MOLINE CITY COUNCIL AGENDA
Tuesday, May 28, 2013
6:30 p.m.
(immediately following the Committee-of-the-Whole meeting)
City Hall
Council Chambers – 2nd Floor
619 16th Street
Moline, IL

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

COUNCIL MEMBER	PRESENT	ABSENT
Knaack		
Parker		
[redacted]		
Brown		
Turner		
Schoonmaker		
Liddell		
Acri		
Mayor Raes		

CONSENT AGENDA
All items under the consent agenda are considered to be routine in nature and will be enacted by one motion. There will be no separate discussions of these items unless a council member so requests, in which event the item will be removed from the consent agenda and considered as the first item after approval of the consent agenda.

APPROVAL OF MINUTES
Committee-of-the-Whole and Council meeting minutes of May 21, 2013.

SECOND READING ORDINANCES

1. **Council Bill/General Ordinance 3011-2013**

An Ordinance amending Chapter 20 "MOTOR VEHICLES AND TRAFFIC," of the Moline Code of Ordinances, Section 20-4205, "ALTERED SPEED LIMITS," Appendix 35, "40 MPH SPEED LIMIT," by including northbound and southbound Nineteenth Street, from Seventh Avenue to Avenue of the Cities.

EXPLANATION: Traffic Committee reviewed and recommends signage to reflect ordinance.

FISCAL IMPACT: N/A
PUBLIC NOTICE/RECORDING: N/A

2. **Council Bill/General Ordinance 3012-2013**

An Ordinance amending Chapter 20, "MOTOR VEHICLES AND TRAFFIC," of the Moline Code of Ordinances, Section 20-5124, "UNAUTHORIZED PERSONS USING PERSONS WITH DISABILITIES PARKING SPACES; A VIOLATION," Appendix 24, "PERSONS WITH DISABILITIES PARKING SPACES," by including one on-street stall at 848 - 15th Street.

EXPLANATION: Traffic Committee reviewed request and recommends approval.

FISCAL IMPACT: N/A
PUBLIC NOTICE/RECORDING: N/A

3. **Council Bill/Special Ordinance 4020-2013**

A Special Ordinance approving the approval of a Jurisdictional Transfer with the Illinois Department of Transportation to accept jurisdiction of 41st Drive Connector and 41st Avenue Drive.

EXPLANATION: The Illinois Department of Transportation (IDOT) will construct two new local streets in IDOT-controlled right-of-way (ROW) as part of the John Deere Road widening project. The streets have been designated as 41^{st} Drive Connector and 41^{st} Avenue Drive. IDOT will transfer jurisdiction of the local streets to the City of Moline 21 days after the construction in complete and all work passes IDOT's final inspection. The new bridge over John Deere Road west of 38^{th} Street is not included in the jurisdictional transfer and will remain under IDOT's jurisdiction.

FISCAL IMPACT: N/A
PUBLIC NOTICE/RECORDING: Forward a certified copy of this Ordinance to the State of Illinois through its Deputy Director of Highways, Region Two Engineer's office at Dixon.

<u>RESOLUTIONS</u>

4. **<u>Council Bill/Resolution 1084-2013</u>**

A Resolution accepting the actuarial valuation report submitted by MWM Consulting Group for the year beginning January 1, 2012 and ending December 31, 2012 for the City of Moline's Other Post Employment Benefits Under GASB#45.

EXPLANATION: Other post employment benefits (OPEB) is an accounting concept created by the Governmental Accounting Standards Board (GASB) by pronouncements designed to address expenses that governments are legal bound to pay after an employee retirees. For many years, most city governments have provided their employees with some form of retiree health care but have not addressed the benefits' long term costs. This has created a financial liability. As of the 2008 the City of Moline has been required to disclosure the amount of the liability. This amount is determined by the use of an actuarial calculation based on the plan provisions, the employee data, and the actuarial methods and assumptions described in the report. The accounting statements require employers to accrue costs on their books, but do not require employers to make contributions.

FISCAL IMPACT: N/A
PUBLIC NOTICE/RECORDING: N/A

5. **<u>Council Bill/Resolution 1085-2013</u>**

A Resolution approving a request from the Civic Center Authority for payment of capital improvements in the amount of $911,606.00 from the Capital Improvement Project Reserve Account (CIPRA) as established per the Intergovernmental Agreement between the Civic Center Authority and the City of Moline.

EXPLANATION: A 3% amusement tax was implemented by the City of Moline in April 1994 per the Civic Center Intergovernmental Agreement. The funds are earmarked for future capital improvements and equipment replacement for the iWireless Center. The iWireless Center is requesting $911,606.00 to remodel/upgrade concession stands, remodel conference center restrooms, upgrade televisions and video signals, and replace the plaza deck/patio.

FISCAL IMPACT: The current CIPRA balance is $539,169.11. Disbursements would be made as funds are available.
PUBLIC NOTICE/RECORDING: N/A

<u>OMNIBUS VOTE</u>

OMNIBUS VOTE		
Council Member	Aye	Nay
Turner		
Schoonmaker		
Liddell		
Acri		
Knaack		
Parker		
[redacted]		
Brown		
Mayor Raes		

<u>ITEMS NOT ON CONSENT</u>

SECOND READING ORDINANCES

6. Council Bill/General Ordinance 3013-2013

An Ordinance amending Chapter 24, "PERSONNEL," of the Moline Code of Ordinances, Section 24-2203(b), "Residency Required," by repealing said section in its entirety and enacting in lieu thereof one new Section 24-2203(b).

EXPLANATION: Currently, the City Administrator and all department directors are required to live in the City of Moline. All other employees are only required to live within 20 miles of Fire Central Station. The Department Director residency requirement is burdensome on those employees who are promoted from within but who do not live within the City, especially given the current status of real estate prices and the depressed housing market. This amendment would change the residency requirement for existing employees who are promoted to Department Director level positions so that they are not required to reside within the City as long as their residence was lawful under the employee's prior position with the City. The amendment will assist in the City Council's goal of succession planning by encouraging employees to seek higher level positions within the City and to utilize their experience and institutional knowledge in leading various City departments.

FISCAL IMPACT: N/A

PUBLIC NOTICE/RECORDING: N/A

3013		
Council Member	Aye	Nay
Turner		
Schoonmaker		
Liddell		
Acri		
Knaack		
Parker		
[redacted]		
Brown		
Mayor Raes		

MISCELLANEOUS BUSINESS

PUBLIC COMMENT

Members of the public are permitted to speak after first stating their name and address.

EXECUTIVE SESSION

Council Bill/General Ordinance No.: 3011-2013
Sponsor: ______________________________

AN ORDINANCE

AMENDING Chapter 20 "MOTOR VEHICLES AND TRAFFIC," of the Moline Code of Ordinances, Section 20-4205, "ALTERED SPEED LIMITS," Appendix 35, "40 MPH SPEED LIMIT," by including northbound and southbound Nineteenth Street, from Seventh Avenue to Avenue of the Cities.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

Section 1 – That Chapter 20 "MOTOR VEHICLES AND TRAFFIC," of the Moline Code of Ordinances, Section 20-4205, "ALTERED SPEED LIMITS," Appendix 35, "40 MPH SPEED LIMIT," by including northbound and southbound Nineteenth Street, from Seventh Avenue to Avenue of the Cities.

