

**MINUTES OF REGULAR MEETING
GALESBURG CITY COUNCIL
JANUARY 22, 2008; 7:00 P.M.
COUNCIL CHAMBERS,
GALESBURG CITY HALL
200 E. MICHIGAN AVE.
GALESBURG, MI**

GALESBURG

200 E. Michigan Avenue
Galesburg, Michigan 49053
Phone: (269) 665-7000
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I. CALL TO ORDER

Mayor Allen introduced Councilmember Elect Michael VanNess and requested that City Clerk Miner administer the oath of office to him.

Councilmember VanNess thanked the voters of Galesburg for electing him to the Council and promised to work hard for the City.

The meeting was called to order by Mayor Allen at 7:03 P.M.

PRESENT: Councilmembers Doxey, Jackson, Kissinger, Nicolow, VanNess, Yingling, Allen

ABSENT: None

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Allen

III. COMMUNITY COMMENT

Linda Carlton of the Galesburg Business Association and the Downtown Development Authority thanked Rob Wilson and Bill Bresson of DPW for the great job they have been doing on keeping the streets plowed. Mr. Wilson remarked that today was a tough day, as Bill Bresson was on vacation, so he called Art Green in to help with the workload.

Mayor Allen told the audience that within the next couple of days they will be out clearing the snow piles that result from plowing the streets and parking lots. Several citizens and businesses have remarked on improved access because of this additional service provided by the Public Works Department.

Councilmember Nicolow reported that Rosalee Emmons has been diagnosed with pneumonia, thus her absence from tonight's meeting.

Robert Weston reported on the death of Mrs. Gymberson.

IV. READING AND APPROVAL OF COUNCIL MINUTES

Motion by Councilmember Nicolow, supported by Councilmember Kissinger to approve the minutes of January 7, 2008 as submitted.

Motion approved by the following vote:

YEAS: Councilmembers Doxey, Jackson, Kissinger, Nicolow, Yingling

NAYS: None

ABSENT: None

ABSTAIN: Councilmember VanNess

V. CORRESPONDENCE

1. Letter from Kalamazoo Area Transportation Study providing notice of a State of Michigan Transportation Asset Management Council Investment Reporting Tool Training Session on Friday February 1, 2008 from 9:30 A.M. to 12:00 P.M. at the Kalamazoo County Road Commission Office, 3801 E. Kilgore Rd. and informing the City of reporting requirements.

RECEIVED AND PLACED ON FILE

2. Letter from Comcast Cable submitting a copy of the Michigan Public Service Commission Annual Survey for 2007 that they submitted on December 28, 2007.

RECEIVED AND PLACED ON FILE

3. Letter from Scott W. Grinder founder of 'Kalamazoo County, Michigan Cemeteries on the Web' requesting permission to place **stainless steel markers on unmarked graves in the Galesburg Cemeteries.**

Motion by Councilmember Kissinger, supported by Councilmember Jackson to authorize the petitioner to place stainless steel markers on unmarked graves in Galesburg Cemeteries.

Motion approved by the following vote:

YEAS: Councilmembers Doxey, Jackson, Kissinger, Nicolow, VanNess, Yingling, Allen

NAYS: None

4. Galesburg Business and Community Assn. meeting minutes of December 12, 2007

AT THE REQUEST OF MAYOR ALLEN THESE MINUTES WILL BE DISTRIBUTED TO COUNCILMEMBERS AT THE FEBRUARY 4, 2008 MEETING

5. Galesburg Historical Museum minutes of joint meeting with Galesburg City Council on December 17, 2007 and minutes of regular meeting held December 19, 2007

AT THE REQUEST OF MAYOR ALLEN THESE MINUTES WILL BE DISTRIBUTED TO COUNCILMEMBERS AT THE FEBRUARY 4, 2008 MEETING

VI. PUBLIC HEARINGS

There were no scheduled public hearings.

VII. ACTION ITEMS

There were no resolutions or ordinances for action.

VIII. REPORTS OF OFFICERS & BOARDS

A. Treasurer

City Treasurer reported a balance in all funds as of December 31, 2007 of \$1,619,925.50.

Motion by Councilmember Kissinger, supported by Councilmember Jackson to accept the report of the City Treasurer as presented.

