

**Minutes of Springfield City
Council Meeting
Tuesday, February 3, 2015
City Council Chambers**

PRE-COUNCIL SESSION

Deputy City Clerk Rianne Hawkins called the Pre Council Session of the Springfield City Council to Order at 5:00 p.m., Tuesday, February 3, 2015, in the Council Chambers of the Municipal Center West.

Deputy City Clerk Hawkins read the ordinances on the order of First Reading and assigned to the Committee of the Whole.

2015-028 AN ORDINANCE AMENDING CHAPTER 170 OF THE 1988 CITY OF SPRINGFIELD CODE OF ORDINANCES BY ADDING SECTION 170.17.67 PERTAINING TO VACANT BUILDINGS ACQUIRED BY FINANCIAL INSTITUTIONS **(Requested by Mayor J. Michael Houston, Alderman Doris Turner and Alderman Cory Jobe)**

2015-029 ANNUAL APPROPRIATION ORDINANCE OF THE CITY OF SPRINGFIELD, ILLINOIS, FOR THE FISCAL YEAR BEGINNING MARCH 1, 2015 & ENDING FEBRUARY 29, 2016 **(Requested by Mayor J. Michael Houston)**

2015-030 AN ORDINANCE RATIFYING EXTENSION OF AN AGREEMENT FROM MARCH 1, 2015, THROUGH FEBRUARY 28, 2018, FOR DELEGATION OF COLLECTIVE BARGAINING NEGOTIATIONS TO THE JOINT LABOR/MANAGEMENT HEALTH CARE COMMITTEE FOR UNION EMPLOYEES **(Requested by Mayor J. Michael Houston)**

2015-031 AN ORDINANCE AUTHORIZING EXECUTION OF A CONTRACT WITH THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS FOR FIRE PROTECTION SERVICES FROM JULY 1, 2015, THROUGH JUNE 30, 2016 **(Requested by Mayor J. Michael Houston)**

2015-032 AN ORDINANCE DECLARING NINE UNCLAIMED BICYCLES BEING HELD IN THE SPRINGFIELD POLICE DEPARTMENT'S EVIDENCE ROOM TO BE SURPLUS PROPERTY AND AUTHORIZING THE SPRINGFIELD POLICE DEPARTMENT TO DONATE SAID BICYCLES TO THE CAPITAL AREA CAREER CENTER **(Requested by Mayor J. Michael Houston)**

2015-033 AN ORDINANCE AUTHORIZING PAYMENT TO RICH RICHNO, A CITY OF SPRINGFIELD FIREFIGHTER, TO SETTLE A WORKERS' COMPENSATION CLAIM FOR CASE NUMBER 14-WC-012141 **(Requested by Mayor J. Michael Houston)**

2015-034 AN ORDINANCE AUTHORIZING A 12 MONTH EXTENSION OF CONTRACT LL 12-24 WITH, AND PAYMENT IN THE AMOUNT OF \$300,000.00 TO, BAKER & TAYLOR, INC. TO PROVIDE RECORDED MATERIALS FOR LINCOLN LIBRARY **(Requested by Mayor J. Michael Houston)**

2015-035 AN ORDINANCE TO INCREASE THE NUMBER OF CLASS “D” LIQUOR LICENSES BY ONE FOR DICK’S SALOON INC. D/B/A TOP CATS CHILL N GRILL, 3211 E. SANGAMON AVENUE **(Requested by Mayor J. Michael Houston)**

2015-036 AN ORDINANCE TO INCREASE THE NUMBER OF CLASS “D” LIQUOR LICENSES BY ONE FOR BELLA RESTAURANT HOLDING, LLC D/B/A BUGATTI BAR AND GRILL, 3151 HORIZON DRIVE **(Requested by Mayor J. Michael Houston)**

2015-037 AN ORDINANCE ACCEPTING THE BID AND AUTHORIZING THE EXECUTION OF CONTRACT UW15-12-75 – POWDERED ACTIVATED CARBON WITH SP CARBON SUPPLY LLC D/B/A STANDARD PURIFICATION IN AN AMOUNT NOT TO EXCEED \$190,340.00 FOR THE WATER DIVISION FOR THE OFFICE OF PUBLIC UTILITIES **(Requested by Mayor J. Michael Houston)**

