

SYCAMORE CITY COUNCIL
AGENDA
November 19, 2007

CITY COUNCIL COMMITTEE MEETINGS

No Committee Meetings Are Scheduled

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Regular City Council Meeting
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 November 5, 2007.
 - B. Payment of the Bills for November 19, 2007.
 - C. Plan Commission Minutes for the Meeting of October 8, 2007.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Recognition of the 2007 Sycamore High School Football Team for their successful season and post-season play.
 - B. Recognition of Roger Hopkins for his service to the City of Sycamore. Mr. Hopkins, executive director of the DeKalb County Economic Development Corporation since 1988, is leaving his position to take a similar position in DuPage County.
- 8. REPORTS OF OFFICERS**

9. REPORTS OF STANDING COMMITTEES

10. PUBLIC HEARINGS--None

11. ORDINANCES

A. Ordinance No. 2007.29—An Ordinance Approving the Execution of an Agreement Between the City of Sycamore, Illinois and the IMLRMA for Worker’s Compensation and Liability Coverage for City Employees. First and Second Reading.

The City’s worker’s compensation and liability insurance coverages will expire on December 31, 2007. For the past ten years, the City has had an agreement with the Illinois Municipal League Risk Management Association (IMLRMA) for worker’s compensation and liability coverage. The IMLRMA has been meeting the risk management needs of Illinois municipalities for over 25 years and currently insures 783 municipalities.

Prior to 2005, the City participated in the IMLRMA’s Minimum/Maximum Program, which allowed the City to pay a minimum premium for coverage each calendar year as opposed to the full premium, which is only payable if the City approaches its maximum exposure in claims. While this program works well in years with minimum losses, it does not work well when maximum losses are paid out, since this may occur two to three years after claims are incurred when the City is billed for the remaining premium. For the years 1998 through 2004, the City incurred maximum claims exposure four out of the eight years. For this reason, as well as for budgetary purposes, the City opted to participate in the fully insured program in 2005 and has remained in this program since that time.

This year, the IMLRMA renewal increase was 20%, which is 7% more than last year’s renewal rate. The average IMLRMA renewal increase was 13%. Our representative from the IMLRMA explained that Sycamore’s increase was higher due to two factors: our claims experience and recent Illinois legislative action.

With respect to the City’s claims experience, underwriters look back over claims experience in intervals of three years, five years, and ten years. This year they looked at losses incurred between 2003 and 2005. Our loss ratios for all three of these years are well over 100%. For 2005 and 2006, years of good experience were factored into our renewal which is why the City only received a 13% increase for calendar year 2007, despite an overall loss ratio of 427% in 2004. Our past history is now catching up with our renewal rates. Past and current loss ratios are illustrated in the following table:

Min/Max	Year	Premium Paid		# Claims Incurred		YTD Claims Paid		Outstand Reserves		YTD Tot Incurred		Loss Ratios		# Open Claims	
		Work Comp	Property/Casualty	Work Comp	Property/Casualty	Work Comp	Property/Casualty	Work Comp	Property/Casualty	Work Comp	Property/Casualty	Work Comp	Property/Casualty	Work Comp	Property/Casualty
Y	1998	74,752	121,982	12	3	388,793	3,111	166,853	0	555,646	3,111	743%	3%	2	0
Y	1999	63,169	134,399	12	5	47,253	6,106	0	0	47,253	6,106	75%	5%	0	0
Y	2000	58,283	120,941	14	10	14,108	43,832	0	0	14,108	43,832	24%	36%	0	0
Y	2001	60,818	118,406	25	10	159,554	18,720	613	0	160,167	18,720	263%	16%	2	0
Y	2002	96,567	106,448	18	10	32,325	18,005	0	0	32,325	18,005	33%	17%	0	0
Y	2003	105,137	121,549	20	1	206,431	6,804	2,670	0	209,101	6,804	199%	6%	1	0
Y	2004	114,980	130,204	19	10	679,729	68,040	299,926	12,327	979,655	80,367	852%	62%	3	1
N	2005	133,882	129,746	26	13	270,616	12,737	182,605	0	453,221	12,737	339%	10%	0	0
N	2006	150,058	131,092	28	12	46,482	35,933	73,641	19,000	120,123	54,933	80%	42%	2	2
N	2007	202,377	120,319	24	10	40,911	5,594	74,982	4,040	115,893	9,634	57%	8%	6	5
N	2008	256,293	129,369												

Note: 2007 Figures are year-to-date

Regarding state legislative action, the Illinois Legislature recently passed an amendment to Public Act 95-0316, effective January 1, 2008, which states that “any condition or impairment of health of an employee employed as a firefighter, emergency medical technician (EMT), or paramedic which results directly or indirectly from any bloodborne pathogen, lung or respiratory disease or condition, heart or vascular disease or condition, hypertension, tuberculosis, or cancer resulting in any disability (temporary, permanent, total, or partial) to the employee shall be presumed to arise out of, and in the course of, the employee's firefighting, EMT, or paramedic employment and, further, shall be presumed to be causally connected to the hazards or exposures of the employment. This presumption shall also apply to any hernia or hearing loss suffered by an employee employed as a firefighter, EMT, or paramedic.” A 20% surcharge was added to our renewal premium as the passage of this amendment is expected to increase Workers Compensation costs substantially.

