1. Call to Order
2. Roll Call
3. Discussion Regarding Contract Renewal for Engineering Services
4. Exempt Employees Consideration of Over-time Exemption
5. CVMIC Insurance Renewal and Dividends
6. Adjourn

DATED at Elkhorn, Wisconsin, this 9th day of August, 2019

Cairie L. Virrueta, City Clerk

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information over which they may have decision-making responsibility; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.

Should you have any questions or comments regarding any item on this agenda, please contact the City Clerk’s office at 723-2219. Upon reasonable notice to the City Clerk, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services.
To: Finance Committee  
From: City Administrator  
Re: Engineering Services Contract Renewal - Kapur Associated  
Date: 8-9-19

The General Engineering Services Contract with Kapur will expire on December 31 2019. Prior to bringing this matter to committee, Matt, Jim, and I met with Tom Foht and Greg Calhoun to discuss renewal considerations. While we are substantially satisfied with the firm’s’ performance of engineering duties, there are a few procedural matters that need attention. That being the case, we decide to inform Kapur of our concerns prior to bringing the subject of contract to committee.

I believe that everyone understands the areas of concerns and are confident Kapur will take steps necessary to address the issues identified, most of which are procedural matters not engineering effort issues. Ne area of particular concern to us was the tendency for Kapur to under estimate project costs, which have created a degree of angst among both Council and staff. In part, this shortcoming is attributable to a lack of familiarity with local conditions that require “atypical” construction accommodations (i.e. over-excavation due to high water table). After a few years of field experience, Kapur should be in a position to generate accurate estimates of “probable cost”.

At the conclusion of discussions, staff is prepared to recommend a 2-year contract extension to Kapur.
MEMORANDUM TO THE CITY OF ELKHORN

To: Sam Tapson
From: Greg Calhoun
CC: Jim Heilman, Matt Lindstrom
Date: August 9th, 2019
Re: Kapur 2020 – 2022 Rates

As discussed at City Hall on Monday, July 22nd, attached to this memo are Kapur’s updated labor rates in anticipation of our expiring contract with the City and upcoming contract renewal at the end of 2019.

Generally, rates from 2019 to 2020 have been adjusted to include an approximate 3 percent increase for each labor category, with rates continuing to increase at 3 percent for each subsequent year until 2022.

Please review in whatever way you see fit and feel free to contact me with any questions or comments. Also attached are Kapur’s 2017 – 2019 rates for comparison.
# Labor Rates

**Kapur & Associates, Inc.**

**City of Elkhorn**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Rates 2020</th>
<th>Rates 2021</th>
<th>Rates 2022</th>
</tr>
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<tbody>
<tr>
<td>Project Manager/Electrical Engineer/Structural Engineer</td>
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<td>$147.00</td>
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<td>Environmental Scientist</td>
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<td>$102.00</td>
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<td>Project Surveyor</td>
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<tr>
<td>Landscape Architect</td>
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<td>$102.00</td>
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<td>GIS Technician</td>
<td>$84.00</td>
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<td>Staff Engineer II</td>
<td>$82.00</td>
<td>$85.00</td>
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<tr>
<td>Staff Engineer</td>
<td>$78.00</td>
<td>$80.00</td>
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<tr>
<td>Senior Technician</td>
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<td>Technician</td>
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<td>$72.00</td>
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<tr>
<td>Survey Crew</td>
<td>$105.00</td>
<td>$105.00</td>
<td>$105.00</td>
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</table>
# ATTACHMENT B

## LABOR RATES

**KAPUR & ASSOCIATES, INC.**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Rates</th>
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<td>Environmental Scientist</td>
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<td>Landscape Architect</td>
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<td>GIS Technician</td>
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<td>Staff Engineer</td>
<td>$69.00</td>
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<td>Senior Technician</td>
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Committee: Finance & Judicial

Meeting Date: August 12, 2019

Agenda Item: CVMIC Liability Insurance Renewal

Report Prepared By: Finance Director/Comptroller

**Summary:** Enclosed are the proposed renewal rates for the CVMIC liability policy, which include general, auto, excess, public officials and law enforcement. The renewal amounts are guaranteed for the policy years 2021 & 2022, based on expected number of renewals. The 2021 rate is a .66% ($417.00) increase over 2020, with the 2022 rates increasing by 2.0% ($1,271.00). The City has previously approved liability insurance renewals through 2020. City Administration would also recommend retaining the same deductible level of $25,000.

