

FOR APRIL 9, 2012 CITY COUNCIL

Alderman: Robert Fazzini

Item 7E: Consent Agenda - “The Purchase of Proprietary Line Stop Equipment from Hydra-Stop, a division of ADS, LLC, in the amount of \$41,682”

Question/Comment: “I applaud the help from the Town of Normal in loaning Bloomington its equipment. I believe this should be highlighted in the Monthly City Manager’s Report, and I believe a separate section entitled INTERGOVERNMENTAL COOPERATION should be added to the monthly report”.

Staff Response: Staff has placed this suggestion on our list of things to consider.

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Item 7F: Consent Agenda – “Analysis of Bids for a 2012 Ford E450 Chassis with an Elkhart Coach ECII Body for the Parks, Recreation and Cultural Arts Department”

Question/Comment: “Why is there such a large difference in the trade in amounts from the four vendors?”

Staff Response: There is no set way vendors go about deciding what they will offer for a “trade in” for this piece of equipment.

Examples of offers:

1. The Vendor has a buyer lined up
2. The Vendor doesn’t have a buyer in mind, so the equipment might sit
3. The Vendor takes what they can get for the trade in

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Item 7H: Consent Agenda – “Memorandum of Agreement (MOA) between the Environmental Defense Fund, the Illinois Chapter of The Nature Conservancy and the City”

Question/Comment: “The MOU should have page numbers. 2. The word “partner” on page 3 first sentence under Targeting and Monitoring section should be “partners”. 3. The word “the” on page 3 line 8 should be deleted.”

Staff Response: These changes will be made to the MOU before it is presented for signatures.

Alderman: Robert Fazzini

Item 7I: Consent Agenda – “Amendment to the Professional Services Agreement with Foth Infrastructure and Environment, LLC for Lafayette and Maple Street Reconstruction”

Question/Comment: “Why are there FIVE change orders on this one job? Are there more change orders anticipated?”

Staff Response: The project timeline along with change order reasoning is included in the current memo. Staff does not anticipate change orders otherwise they would be included in the original contracts. Projects that extend over multiple years, like this project, do tend to have more change orders.

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Item 7L: Consent Agenda – “Intergovernmental Agreement Regarding the Funding of a Soil Conservationist through the McLean County Soil and Water Conservation District”

Question/Comment: “The payback on the annual \$70,000 seems very good with cash grants received as a result for \$500,000.”

Staff Response: The return is good not only in the sense of the return of dollars from outside agencies, but also the trust and goodwill that is developed with the producers in our watersheds that comes from working with a trusted soil conservationist.

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Item 9A: Regular Agenda – “Payment for Property, Liability, Excess Liability, and Excess Worker’s Compensation Insurance Coverage”

Question/Comment: “Why do we need an insurance broker for this continuing relationship? What does the insurance broker do to actually earn \$37,500? Could we get a detailed list with time spent on insurance broker duties?”

Staff Response: The majority of municipal property and casualty insurers, and all of those proposed for renewal, do not deal directly with insured’s. They deal through a network of insurance agents and brokers to sell and service their products. Agents and brokers receive either a percentage of the insurance premium (commission) or fees paid directly to them. Most large insurance buyers pay flat fees in lieu of commission to eliminate conflicts of interest and steering of business. The City replaced Mid American Insurance a local company (during the RIMCO years) two years ago via a Request for Proposal (RFP) process. Mid American preferred a commission between \$80,000 and \$105,000 for compensation. The City’s selected broker, Gallagher, agreed to a flat fee of \$37,500 (through the term of the Agreement), saving the City in excess of \$50,000. Gallagher has provided broader access to the entire municipal insurance market and a higher level of service. Gallagher Brokerage Services for Policy Term May 1, 2010 to April 30, 2013 per the Agreement Services to:

1. Prepare Renewal Strategy Plan for the City.
2. Prepare Renewal Spreadsheets and forms. Obtain renewal information from the Client and Consultant. Negotiate insurance renewal for the City’s Worker’s Compensation and Property Casualty ahead of the May 1st coverage renewal date. Renewals also include the City’s
 - a. Property/Inland Marine
 - b. Auto Physical Damage
 - c. Auto Liability
 - d. General Liability
 - e. Public Officials including Employment Practices Liability
 - f. Employees Benefits Liability
 - g. Law Enforcement
 - h. Terrorism
 - i. Excess Liability/Excess Worker’s Compensation
 - j. Crime
 - k. Boiler and Machinery

CITY COUNCIL QUESTIONS AND STAFF RESPONSES AS OF APRIL 8, 2012 AT 7:06 PM

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3. Produce comprehensive submissions, based on underwriting data compiled and present to each selected market.
4. Provide the City with a detailed renewal proposal outlining pricing and coverage information within requested time-frame.
5. Market and bind coverage as instructed by the City and Insurance Consultant.
6. Arrange for binders to be prepared and deliver binders to the City and Insurance Consultant.
7. Review the accuracy of all policies and obtain corrections where needed in a timely manner.
8. Distribute copy of policies to both the City and Insurance Consultant.
9. Process endorsement requests with carriers as requested by the City and Insurance Consultant.
10. Issue or arrange for issuance of Auto ID cards and Certificate of Insurance to the City before May 1st of each year.
11. Act as Liaison between claims Third Party Administrator (TPA) and the City
12. Prepare for and attend meetings, as requested by the City.
13. Review Insurance Contracts and Certificates.

Gallagher uses its commercial best efforts to secure such insurance coverage on the City's behalf. In the event an insurance company cancels or refuses to place such coverage on the City, Gallagher will use its best efforts to obtain the coverage from another insurance company. The Agreement does not allow for a detailed list of time spent on the City's Insurance.

Aldermen Anderson and Schmidt did not have questions and/or comments

Prepared by: Barbara J. Adkins, Deputy City Manager