The City requested quotes from three other agencies for our workers comp and liability coverage for the coming year. The firms and their responses are noted below:

- The Wine Serge Agency, which works with the Illinois County Risk Management Trust pool (ICRMT) as well as the Traveler’s Insurance Group, reported that both groups declined to quote on the City’s business because our high workers compensation claims experience over the past five years makes us an unattractive account. They did indicate that, if the City can continue its downward trend in workers compensation claims experience for the next two years, we will become a more attractive risk in the marketplace. Additionally, they offered the opinion that, considering our past losses, the IMLRMA is offering us a good rate.
- Mesirow Financial, which works with the Illinois Public Risk Fund as well as the Traveler’s Insurance Group, reported that they were also unable to obtain quotes due to our past workers compensation claims experience. They suggested that the City consider obtaining a quote from the Illinois Assigned Risk Pool (a pool for employers with large losses or in high risk industries) to see if this is a feasible option. Once our claims experience had decreased, we could move back into a regular plan. However, the Assigned Risk Pool would require the City to pay a premium of \$657,023 in addition to a deposit of \$130,483 which would be refunded if the City incurred losses below the premium charged. Mesirow noted that \$350,450 of the proposed premium is due to the amendment to Public Act 95-0316.
- Pardridge Insurance, a local broker, was also unable to obtain any quotes in the regular market. They suggested that we consider self-insuring our workers compensation coverage and approached the Arthur J. Gallagher Company to see if this approach would be a feasible option. Gallagher quoted a program in which the City would pay the first \$400,000 in losses, which is more than the proposed premium for both Workers Compensation and Property/Casualty insurance proposed by the IMLRMA. The Gallagher representative also told the Pardridge broker that, considering our losses, the IMLRMA is offering the City a good rate.

The City has worked aggressively for the past two years to reduce claims expense. The Safety Committee, which was reinvigorated in January 2006, continues to meet on a regular basis and, with the support and encouragement of representatives from the IMLRMA, has worked to educate our employees on various safety issues in order to prevent new and recurring injuries and accidents. The Committee has been very successful in their efforts; at one point between 2006 and the spring of 2007, City employees went nine months without incurring a lost-time accident or injury. We also continue to make a concerted effort to find alternate productive duty for those employees who are injured on or off the job. If we can keep this trend going, we hope to have two additional consecutive years of reduced claims expenses, which will enable us to successfully obtain quotes from other insurers in the market.

The City currently has a contract with the IMLRMA that automatically renews each year unless rescinded by mutual consent of both parties. The City Manager recommends that the Council renew this contact and approve a one-time payment of \$385,661.36 (which includes a 2% discount if paid before a designated date) for fully insured coverage.

City Council approval is recommended.

B. Ordinance No. 2007. 30—An Ordinance Amending Title 6, “Motor Vehicles and Traffic,” Chapter 4, “Traffic Schedules,” Section 1, “Stop Intersections,” and Section 12, “No Parking Zones” of the City Code of the City of Sycamore, Illinois. First and Second Reading.

The attached ordinance proposes a number of changes in the City’s traffic schedules, recommended by City Engineer John Brady:

a) Revises the “Stop Intersections” table as follows:

<u>Right-Of-Way Street</u>	<u>Stop Street</u>
Northgate Drive	Celerity Drive
Presidential Parkway	Republic Avenue
National Street	Republic Avenue
Northgate Drive	Luther Lowell Lane

b). Amends 6-4-12 of the City Code to restrict parking at all times on Sarah Drive east of Peace Road and also on Sarah Drive from Peace Road west to a point which is 160 feet east of the centerline of Anjali Court.

City Council approval is recommended.

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of a Recommendation from the Architectural Review Committee to Extend a Façade Grant of \$3,150 to Rod Griffis.

Rod Griffis, owner of the building at 211 West State Street and the Blue Moon Bike Shop, recently applied for a façade grant in the amount of \$3,150 to reimburse one-half of the cost of tuck-pointing the façade of his downtown building (see the attached application). The Architectural Review Committee met on Tuesday, November 6 to consider the request.

Although the Committee has not previously awarded grant support for tuck-pointing alone, tuck-pointing is a process that falls under the grant guidelines. In addition, in this instance, much of the work will involve the historic corbelling at the building's roof line, which has weakened over the years. The Committee voted 3-0 to recommend the grant request.

City Council approval of the recommendation of the Architectural Review Committee is requested.

B. Consideration of a Fire Department Recommendation to Award a Contract to Foster Coach Sales for a Replacement Ambulance in the Amount of \$107,064.00.

The FY2007-2008 City capital budget has an allocation in the amount of \$110,000 for an ambulance to replace the 1996 Fire department ambulance. In the past several months, the Fire department has developed detailed specifications and went to bid for this replacement vehicle. The bids were opened on November 8 and two bids were received (see the attached bid summary). Fire Chief Riddle recommends the award of a contract to the lowest responsible bidder, Foster Coach Sales of Sterling, Illinois in the amount of \$107,064. This bid includes the trade-in value of the 1996 vehicle.

City Council approval of the Fire Chief's recommendation is requested. The funding for this purchase is in the Sales Tax Distributive Fund (22-8521).

C. Consideration of an Administration Request for a Closed Session to Discuss Land Acquisition.

14. **OTHER NEW BUSINESS**
15. **APPOINTMENTS**
16. **ADJOURNMENT**