

**SYCAMORE CITY COUNCIL**

**AGENDA**

**August 18, 2003**

**City Council Committee Meetings**

**No Meetings Are Scheduled**

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**Regular City Council Meeting**

**At the Sycamore Center**

**7:00 P.M.**

- 1. CALL TO ORDER**
- 2. INVOCATION**
- 3. PLEDGE OF ALLEGIANCE**
- 4. APPROVAL OF AGENDA**
- 5. AUDIENCE TO VISITORS**
- 6. CONSENT AGENDA**
  - A. Approval of the Minutes for the Regular City Council Meeting of August 4, 2003;
  - B. Payment of the Bills for August 18, 2003;
  - C. Plan Commission Minutes for the Meeting of July 14, 2003.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
  - A. Mayoral Proclamation Honoring the Benson and Swedberg families on the occasion of their 100<sup>th</sup> family reunion.
- 8. REPORTS OF OFFICERS**
- 9. REPORTS OF STANDING COMMITTEES**
- 10. PUBLIC HEARINGS--None**
- 11. ORDINANCES**
  - A. Ordinance No. 2003.42—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Staff Petition to Add a New Section**

**11.08.01-4(d) to the Zoning Ordinance of 2001, for the City of Sycamore, Illinois. First and Second Reading.**

At the Plan Commission meeting of August 11, the City Manager and Zoning Officer Lyle Doty proposed a revision to the City's ground sign requirements to address recent trends in the marketing of new and used cars by major national and international vehicle manufacturers. Presently, the City's Zoning Code, revised in 2001, permits the erection of one (1) ground sign along the street frontage of car dealerships—or two ground signs if the dealership has two or more street frontages (Section 11.08.01, A, 1). In recent years, as national and international carmakers have consented to share sales lots with each other, dealers have pursued common signage on pylon and ground signs. However, individual car manufacturers have resisted and have instead insisted on their own ground signs. A case in point concerns the new foreign car dealerships that Brian Bemis has moved to DeKalb Avenue. Neither the corporate ownership of Mercedes, Honda, or Volvo will permit a ground sign with more than their own logo and name. They refuse to discuss the matter with local authorities.

In the interest of promoting the success of the Bemis dealerships and other dealerships that feature more than one manufacturer, while at the same time limiting the size and shape of ground signs in highway commercial districts, the City staff recommend a minor change in the sign provisions as they apply to car dealerships only. The sign code already acknowledges the unique signage requirements of car dealerships with respect to the size of pylon signs.

The proposed addition is as follows:

11.08.01 Business Signs—Ground Signs and Pylon Signs

4. Other Ground Sign Regulations.

- d) In addition to a car dealer's identifying ground or pylon sign, new car dealerships shall be permitted to erect not more than one (1) additional **ground sign** with the logo and name of the car manufacturer only, for each manufacturer that the dealer represents.

In the consideration of this item, some Plan Commissioners expressed concern that the City might be setting a precedent that could be applied to other types of commercial business locations. In the end, the Commission, by a vote of 9-2, was convinced that the large frontages of most dealerships afforded some unique opportunities to feature additional signage without creating an unfavorable impression, so long as that signage had a low ground profile, as dictated by the City's revised ground sign regulations. City Council approval of the Plan Commission recommendation is requested.

**B. Ordinance No. 2003.43—An Ordinance Requesting Permission of the Illinois Department of Transportation to Close Illinois Route 64 from Governor Street to Sacramento Street from 7:00 P.M. Until 8:30 P.M. on October 1, 2003 To Allow for the Sycamore High School Homecoming Parade in the City of Sycamore, Illinois. First and Second Reading.**

The City Council customarily approves the closing of Illinois Route 64 for this purpose. City Council approval is recommended.