Section 2 – That pursuant to Section 1-1107 of the Moline Code of Ordinances, any person, firm or corporation violating any of the provisions of this Ordinance shall be fined not more than seven hundred fifty dollars ($750.00) for each offense.

Section 3 – That this ordinance shall be in full force and effect from and after its passage and approval; and, if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

____
Mayor

____
Date

Passed: ______________________

Approved: ______________________

Attest: ______________________
City Clerk

Approved as to form:

____
City Attorney

Council Bill/General Ordinance No.: 3012-2013
Sponsor: ______________________________

AN ORDINANCE

AMENDING Chapter 20, "MOTOR VEHICLES AND TRAFFIC," of the Moline Code of Ordinances, Section 20-5124, "UNAUTHORIZED PERSONS USING PERSONS WITH DISABILITIES PARKING SPACES; A VIOLATION," Appendix 24, "PERSONS WITH DISABILITIES PARKING SPACES," by including one on-street stall at 848 - 15th Street.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

Section 1 – That Chapter 20, "MOTOR VEHICLES AND TRAFFIC," of the Moline Code of Ordinances, Section 20-5124, "UNAUTHORIZED PERSONS USING PERSONS WITH DISABILITIES PARKING SPACES; A VIOLATION," Appendix 24, "PERSONS WITH DISABILITIES PARKING SPACES," is hereby amended to include the following when appropriate signs are posted:

one on-street stall at 848 - 15th Street.

Section 2 – That pursuant to Section 1-1107 of the Moline Code of Ordinances, any person, firm or corporation violating any of the provisions of this Ordinance shall be fined not more than seven hundred fifty dollars ($750.00) for each offense.

Section 3 – That this ordinance shall be in full force and effect from and after its passage and approval; and, if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

____
Mayor

____
Date

Passed: ______________________

Approved: ____________________

Attest: ______________________
City Clerk

Approved as to form:

____
City Attorney

Council Bill/Special Ordinance No.: 4020-2013
Sponsor: ______________________

A SPECIAL ORDINANCE

AUTHORIZING approval of a Jurisdictional Transfer with the Illinois Department of Transportation to accept jurisdiction of 41st Drive Connector and 41st Avenue Drive.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

Section 1 – That the City Council hereby authorizes the Local Agency-State Jurisdictional Transfer that includes the location description and location map, as attached hereto and incorporated herein as Exhibit "A."

Section 2 – That the following sections shall be added to the subject jurisdictional transfer, as follows:

a. 41st Drive Connector: newly constructed 41st Drive connector beginning at a point located approximately 400 lineal feet west of the proposed centerline intersection of 35th Street and Coaltown Road intersection and extending south over John Deere Expressway continuing at a southeasterly direction ending at a point near the proposed centerline intersection of 38th Street and 41st Drive Connector, excluding the structure (No.081-0176) carrying 41st Drive Connector over John Deere Expressway, in its entirety; and

b. 41st Avenue Drive: relocated and reconstructed 41st Avenue Drive beginning at a point located approximately 800 lineal feet south of the proposed centerline intersection of Illinois Route 5 (John Deere Expressway) and 41st Street, with radius widening at the intersection of 41st Avenue Drive and 41st Street, to a point where the newly reconstructed roadway tapers into the existing 41st Avenue Drive, in its entirety, to the Municipal Street System of the City of Moline, Rock Island County, Illinois.

Section 3 – That the City agrees to continue to enforce existing ordinances outlined in the Moline Code of Ordinances, which prohibits the discharge of sanitary and industrial wastewater into the storm water drainage systems and imposes parking restrictions within the limits of the construction improvements.

Section 4 – That the City has adopted and shall continue to enforce existing ordinances in the City of Moline Code of Ordinances, Chapter 28 Article No. 4, relative to the disposition of encroachments on public right-of-way within the limits of this improvement.

Section 5 – That the City will accept jurisdiction of the designated section of 41st Drive connector and 41st Avenue Drive twenty-one (21) days after construction is complete and work passes IDOT's final inspection.

Section 6 – That upon jurisdictional transfer of the subject roadway segments and receipt of payment, maintenance of the following shall be the responsibility of the City of Moline:

> Storm sewers and appurtenances and to perform those functions necessary to keep the sewer in a serviceable condition including cleaning sewer lines, inlets, manholes and catch basins along with the repair or replacement of inlet, manhole and catch basins' frames, grates or lids plus structural failures to a maximum length of 12 feet between adjacent manholes.
>
> Sidewalks, parkways, landscaping, guardrails, crosswalks, stop line markings, routine maintenance, repairs and/or replacement to retaining walls located on Coaltown Road at approximately station 19+00-27+00 left and approximately station 25+00-27+00 right, bike railings/fencing, pedestrian railings/fencing, and City owned utilities including the appurtenances thereto.
>
> Multi-use path and appurtenances, including but not limited to administration, control, reconstruction, snow removal and maintenance of the multi-use path located within the project limits described previously, except for the multi-use path on the structure (abutment to abutment) carrying 41st Drive Connector over Illinois Route 5 (John Deere Expressway).
>
> All of its existing maintenance responsibilities on all side road approaches under its jurisdiction, up to the through traffic lane edge of pavement of Illinois Route 5 (John Deere Expressway)

Section 7 – That this ordinance shall be in full force and effect from and after passage; approval; and if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

____
Mayor

May 28, 2013
Date

Passed: May 28, 2013

Approved: June 4, 2013

Attest: ________________________
City Clerk

Approved as to form:

____
City Attorney

Illinois Department of Transportation

Local Agency-State Jurisdictional Transfer

Local Agency		Type of Systems Transfer	
Municipality:	City of Moline	Type 1 From: State Highway System To: Local Highway System	Type 2 From: Local Highway System To: State Highway System
Township/Road District:			
County:	Rock Island		
Section Number:	(142-1)R-1 & 142-1 HB	Indicate Type of Systems Transfer: 1	

The above local agency, and the State of Illinois, acting by and through its Department of Transportation, agree to transfer the jurisdiction of the designated location in the manner indicated above under **Type of Systems Transfer**.

Location Description

Name See attached sheet Route ______ Length ______

Termini See attached sheet for details and locations

______, in its entirety.

This transfer ☐ does ☐ does not include Structure No. NA

The transfer ☐ does ☒ does not include a transfer to land rights (4-508). If it does, attach letter of intent approved by the Department.

WHEREAS, the authority to enter into this contract is granted the STATE by Section 4-409 of the Illinois Highway Code and the authority to make changes in the State Highway System is granted the State under Section 2-101 of the Illinois Highway Code.

Include for Municipalities Only

WHEREAS, the authority to make changes to the Municipal Street System is granted to the Municipality by Section 7-101 of the Illinois Highway Code.

