



## City of Rock Falls Special Finance/Ins. /Inv. Committee Meeting

**Date: 02 28 12**

**Time Meeting Started: 6:00 p.m.**

**Time Meeting Ended: 7:42 p.m**

Members		Also Attended	
Ald. Kuhlemier, Chairman	P	Adm. Blackert	P
Ald. Thurm	P	Clerk Wescott	P
Ald. Schuneman	P	Ald. Vandersnick	P
Mayor Blanton	P	Chief Kuelper	P
Also Attended			
Electric Supt. Simon	P	Allen Briggs	P
Chris Bouwens	P		

Topic	Discussion	Plan of Action																								
1. Call to order	<ul style="list-style-type: none"> <li>Roll call, all committee members present</li> </ul>	In session @ 6:00 p.m.																								
2. Approve minutes of Jan. 24, 2012 & Feb. 22, 2012	<ul style="list-style-type: none"> <li>Following a review of the minutes, they were accepted as presented by the committee</li> </ul>	Minutes approved as accepted																								
3. Old Business a) Purchase/Lease Police Cars	<ul style="list-style-type: none"> <li>Mayor Blanton told the committee that he is working with Pete Harkness Chevrolet in regards to two (2) 2011 vehicles which still have three (3) years of warranty. Harkness looked at our vehicles that are to be replaced for possible trade in value. It is estimated that we will be looking at \$10-\$12,000 for each of the vehicles. This item is to be carried over to the next meeting. These vehicles would replace the current vehicles of Chief Kuelper and Commander Nelson.</li> </ul>	Tabled pending additional cost factors.																								
4. New Business a) Sewer Rate reduction 05-01-12	<ul style="list-style-type: none"> <li>Discussion was held concerning the sewer rate increase that is was established in ordinance five (5) years ago at the time that availability of loans for the construction of the Wastewater reclamation facility. On 05-01-2012 the following increases are scheduled to be implemented:  <table style="margin-left: 40px; border: none;"> <tr> <td>DS</td> <td>C</td> <td>BC</td> <td>R</td> <td>RC</td> <td>P</td> </tr> <tr> <td>\$2.15</td> <td>\$2.40</td> <td>\$12.50</td> <td>\$3.40</td> <td>\$31.00</td> <td>\$1.00</td> </tr> </table> <p>After receiving the loan payment schedule from the IEPA, it has been determined that we feel those rate increases can be modified to the following:  <table style="margin-left: 40px; border: none;"> <tr> <td>DS</td> <td>C</td> <td>BC</td> <td>R</td> <td>RC</td> <td>P</td> </tr> <tr> <td>\$2.15</td> <td>\$2.40</td> <td>\$12.50</td> <td>\$3.40</td> <td>\$25.50</td> <td>\$0.85</td> </tr> </table> <p>This matter has been reviewed by the Ordinance Committee and will be sent to Public Works Committee for review as well. It is the recommendation of the Finance Committee that this action be taken and the rates will be reviewed and finalized for future rate setting as will be necessary in six (6) months.</p> </p></li> </ul>	DS	C	BC	R	RC	P	\$2.15	\$2.40	\$12.50	\$3.40	\$31.00	\$1.00	DS	C	BC	R	RC	P	\$2.15	\$2.40	\$12.50	\$3.40	\$25.50	\$0.85	Recommend to Council acceptance of recommendation for sewer rate adjustment.
DS	C	BC	R	RC	P																					
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4. b) Sewer Loan Repayment discussion	<ul style="list-style-type: none"> <li>Discussion was held concerning the Illinois EPA Wastewater Project Loan from 1999, L17-112000 loan held by the Wastewater Reclamation Dept. which has a payoff balance of approximately \$485,544.38. The current interest rate is between 4-5% and we have eight (8) years remaining on the payoff. With surplus monies in the account, it would be advantages to pay off this note at this time given the interest, since the money available can only be utilized for this purpose.</li> </ul>	Committee recommends payoff of the Loan L17-112000 in the amount of \$485,544.38																								