2015-038 AN ORDINANCE AUTHORIZING CHANGE ORDER #1 AND ADDITIONAL FUNDING IN AN AMOUNT NOT TO EXCEED \$36,294.00 WITH PITTSBURG TANK & TOWER MAINTENANCE CO., INC. FOR INSPECTION AND CLEANING OF THE FACTORY AND REYNOLDS COMBUSTION TURBINE FUEL OIL TANKS FOR A TOTAL AMOUNT PAYABLE OF \$133,850.00 FOR THE OFFICE OF PUBLIC UTILITIES **(Requested by Mayor J. Michael Houston)**

2015-039 AN ORDINANCE AUTHORIZING CHANGE ORDER #1 AND ADDITIONAL FUNDING IN AN AMOUNT NOT TO EXCEED \$175,000.00 WITH MPW INDUSTRIAL WATER SERVICES, INC. FOR UE13-05-17 CYCLE MAKE-UP WATER FOR A TOTAL AMOUNT PAYABLE OF \$520,000.00 FOR THE OFFICE OF PUBLIC UTILITIES **(Requested by Mayor J. Michael Houston)**

2015-040 AN ORDINANCE ACCEPTING PROPOSAL NO. UE15-25 WITH APCOMPOWER INC. FOR EMERGENCY BOILER AND EQUIPMENT REPAIR FOR THREE YEARS IN AN AMOUNT NOT TO EXCEED \$21,750,000.00 FOR THE OFFICE OF PUBLIC UTILITIES **(Requested by Mayor J. Michael Houston)**

2015-041 ORDINANCE AUTHORIZING A LOAN AGREEMENT FOR \$11,000,000 FROM THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY’S WATER POLLUTION CONTROL LOAN PROGRAM **(Requested by Mayor J. Michael Houston)**

2015-042 A RESOLUTION FOR TEMPORARY CLOSURE OF A PORTION OF ILLINOIS STATE ROUTES 97 AND 125 (JEFFERSON STREET FROM 9TH TO 5TH STREETS) FOR THE ST. PATRICK’S DAY PARADE ON MARCH 14, 2015 **(Requested by Mayor J. Michael Houston)**

2015-043 AN ORDINANCE APPROVING THE LARGE SCALE DEVELOPMENT OF ALTORFER CATERPILLAR LOCATED SOUTH OF I-72 AND NORTH OF THE FUTURE INTERNATIONAL PARKWAY EXTENSION, FOR THE OFFICE OF PUBLIC WORKS **(Requested by Mayor J. Michael Houston)**

2015-044 AN ORDINANCE REGARDING THE VARIANCE REQUEST OF SECTION 153.157(l) PERTAINING TO RESTRICTION OF ACCESS IN 487 KOKE MILL ROAD CITY MINOR SUBDIVISION LOCATED NORTH OF WASHINGTON STREET, SOUTH OF

JEFFERSON STREET AND NEAR THE INTERSECTION OF NORTH KOKE MILL AND BLUFF ROAD, FOR THE OFFICE OF PUBLIC WORKS **(Requested by Mayor J. Michael Houston)**

2015-045 AN ORDINANCE AUTHORIZING THE PURCHASE OF SEWER FLOW MONITORING EQUIPMENT FROM TELEDYNE INSTRUMENTS, INC. FOR AN AMOUNT NOT TO EXCEED \$177,176.80 FOR THE OFFICE OF PUBLIC WORKS **(Requested by Mayor J. Michael Houston)**

2015-046 AN ORDINANCE VACATING THE ALLEY IN THE BLOCK BOUNDED BY CARPENTER, KLEIN, REYNOLDS AND RUTLEDGE STREETS TO MEMORIAL HEALTH SYSTEM **(Requested by Mayor J. Michael Houston)**

