

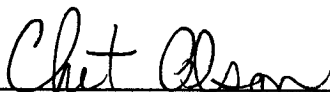
**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
October 29, 2012**

The Rochelle City Council met in Regular Session at 4:44 p.m. on Monday, October 29, 2012 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

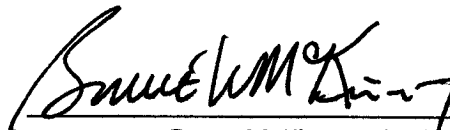
ROLL CALL: Present on Roll Call were Councilmembers Berg, McDermott, Hollonbeck, Hayes, Eckhardt, and Mayor Olson. Absent: Councilman Rice. Quorum was present. Also present were City Manager Plyman and City Clerk McKinney.

BUSINESS ITEMS:

- 1) Selection of Health Insurance Plan and Provider:** Due to the rising cost of health insurance, the Mayor and City Council requested that staff solicit proposals from multiple agencies for the City's health insurance plan. The City of Rochelle currently has a self-insured health plan with the plan year ending annually on October 31. Six broker agencies were asked to submit proposals and all were provided with a set of pertinent data including past claims histories, deductible and out-of-pocket structures and current plan design. All of the agencies were encouraged to seek out proposals for both fully-insured and self-insured options with any vendor they felt would serve the City's needs of quality care and customer service at a reasonable cost. Three separate agencies submitted three unique options that were considered to be at an appropriate level of insurance risk for the City. HR/Risk Manager Lynette Fischer reviewed all of the proposals and evaluated them based on cost, networks accessed, services provided by the Third-Party Administrator, services provided by the broker agencies and additional stand-alone coverage. As a result of the analysis, the consensus of management is to recommend renewing the health insurance plan with Cypress Benefit Administrators through Query Insurance. This option will provide the same reliable customer service, stability in our provider network and a lower fixed cost. In addition staff is recommending purchasing the Fidelity Security Life \$60,000 specific deductible with \$50,000 aggregating specific feature and remaining with the ECOH/HFN network. This choice will limit the City's maximum funding on any one person to \$60,000 and the addition of the aggregating specific feature offers lower guaranteed fixed costs. The last couple of years the City of Rochelle's health insurance plan has experienced some large, costly claims. This, coupled with an era where double digit health insurance increases are not unusual, made it difficult to get competitive bids. The recommended plan includes a total potential maximum funding decrease of approximately \$31,000 for the 2012-2013 plan year. Recommendation: Renew our health insurance plan with Cypress Benefit Administrators through the Query Insurance firm beginning November 1, 2012. Lynette Fischer and Greg Query were present to answer questions. Councilman Rice moved and seconded by Councilman Hayes, **"I move he City Council approve the renewal of the City's Health Insurance Plan 12-4246 with Cypress Benefit Administrators through Query Insurance; purchase the Fidelity Security Life \$60,000 specific deductible with a \$50,000 aggregating specific feature; and stay with the ECOH/HFN network beginning November 1, 2012."** A roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice and Mayor Olson. Nays: None. Motion passed 7-0.
- 2) ADJOURNMENT:** At 5:01 p.m., moved by Councilman Rice and seconded by Councilman Berg, **"I move the Council adjourn."** Motion passed by voice vote without dissent.



Chet Olson, Mayor



Bruce McKinney, CMC,
City Clerk, City of Rochelle