NOW THEREFORE IT IS AGREED that the corporate authority of said municipality will pass an ordinance providing for the transfer of the above location and shall attach hereto and make a part hereof a copy of a location map as Addendum No. 1 and a copy of the ordinance as Addendum No. 2, and

Include for Counties Only

WHEREAS, the authority to make changes to the County Highway System is granted to the County by Section 5-105 of the Illinois Highway Code.

NOW THEREFORE IT IS AGREED that the County Board of said County will pass a resolution providing for the transfer of the above location and shall attach hereto and make a part hereof a copy of a location map as Addendum No, 1 and a copy of the resolution as Addendum No. 2, and

Include for Township/Road Districts Only

WHEREAS, the authority to make changes to the Township/Road District System is granted to the Highway Commissioner under Section 6-201.3 of the Illinois Highway Code and said Highway Commissioner shall attach hereto and make a part hereof a copy of a location map as Addendum No. 1, and

IT IS MUTUALLY AGREED, that this jurisdictional transfer will become effective 21 calendar days after:

(check one)

☒ Final Inspection by the State (Type B)
☐ Acceptance by the State
☐ Execution of Agreement
☐ Approval of Land Conveyance
☐ Other: ______

Supplements

Additional information and/or stipulations, if any, are hereby attached and identified below as being a part of this jurisdictional transfer.

Supplement Addendum No. 1 – Location Maps (Sheets 1-4) and Exhibit "B" - Resolution
(Insert supplement numbers of letters and page numbers, if applicable.)

IT IS FURTHER AGREED, that the provisions of this jurisdictional transfer shall be binding and inure to the benefit of the parties hereto, their successors and assigns.

Pg 11/17 JT-2-13-041

ATTACHMENT TO EXHIBIT B

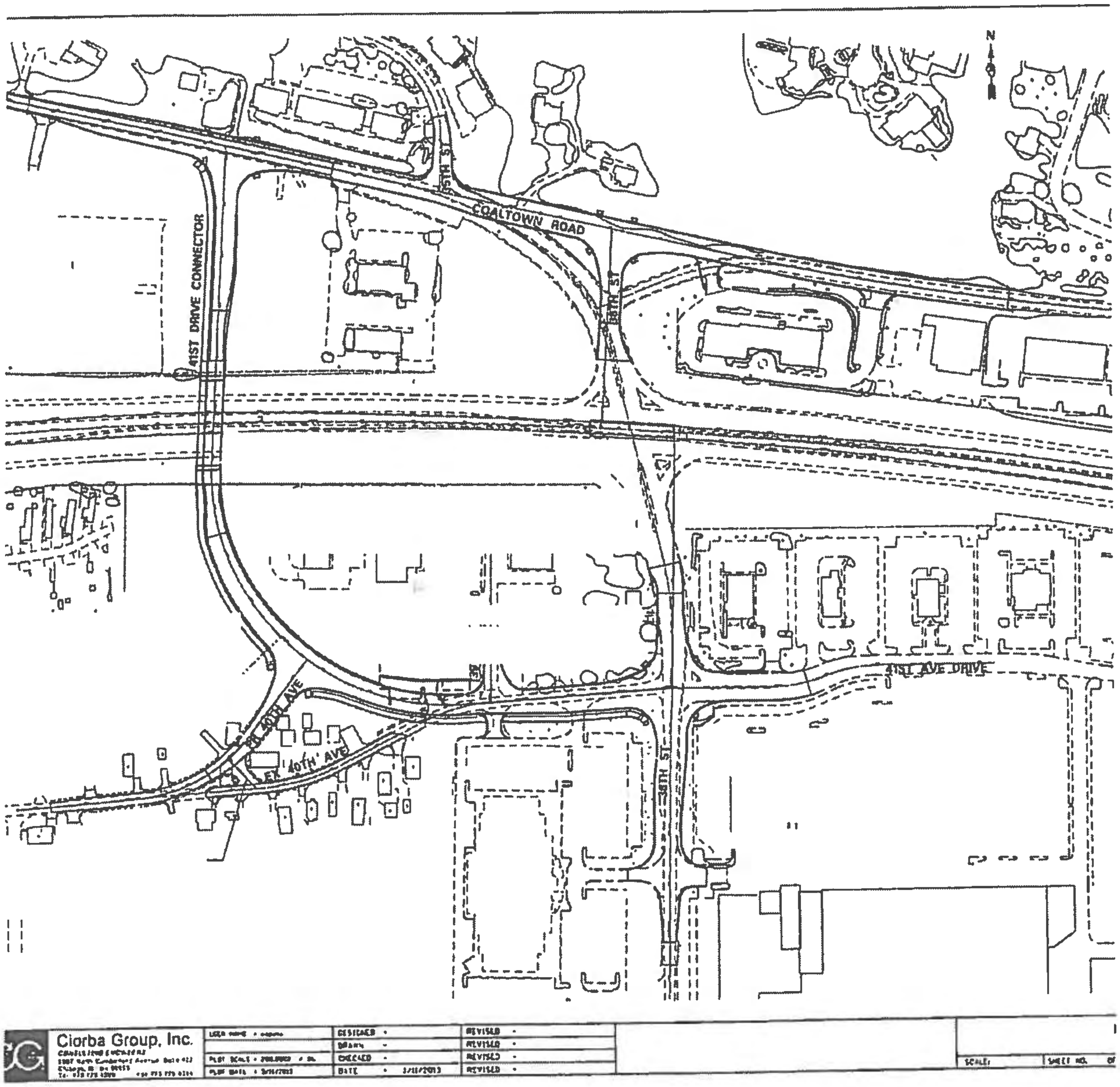
Name 41st Drive Connector Route ________ Length 1,800 LF

Termini Beginning at a point located approximately 400 lineal feet west of the proposed centerline intersection of 35th Street and Coaltown Road intersection and extending south over John Deere Expressway continuing at a southeasterly direction ending at a point near the proposed centerline intersection of 38th Street and 41st Drive Connector, excluding the structure (No.081-0176) carrying 41st Drive Connector over John Deere Expressway, in its entirety.