<p>4 c. Health Insurance 1. Spousal Coverage</p>	<ul style="list-style-type: none"> <li>• Clerk Wescott presented information to the committee concerning cost reduction possibilities for our escalating Health Insurance costs. Projected Health rate increases beginning plan year 2012 are at 7.2% plus 5% that was covered by Insurance reserves last year. Dental rate3s are projected to be increasing by 10.6%.</li> <li>• The first consideration is reducing our plan of all dependent spouses that have access to medical coverage at their place of employment. Many plans are making this move due to the larger cost reduction seen in premiums with the elimination of the spouse. Our current Single /Spouse tier cost is \$1,532 monthly and would be reduced by \$925/ mo. or \$11,100 /yr. with each reduction in the tier. Our Family tier costs is \$1,834/monthly and would be reduced by \$603/mo. or \$7,236/yr. Currently we have no desire to go this extreme, however, we need to gather the information to have some idea. Clerk Wescott requested permission to send out the request for information form to those currently in Single/Spouse and Family Tier, as a means of information only.</li> </ul>	<p>Committee authorizes the information request of the employees.</p>
<p>2. Discussion on Possible deductible modifications</p>	<ul style="list-style-type: none"> <li>• Clerk Wescott presented additional cost reduction possibilities for the committee. First, adjusting the current deductible of \$750 to \$1000-\$1500-\$2000. This would result in a cost savings on a monthly basis of \$3,552-\$5,934 -\$9,887 accordingly. Secondly, the implementation of an Emergency Room Co Pay of \$100 which would produce a monthly cost savings of \$451.00. Thirdly, two (2) suggestions under our Prescription Drug Program. Increasing the Rx copays from \$15/\$30/\$45 (x2 mail order) to \$15/40/\$60 (x2 mail order). This would result in a savings of \$972/monthly. The second RX consideration is raising the current \$50 Rx deductible to \$100, which would result in a savings of \$445 monthly.</li> <li>• Clerk Wescott addressed the issue of deductibles and the current use of our participating employees and their families. Looking at the plan year which ended on July 1, 2011 we see that only 22% of all our participants even reached the deductible of \$750 or the out of pocket expenses. As a result, we continue to pay higher premiums for use of the excess carrier coverage which starts up after someone has a claim that reaches the threshold of \$35,000 to \$125,000. Given this, we could raise the deductible, lower the rates for the City and employees and still maintain a quality insurance plan. If we would raise the deductible, and someone gets to the threshold level, the excess carrier coverage will still be there.</li> <li>• Several employees were present representing various departments of the City. Questions were addressed by Clerk Wescott from the employees , as well as, the Alderman. Time is going to be given for notification of the other employees with an informational letter and then the Finance Committee will make a recommendation to the council at their Special meeting on Monday, March 12<sup>th</sup>.</li> </ul>	<p>Committee recommends that Clerk Wescott send out information to the employees.</p> <p>Committee will make decision and recommend to City Council at the March 12, 2012 special meeting.</p>
<p>4 d) Discussion on Banking RFP's</p>	<ul style="list-style-type: none"> <li>• Clerk Wescott shared with the committee that three (3) RFP's had been returned showing interest in taking over the banking services of the City. Clerk Wescott and Deputy Clerk Conklin have reviewed the proposals and only two (2); Sauk Valley Bank and Midland States Bank meet all of the criteria. Each of those banks will be making a presentation on March 7 2012, one at 10:00 a.m. and the other at 2:00 p.m.. Following that a recommendation will be brought to the Finance Committee.</li> </ul>	<p>Following presentations by the Banks, a recommendation will be brought to the committee.</p>
<p>5. 2012-2013 Budget Presentations</p>	<ul style="list-style-type: none"> <li>• Adm. Blackert presented a review of the Budgets for the Administration only as Mr. Padilla was not available for Street and Water. The Administration budget totals projected for 2012-2013 are as follows: Administration: \$713,450.00; Building Department: \$121,486.00; City Administrator: \$82,983.00; City Clerk: \$164,045; Code Hearing: \$17,050.00; Garbage Fund: \$581,824.00.</li> <li>• Following the presentation, committee members accepted the Budgets as presented, reserving changes or additions in revenue projections at this time.</li> </ul>	<p>Accepted Budgets, subject to additional changes in line items or revenue projections.</p>
<p>6. Committee Member items</p>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<p>No discussions</p>

7. Adjournment	<ul style="list-style-type: none"><li>• With no other business to come before the committee, Chairman Kuhlemier called for adjournment</li></ul>	Adjourned @ 7:42 a.m.
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Ald. Glen Kuhlemier, Committee Chairman