2015-047 AN ORDINANCE VACATING THE ALLEY IN THE BLOCK BOUNDED BY CARPENTER, FIRST, REYNOLDS AND KLEIN STREETS TO MEMORIAL HEALTH SYSTEM **(Requested by Mayor J. Michael Houston)**

2015-048 AN ORDINANCE ANNEXING CERTAIN DESCRIBED REAL PROPERTY OWNED BY THE SPRINGFIELD METRO SANITARY DISTRICT AND LOCATED AT 3300 MECHANICSBURG ROAD **(Requested by Mayor J. Michael Houston)**

2015-049 AN ORDINANCE AUTHORIZING EXECUTION OF AN ANNEXATION AGREEMENT WITH NORMA T. PULLIAM AND ROBERT LEE PULLIAM TRUST DATED JULY 8, 2008, FOR PROPERTY LOCATED AT 1590 PULLIAM ROAD **(Requested by Mayor J. Michael Houston)**

2015-050 AN ORDINANCE ANNEXING CERTAIN DESCRIBED REAL PROPERTY LOCATED AT 1590 PULLIAM ROAD **(Requested by Mayor J. Michael Houston)**

Next, Deputy Clerk Hawkins read the ordinances on the order of the consent agenda.

2015-018 AN ORDINANCE AUTHORIZING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$38,645.00 FROM UNAPPROPRIATED FUND BALANCE AND UNBUDGETED REVENUE FOR THE NORTHEAST TIF REDEVELOPMENT PROJECT FUND **(Requested by Mayor J. Michael Houston)**

2015-019 A RESOLUTION ALLOCATING 2015 BOND VOLUME CAP **(Requested by Mayor J. Michael Houston)**

2015-020 A RESOLUTION TO PROVIDE A LETTER OF SUPPORT ON BEHALF OF THE SPRINGFIELD PROJECT FOR ITS LOW INCOME HOUSING TAX CREDIT APPLICATION TO THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY, SUPPORTING THE MASTER PLAN FOR "NEIGHBORHOOD OF HOPE" **(Requested by Alderman Gail Simpson)**

2015-021 AN ORDINANCE AUTHORIZING A DECREASE IN THE NUMBER OF CLASS B, E, K AND M LIQUOR LICENSES DUE TO FAILURE TO RENEW FOR 2015 **(Requested by Mayor J. Michael Houston)**

2015-022 AN ORDINANCE ACCEPTING BIDS AND AUTHORIZING THE EXECUTION OF CONTRACT UE15-10-63 – RATA TESTING FOR 2 YEARS IN THE AMOUNT OF \$204,351.00, AND APPROVING A FIELD MODIFICATION ALLOWANCE IN AN AMOUNT OF \$10,000.00, FOR A TOTAL AMOUNT NOT TO EXCEED \$214,351.00 WITH MOSTARDI-PLATT ASSOCIATES, INC. FOR THE OFFICE OF PUBLIC UTILITIES **(Requested by Mayor J. Michael Houston)**

2015-023 AN ORDINANCE APPROVING A TELECOMMUNICATIONS CONTRACT SERVICE AGREEMENT WITH ILLINOIS NATIONAL BANK FOR 431 S. 4th STREET FOR THE OFFICE OF PUBLIC UTILITIES **(Requested by Mayor J. Michael Houston)**

2015-026 AN ORDINANCE VACATING A PORTION OF A PUBLIC ALLEY IN THE BLOCK BOUNDED ON THE NORTH BY CARPENTER STREET, ON THE EAST BY FIFTH STREET, ON THE SOUTH BY MASON STREET AND ON THE WEST BY FOURTH STREET TO MEMORIAL HEALTH SYSTEM **(Requested by Mayor J. Michael Houston)**

The Pre-Council session concluded at 5:10pm.

CITY COUNCIL REGULAR AGENDA

Mayor Houston called to order the order the February 3, 2015 City Council meeting at 5:30pm. He asked everyone to join with him in reciting the Pledge of Allegiance.

Next, Clerk Tumulty took the roll call of members.

PRESENT: Alderman Edwards☒, Simpson☒, Lesko☒, Cahnman☒, McMenamin☒, Theilen☒, Dove☒, McDonough☒, and Mayor Houston☒.