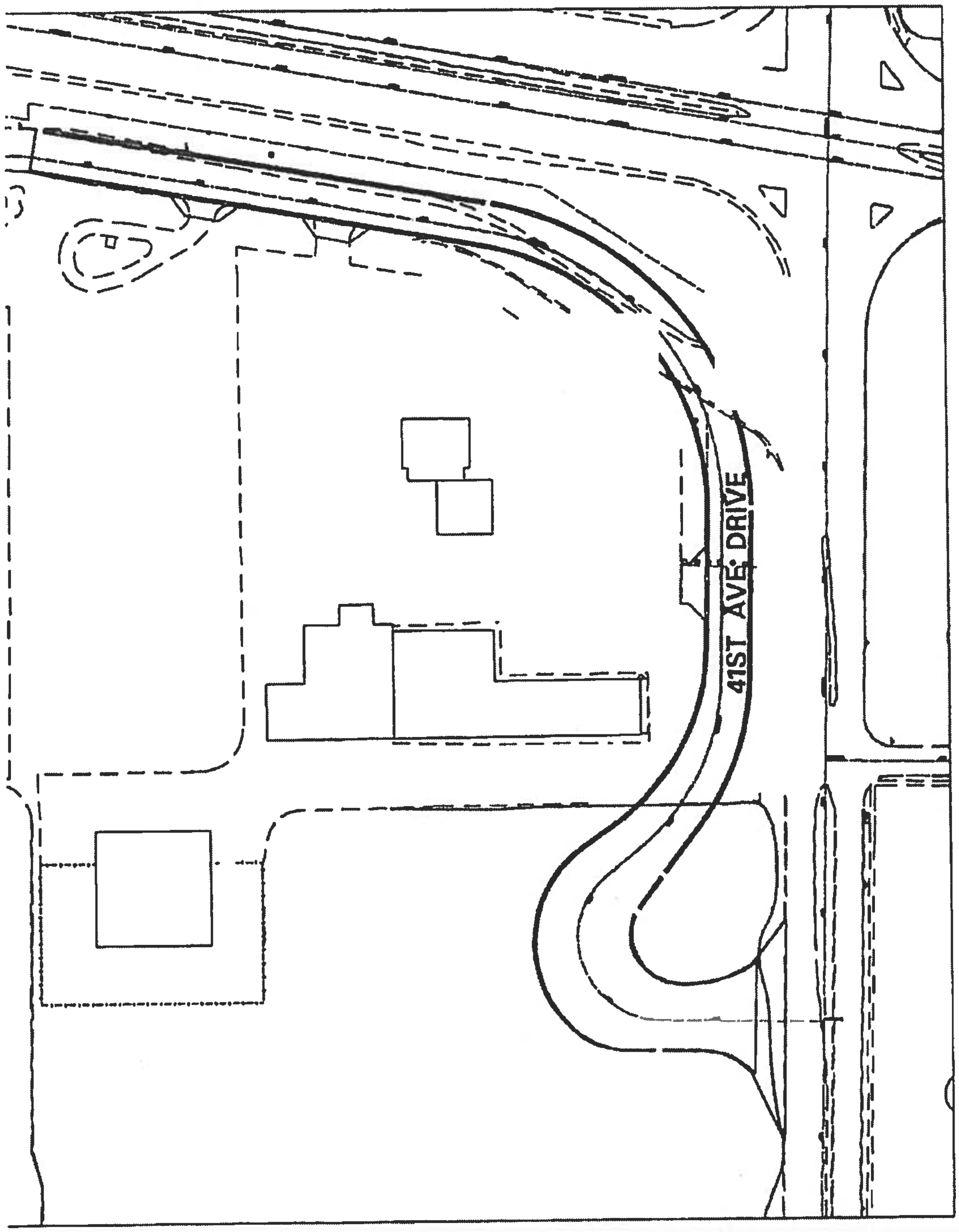
Name 41st Avenue Drive Route ________ Length 1,450 LF

Termini Beginning at a point located approximately 800 lineal feet south of the proposed centerline intersection of Illinois Route 5 (John Deere Expressway) and 41st Street, with radius widening at the intersection of 41st Avenue Drive and 41st Street, to a point where the newly reconstructed roadway tapers into the existing 41st Avenue Drive, in its entirety.

41st Drive Connector



41st Avenue Drive



Council Bill/Resolution No. 1084-2013
Sponsor: ______________________________

A RESOLUTION

ACCEPTING the Actuarial Valuation Report for Other Post Employment Benefits Under GASB#45 submitted by MWM Consulting Group, for the year beginning January 1, 2012 and ending December 31, 2012.

____

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the actuarial valuation report for Other Post Employment Benefits Under GASB#45 submitted by MWM Consulting Group for the year beginning January 1, 2012 and ending December 31, 2012 is hereby accepted by the City Council as an accurate actuarial valuation of the City's Health Insurance Plan for Retired Employees for the year beginning January 1, 2012 and ending December 31, 2012.

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized to maintain said actuarial valuation report as a public record in the Office of the City Clerk.

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CITY OF MOLINE, ILLINOIS

____
Mayor

May 28, 2013
Date

Passed: May 28 2013
Approved: June 4, 2013

Attest: ______________________________
City Clerk

Approved as to Form:

____
City Attorney

CAPITAL IMPROVEMENTS - FY2012-13

(CIPRA)

			Requested
1	**CONCESSION STANDS REMODEL/UPGRADES**		**$368,253**
	Project was to upgrade our points of sale for concessions at our permanent stands. This also included adding an electronic point-of-sale system to all permanent and portable stands. Purpose of the project was to decrease sale transaction time, increase sales, and enhance the building's 20-year old image. Specific highlights of the project are:		
	Point-of-sale system (MICROS) - replaces 20-year old DOS system no longer supported, improve sales transaction time, stronger accounting features, increased flexibility.	$178,017	
	Remodeling (Various vendors) - Enhance the physical appearance of the stand with new countertops, signage, beer dispensing improvements).	$91,735	
	Digital Menu Boards (PING) - Electronic signage at all permanent stands and higher profile portable stands. Allows for flexibility in messaging and increasing sales.	$80,831	
	Ventless Grill (Various vendors) - New point of sale location. This will enhance sales as patrons arrive on the concourse; flexible menu/item.	$17,671	
	Authority approval: Resolutions 12-06; 12-14; 12-19		
2	**CONFERENCE CENTER RESTROOM REMODEL**		**$56,674**
	Project was to upgrade and remodel the restrooms for the conference center. This is needed to effectively compete for meeting, reception, and other business as it enhances a guest's overall experience.		
	Authority approval: Resolution 12-07		
3	**TELEVISION/VIDEO UPGRADE**		**$74,009**
	Project replaced all existing tv's in the building, added additional tv's, and upgraded the video signal to each. This enhanced guest experience, added additional points of advertising, and increased revenue as Mediacom became an advertising sponsor.		
	Authority approval: Resolutions 12-01; 12-23		
4	**PLAZA DECK/PATIO REPLACEMENT**		**$412,670**
	Project replaced the existing surface and underlayment for the concourse-level patio. Existing surface was deteriorating and leaking was occurring in the conference center below it. This was needed for safety, appearance, and problem resolution. Enhances overall guest experience as well as making the space more marketable as a revenue-enhancing meeting/reception spot.		
	Authority approval: Resolutions 12-21; 12-25		
	TOTAL REQUESTS FOR CIPRA FUNDING		**$911,606**

1201 River Drive · Moline, Illinois 61265 · www.iwirelesscenter.com · Ph: (309) 764-2001 · Fax: (309) 764-2192

Council Bill No/Resolution No. 1085-2013
Sponsor___________________

A RESOLUTION

APPROVING a request from the Civic Center Authority for payment of capital improvements in the amount of $911,606.00 from the Capital Improvement Project Reserve Account (CIPRA) as established per the Intergovernmental Agreement between the Civic Center Authority and the City of Moline.