**C. Ordinance No. 2003.44—An Ordinance Authorizing a One-Year Agreement with the Crum-Halsted Agency, Inc. to Act as a Broker in Providing Health Insurance for the City of Sycamore, Illinois. First and Second Reading.**

The City's health insurance plan year extends from September 1 through August 30. In early July, insurance brokers who have in the past shown interest in providing health coverage to the City were contacted to submit proposals based on the current package of benefits. In recent weeks, City officials and the City's Health Committee, which is generally representative of all departments and bargaining groups, have reviewed a number of options. It should be noted that because of the relatively small size of our group, neither Blue Cross nor other private carriers will provide information about group claims until a month or so before the renewal date. This puts the City and its employees in a poor bargaining position, and also denies us access to claims information that would allow us to take more timely action to address costly trends in our group's use of health services.

The twelve-month claims period that formed the basis for the proposals ended on January 31, 2003. During that twelve-month period the City's loss ratio (the dollars in claims divided by the dollars in premiums) was 102.10%, a slight decrease from last year's figure of 102.59%. Over the past four years, our loss ratio has been decreasing. The loss ratio for the period of February 1, 2000 through January 31, 2001 was 159.78%, while the worst year in memory was the period February 1, 1999 through January 31, 2000 when the loss ratio was 248.03%. Insurers base their premiums on the average of the previous two years of experience. In Sycamore's case that means a loss ratio of 102.35%. The optimal loss ratio from the standpoint of insurance carriers is about 65%-70%. During the last premium year, the City had seven chronic, large-dollar claims. Blue Cross also identified nine new significant claims. Christina Bowers, our broker from Crum-Halsted, was also able to find out that, for the past claim year, the City's utilization was up 16% in the areas of physician office visits and days of stay in hospitals.

In view of this claims experience, and the City's commitment to pay claims for a specific group of retirees that will potentially bring higher value claims in years ahead according to standard actuarial tables, the only competitive quote was received from the City's current insurer—Blue Cross Blue Shield. Seven other firms were approached. Four declined to offer a quote and two offered quotes for our active employees only. One provider, Destiny Health, will offer a quote, but only if 100% of our current plan participants complete a health questionnaire. Since no other firms would offer a quote to use as a basis of comparison with Blue Cross, the Health Committee members

decided it would be in the City's best interest to obtain a quote from Destiny Health. All participants have been sent a questionnaire to complete. While we do not anticipate having a quote from Destiny Health returned to us by our September 1<sup>st</sup> renewal date with Blue Cross, we will use the information that we obtain from them to prepare for next year's renewal process. A change to the Destiny Health plan may be an option for the City, if Destiny's quote is reasonable and they can provide the same level of coverage that our employees currently have under the Blue Cross plan. **The current City premium is \$940,927.32. With the proposed increase of about 27%, the new Blue Cross premium would be \$1,199,142.00 over a twelve-month period.**

As an alternative, the City's Human Resource Director Jean Tritle once again pursued the self-insurance option. One of the firms from which we requested a quote was a self-insured third party administrator who would only quote on our active employees. We also obtained information from the Local Government Health Plan, which is a self-insured employee health, prescription drug, dental, and vision benefit program funded solely by participating units of local government. Their premium rates were significantly higher than the rates proposed by Blue Cross, and most of the area's medical providers do not participate in their PPO network.

Although Blue Cross offered lower quotes for basic plans that departed from the current benefit package in terms of coinsurance, copayments, and deductibles, the City cannot depart from its current level of benefits without opening its collective bargaining agreements for re-negotiation. With the cooperation of representatives of all three of the City's bargaining units, a special Health Committee meeting was held on July 30 to explore some minor insurance policy changes that might save the City and our employees some money. The principal proposed change was to increase the prescription copayments from \$5/\$10/\$25 to \$10/\$20/\$35. While such a change would reduce the overall City premium by \$45,120.48 for FY04, it was likely that the higher out-of-pocket costs incurred by a number of our employees would offset any savings in terms of individual premium contributions, particularly for younger employees with children or retirees on maintenance doses of certain drugs. A further discussion occurred at the Health Insurance Committee meeting of August 14. The consensus of the employee Committee was that a departure from the existing copayment schedule for prescription drugs would not be acceptable to the respective union memberships.

