

**SYCAMORE CITY COUNCIL**  
**AGENDA**  
August 4, 2008

**CITY COUNCIL COMMITTEE MEETINGS**  
No 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 July 21, 2008.
  - B. Payment of the Bills for August 4, 2008.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
  - A. Introduction of new Police Officers Andrew Neuman and Bridget VanderVinne.
  - B. Recognition of Police Officer Dan Wojcik in his new capacity as School Resource Officer.
8. **REPORTS OF OFFICERS**
9. **REPORTS OF STANDING COMMITTEES**
10. **PUBLIC HEARINGS--None**
11. **ORDINANCES**

**A. Ordinance No. 2008.24—An Ordinance Approving a Lease Agreement Between the City of Sycamore and the Sycamore Historical Society and Museum for the Use of the Engh Farm. First and Second Reading.**

At the last regular Council meeting of July 21, the Council unanimously directed the City Manager to prepare a ground lease with the Sycamore Historical Society and Museum for the use of the Engh Farm. The attached lease has a format very similar to the leases held by the City for the Sycamore Center, but is specific in terms of the reciprocal responsibilities of landlord and tenant with respect to the Engh farm. The key features are as follows:

- a) The term is two years (Section 2) and begins on September 1, 2008. Upon the mutual consent of the parties, the lease may be renewed for two additional terms of six months each. On or about September 1, 2010, the Council can determine whether it wishes to include the Sycamore Park District as a partner in stewardship of the farmstead.
- b) The base rent is \$10 a month (Section 3).
- c) The Sycamore Historical Society shall pay the entire cost of all utilities (e.g. natural gas, electric, phone, cable) and refuse removal (Section 5 and Section 25).
- d) The Sycamore Historical Society shall be responsible for maintaining an attractive appearance for the leased premises which will include the large and small houses and the residential garage (Section 7.5 and Section 13).
- e) The Society shall pay the cost of fire and casualty insurance for the leased area in the amounts required by the City (Section 20) and indemnify and hold the City harmless against any claims arising out of the Tenant's use of the leased premises (Section 12).
- f) The Landlord shall grant \$21,500 toward the alterations and remodeling necessary to obtain an occupancy certificate (Section 26.2).
- g) The Landlord shall be responsible for the ongoing lawn mowing and snowplowing of the driveway and parking areas (Section 13).
- h) The Landlord shall be responsible for the HVAC, structural, and exterior features of the occupied buildings (Section 7.6 and Section 13).

City Council approval is recommended.

**B. Ordinance No. 2008.25—An Ordinance Authorizing a One-Year Agreement with Blue Cross Blue Shield of Illinois to Provide Health Insurance for the City of Sycamore, Illinois. First and Second Reading.**

The City's new plan year for all of its insurance policies will begin on September 1, 2008. In anticipation of that threshold, the Council reviewed a staff proposal on July 7 to pursue a retiree health plan provided by Hartford Insurance. Since that time, Human Resource Director Jean Tritle and the Health Insurance Committee have been reviewing basic plan options for active employees. The City's renewal quotes are now clear and are reviewed by plan type, below:

**Health Insurance:** The initial renewal rate that received from Blue Cross projected a 14.0% increase, which was much higher than the 6.73% renewal rate increase the City received last year. The initial rate was based on the following experience:

- The City has had 13 large claims in the present plan year, as compared to 14 in the prior plan year, but each of these claims incurred a minimum of \$25,000 in expenses.
- The City paid \$1,566,489 in premium expenses and incurred \$1,594,619 in claims expense, for a loss ratio of 101.69% (up almost 3% from last year).

Based on the City's continuing commitment to wellness and, most important, the fact that we intend to move the post-65 retirees to a Medicare supplemental plan (the Hartford plan), our broker was able to negotiate this increase down to 4.75% overall. Broken down by plan, the overall HSA premium increased 5.2%, the overall PPO plan increased by 4.3%, and the HMO increased by 4.5%. The greater number of City employees regularly choose the PPO plan.

Even though the HSA plan incurred the largest increase in premium, it is still the most economical of the three plans offered. Current HSA participants were surveyed to see what could be done to ensure that current participants do not switch back to the PPO plan during open enrollment and to encourage other employees to participate in the HSA plan. Some of the participants felt changing the plan year from September 1 to January 1 would help, as the plan year would then run the same as the deductible year. In order to accomplish this, the City would need to have a short plan year from September 1 through December 31, 2008, with the projected 4.75% increase, and face a new rate and probable increase on January 1. In view of the pressure on general City revenues, this is not an option in the FY09 budget year.