WHEREAS, in April of 1994 the City of Moline implemented a 3% amusement tax; and

WHEREAS, the City agreed that the funds from such tax could be used for future capital improvements and equipment replacement for the iWireless Center; and

WHEREAS, the Intergovernmental Agreement stipulates that the City shall fund the CIPRA from proceeds of its amusement tax; and

WHEREAS, the Civic Center Authority is requesting up to $911,606.00 to remodel/upgrade concession stands, remodel conference center restrooms, upgrade televisions and video signals, and replacement of plaza deck/patio; and

WHEREAS, as monies are available through the collection of the amusement tax, disbursements will be made to the iWireless Center.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the City Council hereby approves the request from the Civic Center Authority for the payment of capital improvements in the amount of $911,606.00 from the Capital Improvement Project Reserve Account (CIPRA) as established per the Intergovernmental Agreement between the Civic Center Authority and the City of Moline.

CITY OF MOLINE, ILLINOIS

____
Mayor
May 28, 2013
Date

Passed: May 28 2013
Approved: June 4, 2013

Attest: _______________________________
City Clerk
Approved as to Form:

____
City Attorney

CITY OF MOLINE

ACCOUNTING FOR POST EMPLOYMENT BENEFIT PLANS UNDER GASB #45

APRIL 2013

Table of Contents

SECTION ONE: BACKGROUND

Retiree Medical Plan

The City of Moline sponsors health benefit plans for employees and retired former employees. The provisions of the programs are summarized in the appendices of this study, but in general, the City subsidizes a portion of the cost for hospital and medical coverage for eligible retired employees and their dependents. The subsidy is an implied age related cost differential based upon the expected higher cost of coverage for retired employees versus the average cost for the entire group.

In 2004, the Government Accounting Standards Board released two new statements (GASB #43 and #45) detailing rules as to how governmental employers must account for post retirement benefit plans other than pension plans (pension plans are already accounted for under the rules of a prior statement). The acronym *OPEB* refers to Other Post Employment Benefits and an OPEB plan refers to retirement plans other than pensions.

Funding Versus Accounting

Accounting standards affect the definition, measurement and allocation of liabilities and expenses that are published by employers in their annual financial statements. The accounting statements require employers to accrue costs on their books, but do not require employers to make contributions.

Nonetheless, accounting liabilities under GASB standards are impacted by the level of employer funding. In general, pre-funded programs earn investment income on accumulated assets which pay as you go programs do not. The investment income from pre-funded plans lowers the amount of contributions required from the employer and is reflected and anticipated in the accounting liabilities via the assumed rate of return (discount rate).

Funding Patterns

An employee hired at age 20 will not begin to receive retiree health benefits for decades, although the employee earns these benefits during his working years, before retirement. An employer with young employees and no retirees has no cash disbursements for retiree health benefits for many years, although the obligation for these benefits begins to accumulate with the first employee. Putting more money aside than will be paid out currently in anticipation of payouts in the future is called *pre-funding* an obligation. Whereas making payments only as each benefit amount comes due is called *pay-as-you-go* or *terminal* funding.

Systematic prefunding patterns for retirement benefits are developed according to various actuarial methodologies, which can call for increasing, decreasing or level patterns of annual contributions depending upon the demographics of the group and the financial considerations of an employer.

Actuarial Funding Method and Assumptions

The Annual Required Contribution (ARC) can be determined under any of six acceptable actuarial methods defined under the GASB standards. For this report, liabilities and annual costs were developed under the most common actuarial methodology – *the entry age normal method.* This method is currently used for many governmental pension plans and is a fairly stable method that is consistent with level percentage of payroll funding.

The actuarial assumptions were selected to be consistent with assumptions disclosed in the pension plan valuations of similarly situated governmental employers. Two of the most significant assumptions affecting the measurement of retiree medical obligations are economic assumptions: the interest rate (also called discount rate), and the trend rate (the annual rate of increases in future health care costs). Two other very important assumptions are non economic and both of which greatly affect the magnitude of retiree liabilities - the assumption regarding the ages at which employees will retire and commence benefits under the program, and the assumed level of participation (percentage of retirees electing to take coverage) in the plan. A description of each of the assumptions used is provided in Section Four of this report.

Substantive Plan (Benefit Plan Provisions)

Under GASB, the benefit program to be valued is referred to as the *Substantive Plan*, which may or may not be set forth in a written document, but which includes the benefits which are understood by the employer, employees and other participants to be provided for under the program.

The City's retiree medical plan provides continuation of employer subsidized health coverage (for the retiree and their dependents, if any) upon the retirement from the City after meeting the age and service requirements for retirement.

Data

The calculations in this report are based upon data submitted by the City of Moline for active and retired employees and their dependents.

Claims Costs

The costs of the benefit programs measured were based upon the premium rates and costs in effect at December 31, 2012.

GASB Statement Valuation Components

The Statement requires several measurements. An **Actuarial Accrued Liability** (AAL) must be calculated and an **Annual Required Contribution** (ARC) must be developed. The Actuarial Accrued Liability is the portion of the total actuarial present value of plan benefits which is allocated (based upon the Actuarial Cost Method) to prior periods and not to be provided for by future **Normal Costs**. The Normal Cost represents the portion of benefit costs assigned to the current year.

The Annual Required Contribution

The Normal Cost represents the value of benefits under the Actuarial Cost Method being allocated to the valuation year. In addition to the Normal Cost, the current value of benefits attributable to accruals in prior years, the Unfunded Liability (UAL), must also be reflected. The Unfunded Actuarial Liability is the Actuarial Accrued Liability less any assets accumulated under a dedicated trust or fund for payment of the retiree health plan benefit liabilities. Under the GASB rules, the Unfunded Actuarial Liability costs may be amortized (spread) over a period of years not to exceed 30 years.

The Annual Required Contribution (ARC) is the sum of the Normal Cost for the valuation year, plus the Amortization Payment Cost of the Unfunded Accrued Liability.

Accounting Valuation

An accounting valuation is determined for the sole purpose of meeting Plan and employer financial accounting requirements as prescribed under GASB Statements and may not be appropriate for the determination of the contribution level or the Plans' funding requirements for other purposes.

Actuarial Certification

This is to certify that MWM Consulting Group has prepared an Actuarial Valuation of the Plan as of December 31, 2012 for the primary purpose of providing financial accounting information required for compliance with GASB Statement No. 45. The results of this valuation have been prepared in conformance with our understanding of the relevant provisions of the GASB Statements Nos. 43 and 45.

The information and valuation results shown in this report are prepared with reliance upon information and data provided to us, which we believe to the best of our knowledge to be complete and accurate and include:

- Employee census data submitted by the City. This data was not audited by us but appears to be consistent with prior information, and sufficient and reliable for purposes of this report.

- Financial and Insurance data submitted by the City

- Illinois statutory code provisions and Plan summaries as supplied by the City

Actuarial valuations involve calculations that require assumptions about future events. We believe the assumptions and methods used are within the range of possible assumptions that are reasonable and appropriate for the purposes for which they have been used. Results shown in this report could be materially different from the actual outcome if actual plan experience differs from the assumptions used.

