City of Moline
619 16 Street, Moline – 2nd Floor
Council Chambers

Committee-of-the-Whole Agenda

6:30 p.m.

Tuesday, May 21, 2013

Presentation
Presentation of the Neighborhood Partnership Committee's "Neighbor of the Month" award to Antonio Rosas Raya, 1034 17 Avenue, and Mutual Wheel Company, 2350 4th Avenue.

Block Party & Amplified Sound Request
A request from Karen Dahlstrom for the 26th Annual Memorial Day Neighborhood Block Party to close 28th Street from the southernmost side of 24th Avenue to the northernmost side of 25th Avenue on Monday, May 27, 2013, from 5:00 p.m. to 8:00 p.m.

A request from Maria Arreguin for amplified sound at 1221 7th Avenue on Saturday, May 25, 2013, from 4:00 p.m. to 10:00 p.m. for recorded music for a birthday party.

Questions on the Agenda

Agenda Items
1. **Accepting the actuarial valuation report submitted by MWM Consulting Group for 2012 for the City of Moline's Other Post Employment Benefits.** (Kathy Carr, Finance Director)

2. **A Request from the Quad City Civic Center Authority for payment of capital improvements from the Capital Improvement Project Reserve Account (CIPRA).** (Kathy Carr, Finance Director)

3. **Consideration of an Economic Incentive Package for Frontier Hospitality Group/Holiday Inn Express. (**Ray Forsythe, Planning and Development Director)

4. **Other**

Explanation

1. **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** (Kathy Carr, Finance Director)

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 legally 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 2008, the City of Moline has been required to disclose 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. Additional documentation attached.

Highlights:	as of December 31, 2012
Retirees receiving benefits	107
Active plan members	347
Total	454
Accrued Liability	$11,895,773
Unfunded Liability	$11,895,773

Staff Recommendation: Approval
Fiscal Impact: Pay as you go funding may not be adequate in the future
Public Notice/Recording: N/A
Goal Impacted: N/A

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2. **A Request from the Quad City Civic Center Authority (QCCCA) 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.** (Kathy Carr, Finance Director)

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 i-wireless Center. The i-wireless Center is requesting $911,606.00 to remodel/upgrade concession stands, remodel conference center restrooms, upgrade televisions and video signals, and replace the of plaza deck/patio. Additional documentation attached.

Recommendation: Approve as funds are available
Fiscal Impact: The current CIPRA balance is $539,169.11
Public Notice/Recording: N/A
Goal Impacted: A Great Place to Live

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3. **Consideration of an Economic Incentive Package for Frontier Hospitality Group/Holiday Inn Express. (**Ray Forsythe, Planning and Development Director)

Explanation: Frontier Hospitality Group has proposed to build a 100 room Holiday Inn Express adjacent to the Quad City International Airport. The City has been working with staff of the Airport, Rock Island County and Frontier Hospitality Group to facilitate this development, including annexation into the City of Moline and the extension of necessary public utilities to serve the project. Frontier Hospitality Group has requested a hotel-motel use tax rebate from the City of Moline and Rock Island County in order to fill a funding gap due to increased costs to the project. The City's portion of the rebate will be a maximum of Sixty Thousand Dollars ($60,000.00), consisting of $5,000 per year for 10 years with a potential for an additional $10,000 if construction costs come in higher than projected. Additional documentation attached.

Staff Recommendation: Approval
Fiscal Impact: The hotel-motel use tax generated will pay the rebate
Public Notice/Recording: N/A
Goal Impacted: Strong Local Economy

CITY OF MOLINE

ACCOUNTING FOR POST EMPLOYMENT BENEFIT PLANS UNDER GASB #45

APRIL 2013

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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**

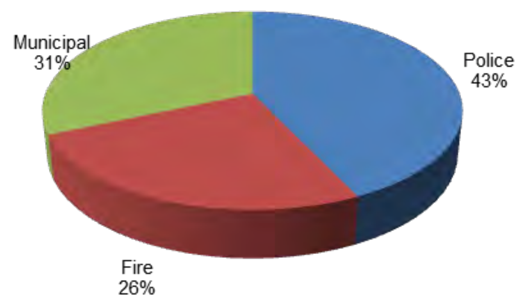

Exhibit 2

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**

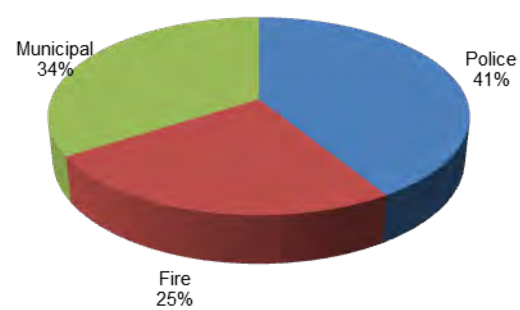

Exhibit 3

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.

i wireless CENTER

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**

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Economic Incentive Proposal for Frontier Hospitality Group of Illinois, LLC

Frontier Hospitality Group of Illinois, LLC has been working with the Quad City International Airport for several months on the development of a new hotel on land owned by the Airport. The Airport Board has authorized a lease to facilitate the development and has petitioned the City of Moline for Annexation and Rezoning to accommodate this use. The City of Moline will provide the necessary utilities to serve the development and plans are currently under design with the expectation that the City will authorize this infrastructure construction later this year. In addition the City will initiate the process to include the property in the Illinois Quad City Enterprise Zone.

The land lease with the Airport Board requires that the project utilize an impact agreement which will require union contracts and increase overall labor costs. The Developer has estimated that this will increase the total project cost such that a financial gap has been identified that is not supported by expected revenue from the operation of the hotel. The Developer has increased its private investment into the project by four hundred thousand dollars ($400,000.00) and has sought incentives from the Quad City International Airport, Rock Island County/County Forest Preserve District, as well as the City of Moline. The Airport Board has authorized additional incentives and site work with a value of up to two hundred ninety one thousand dollars ($291,000.00) to help reduce the gap and the Rock Island County Forest Preserve District has agreed to a multi-year Hotel-Motel Occupation tax rebate in the amount of one hundred fifty thousand dollars ($150,000.00).

Staff has reviewed the request and is recommending the following terms:

1. A rebate of Fifty Thousand Dollars ($50,000) - Five thousand dollars ($5,000.00) annually for ten (10) years payable from the actual 2% Hotel-Motel Use Taxes collected from the Holiday Inn Express beginning on the first year anniversary from the official opening date of the Holiday Inn Express.
2. An optional rebate of ten thousand dollars ($10,000) payable if the following conditions are met:
   i) Total project cost exceeds six million four hundred thousand dollars ($6,400,000).
   ii) The hotel's annual income statement for the first three (3) years demonstrates an annualized rate of return below the industry average.

Staff would recommend the approval of this incentive as the project will increase sales, use and property taxes, increase employment opportunities and enhance the airport as a regional destination.