ABSENT: Alderman Jobe☒

Alderman Simpson made a motion to dispense with the reading and approve the minutes of the January 20, 2015 City Council meeting. Her motion was seconded by Alderman Dove. The motion passed with a voice vote of 9-0-0.

Alderman Simpson made a motion to incorporate the pre-council first reading of ordinances into the record of the Council meeting. Her motion was seconded by Alderman Dove. The motion passed with a voice vote of 9-0-0.

Alderman Simpson made a motion to incorporate the pre-council reading of the consent agenda into the record of the Council meeting. Her motion was seconded by Alderman dove. The motion passed with a voice vote of 9-0-0.

Alderman Simpson made a motion to place the consent agenda on final passage. Her motion was seconded by Alderman Dove. The motion passed with a vote of 9-0-0. Alderman Edwards☒, Simpson☒, Lesko☒, Cahnman☒, McMenamin☒, Theilen☒, Dove☒ and McDonough☒ all voted yes.

The next item on the agenda was Agenda Item 2015-024, An Ordinance Authorizing Execution Of An Annexation Agreement With Jane Huffman For Property Located At 1675 Bruns Lane. Alderman Simpson made a motion to recess the regular meeting of the City Council in order to convene a public hearing regarding Agenda Item 2015-024. Her motion was seconded by Alderman Theilen. The motion passed with a voice vote of 9-0-0.

Alderman Lesko made a motion to adjourn the public hearing and reconvene the regular meeting of the City Council. His motion was seconded by Alderman Theilen. The motion passed with a voice vote of 9-0-0.

Alderman Simpson made a motion to place Agenda Item 2015-024 on final passage. Her motion was seconded by Alderman Dove. Agenda Item 2015-024 passed with a vote of 10-0-0. Alderman Edwards ☐, Simpson ☐, Lesko ☐, Cahnman ☐, McMenamin ☐, Theilen ☐, Dove ☐, McDonough ☐, and Mayor Houston ☐ all voted yes.

The next item on the agenda was Agenda Item 2015-025, An Ordinance Annexing Certain Described Property Located At 1675 Bruns Lane (Jane Huffman). Alderman Simpson made a motion to place Agenda Item 2015-025 on final passage. Her motion was seconded by Alderman Dove. Agenda Item 2015-025 passed with a vote of 9-0-0. Alderman Edwards ☐, Simpson ☐, Lesko ☐, Cahnman ☐, McMenamin ☐, Theilen ☐, Dove ☐ and McDonough ☐ all voted yes.

The next item on the agenda is Agenda Item 2015-027, An Ordinance Authorizing A Supplemental Appropriation Of \$3,500,000 From Unbudgeted, Unappropriated Fund Balance To Cover Expenses Related To The Self-Insurance Fund For The Office Of Budget And Management. Alderman Simpson made a motion to place Agenda Item 2015-027 on final passage. Her motion was seconded by Alderman Lesko.

Alderman McMenamin stated that the Council talked about the ordinance at their meeting the previous week. He stated that the ordinance deserves special attention. He stated that the supplemental appropriation changes the FY15 Budget that is ending at the end of February. He stated that the discussions that have happened thus far all pertain to the FY16 Budget. He stated that the appropriation deals with Line 1219 in the budget, the line that authorizes spending on hospital and medical expenses of the employees, their families and retirees. He stated that in FY14, the amount spent in that line was \$24.2Million. He stated that \$2.5Million was added to that number for the FY15Budget. He stated that in the current fiscal year, adding another \$3.5 draws attention. He stated that it adds up to an additional \$6Million for that line. He stated that he is concerned with the large increase. He stated that there had been no mention of a supplemental appropriation in previous Council meetings. He stated that the ordinance was placed on first reading at the last City Council meeting instead of filed at the same time as the other ordinances. He also stated that the supplemental appropriation also changes the budget books. He stated that the budget books give estimated figures for the line items. This additional spending changes those estimated figures.