Another option is to fund the City's contribution to the deductible by giving each HSA participant a prorated amount of the deductible on September 1 and then an additional amount on January 1. Our broker reports that some private firms fund their HSA using a similar time table and the participants are happy with this method. To promote more employee participation, Ms. Tritle and the Health Insurance Committee recommend that the City fund 100% of the deductible, with 4/12 of the City incentive available on September 1, 2008 and 8/12 of the deductible funded on January 1, 2009. Even though the City would be funding 100% of the deductible (as opposed to 75% last year) we will still realize a savings in premium costs. The deductible is \$1,500 for a single participant and \$3,000 for a family. As with past practice, the amount that the City would fund going forward will be determined every August based upon savings realized once the renewal rates are received, as well as other budgetary considerations.

**Dental Insurance:** There will be no changes to the dental plan this year as our rates were locked in place for two years when we switched to the Assurant plan on September 1, 2007.

**Vision Insurance:** When the vision plan was implemented in 2006, VSP locked in our rates for a two year period, which ends on August 31, 2008. Effective September 1, 2008, our premium will increase 9%.

**Life/Short-term Disability Insurance:** There will be no changes to the premium for these plans this year as our rates were locked in place for two years when we switched to Fort Dearborn Life on September 1, 2007.

Based upon the new premiums quoted, the City cost is calculated as follows:

MONTH	BLUE CROSS MEDICAL INSURANCE						ASSURANT DENTAL INSURANCE			VSP VISION	
	RETIREE PREMIUM	LESS RETIREE SHARE	TOTAL CITY SHARE, RETIREES	ACTIVE EMPLOYEE PREMIUM	LESS EMPLOYEE SHARE	TOTAL CITY SHARE, ACTIVE EMPLOYEES	ACTIVE EMPLOYEE PREMIUM (INCL COBRA)	LESS EMPLOYEE SHARE (INCL COBRA)	TOTAL CITY SHARE, ACTIVE EMPLOYEES	CITY SHARE (LESS EMPLOYEE SHARE)	
May 08	23,497.98	0.00	23,497.98	109,220.23	7,630.87	101,589.36	5,253.52	2,470.14	2,783.38	771.17	
June 08	23,497.98	0.00	23,497.98	111,205.15	11,461.54	99,743.61	5,253.52	3,656.08	1,597.44	578.17	
July 08	24,714.80	0.00	24,714.80	112,142.84	7,821.76	104,321.08	5,470.78	2,538.42	2,932.36	789.55	
Aug 08	24,714.80	0.00	24,714.80	111,317.44	7,821.76	103,495.68	5,389.13	2,588.64	2,800.49	791.25	
<b>SUBTOTAL</b>	<b>96,425.56</b>	<b>0.00</b>	<b>95,246.48</b>	<b>443,885.66</b>	<b>34,735.93</b>	<b>409,149.73</b>	<b>21,366.95</b>	<b>11,253.28</b>	<b>10,113.67</b>	<b>2,930.14</b>	
Sept 08	26,072.78	0.00	26,072.78	116,944.12	9,069.27	107,874.85	5,411.50	2,549.57	2,861.93	828.16	
Oct 08	26,072.78	0.00	26,072.78	116,944.12	9,069.27	107,874.85	5,411.50	2,549.57	2,861.93	828.16	
Nov 08	26,072.78	0.00	26,072.78	116,944.12	9,069.27	107,874.85	5,411.50	2,549.57	2,861.93	828.16	
Dec 08	26,072.78	0.00	26,072.78	116,944.12	9,069.27	107,874.85	5,411.50	2,549.57	2,861.93	828.16	
Jan 09	26,072.78	0.00	26,072.78	116,944.12	9,069.27	107,874.85	5,411.50	2,549.57	2,861.93	828.16	
Feb 09	26,072.78	0.00	26,072.78	116,944.12	9,069.27	107,874.85	5,411.50	2,549.57	2,861.93	828.16	
Mar 09	26,072.78	0.00	26,072.78	116,944.12	9,069.27	107,874.85	5,411.50	2,549.57	2,861.93	828.16	
Apr 09	26,072.78	0.00	26,072.78	116,944.12	9,069.27	107,874.85	5,411.50	2,549.57	2,861.93	828.16	
<b>SUBTOTAL</b>	<b>208,582.20</b>	<b>0.00</b>	<b>208,582.20</b>	<b>935,552.94</b>	<b>72,554.14</b>	<b>862,998.81</b>	<b>43,292.00</b>	<b>20,396.56</b>	<b>22,895.44</b>	<b>6,625.28</b>	
<b>TOTAL PREMIUM</b>	<b>305,007.76</b>	<b>0.00</b>	<b>305,007.76</b>	<b>1,379,438.60</b>	<b>107,290.07</b>	<b>1,272,148.54</b>	<b>64,658.95</b>	<b>31,649.84</b>	<b>33,009.11</b>	<b>9,555.42</b>	
<b>HSA FUNDING</b>							<b>66,000.00</b>				
<b>TOTAL PREMIUM</b>							<b>1,338,148.54</b>				
<b>TOTAL CITY COST, ALL PLANS</b>											
Medical	1,577,156.30										
HSA Funding	66,000.00										
Dental	33,009.11										
Vision	9,555.42										
Life/STD	46,915.06										
<b>TOTAL</b>	<b>1,732,635.89</b>										
Budgeted	1,853,610.00										
<b>Difference</b>	<b>120,974.11</b>										

