

**MINUTES  
CITY OF ST. CHARLES, IL  
GOVERNMENT OPERATIONS COMMITTEE  
MONDAY, OCTOBER 6, 2014**

**1. Opening of Meeting**

The meeting was convened by Chairman Turner at 7:21 p.m.

**2. Roll Call**

**Members Present:** Chair. Turner, Ald. Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Martin, Krieger, Bessner, and Lewis

**Absent:**

**3. Omnibus Vote**

Budget Transfer List – April 2014  
Budget Transfer List – August 2014  
Budget Transfer List – September 2014

Motion by Ald. Silkaitis, second by Stellato to approve the omnibus items as presented.

**Voice Vote:** Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

**4. Inventory Control Division**

- a. Recommendation to approve a Resolution Authorizing the Mayor and the City Clerk of the City of St. Charles to approve the Award of a 2014 International 7400 SFA 6x4 Chassis, Then With Monroe Plow and Equipment, to Rush Truck centers and Sell Replaced 2005 International 7400 SFA 6x4 Vehicle #1899.**

**Mike Shortall:** These first three items are somewhat similar. I'm seeking approval to purchase a 2014 International 7400 truck chassis in conjunction with a Monroe truck for a plow and equipment through Rush Trucking. They've agree to hold the expired joint purchasing bid. The vehicle has been approved through budget and through the City Vehicle Committee and I'm also seeking approval to dispose the replacement truck #1899 which is a 2005 International 7400 plow truck.

Motion by Ald. Stellato, second by Silkaitis to recommend approval of a Resolution Authorizing the Mayor and the City Clerk of the City of St. Charles to approve the Award of a 2014 International 7400 SFA 6x4 Chassis, Then With Monroe Plow and Equipment, to Rush Truck centers and Sell Replaced 2005 International 7400 SFA 6x4 Vehicle #1899.

**Voice Vote:** Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

- b. Recommendation to approve a Resolution Authorizing the Mayor and the City Clerk of the City of St. Charles to approve the Award of a 2014 International 7400 SFA 6x4 Chassis, Then With Monroe Plow and Equipment, to Rush Truck centers, and Sell Replaced 2003 International 7400 SFA 6x4 Vehicle #1863.**

**Mike Shortall:** Again I'm seeking approval to purchase a 2014 International 7400 chassis in conjunction with Monroe truck for plow equipment through Rush Trucking. They have agreed to hold the expired joint purchasing bid. The vehicle has been approved through budget and City Vehicle Committee. I'm also seeking approval to dispose the replacement truck #1863, a 2003 International 7400 plow truck. These vehicles will be sold on line through publicsurplus.com.

**Ald. Lewis:** How long will these new 2014 vehicles last? Can we expect to have them in our fleet for 10 years?

**Mike:** Two of the vehicles that we're upgrading with new equipment are going towards a more electronic style that will be easier to remove and clean. So it's hope that the two new pieces that are updated will last longer than they have with the old manual equipment. It's hoped they will last 8-9 years.

Motion by Ald. Stellato, second by Bessner to recommend approval of a Resolution Authorizing the Mayor and the City Clerk of the City of St. Charles to approve the Award of a 2014 International 7400 SFA 6x4 Chassis, Then With Monroe Plow and Equipment, to Rush Truck centers, and Sell Replaced 2003 International 7400 SFA 6x4 Vehicle #1863.

**Voice Vote:** Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

- c. Recommendation to approve a Resolution Authorizing the Mayor and the City Clerk of the City of St. Charles to Approve the Award 2014 International 7400 SFA 6x4 Chassis, Then With Monroe Plow and Equipment, to Rush Truck centers and sell Replaced 2005 International 7400 SFA 6x4 Vehicle #1996.**

**Mike Shortall:** Again I'm seeking approval to purchase a 2014 International 7400 chassis in conjunction with Monroe truck for plow equipment through Rush Trucking. They've agreed to hold the expired joint purchasing bid. The vehicle has been approved for budget and the City Vehicle Committee and I am also seeking approval to dispose of the replacement truck #1996 which is a 2005 7400 plow truck that will also be sold via publicsurplus.com.

**Chrmn. Turner:** When are these going to be delivered – this season or halfway through the season?

**Mike:** We are running a little late in getting these in so they are holding the price for us. I hope to see them by January.