Alderman McMenamin went on to state his concern with the lack of explanation that was given to the ordinance. He stated that budget office staffer Julie Zolghadr did a good job of explaining the ordinance to the aldermen. He stated that the \$6Million increase in spending in the line item is not customary or ordinary. He stated that the Council has no choice but to authorize the spending. This situation points to the need to review the City's benefit plan. He stressed the need to review spending because there are

few options to cover the increased costs. He stated that the Council also serves as a check and balance on the line item. He also stated that this line item has increased in the last three years, after four years of flat spending in the line. He stated that there had been a significant increase in the line item in the past years. He also asked for an explanation on where exactly the money for the supplemental will be coming from. He pointed out that some of the spending pertains to City Water Light and Power employees, but the ordinance does not explain how CWLP will contribute to the expenses. He stated that the Council does not have a choice but to pass the ordinance.

Mayor Houston stated that the original budget for the self insurance fund was at \$26.7Million for the current year. He stated as the City started to take a look at the bills coming in from the previous fiscal year, it showed that the City was running over by \$2.75Million. He stated there are several factors which have contributed to this situation. CWLP picks up their portion of employee costs for health insurance. He stated that it is broken down by how many employees are in CWLP versus how many from the corporate fund. He stated that it does not have an overall impact. He stated that the self insurance fund does have a balance in the fund. He stated that the City changed vendors. He stated that the old vendor had submitted all of their pending bills and the new vendor is processing claims faster than the old vendor, so there were additional bills, including increased prescription drug spending.

Office of Budget and Management Director Bill McCarty stated that there were several reasons for the increase in costs. He stated that the starting point for the fund is closer to just shy of \$27Million. He stated that the Office of Budget and Management had already planned for natural growth in the fund. He stated that in looking at the revised figure, the increase is not as large. He stated that OBM has received January numbers for the line and have updated their projections for that line to an additional \$2.6Million instead of the \$3.5Million that is requested. He suggested doing an amendment to lower the amount to \$3Million, the administration would not object. He stated that there has been lag from the previous year, but there has been lag every year. The increased cost in prescription drugs is the largest portion of the increase. It is something that they are looking at and doing investigations on to find out exactly what is driving that increase. McCarty stated that they have asked for further information from their provider. He stated that the new provider is processing medical claims much faster than the previous provider. He also stated that catastrophic claims or claims over \$100,000.00 are up as well.

McCarty stated that he has asked for an analysis from the provider and that he would share that information with the Council once he receives it. He stated that there are a lot of contributing factors that have lead to the increase. He stated that the rise in health care costs has surprised the City. He stated that they were focused on the budget, selling the next round of bonds and as a result, his office did not give the Council a heads up about the need for a supplemental. He stated that he would have been happy to provide more information on the ordinance at any time.

Alderman McMenamin stated that maybe the City should look into getting an umbrella policy to cover the increase in catastrophic claims. He stated that bottom line is that the line item is increasing in one year \$6Million. He stated that the increase is significant.

Alderman Edwards stated that a jump in prescription drug prices usually is followed by a requested audit of those prices. He recalled that in one year after such an audit, there was a \$500,000.00 discrepancy in the City's favor. He requested that an audit be done. Director McCarty stated that they are in the midst of auditing medical claims. Alderman Edwards stated that he did some additional research into the increased costs. He stated that he found that 10% of the increase is a result of permits and fees related to the new health care law. Director McCarty stated that as a result of the affordable care act, the City is

paying additional fees relating to that law. Alderman Edwards stated that there are substantial new costs of which the City was not aware. Director McCarty stated that there were new fees last year. He stated that the City did anticipate additional fees. He stated that at this point, he cannot say if any of the additional cost is due to the additional fees. He stated that overall, the cost of the administration of the health plan because of the Affordable Care Act.