**Operational Considerations:** This request will allow the City to lock in insurance liability rates through 2022, with very modest increases.

**Fiscal Considerations:** The quoted small premium increases allows the City to budget out to 2022, knowing our liability insurance will not see any sizable increases.

**Requested Action:** Recommend approval of the renewal of our membership with CVMIC for the purpose of attaining liability insurance with guaranteed rates through 2022.
City of Elkhorn
ANNUAL PREMIUMS
Policy Years 2020, 2021, 2022

- **Coverage includes:**
  - General Liability
  - Auto Liability
  - Excess Liability
  - Public Officials Liability
  - Law Enforcement Liability

- **Self-Insured Retention ("SIR")** is available at several levels.

- **Limits of Liability:**
  - $5,000,000 per occurrence excess of SIR.

- **Defense Costs are included in the SIR.**

**ANNUAL PREMIUMS:**

<table>
<thead>
<tr>
<th>Policy Year</th>
<th>(SIR) Occurrence/Aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current SIR</td>
</tr>
<tr>
<td></td>
<td>$25,000</td>
</tr>
<tr>
<td>2020</td>
<td>$63,127</td>
</tr>
<tr>
<td>2021</td>
<td>$63,544</td>
</tr>
<tr>
<td>2022</td>
<td>$64,815</td>
</tr>
</tbody>
</table>

**NOTE:** The premiums stated herein are based on an expected number of renewals and are subject to review, depending on the actual number of renewals. With that qualification, they are guaranteed for the three-year policy period 2020, 2021 and 2022.
ACCEPTANCE

The City of Elkhorn agrees to continue as a member of CVMIC for the policy years 2020, 2021 and 2022 as outlined in Option 1 _____ ($25,000) [or] as outlined in Option 2 _____ ($37,500) (please indicate) at the corresponding guaranteed premiums set forth on the previous page.

ACCEPTED AND AGREED TO this _____ day of ______________________, 2019.
City of Elkhorn

By ____________________________________________
Name

Its ____________________________________________
Title

Cities and Villages
MUTUAL INSURANCE COMPANY

H/Ins.andGrp.Purchase/Repricing/2020-2022

Page 2 of 2
City of Elkhorn

Notification of Auto Physical Damage Dividend Declared by the Board of Directors for the Policy Year Ending 12/31/18

The Auto Physical Damage dividend calculation is based on the Auto Physical Damage Coverage: The Auto Physical Damage dividend paid to your community is based on the financial condition of the company for the year ending 12/31/18. The first 50% of the dividend declared is paid on a level basis, and the balance is based on the loss history of your community. This calculation is reviewed and updated annually, as of December 31st.

Dividend Authority: Section 11. Dividends from the by-laws states “The Board of Directors may declare dividends from surplus held in excess of all liabilities. Dividends shall be in such amount as the Board of Directors shall determine is fair and reasonable and shall not be made contingent upon the continuance or renewal of the policy”.

Recommended Dividend: Staff recommended to the Board of Directors a total dividend of $150,000. This recommendation has been reviewed and approved by the company’s actuary prior to the final approval by the Board of Directors. This dividend was approved by the Board of Directors at their May 15th, 2019 Board of Directors Meeting to be payable March 1, 2020. Your community’s share of this declared dividend is $3,826.