Motion by Ald. Stellato, second by Bessner to recommend approval of a Resolution Authorizing the Mayor and the City Clerk of the City of St. Charles to Approve the Award 2014 International 7400 SFA 6x4 Chassis, Then With Monroe Plow and Equipment, to Rush Truck centers and sell Replaced 2005 International 7400 SFA 6x4 Vehicle #1996.

**Voice Vote:** Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

**d. Recommendation to approve A Resolution Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles.**

**Mike Shortall:** I'm seeking approval to dispose of city owned property via the City online auction service. These items will be sold to the highest bidder.

Motion by Ald. Stellato, second by Silkaitis to recommend approval of a Resolution Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles.

**Voice Vote:** Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

**e. Recommendation to approve A Resolution Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles.**

**Mike Shortall:** I'm seeking approval to dispose of city owned property of scrap transformers that will be sold on publicsurplus.com to the highest bidder.

Motion by Ald. Stellato, second by Bessner to recommend approval of a Resolution Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles.

**Voice Vote:** Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

**5. Finance Department**

- a. Recommendation to approve a Resolution Appointing Assurance Agency as the Risk Insurance Program Consultant for the City of St Charles for Three Years at an Annual Cost of \$32,500.

**Chris Minick:** Enclosed in your packet is a resolution authorizing the appointment of Insurance Agency Limited as the City's risk insurance broker consultant for a 3-year period proposed to begin October 21, 2014. The City's risk insurance program encompasses property casualty insurance coverage, liability package coverage, and excess workers' compensation policies. The City is self-insured for most of the workers' compensation risk and liability and exposure interfaces; however we purchase what's known as catastrophic coverage or policy excess coverage for when those claims start to get up near the \$500K level. What this does is it helps to

control the maximum losses that the City would incur were we to suffer a claim of that magnitude.

In response to the request for proposal, three firms were interviewed: Assurance Agency, Wine Sergi, and Arthur J. Gallagher Company. The staff interview team included key members of the Risk Insurance and Claims process who are Carylie Forte – Senior Administrative Assistant, Kathy Lamkin – HR, and myself. Each of us have key roles in the risk insurance process. The Finance Department is responsible for the placement and administration of the Risk Insurance Program. Carylie serves as the point of contact both internally/externally for the claims review reporting and adjudication process. HR has the day-to-day responsibility for the administration and processing of the workers' compensation claims until they get to that \$500K level.

The annual fee quotes that we received from the three firms were very close in range. There was approximately a \$5,000 spread. The low quote was \$30K and high quote was \$34,500. Since this is a professional service contract we are not obligated to take the lowest quote bid. What is a more key consideration than price is the expertise in consulting advice they give as well as the service level that the professional service firm provides especially when the price is this close. Additionally, when you take into account that the risk insurance program, overall, is approximately \$650K - \$700K in expenditure of the City funds – on an annual basis that price range differential of \$5,000 is pretty small in terms of the grand scheme of things.

The services that the new broker are to provide will be services developing the strategy and vision for the risk insurance program on an annual basis. The broker consultant will also provide marketing and placement of coverages and policies in accordance with that strategy, as well as, development of appropriate funding mechanisms such as self-insured retentions, deductible levels, levels of risk that the City is going to retain, etc. The broker consultant will also provide claims advocacy and claims processing assistance as necessary, as well as access to loss control and safety education and awareness services as provided by the underwriters.

Staff is recommending Insurance Agency Limited from Schaumburg, IL. They've been in business since 1961. They do have the public entity niche that serves over 25 municipal clients at this time. As they described in the interview process, their goal is not to be the biggest provider of brokerage and consulting services for municipal clients. They are somewhat selective in the clients they do agree to take on. They focus on clients that tend to be more innovative, tend to have more of a strategic goal in mind than the simple placement of insurance policies. Their focus is on developing that vision and strategy for the Risk Insurance Program on an intermediate and long-term basis. In the view of the staff committee that interviewed the providers, we thought this was the differentiation in the three firms that made their proposals to us. Insurance Agency view the end deliverable to the City as the strategy and vision for the Risk Insurance Program and then the 12-month individual renewal periods simply become stepping stones to achieve that vision. Once the strategy and vision is defined, the particulars of any 12-month renewal period tend to come directly from that and be an outgrowth of that vision.