Motion approved by the following vote:

YEAS: Councilmembers Doxey, Jackson, Kissinger, Nicolow, VanNess, Yingling, Allen

NAYS: None

B. Accounts payable

City Clerk Miner presented invoices due and owing in the amount of \$14,103.06.

Motion by Councilmember Nicolow, supported by Councilmember Kissinger to approve the list of accounts payable and authorize the payment of the bills.

Motion approved by the following vote:

YEAS: Councilmembers Doxey, Jackson, Kissinger, Nicolow, VanNess, Yingling, Allen

NAYS: None

C. Department of Public Works

Mr. Wilson did not have a report.

D. Police Department

Pulled from the agenda at the request of Chief of Police Mau.

E. Fire Department;

Councilmember Kissinger submitted copies of the December 2007 Galesburg Charleston Joint Fire Board Minutes and Fire Report and reported to the Council that the Fire Department is still in the running for a 2007 FEMA Grant to put a communications system on the top of the new water tower. It would also cover installation of a gas generator at the water tower. There is a \$2,500 grant match required from the City and from Charleston Township.

DPW Supervisor Wilson stated that he agreed with the application for these grant funds because of the generator, which is something the City would have to purchase and install at the water tower anyway.

Councilmember Jackson asked about the matching funds required of the City, saying; "there are things that are needed at City Hall too, it's nice to have these things for the Fire Department, but we need to spend our money in other areas as well. We just approved a \$5,000 loan from Charleston Township to provide membership in the Kalamazoo Police and Fire Training Facility."

Supervisor Wilson said that our water tower was designed for a generator and communication system to be installed on top of it.

Councilmember Kissinger reported that Fire Chief Henson told them at their last meeting about his efforts to get MDOT to reroute traffic, diverted from I-94 in emergencies, so that it is not being directed through Galesburg when reconstruction begins on 35th Street.

Motion by Councilmember Nicolow, supported by Councilmember Jackson to accept the Fire Board Minutes and Fire Report as submitted.

Motion approved by the following vote:

YEAS: Councilmembers Doxey, Jackson, Kissinger, Nicolow, VanNess, Yingling, Allen

NAYS: None

IX. NEW BUSINESS

A. Review of Audited Financial Statements FY Ended June 30, 2007

City Clerk Miner presented the audited financial report of the City of Galesburg for Fiscal Year Ended June 31, 2007 and offered to answer questions from Councilmembers, on a limited basis, since she was not involved in the formulation or administration of these funds.

Mayor Allen asked about the overall financial health of the City. Clerk Miner responded that it is good. She discussed a transfer into the General Fund to repay a front loaded special assessment paid by the City for Michigan Ave. improvements. She informed the Council of some changes in verbiage in the report, and told them about a single audit brought about by the Drinking Water Revolving Fund loans, which we will begin repayment of next year.

B. Presentation and Review of Budget Report 2nd Quarter FY 2007/08

City Clerk Miner presented a detailed 6 months revenue/expenditure report to the Council and discussed the need for budget transfers to cover shortfalls in specific accounts.

C. Transfer of Funds

This item was pulled from the agenda at the request of the City Clerk and held over until the February 4, 2008 City Council Meeting.

X. OLD BUSINESS

A. Explanation of Insurance Benefits – City's Insurance Agent

Robert Weston said that in 1987 the City approached him and asked him to bid on the City's Health Insurance policy. At that time he was not on the Council, but he has served as the City's Insurance Agent since then. In 1991 he was elected to Council. The City's original insurance company was IBA and when their rates went up 25-40% the policy went out to bid again. He came back with Blue Care Network. Their rates went up and their participating medical doctors went down.

Our current insurance plan is broken down into 4-5 areas; prescription coverage which carries a co-pay of \$15 on generic drugs and \$40 on brand name drugs. There is a mail order option through MedCo with which employees may order up to 3 months worth of prescriptions for the cost of 2 months. The co-pay by employees is 20% of their policy premium. The policy carries major medical with \$500 deductible and 3 instances per family before any benefits are paid. After the deductible has been met they pay 80% of the first \$5,000 then insurance pays 100% of reasonable charges up to the \$2,000,000 lifetime maximum. This covers anything medically necessary with no exclusions. The only exclusions are standard such as self inflicted wounds and cosmetic surgery unless medically necessary. They do not pay for any workman's compensation coverage or anything due to an act of war. Anything that is not medically necessary is not covered. Mammograms are covered with no deductible up to \$400 per year for women over the age of 40. Mental illness is covered at 50% with a maximum imposed by the State of \$3,500. The policy covers drug rehabilitation, alcohol rehabilitation and doctors office visits with a \$10 co-pay, if you go to a BCBS participating physician. The key term is reasonable and customary.