In our opinion, all methods, assumptions and calculations are in accordance with requirements of GASB Statements Nos. 43 and 45 and the procedures followed and presentation of results are in conformity with generally accepted actuarial principles and practices. The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. There is no relationship between the City of Moline and MWM Consulting Group that impacts our objectivity.

MWM CONSULTING GROUP

4/16/2013

Daniel W. Colby, F.S.A. Date
Consulting Actuary
MWM Consulting Group

SECTION TWO:
RESULTS AND ANALYSIS

Liabilities are summarized by participant status (active-fully eligible, active not yet eligible, retired) and departmental categories.

Closed Group Valuation

This valuation has been prepared on a closed group valuation basis, meaning only the existing population has been considered.

Substantive Plan

The current plan of benefits valued was a continuation of coverage of the employee group health care plan. Retirees contribute the premium or monthly claims cost amounts applicable for active employees. The value of the subsidy for each participant is based upon the difference between the actuarially adjusted age related costs and the retiree contribution.

Actuarial Cost Method

The Annual Required Contribution (ARC) and actuarial accrued liabilities were developed under the Entry Age Normal method.

Annual Required Contributions

The ARC for the 2012 fiscal year is $1,171,557 (5.4% of payroll). The ARC can be compared with the related actual cash outlay on a pay as you go basis. The related cash outlay for the plan also represents the minimum employer contribution if the plan remains unfunded. For the 2010 fiscal year, the annual pay-as-you-go cost is approximately $1,016,980 (4.7% of payroll) versus the ARC amount of 5.4% of payroll.

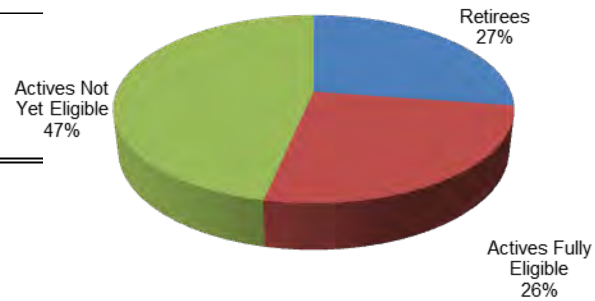
Exhibits

Exhibits 1, 2 and 3 display liability amounts and selected valuation results including the Annual Required Contribution amounts.

Exhibit 1

Present Value of Future Benefits
as of December 31, 2012 for
Fiscal Year Ending December 31, 2012

By Employee Status		
Retirees	$	4,627,490
Actives Fully Eligible		4,395,202
Actives Not Yet Eligible		7,892,381
Total	**$**	**16,915,073**



By Category		
Police	$	7,260,524
Fire		4,323,030
Municipal		5,331,519
Total	**$**	**16,915,073**

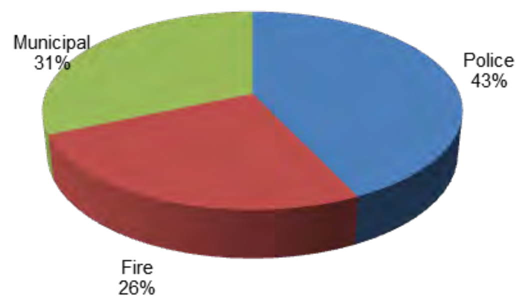


Exhibit 2

Actuarial Accrued Liability (AAL)
as of December 31, 2012 for
Fiscal Year Ending December 31, 2012

By Employee Status		
Retirees	$	4,627,490
Actives Fully Eligible		2,599,826
Actives Not Yet Eligible		4,668,457
Total	**$**	**11,895,773**

By Category		
Police	$	4,904,649
Fire		2,936,064
Municipal		4,055,060
Total	**$**	**11,895,773**

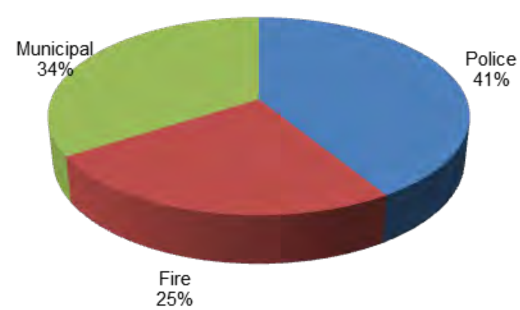


Exhibit 3

Annual Required Contribution
Summary of Fiscal Year Ending
December 31, 2012

Discount Rate: 5.00%

Health Care Trend Rates 8% in 2012 to 4% in 2016 and later

	Police	Fire	Municipal	Total
1. Accrued Liability	$ 4,904,649	$ 2,936,064	$ 4,055,060	$ 11,895,773
2. Actuarial Value of Assets	$ 0	$ 0	$ 0	$ 0
3. Unfunded Liability (1) - (2)	$ 4,904,649	$ 2,936,064	$ 4,055,060	$ 11,895,773
4. Normal Cost	$ 215,547	$ 109,165	$ 109,858	$ 434,570
5. Amortization Payment (30 Years)	$ 303,861	$ 181,900	$ 251,226	$ 736,988
6. Interest on (4) and (5)	$ 0	$ 0	$ 0	$ 0
7. Annual Required Contribution (4) + (5) + (6)	$ 519,408	$ 291,065	$ 361,084	$ 1,171,557
8. Valuation Payroll	$ 6,291,420	$ 3,306,926	$ 12,142,511	$ 21,740,857
AL% of Payroll	78.0%	88.8%	33.4%	54.7%
ARC % of Payroll	8.3%	8.8%	3.0%	5.4%
Pay as you go % of Payroll	4.2%	8.0%	4.0%	4.7%

SECTION THREE:
ANNUAL REPORTING UNDER GASB 45

Annual OPEB COST

The GASB 45 Annual OPEB Cost has these three components:

1) **The Annual Required Contribution Amount is the sum of a, b, and c.**

   a) **Normal Cost** is the portion of the Actuarial Present Value of benefits allocated to the valuation year according to the actuarial cost method.
   b) **Amortization of the Unfunded Actuarial Accrued Liability** is the amount to be amortized over thirty years, of the excess of the Actuarial Accrued Liability over the fair value of assets, both measured at the valuation date.
   c) **Amortization of Gains or Losses** in subsequent years, of the unfunded actuarial accrued liability which may be amortized separately or as part of the annual amortization of the unfunded actuarial accrued liability.

2) **The ARC Adjustment Amount**, an amount which is added / subtracted from the ARC to adjust the annual cost for amounts already accrued and reflected in the beginning of year Net OPEB Obligation.

3) **Interest** for the year at the valuation discount rate on the beginning of year Net OPEB Obligation.