Alderman Edwards stated that there is a difference between the budgeted number and the actual number. He stated that the budgeted amount for the total is \$24.2Million. Mayor Houston stated that the budgeted number for the current fiscal year is \$26.7Million. Alderman Edwards asked what the actual numbers were for the end of the year. He stated that the difference might be accounted for by a carry over. He stated that people get sick year around, which causes the bills to not be given to the City until late in the year. Director McCarty stated that there is a natural lag from year to year. Alderman Edwards asked how close to the budgeted number did final spending come. Director McCarty stated that in the two previous years, the amount was very close. He stated that they did not need to come before the Council to ask for a supplemental appropriation or anything. He stated that this year was an anomaly and there are many things that have occurred that were not anticipated when the budget was put together. He stated that he does not have a solid explanation for it, but he is looking into it. He stated that it is a combination of factors. He stated that they are working on trying to find out why this is happening. He stated that the City's actuary also was perplexed as to the reason.

Alderman Cahnman made a motion to adopt Amendment 1 to Agenda Item 2015-027 to lower the amount appropriated in the ordinance from \$3.5Million to \$3Million. His motion was seconded by Alderman Lesko.

Alderman Edwards expressed concern with the proposed amendment. He asked if the City only anticipates needing \$2.7Million, why was the request for \$3.5Million. He asked for more of an explanation on why the larger number was requested as opposed to lowering the amount. He stated that there is still until the end of the month to go with medical claims. He asked for a clear explanation of the number as opposed to changing things on the fly. He stated that his preference would be to hold the item in Committee until there is a more firm explanation as to the number. He stated that then the Council will be able to take a vote on information that is correct.

Alderman Turner stated her agreement with the statements made by Alderman Edwards as well. She stated that the motivation behind the amendment seems to be from an off handed remark that Director McCarty had made. She stated that the amendment is not based on new information. She stated that the concerns that are being raised at this meeting are the same concerns that were raised at the previous week's committee meeting. She stated that the Budget Director has also stated that they are in the process of doing an audit, which could show some additional information. She stated that she would rather move forward with the ordinance as it is being presented.

Alderman Cahnman asked Director McCarty if he would be comfortable with his proposed amendment. He asked if it is his judgment that the City would only need an additional \$3Million of appropriation into that fund to complete the spending for the year. Director McCarty stated that he is correct that the City only anticipates needing an additional \$3Million to cover the anticipated expenses. He stated that when the ordinance was put together, there were still a few months of payments to go. He stated that he rounded the amount to \$3.5Million just in case. He stressed that the ordinance is for appropriation authority, but that the City will only spend what it needs. He stated that he did not want to give the Council a number that is too low with the possibility to have to come back. He went on to state that

since that time, the City has ended the month of January. He stated that the City has one month left in the fiscal year. He stated that based on the trends and the average spending by month, the estimated price is \$2.6-\$2.7 Million in spending for the rest of the year. He stated that when he made his comment, he meant that he would be comfortable with a \$3 Million figure based on the new information obtained in the past days.

Alderman McDonough stated that it is a very complex and difficult issue for the Council to fully understand. He stated that when it comes to the payment of medical bills, it is not simple to understand and to budget in the coming year. He stated that there was a discussion about the issue during the last week. He stated that Alderman McMenamin helped the Council to better understand where the City is at the end of 2014. He stated that previously, the City had to add money due to lapse period spending related to several factors that is not uncommon in the payment of medical bills. He stated that the Council left last week's meeting with the understanding that they would receive additional information about the spending. He stated that it would be helpful to the Council before making a final vote. He stated that it would be helpful if there was a more concise explanation as to how the figure in the ordinance was determined. He stated that it might be premature for the Council to take any action on the ordinance and particular as it relates to the proposed Amendment 1 until the Council gets a better explanation as to the background on the ordinance. He stated that his preference would be to vote no on Amendment 1, but to hold the item until further information is given to the Council.

Alderman Cahnman stated that the Council has received a solid explanation from Director McCarty. He stated that Director McCarty has a revised estimated amount that the City will need to spend for the one additional month. He urged the Council to trust the Budget Director. He stated that Amendment 1 reflects the revised amount with some additional caution just in case for the last month of the fiscal year. He stated that it does not make sense to over appropriate when it is certain that the City will not need the additional money to meet the anticipated expenditures.