Councilmember Nicolow asked if reasonable and customary charges have to be pre-approved by the insurance company.

Mr. Weston answered that pre-approval is not a requirement of the policy. He used, as an example, the cost of dental services for his youngest son. The plan also includes a supplemental accident benefit. The Insurance Company pays the first \$300 in full with no deductible. That is the major medical portion of the insurance policy. Ninety-nine (99) percent of hospitals participate with Blue Cross. Every Employee has \$15,000 of life insurance included in the plan. This is a term policy that does not build cash value.

Disability income, he said, is one very important aspect of the plan. For an employee who is sick there is a one week waiting period. On the 8th day disability will pay 2/3 of their gross income for up to 26 weeks. If you are in an accident it pays on the very first day. If you are hurt on the job workman's compensation kicks in and you do not use this policy for coverage. We also have a dental plan. Every insured has benefits of \$1,000 per year with a \$50 deductible. There are two (2) cleanings per year with no deductible and two (2) bite-wing x-rays. The City has a very comprehensive policy, which is something that all potential employees look for. Benefits are a major

consideration to candidates seeking employment. In Galesburg employees now pay 20% of their premium, but it used to be that the City paid for everything. The City was forced to go to a co-pay situation to balance the budget. It is very rare to see an employer pay the entire insurance amount anymore. Comparing this plan to individual plans is impossible. When this plan was sold no health questions were asked, it was guaranteed acceptance. In the individual market they underwrite. They do a thorough health screening on each applicant. Many of the City's employees would not be eligible for coverage under individual plans. Last year 32% of his applications were rejected. High blood pressure will cause a 25% increase in premium rates. Osteoarthritis would cause a 50% increase. Many people here would not qualify for insurance coverage if the City goes to another carrier.

Councilmember Nicolow said that the City wants to know what kind of insurance expense increase they can foresee this year.

Mr. Weston said he cannot say right now. A couple of years ago he shopped out the City's plan. Under State law, if you have a current plan and have had one for 18 months and you buy another plan they have to take you, however they can increase your rates by four hundred (400) percent. He found a cheaper policy and each employee submitted an application, whereupon the policy premium increased by 400%. He has access to 30/40 insurance companies

Councilmember Nicolow asked Mr. Weston if it is his opinion that the increases, once begun will just keep coming.

Mr. Weston answered that there is current legislation in the House of Representatives to regulate rates and open the playing field up to all companies. The idea is to lower the rate structure across the board. He asked Councilmembers if they had any questions about the information he presented.

Councilmember Nicolow said that he does not have any questions. He does not see how the City can do anything different with the insurance benefit program. He would like to know though, how a National health care initiative would affect insurance companies.

XI. COUNCIL COMMENT

Councilmember Nicolow asked for an excused absence for the second meeting in February.

Councilmember Kissinger welcomed Councilmember VanNess and complimented the Department of Public Works for the great job they are doing with the roads. Outside of the City the roads are terrible, but once you come into Galesburg they are very clear.

Councilmember Doxey announced that there is a Library Meeting the last Tuesday of the month at 4:30 P.M.

Mayor Allen told Councilmember Doxey that he has a file cabinet over at the Library, in which he keeps materials relevant to their meetings. He offered it and its contents to Councilmember Doxey during her tenure on the Library Board. He welcomed Councilmember VanNess to the City Council and thanked the DPW for taking care of downtown businesses.

Councilmember VanNess thanked everyone for their warm wishes and their help and said he looks forward to working with the Council. He thanked Bob Weston for coming tonight and briefing them on the City's insurance policy.

XII. ADJOURNMENT

Motion by Councilmember Kissinger, supported by Councilmember Jackson, to adjourn.

Motion carried unanimously.

Meeting adjourned at 8:35. P.M.

Respectfully submitted,

Debbie Miner, CMC
City Clerk , CFO