Net OPEB Obligation

The Net OPEB Obligation is accrued on the financial statement as the amount of accumulated OPEB costs which remain unfunded as of the reporting date. For the first reporting period, the OPEB Cost is the ARC, and the year end Net OPEB liability is the OPEB Cost less employer contributions. Exhibits on the following pages illustrate:

Exhibit 4	Components of Net Annual Obligation and Expense
Exhibit 5	Schedule of Contributions, OPEB Costs and Obligations
Exhibit 6	Schedule of Funded Status and Funding Progress
Exhibit 7	Required Supplementary Information

Plan Description

The City of Moline provides the continuation of health care benefits to employees, who retire from the City. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the monthly premium rate. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the City and is the basis for the OPEB obligation accounted for under GASB 45.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution. The ARC (Annual Required Contribution) represents the normal cost each year and an amount to amortize the unfunded actuarial liability over thirty years.

Exhibit 4 Components of Net OPEB Obligation and Expense

The following table shows the annual OPEB costs for the year, the amount contributed to the plan and changes in the net OPEB obligation. The *Net OPEB Obligation* is the amount entered as of year end as the net liability for other post employment benefits.

Item	Amount as of 12/31/2012			
	Police	Fire	Municipal	Total
a. Annual Required Contribution	$ 519,408	$ 291,065	$ 361,084	$ 1,171,557
b. Interest on net OPEB obligation:	34,057	9,644	390	44,091
c. Adjustment to annual required contribution	(42,200)	(11,950)	(483)	(54,633)
d. Annual OPEB cost (expense) (a + b - c)	$ 511,265	$ 288,759	$ 360,991	$ 1,161,015
e. Contributions made	(261,724)	(265,424)	(489,832)	(1,016,980)
f. Increase in net OPEB obligation	249,541	23,335	(128,841)	144,035
g. Net OPEB obligation – beginning of year	681,149	192,879	7,800	881,828
h. Net OPEB obligation – end of year (f + g)	**$ 930,690**	**$ 216,214**	**$ (121,041)**	**$ 1,025,863**

Exhibit 5 Schedule of Contributions, OPEB Costs and Net Obligations

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/12	$1,161,015	87.6%	$1,025,863
12/31/11	$1,213,981	106.1%	$881,828
12/31/10	$1,216,371	83.6%	$955,468
12/31/09	$840,089	59.5%	$755,917
12/31/08	$848,614	51.0%	$415,719

Funded Status and Funding Progress

As of December 31, 2012, the actuarial accrued liability for benefits was $11,895,773. The covered payroll was approximately $21,740,857, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 54.7%.

Actuarial Method and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members.

In the actuarial valuation for the fiscal year ended December 31, 2012, the entry age normal cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 8% initially, reduced to an ultimate rate of 4% after five years. Rates include a 2.5% general inflation assumption. The Unfunded Accrued Actuarial Liability is being amortized as a level dollar amount over 30 years.

Exhibit 6 Schedule of Funded Status and Funding Progress

The funded status of the plan as of December 31, 2012:

	Police	Fire	Municipal	Total
1. Actuarial Accrued Liability (AAL)	$ 4,904,649	$ 2,936,064	$ 4,055,060	$ 11,895,773
2. Actuarial Value of Assets	0	0	0	0
3. Unfunded Actuarial Accrued Liability (UAAL)	$ 4,904,649	$ 2,936,064	$ 4,055,060	$ 11,895,773
4. Funded Ratio (2) / (1)	0%	0%	0%	0%
5. Covered Payroll (Active Plan Members)	$ 6,291,420	$ 3,306,926	$ 12,142,511	$ 21,740,857
6. UAAL as a Percentage of Covered Payroll (3) / (5)	78.0%	88.8%	33.4%	54.7%

Exhibit 7 Required Supplementary Information

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll
12/31/12	$0	$11,895,773	$11,895,773	0%	$21,740,857
12/31/11	$0	$12,744,551	$12,744,551	0%	$22,253,419
12/31/10	$0	$12,747,914	$12,747,914	0%	$21,295,138
12/31/09	$0	$11,007,293	$11,007,293	0%	$24,930,237
12/31/08	$0	$10,450,275	$10,450,275	0%	$23,743,083

SECTION FOUR:
SUMMARY OF ACTUARIAL ASSUMPTIONS AND COST METHOD

Actuarial Cost Method

The Actuarial Cost Method used in this valuation is the Entry Age Normal Actuarial Cost Method. Under this Method, a Normal Cost is developed by spreading the actuarial value of benefits expected to be received by each active participant over the total working lifetime of that participant, from hire to termination, as a level percentage of pay.

To the extent that current assets and future Normal Costs do not support participants' expected future benefits, an Unfunded Actuarial Accrued Liability ("UAAL") develops. The UAAL is generally amortized over a defined period of time.

Discount (Interest) Rate

A discount rate of 5% was used.

Salary Progression: 4.5% per year

Per Capita Claim Costs

Coverage	Monthly Cost
Pre-Medicare	$ 530.32
Medicare	$ 276.82

Employee Contributions

Age	Employee Share of Cost	Spouse Share of Cost
Under 50	100%	100%
50 - 64	20%	100%
65 & Over	100%	100%

Mortality

Probabilities of death for participants were according to the 1994 Group Annuity Mortality Table for Males and Females.

Retirement

Representative retirement rates by age are:

Age	Police	Fire	Municipal	Age	Police	Fire	Municipal
50	0.36	0.19	N/A	60	0.22	0.28	0.10
51	0.22	0.12	N/A	61	0.30	0.36	0.10
52	0.18	0.04	N/A	62	0.39	0.44	0.40
53	0.19	0.06	N/A	63	0.48	0.52	0.20
54	0.19	0.09	N/A	64	0.57	0.60	0.20
55	0.20	0.12	0.05	65	0.65	0.68	1.00
56	0.20	0.15	0.05	66	0.74	0.76	1.00
57	0.20	0.19	0.05	67	0.83	0.84	1.00
58	0.21	0.22	0.05	68	0.91	0.92	1.00
59	0.21	0.25	0.05	69	1.00	1.00	1.00

Withdrawal

Representative withdrawal rates by age are:

Age	Police	Fire	Municipal
20	0.0500	0.0397	0.3000
30	0.0416	0.0146	0.0500
40	0.0119	0.0042	0.0300
50	0.0000	0.0000	0.0100
60	0.0000	0.0000	0.0001

Disability

Sample rates by age are as follows:

Age	Police	Fire	Municipal
25	0.0013	0.0009	0.001
35	0.0044	0.0046	0.002
45	0.0108	0.0097	0.002
55	0.0159	0.0314	0.002
65	0.0159	0.0314	0.002

Participation

100% of employees currently enrolled in medical plans were assumed to participate in the plan.

Spouse Information

20% of employees were assumed to have participating spouses. Females were assumed to be 3 years younger than males.