It tends to be a bit more of a pro-active process. We spend a lot more time strategizing throughout the course of the year and therefore we are able to collect and assemble the

information that we will need when we go through that marketing process during that twelfth month of the policy year when we go to the underwriters and go out to market the insurance program. We then have the data to do the underwriter's job for them and state this is why the City of St. Charles is a good risk for you and why it needs to be placed at this particular pricing level. This is a similar process of what we follow on the health insurance side in consultant pricing with the Human Resources department and why those renewals tend to run so smoothly and we're able to adjust and react to things such as the Affordable Care Act and those impacts and implications.

Insurance Agency Limited will also provide access to a large number of markets and companies. They'll also provide claim advocacy and administration assistance as we request and as we need through the process; as well as loss control and safety services assistance. They did provide a 3-year fixed fee quote of \$32,500 annually which was right in the middle of the other two providers. Staff is recommending approval of the resolution and are there any questions?

**Chrmn. Turner:** This is our first new insurance provider in 10 years?

**Chris:** It's eight years. The current/former provider was hired in 2006.

Motion by Ald. Krieger, second by Stellato to recommend approval of a Resolution Appointing Assurance Agency as the Risk Insurance Program Consultant for the City of St Charles for Three Years at an Annual Cost of \$32,500.

**Voice Vote:** Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

**6. City Administrator's Office**

**a. Recommendation to approve a Contract with Sikich LLP for Strategic Plan Services.**

**Mark Koenen:** The packet items describe the services I'm looking to bring on board but I would I would like to go back 5-6 years where there was a similar presentation that dealt with where is the City of St. Charles headed? At that time we developed a mission, a vision, values, and set a strategic plan together that outlined where the City of St. Charles was moving forward. That plan expires in 2014. To that extent, staff has been reviewing that plan to make sure we have a current status on what the Strategic Plan was, where we are with that plan, and how we would like to continue forward with updating that plan as we move forward for another five years. To that effect, the City of St. Charles solicited proposals from three different vendors who are considered experts in the area of providing strategic planning. Two of those firms submitted proposals and that information is in your packet.

Tonight staff would like to present and request you to recommend to Council that we retain Sikich Associates for that particular work. Sikich is the same firm that the City of St. Charles has used over the last number of years to do our accounting and audit related work for the

Finance Department. Tonight we have two representatives from Sikich, Greg Kuhn and Crista Musser; so if you have any questions we can entertain them.

**Ald. Bessner:** Who was the former firm?

**Mark:** That was one of the firms that we actually solicited – Lynn Montei & Associates but at this point in time were not selected.

**Chrmn. Turner:** This is totally different than the Comprehensive Plan – what’s the difference of what the Strategic Plan will be vs. the Comprehensive Plan?

**Mark:** This gives us direction of where the City of St. Charles is headed. For example, I’m assuming that one of our strategic plans will be the development of Economic Development for the City of St. Charles. This will also define that vision, it will set up strategies for how we intend to go about providing goal markers in terms of how we’ve reached that particular goal. One of our past strategic plans have been how do we maintain quality of life for residents that live here as well as corporate customers. We’ll set up strategies on how we continue to provide quality service, responsive service, open transparent government, and how we then fulfill those goals as we move forward organizationally. Contrasting that with the Comprehensive Plan which is really what I call our guide in terms of how we develop land in the City of St. Charles. What areas, for example, do we see as being commercial vs. residential or the various shades of residential and commercial that may follow that category throughout our city and guides transportation planning, environmental development, and those kinds of various things.

**Chrmn. Turner:** Will you somewhere along the line be consulting the Comprehensive Plan as you go forward with the Strategic Plan? I don’t want to see any conflicts between the two.

**Mark:** I think we would use the Comprehensive Plan perhaps as one of the features that we’ll provide for information as we develop the strategic Plan and the Community Development and Economic Development Department will be involved with that. I would think that should complement our direction. Everything we do at the City of St. Charles, all decisions that the City Council suggests and implements should be consistent for the City’s Strategic Plan. We have a mission and everything we do should point towards that mission.

**Ald. Lewis:** How far into the future do you see this plan taking us?

**Mark:** About five years.

Motion by Ald. Stellato, second by Bancroft to recommend approval of a Contract with Sikich LLP for Strategic Plan Services.

**Voice Vote:** Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

**7. Executive Session - None**

- Personnel
- Pending Litigation
- Probable or Imminent Litigation
- Property Acquisition
- Collective Bargaining
- Review of Minutes of Executive Sessions

**8. Additional Items**

None.

**9. Adjournment**

Motion by Ald. Lemke, second by Bessner to adjourn meeting at 7:40 p.m.

**Voice Vote:** Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**