



City of Rock Falls Finance/Insurance /Investment Committee Meeting Minutes

Date: 08 25 2020

Time Meeting Started: 5:30 P.M.

Time Meeting Ended: 7:24 p.m.

Members		Also Attended	
Chairman Palmer	P	Mayor Wescott	P
Ald. Kleckler	P	Adm. Blackert	P
Ald. Wagelin	P	Ald. Jim Schuneman	P
Ald. Babel	P	Attorney Matt Cole	P
Also Attended			

Topic	Discussion	Plan of Action
1. Call to Order	<ul style="list-style-type: none"> Chairman Palmer called the meeting to order, with a quorum present 	Meeting in session @ 5:30 p.m.
2. Public Comment	<ul style="list-style-type: none"> None 	None
3. Approve Minutes of the 07-28-20 Finance/Insurance/Investment Committee Mtg.	<ul style="list-style-type: none"> Following the review of the minutes, motion: Wagelin, second: Kleckler to approve the minutes as presented. Vote unanimous 	Minutes Approved
4. New Business a. Review of IBEW Clerical Contract	<ul style="list-style-type: none"> Adm. Blackert reviewed the final agreement reached between the City and the IBEW Clerical Union. The contract has only a couple of changes, besides state mandated language. The contract will be for (4) four years, pay scale will show a 15%, 3%,3%,3% over the next four years. In addition, \$0.80/per hour will be paid for longevity once an employee begins there 10 year of service. The Union is scheduled to ratify the agreement, soon. Motion by Palmer, second: Kleckler to send forward to the Council for approval. Vote unanimous 	Send IBEW Clerical Contract to Council for approval
b. Discussion on Health Insurance Coverage Termination of service	<ul style="list-style-type: none"> It was discovered in reviewing policy relating to the IPBC Health Insurance contract, that a clerical error was made at some point in the past. Which changed our practices, as they apply to employees that retired or resigned and the time frame of the termination of their health insurance coverages. Practice was changed to carry the employee coverage till the end of the month in question. The City instead wishes to make a change back to our previous practice of terminating health insurance coverage on the last day of employment. Motion: Wagelin, second: Babel. Vote unanimous. 	Have Business Office make proper notifications to Health Insurance carrier.
c. Review Asset Purchase Agreement with Surf Air	<ul style="list-style-type: none"> Attorney Cole took the committee through the documents. The primary portion of the agreement is the purchase of a portion of the City's fiber broadband for \$2.25 million and 5% interest over the 10 years of the agreement. These facts are the primary pieces of the agreement, however, in addition there will be numerous attachments that will layout all of the various city assets that will be transferred to Surf Air with the transaction. 	Send Asset Purchase Agreement to the Council for 1 st reading.

	While the agreement is not in its final form, a motion was made to forward the agreement onto the Council for consideration of 1 st reading. Motion: Palmer, second; Wagelin. Vote unanimous.	
d. Review Franchise Agreement with Surf Air	<ul style="list-style-type: none"> Adm. Blackert outlined the Franchise Agreement between the City of Rock Falls and Surf Air Wireless, LLC. This agreement is a revenue sharing agreement that will provide the City with a return of 5% of the “gross revenue” generated by Surf Air. The agreement authorizes Surf Air to construct and operate a fiber optic network in the public right of ways within the franchise area. Following a lengthy discussion, motion by Chairman Palmer, second: Babel to forward the Franchise agreement to the City Council for consideration. 	Send Franchise Agreement to City Council for 1 st Reading
e. Discussion on Bond Defeasance and Review Resolution of Fund Transfers	<ul style="list-style-type: none"> Mayor Wescott outlined actions that will be necessary by Resolution to establish an escrow account with Sauk Valley Bank and Trust, to which the City will place \$2,610,636.57 to secure payment of the City’s obligation under the 2017 A Bonds. Funds to establishment the escrow account will be transferred from the Sewer Fund and the Electrical Fund. The City will repay the funds back over time with an additional 1% interest rate being applied. It was made clear that the funds being utilized due not reduce the minimum fund balances that are required under the municipalities Fund Balance Policy. In addition, to pay off the 2017B Bonds, the city will utilize the proceeds from the installment sale payments, as well as, franchise fees generated under the Asset Sale. Any amounts of revenue received which exceeds the amount of \$270,000 will be utilized to repay the Sewer and Electric Department in equal amounts. To safe guard both of these actions, language was added to require a review of this action every three (3) years by the Finance Committee. Following a lengthy discussion, motion by chairman Palmer and seconded by Ald. Kleckler to send the Resolution onto the Council for approval. Vote unanimous. 	Send Resolution to the Council for consideration.
f. Discussion on Employment Agreement re: Wayne Shafer	<ul style="list-style-type: none"> This item was referred to the Personnel committee on the occasion of their next meeting. 	Refer to OPLS Committee for action and consideration
5. Municipal Investment Report	<ul style="list-style-type: none"> The committee reviewed the interest investment return for the month of July 2020. Motion: Chairman Palmer, second: Babel to approve the report as presented. Vote unanimous 	No action
6. Committee Member Items	<ul style="list-style-type: none"> None 	None
7. Adjournment	<ul style="list-style-type: none"> With no further business to come before the committee, Chairman Palmer moved to adjourn, second, Wagelin. Vote unanimous 	Adjourned @ 7:24 p.m.