Because the first four months of FY04 fall under last year's premium price, the total out-of-pocket cost for FY04 (if there are no changes made to the current plan) will be \$1,108,829.93 or \$204,773.41 (23%) more than the total premium payments of \$904,056.52 in FY03. While sufficient funds were budgeted in FY04 to cover the insurance premiums for our active employees, we will be short in covering the premium for our retirees. If the trend in declining revenues continues, we will not have the funds to cover another 27% increase in FY05.

The new premium rates\* are shown in the table below:

	New Monthly Rate	Dependent Cost/month	Dependent Cost/pay period***	Total Employer Cost/Pay Period	Total Employee Cost/Pay Period	Current Employee Cost/Pay Period	Increase in Employee Cost/Pay Period	Increase in Employee Cost for the Plan Year
Single - 19**	466.91	0.00	0.00	215.50	0.00	0.00	0.00	0.00
Employee + Spouse - 15	959.11	492.20	227.17	408.59	34.08	24.40	9.68	251.56
Employee + Child(ren) - 6	888.96	422.05	194.79	410.14	29.22	48.80	(19.58)	(509.11)
Family - 39	1,381.16	914.25	421.96	574.16	63.29	48.80	14.49	376.85
Retirees								
Single - 2	466.91	0.00	N/A	215.50	0.00	0.00	0.00	0.00
Employee + Spouse - 4	959.11	0.00	N/A	442.67	0.00	0.00	0.00	0.00
Employee + Child - 0	888.96	0.00	N/A	410.29	0.00	0.00	0.00	0.00
Employee + Children - 0	888.96	0.00	N/A	410.29	0.00	0.00	0.00	0.00
Family - 5	1,381.16	0.00	N/A	637.46	0.00	0.00	0.00	0.00
Single Medicare - 2	305.59	0.00	N/A	141.04	0.00	0.00	0.00	0.00
Emp + 1, both Medicare - 5	611.19	0.00	N/A	282.09	0.00	0.00	0.00	0.00
Emp Medicare, No Spouse - 2	772.50	0.00	N/A	356.54	0.00	0.00	0.00	0.00

\*Blue Cross has changed their premium structure. Effective September 1, we will have 4 tiers, instead of the 3 (employee, employee +1, or family) we have had in the past.

\*\*Enrollment figures

\*\* 26 pay periods per year

### Recommendation

Since no other insurer has provided a quote, the City is obliged to stay with Blue Cross. The City Manager recommends the attached contract with Crum-Halsted to assure continuing coverage.

However, the Council can elect to shift costs without affecting the bundle of benefits. It is painfully obvious that attention must be given to how the City organization can reasonably reduce costs. The City organization's out-of-pocket increase for health insurance in FY04 constitutes 32% of the total new monies available for all our general operational spending in FY04.

**The consensus of the Health Insurance Committee was to pay a higher copayment (\$10/\$20/\$35) for prescription drugs (Plan 42212 in the attached spreadsheet). This will reduce the City's premium by \$45,120.48. The City Manager recommends the Council's approval of this change.**

Human Resource Director Jean Tritle will continue to help our employees reduce health care expenditures in a variety of ways including, but not limited to, the following:

- a) using the mail order drug option in the City's plan to gain discount prices for persons on drug maintenance plans;
- b) avoiding emergency room visits on weekends for routine ailments that might be addressed through clinic visits before the weekend;

- c) asking for generic prescriptions rather than non-formulary drugs where the former offers the same medical benefit.
- d) taking advantage of the annual physical to possibly avoid more serious future ailments.
- e) exploring other health care options, such as the new consumer-driven plans, that will make our employees better consumers of health care.