Dividend Options: As part of this Auto Physical Damage dividend declared by the Board of Directors, there are three payment options available to your community. The intention of these options is to provide your community with the broadest possible financial choices. These options are outlined with the Liability Dividend notification. We request that the Member Representative sign, date and return this notification to CVMIC by November 1, 2019 either by mail or PDF to Michelle Voskuil mjv@cvmic.com. If this form is not signed and returned by 11/1/19, CVMIC will pay the dividend as outlined in Option 1.
The City of Elkhorn has reviewed the dividend options that are available and instructs the CVMIC staff to account for the dividend as marked.

**Option 1:** _______ Pay all dividends to my community on March 1, 2020.

**Option 2:** _______ Hold dividends declared for the Liability and/or Auto Physical Damage program *(circle one or both)*, until you are provided further instructions. I understand that interest will be paid based on the rate earned by CVMIC on its investments. I further understand that I will get an annual accounting regarding any open balance.

Accepted and Agreed to This _________ day of ________________________, 2019.

City of Elkhorn

By ________________________________

Name

Its ________________________________

Title
City of Elkhorn

Notification of Liability Dividend Declared by the Board of Directors for the Policy Year Ending 12/31/18

The Liability divided calculation is based on the General Liability, Auto Liability, Excess Liability, Public Official Liability and Law Enforcement Liability Coverage’s.

The Liability dividend paid to your community is based on the financial condition of the company for the year ending 12/31/18. The first 50% of the dividend declared is paid on a level basis, and the balance is based on the loss history of your community. This calculation is reviewed and updated annually, as of December 31st.

Dividend Authority: Section 11. Dividends from the by-laws states “The Board of Directors may declare dividends from surplus held in excess of all liabilities. Dividends shall be in such amount as the Board of Directors shall determine is fair and reasonable and shall not be made contingent upon the continuance or renewal of the policy”.

Recommended Dividend: Staff recommended to the Board of Directors a total dividend of $1,050,000. This recommendation has been reviewed and approved by the company’s actuary prior to the final approval by the Board of Directors. This dividend was approved by the Board of Directors at their May 15th 2019 Board of Directors Meeting to be payable March 1, 2020. Your community’s share of this declared dividend is $14,052.

Dividend Options: As part of this Liability Dividend declared by the Board of Directors, there are three payment options available to your community. The intention of these options is to provide your community with the broadest possible financial choices. These options are outlined below. We request that the Member Representative sign, date and return this notification to CVMIC by November 1, 2019 either by mail or PDF to Michelle Voskuil mjv@cvmic.com. If this form is not signed and returned by 11/1/19, CVMIC will pay the dividend as outlined in Option 1.
The City of Elkhorn has reviewed the dividend options that are available and instructs the CVMIC staff to account for the dividend as marked.

Option 1: Pay all dividends to my community on March 1, 2020.

Option 2: Hold dividends declared for the liability program until you are provided further instructions. I understand that interest will be paid based on the rate earned by CVMIC on its investments. I further understand that I will get an annual accounting regarding any open balance.

Accepted and Agreed to This day of , 2019.

City of Elkhorn

By

Name

Its

Title
Committee: Finance & Judicial

Meeting Date:  August 12, 2019

Agenda Item: CVMIC Dividends

Report Prepared By: Finance Director/Comptroller

Summary: CVMIC has declared a dividend for calendar year 2018, with the City amount being placed at $17,878.00. The Liability dividend is $14,052.00 and the Auto Physical Damage dividend is $3,826. The City has 3 options related to those dividends as depicted on the attached sheets.

The City has chosen for a number of years to retain the funds in our CVMIC fund because of the higher rate of return on their investments. With no impending needs for those funds at this time the recommendation would be to have CVMIV retain the funds and continue to invest in the same manner as other CVMIV investments.

The present value of dividends invested, including the present dividend, is $173,388.54.

Operational Considerations: The City has no immediate need for these funds but will continue to keep apprised of other investment options.

Fiscal Considerations: The City will always be able to access the funds should the need arise.

Requested Action: Recommend the City continue to invest the funds with other CVMIC investments.