The motion to adopt Amendment 1 to Agenda Item 2015-027 failed with a vote of 3-6-0. Alderman Lesko☒, Alderman Cahnman☒ and Alderman McMenamin☒ voted yes. Alderman Edwards☒, Alderman Simpson☒, Alderman Turner☒, Alderman Theilen☒, Alderman Dove☒ and Alderman McDonough☒ voted no.

Alderman Edwards asked if there would be any interest in holding Agenda Item 2015-027 in Committee. Alderman McMenamin stated his agreement with Alderman Edwards and Alderman McDonough to hold the item in Committee. He went on to state that the ordinance states that the spending will come from unbudgeted, unappropriated fund balance. He stated that it does not say how much is coming from City Water Light and Power. He stressed the need for that information to also be provided.

Director McCarty stated that the money is coming from the fund itself. He stated that the fund has built up a surplus over the years. He stated that they are not going to ask CWLP or the Corporate fund to contribute more money to the fund. He stated that there is \$9 Million in the fund. Alderman McMenamin stated that the ordinance does not state that information. He also stated that it is unknown if CWLP has contributed to the fund to pay the money. He asked for an explanation to be given on paper.

Mayor Houston stated that each department pays an estimated cost into the fund for their department's employees. He stated that the money is all pooled into a total fund.

Alderman McMenamin stated that the contribution rate was premised on a \$27Million amount. He stated that the fund from which the amount is being drawn down does not reflect contributions made at the new higher amount.

Alderman Cahnman stated the ordinance reflects a 25% increase in health care costs from the previous to the current fiscal year. He asked Director McCarty if he knew what kinds of increases have occurred in health care costs around the country. Director McCarty stated that he did not have that information. Alderman Cahnman asked if Director McCarty if he had any information on national trends. Director McCarty stated that from the information that he has read, the rise in health care costs can vary. Alderman Cahnman asked if the increases of 25% are common. Director McCarty stated that the City will not be spending \$30.2Million in the line item. He stated that no one anticipated the increase, not the City's actuary, not the City's third party administrator nor did the Joint-Labor Management Committee. He stated that the expenses have happened. He stated that he would be willing to pull together a written explanation for the council if that is what they would like. He stated that he would also provide the information on the projection of costs for the remainder of the year. Alderman Cahnman stated that it would be good to get additional information on the ordinance and figure out a way to control the spending.

Alderman Cahnman also stated that the City should begin to think out of the box to help keep health care costs down. He stated that the City of Chicago and the unions had agreed to participate in a wellness plan at the employee's option. He stated that in Chicago, if an employee choose not to participate in the wellness plan, then they would have to pay an extra \$50/month premium. He stated that the theory was that the health care costs would go down for that employee. He suggested that the City of Springfield should look into such a program as a way to reduce health care costs.

Director McCarty stated that the City has already had wellness discussions and that they are looking at a variety of options. He stated that health care costs are very much on the City's radar right now. He stated that they are starting to do research into the issue and it is something thing that they will be tackling in earnest.

Alderman Cahnman asked for details surrounding the City's wellness program. Human Resources Director Melina Tomaras-Collins stated that she had previously spoken to the Council about employee premiums. She stated that she had shown a chart at that time that showed that employee premiums had gone down three years ago. She stated that in the last several years, the amounts have gone up minimally. She stated that this was occurring while other industries were seeing increases in their health care premiums. She stated that the increase in the fund that is included in the ordinance is also accompanied with an increase in employee premiums that were previously approved by the Council. She stated that the reason why the City was able to build up a reserve in the fund was a result of all of the good years where there were minimal increases or decreases in premiums. She stated that this is not a trend that the rest of the industry is seeing, but when the rest of the industry was experiencing consistently high increases, the City was not. Alderman Cahnman stated that his concern lies with the actual health care costs. Director Tomaras-Collins stated that it is relevant and proportionate. Alderman Cahnman expressed concern that the City's health care costs have gone up significantly more than rest of the Country. Director Tomaras-Collins stated that he is correct, if only looking at a one year period. She stated that in looking back at the five year trend, the City's overall increase is much lower. Alderman Cahnman asked her to put together that information for the Council.

