\$9,827.88
Employee + Spouse	\$1,556.41	\$1,682.77	8.12%	\$1,553.20	\$18,638.44	\$129.57	\$59.80	\$1,554.80	\$20,193.24
Employee + Children	\$1,471.92	\$1,587.83	7.87%	\$1,472.50	\$17,670.05	\$115.33	\$53.23	\$1,383.91	\$19,053.96
Family	\$2,267.07	\$2,451.62	8.14%	\$2,206.73	\$26,480.71	\$244.89	\$113.03	\$2,938.73	\$29,419.44
HMO Plan	Plan Year 2018-19 Monthly Premium	Plan Year 2019-20 Monthly Premium	% of 2018-19	Employer Monthly	Employer Annually	Employee monthly	Employee Biweekly	Employee per year	Total Annual premium
EMPLOYEE	\$734.74	\$765.43	4.18%	\$765.43	\$9,085.16	\$8.33	\$3.85	\$100.00	\$9,185.16
Employee + Spouse	\$1,502.18	\$1,572.71	4.70%	\$1,451.62	\$17,419.42	\$121.09	\$55.89	\$1,453.10	\$18,872.52
Employee + Children	\$1,420.63	\$1,483.96	4.46%	\$1,376.18	\$16,514.17	\$107.78	\$49.74	\$1,293.35	\$17,807.52
Family	\$2,188.09	\$2,291.25	4.71%	\$2,062.38	\$24,748.52	\$228.87	\$105.63	\$2,746.48	\$27,495.00

Retirees 65 and over:

Coverage is provided through Hartford Insurance, and does not renew until January 1, 2020. The current monthly rate is \$506.15 per person per month. The retiree group is a combination of employees hired prior to 1982 and 1986 who have varying benefit levels based on the terms of employment when they were hired. Per state law, employees may elect continued coverage after retirement, however the retiree must pay the full cost of the coverage.

Dental, Vision, Life, AD&D (Accident, Dismemberment & Disability):

With respect to Life, Dismemberment and Disability, coverage is with Dearborn National and they have notified us that we will have a flat rate renewal for this coming year.

Additionally, we are about to begin year two of a 4-year flat rate renewal for our vision.

In regards to dental, we did have an increase in utilization this past year which did drive our claims up for a renewal rate increase of 6.72% for the coming year.

The Health Insurance Committee recommends staying with our current provider Dearborn Life for Vision and Life, Dismemberment and Disability and remaining with BCBS for Dental.

IRS Section 125/Flexible Spending:

There will be no increase per employee in the Flexible Spending plan through TASC.

Short Term Disability:

Short Term Disability will continue to be administered in-house. By not outsourcing this benefit the past six years the City has saved approximately \$16,000 in administrative fees.

The City Manager concurs with the Health Insurance Committee and recommends the proposals submitted by TASC for flexible spending, Blue Cross Blue Shield for health insurance, and dental coverage, and Dearborn Life for vision and life insurance, as well as continuing to administer short term disability in-house. It is also recommended that the Council continue to fund 100% of the deductible as an incentive for employees to continue to choose the HSA plan, as it will result in a savings for both the City and employee. If more employees choose the HSA plan it will lower the overall costs outlined above.

City Council approval is recommended.

C. Consideration of a Recommendation from the Liquor Commissioner to Refund the Liquor License Fee for Rye Creek, LLC.

Jon and Judy Hoffman have held a liquor license for over a year in anticipation of opening a restaurant at 1330 E. State Street. The Hoffman's have decided not to pursue the restaurant and another commercial use is now planned for the property. Mayor Lang, who serves as Liquor Commissioner, is recommending that a pro-rated portion of the license fee be refunded. The City Code allows the Liquor Commissioner the latitude to make the refund provided it is done with concurrence of the City Council.

The Mayor recommends accepting the termination effective July 17th. The pro-rated refund is in the amount of \$1,572.60. (78.63% of \$2,000).

City Council approval is recommended.

D. Consideration of an Administration Request for a Closed Session to Discuss Collective Bargaining.

15. OTHER NEW BUSINESS

16. ADJOURNMENT