A portion of the \$120,974.11 difference between the amount budgeted and the estimated FY09 insurance costs may be needed to help offset the cost of the City's Liability/Workers Compensation premium if the renewal rate is larger than what is allocated in the FY09 Budget.

The City Manager recommends that the Council approve the renewal of the City's contract with Blue Cross and the VSP Vision Plan. It is also recommended that the Council approve the City's increased contribution to the HSA as an incentive for more employees to choose this plan, as it will save the City and the employees premium dollars in the long run.

## 12. RESOLUTIONS

### A. Resolution No. 504—Approving the Appropriation of Motor Fuel Tax Funds in the Amount of \$139,959 for the Resurfacing of Roadways Designated as Section 08-00000-00-GM to be Performed Pursuant to Contract.

The attached resolution complies with IDOT's preference for resolutions for each appropriation of motor fuel tax funds. In this case, the amount is dedicated toward resurfacing that will occur on Somonauk Street as part of the City's 2008 street maintenance program.

City Council approval is recommended.

**B. Resolution No. 505—Authorizing the City of Sycamore to Proceed with the Replacement of Street Lights, Watermain Replacement, Curb and Sidewalk Replacement, and Bituminous Resurfacing at the Intersection of IL Rt. 64 and IL Rt. 23.**

The attached resolution likewise complies with IDOT’s requirement for local application when improvements in a state right of way are contemplated, even if the sources of funds are local. The project in question is the City’s reconstruction of South Main Street, which will necessarily involve work in and around the intersection of IL Rt. 23 and IL Rt. 64.

City Council approval is recommended.

**C. Resolution No. 506—Authorizing the Mayor to Execute an Intergovernmental Agreement Between the City of Sycamore and the Sycamore Park District Regarding Indemnification in the Event a Lawsuit Is Filed Against the City or Park District with Regard to Land/Cash or Impact Fees.**

After consultation with Sycamore Park District executive director David Peek, the attached agreement is offered for the Council’s review and approval. The agreement was initially developed in draft form in February 2008 as the Council and Park Board considered an increase in the Park’s land/cash fee schedule. The Park Board has weighed a number of possible fee schedules since then, and is prepared to submit a new schedule in the coming weeks. However, per the Council’s direction from February, an indemnity agreement is first offered to provide a legal context for defining responsibility for any litigation expenses that may arise if such fees are contested.

According to the attached agreement, in the event a lawsuit is filed against the City that challenges the legal basis for the amount, timing, or other aspect of any Park fee contribution that is based upon the City’s ordinances or annexation agreements, the Park District shall pay any costs and litigation expenses (including reasonable City attorney and/or City administrative staff fees) in connection with such litigation.

City Council approval is recommended. If approved, the City Manager will forward a revised Park fee schedule approved by the Park Board on July 22 to the Council for consideration at the Council meeting of August 18. A copy of that proposed fee schedule is attached.

**13. CONSIDERATIONS**

**A. Consideration of a Recommendation Regarding the Award of a Contract for the Installation of Public Sidewalk on Commercial Street.**

On Friday, July 25, bids were received for the construction of new sidewalk along the west side of Commercial Street, from a point just north of Becker Place to Reckitt Street. The project includes some tree removal and new driveway approaches. Four bids were received and the respective prices are shown in the table below:

Company Name	Bid Security	Bid
Stenstrom, Rockford	Yes	\$63,670.00
Weaver Construction, Sycamore	Yes	\$66,999.33
Copenhaver Construction, Gilberts	Yes	\$80,825.00
Alliance Contractors, Woodstock	Yes	\$86,661.30

A discrepancy between the unit pricing and base bid in the proposal from local contractor Weaver Construction was discovered in the engineering staff review following the bid opening. The resulting true bid was slightly more than 5% above the low bid submitted by Stenstrom of Rockford, Illinois. Accordingly, the staff recommend the award of the sidewalk contract to Stenstrom in the amount of \$63,670. Funding for this project comes from the Sales Tax Distributive Fund (22-8321).

City Council approval is recommended.

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

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