Alderman Edwards stated that 25% of the cumulative funds are paid by the employees. Director McCarty stated that his reference to the cash in the fund was for the reserve that is in the fund. He stated that 75% of the fund is supplied by the City of Springfield, 22% for employees and retirees and 2.5% for refunds, rebates, etc. Alderman Edwards stated that during the good years, the City did not adjust its contribution requirement in order to build up a reserve. He stated that now is time to dip into that reserve. He stated that the employees know that if health care costs go up, the costs come out of their pockets as well. He stated that a wellness program has been something that has been discussed for some time in the Joint Labor Management Health Care Committee. He stated that the employees also must pay the deductible when they go to the doctors as well. He stated that the employees have a good incentive to stay in good health as well. He stated that in his own company, he saw increases in health care costs.

Director McCarty stated that the statements made by Alderman Edwards are correct. He stated that the employees work together on the labor management health care committee. He stated that the employees are just as interested in helping to curb costs as the City is because it comes out of their pocket as well.

Alderman McMenamin stated that the increased health care costs are coming in spite of a reduced insured headcount at the City. He stated that he would like to see experts to come before the Council to give explanations. He also suggested getting comparisons with other communities and the private sector as well.

Agenda Item 2015-027 passed with a vote of 6-3-0. Alderman Simpson☒, Alderman Turner☒, Alderman Lesko☒, Alderman Theilen☒, Alderman Dove☒ and Alderman McDonough☒ all voted yes. Alderman Edwards☒, Alderman Cahnman☒ and Alderman McMenamin☒ voted no.

Alderman Cahnman made a motion to suspend the rules and place on first reading Agenda Item 2015-051, A Resolution Referring A Petition To The Springfield Planning And Zoning Commission For Public Hearing And Consideration Proposing An Amendment To Section 155.188 In Chapter 155 Regarding Revocation Of Conditional Permitted Uses. His motion was seconded by Alderman Theilen. The motion passed with a voice vote of 9-0-0.

Next, Ms. Joan Walters of 201 East Adams Street in Springfield address the Council. She stated that she wanted to recognize the efforts of the City in implementing a centralized City garage. She stated that it was part of the Citizen's Efficiency Commission had recommended a centralized garage and inventory management system. She stated that she has been impressed with the results and she encouraged all members of the Council to visit the new consolidated garage. She presented Mayor Houston a letter and a certificate of appreciation. Alderman Cahnman thanked her and the members of the Citizens Efficiency Commission for the hard work that they did in producing their report.

Next, James Johnson addressed the Council. He thanked the Public Works crews who worked to clear the snow on Super Bowl Sunday. He also thanked Tom Schaffer for his recent comments to the Council in regards to issues with the Springfield Police Department in the community. He stressed that those problems continue to be an issue. He stated that the Council needs to work together and the City leaders need to keep their word and be transparent. He also stressed the need for the leaders to come to the community. He stressed the need for the Council to take action on the residency issue. He thanked Police Chief Ken Winslow for his work in the community. He also stated that there is work that needs to be done at CWLP to halt rate increases and at the Fire Department to increase diversity in the ranks.

He invited all municipal candidates to attend the upcoming Lincoln Douglass Banquet sponsored by the Springfield NAACP on Sunday.

Alderman McMenamin stated that there needs to be a mayor that will be willing to implement a passed ordinance in regards to residency. He stated that there was a referendum passed that stated that it would grandfather in all current employees with regards to residency. He stated that he does not understand Mayor Houston's position that a residency requirement would cost too much money. Alderman McMenamin stressed the need for a Mayor that will lead the City in the right direction on the issue. Mayor Houston stated that Alderman McMenamin is free to bring an ordinance at any time. Alderman McMenamin stated that he would not while Mayor Houston is mayor of the City.

With no further business to come before the Council, Alderman Simpson made a motion for adjournment. Her motion was seconded by Alderman Theilen. The motion passed with a voice vote of 9-0-0 and the meeting was adjourned at 6:33pm.

Cecilia Tumulty

Cecilia Tumulty
City Clerk