Health Care Cost Inflation Rates

Period	Rates
2013	8.0%
2014	7.0%
2015	6.0%
2016	5.0%
2017 and after	4.0%

SECTION FIVE:
PARTICIPANT DATA

Summary as of December 31, 2012

	Police	Fire	Municipal	Total
Active Participants	94	63	190	347
Retired Participants	27	31	49	107
Total	121	94	239	454

AGE AND SERVICE DISTRIBUTION AS OF DECEMBER 31, 2012

POLICE

Male Active Employee Participants

Age Group	Service									Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	
Under 20										0
20 - 24	1									1
25 - 29	4	4								8
30 - 34	5	5	2							12
35 - 39		3	4	1						8
40 - 44		2	4	5	2					13
45 – 49			1	5	5	1				12
50 - 54			1	2	2	2	1			8
55 - 59			1	2	1	2	1			7
60 - 64										0
65 & Over										0
Total	**10**	**14**	**13**	**15**	**10**	**5**	**2**	**0**	**0**	**69**

Average Age: 41.5 years
Average Length of Service: 14.0 years

Female Active Employee Participants

Age Group	Service									Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	
Under 20										0
20 - 24	1									1
25 - 29	4									4
30 - 34	1									1
35 - 39		1	3							4
40 - 44		1	2	1	1					5
45 - 49				1	3					4
50 - 54			1	1						2
55 – 59					1		3			4
60 – 64										0
65 & Over										0
Total	**6**	**2**	**6**	**3**	**5**	**0**	**3**	**0**	**0**	**25**

Average Age: 42.0 years
Average Length of Service: 15.2 years

AGE AND SERVICE DISTRIBUTION AS OF DECEMBER 31, 2010

FIRE

Male Active Employee Participants

Age Group	Service									Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	
Under 20										
20 - 24										
25 - 29	5	1								6
30 - 34	3	5								8
35 - 39	3	2	6							11
40 - 44		5	2	3	1					11
45 - 49		1	1	3	2					7
50 - 54				1	10	3				14
55 - 59			1			2				3
60 - 64						1				1
65 & Over										
Total	**11**	**14**	**10**	**7**	**13**	**6**	**0**	**0**	**0**	**61**

Average Age: 42.6 years
Average Length of Service: 13.8 years

Female Active Employee Participants

Age Group	Service									Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	
Under 20										0
20 - 24										0
25 - 29	1									1
30 - 34	1									1
35 - 39										0
40 - 44										0
45 - 49										0
50 - 54										0
55 – 59										0
60 – 64										0
65 & Over										0
Total	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**

Average Age: 31.9 years
Average Length of Service: 2.4 years

AGE AND SERVICE DISTRIBUTION AS OF DECEMBER 31, 2010

MUNICIPAL

Male Active Employee Participants

Age Group	Service									Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	
Under 20										0
20 - 24	1									1
25 - 29	6	1								7
30 - 34	2	8	3							13
35 - 39	5	6	1							12
40 - 44		5	8	2	5					20
45 - 49	2	3	8	4	4					21
50 - 54	1	1	1	12	5	3	4			27
55 - 59		2	2	2	4	4	2	2		18
60 - 64	4	1	2	1	2	5				15
65 & Over										0
Total	**21**	**27**	**25**	**21**	**20**	**12**	**6**	**2**	**0**	**134**

Average Age: 47.1 years
Average Length of Service: 15.0 years

Female Active Employee Participants

Age Group	Service									Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	
Under 20										0
20 - 24										0
25 - 29	3									3
30 – 34	5	3								8
35 – 39	3	1	2							6
40 – 44	4	1	5	1						11
45 - 49	2		3	2						7
50 - 54			2	1	3	2				8
55 – 59	1	1		2	4		1			9
60 – 64	1		1	1					1	4
65 & Over										0
Total	**19**	**6**	**13**	**7**	**7**	**2**	**1**	**0**	**1**	**56**

Average Age: 45.7 years
Average Length of Service: 12.0 years

SECTION SIX: SUMMARY OF PRINCIPAL PLAN PROVISIONS

Eligibility

Employees are eligible to retire from the City of Moline and continue their health coverage after meeting the age and service requirements for retirement.

Police
Age 50 and 20 years of service.

Fire
Age 50 and 20 years of service.

Municipal
Age 55 and 25 years of service; or age 60 and 8 years of service; or combined age and service of 85.

Benefit Amount

Retirees and their dependants may continue coverage under The City of Moline's group health program by contributing a monthly premium. They may participate in any of the plans available to active employees.

Retirees age 50-64 contribute 20% of the blended average employee group cost. Other retirees and all dependents contribute 100% of the average group cost. The City pays the difference between the actuarial cost of the health coverage for retirees and the blended average employee group cost.

Council Bill/General Ordinance No. 3013-2013
Sponsor: ___________________________

AN ORDINANCE

AMENDING Chapter 24, "PERSONNEL," of the Moline Code of Ordinances, Section 24-2203(b), "Residency Required," by repealing said section in its entirety and enacting in lieu thereof one new Section 24-2203(b).

WHEREAS, Section 24-2203(b) of the Moline Code of Ordinances currently requires the City Administrator and all department directors to reside in the City of Moline; and

WHEREAS, the requirement for all other City employees is to reside within twenty miles of Fire Central Station, located at 1630 8th Avenue; and

WHEREAS, the department director residency requirement is burdensome on employees who are promoted from within to these positions but who do not live in the City, especially given the current status of real estate prices and the depressed housing market; and

WHEREAS, this amendment to Section 24-2203(b) would change the residency requirement for existing employees who are promoted to department director level positions so that they are not required to reside within the City as long as their residence was lawful under the employee's prior position with the City; and

WHEREAS, this amendment would further assist in the City Council's goal of succession planning by encouraging employees to seek higher level positions within the City and to utilize their experience and institutional knowledge in leading various City departments.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

Section 1. That Chapter 24, "PERSONNEL," of the Moline Code of Ordinances, is hereby amended by repealing Section 24-2203(b), "Residency Required," in its entirety and enacting in lieu thereof one new Section 24-2203(b) relating to the same subject matter, which shall read as follows:

"SEC. 24-2203. RESIDENCY.

*** * * * * ***

(b) **Residency required.**

(1) The city administrator, city attorney and all department directors shall reside within the corporate limits of the City.

(2) Notwithstanding anything herein to the contrary but excepting to Section 24-2203(b)(1), all employees whose employment is not covered by a collective bargaining agreement shall reside within twenty (20) miles of the municipal building located at 1630 8th Avenue in Moline.

(3) A new employee shall not be required to live within the applicable area of residence as defined herein until one hundred and eighty (180) days after completion of the employee's probationary employment.

(4) All other City employees not specifically identified herein, including library, police and fire personnel, shall reside within the area described in such employees' respective collective bargaining agreement or the area of residence shown in 24-2203(d), whichever area of residence is the smaller area.

(5) Said residency requirements are a continuing condition of employment with the City; failure to comply with same and failure to notify the human resources office of any change in residence within ten (10) days after a change in residency shall be grounds for and shall constitute a mandatory discharge.

(6) Existing employees whose present residence does not conform to the above requirements but which present residence is a lawful residence under previous ordinances of the City or under an existing employee's prior position of employment with the City shall not be required to conform hereto; however, a change in residency by said employee shall be in conformance herewith. This subsection (6) does not apply to the position of city administrator."

* * * * * *

Section 2. That this ordinance shall be in full force and effect from and after passage, approval and, if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

____
Mayor

____
Date

Passed:______________________________

Approved:____________________________

Attest:______________________________
City Clerk

Approved as to Form:

____
City Attorney