During the next twelve months, the Health Committee will continue to meet and explore variations on the basic plan that might achieve some savings.

The only good news is that our loss ratio again improved from February 1, 2002 through January 31, 2003. A reachable goal would be to reduce the loss ratio to below 100% in FY04. However, a flattening of our premium liability will not likely lead to a return to annual increases in the single digits. The average premium increase for Blue Cross employer groups this year was 18%. This can be expected to continue to increase in the year ahead, due to higher health care and prescription drug costs. We are approaching a national dilemma akin to what we faced in the early 1990's when some signs of Congressional leadership emerged. Without some creative and substantial state and national leadership regarding health care costs, small cities and small businesses will face stunning expenses that drain away resources from essential services as well as training and improvements that promote productivity.

**12. RESOLUTIONS--None**

**13. CONSIDERATIONS**

**A. Consideration of an Administration Recommendation Regarding Proposals From Professional Firms That Could Assist the City in Defining a Uniform Conceptual Design for Future Façade Improvements in the Downtown Business District.**

Following the City Council's direction of July 21, the City Manager circulated and published a request for proposals from professional firms to perform digital renderings of the existing downtown streetscape as well as a proposed "look" consistent with the historical architecture of Sycamore's downtown business district. Specifically, the streetscape focus was the State Street corridor, on the north and south sides, from Sacramento Street to Main Street. The purpose of this project is to provide a visual reference for decisions associated with the City's façade improvement program. It is anticipated that the City staff will assist the selected firm in targeting a uniform conceptual design and in presenting the renderings to the Ad Hoc Architectural Review Committee for review and recommendation to the City Council.

Three firms submitted proposals in response to the RFP. The names of the firms and their price proposals are displayed in the table below:

Name of Firm	Price of Professional Services
Wold Architects and Engineers (Elgin)	\$16,625*
Camiros (Chicago)	\$16,000
Miniscalco Architects, Ltd. (St. Charles)	\$12,000

\*does not include certain reimbursable costs.

In the evaluation of such professional services, the City should consider the quality and depth of experience as well as the proposed cost of such services. All of the interested firms have experience with the work we are envisioning. The experience of Camiros in downtown planning and preservation is the most varied and geographically diverse.

Regarding the fee for services, two of the firms—Camiros and Miniscalco—submitted lump sum or not-to-exceed fees. Wold Architects, working with Missman Stanley & Associates, submitted an estimate of costs that included mileage, photodeveloping, and printing and photocopying as additional reimbursable costs.

### **Recommendation**

Although each of the interested firms would do a professional job, the City Manager recommends working with Miniscalco Architects, Inc. The firm was most aggressive in extending samples of its work and has most recently been involved in a similar and successful project in the Elgin area. In addition, the firm’s main office is closest to Sycamore, which will offer some convenience and lower fees in the event of any necessary trips above or beyond the scope of services. Finally, the firm has offered a fee that is substantially below that of the other two firms.

City Council approval is recommended.

### **B. Consideration of a Joint Workshop Meeting with the Sycamore Plan Commission on Tuesday, September 2, at 6:00 P.M.**

On September 2, a joint workshop meeting with the City Council and Plan Commission will be held to consider whether additional developer contributions will be necessary as a part of future annexations. The topic originally scheduled for this date—whether the many-tiered system of City water user fees shall be maintained—will be the focus of the Council workshop on October 6. The September 2 workshop will be held in the City Council chambers. Members of the public are invited to attend. However, given the short duration of the workshop prior to the regular Council meeting, the discussion will be limited to members of the Commission and the Council. If necessary, the hour set aside for committee meetings prior to the second Council meeting of the month (September 15) can also be dedicated toward growth issues if a consensus is not reached.

The City Manager will prepare a variety of options for consideration at the workshop meeting on September 2.

### **C. Consideration of a Closed Session to Discuss Personnel Matters.**

**14. APPOINTMENTS**

**15. ADJOURNMENT**