

**Memorandum
Human Resources Department**



To: Randy Tweet, City Manager
Subject: Rescinding of IMRF form 6.74 (City Resolution)
Date: June 29, 2020

The Illinois Municipal Retirement Fund (IMRF) conducted a City audit back in August of 2013. An audit issue was auto allowances were not considered as pension earnings due to the City not having a Form 6.74 (Resolution to Include Taxable Auto Allowance as IMRF Earnings) on file with IMRF. IMRF threatened pension reductions of five, current retirees. This was despite the City and employees both making pension contributions on the auto allowance to IMRF.

In January (2014), the City Council approved the auto allowance resolution (Form 6.74 - see attachment). City Council further stipulated that current and future employees were ineligible to have the auto allowance stipend considered as IMRF pensionable wages. As a result, the City and affected employees ceased making pension contributions to IMRF on the auto allowance stipend.

Last October (2019), the Illinois Municipal Retirement Fund (IMRF) again performed an audit of the City. An audit issue was the City was not compliant with Form 6.74 and it was not making pension payment on the auto allowance stipend.

After having additional discussions with IMRF, IMRF is recommending City Council rescinds Form 6.74 with a new resolution and forwards the document to IMRF. The new resolution will stop IMRF's demand for the City to report auto allowance income for affected employees. It will also eliminate this outstanding audit finding.

Recommendation: The Mayor and City Council votes to rescind IMRF Form 6.74 effective January 13, 2014 and approves the attached resolution. Furthermore, the Mayor and City Council directs the Acting City Clerk to complete, sign and forward the resolution and city council meeting minutes to IMRF.

Submitted by: John Thorson, Human Resources Director

Approved by: Randy Tweet, City Manager

City of Rock Island Resolution _____
(Rescinds City Resolution Number: 14-2014)

Whereas, the City Council of the City of Rock Island authorized to include taxable auto allowance as earnings reportable to the Illinois Municipal Retirement Fund (IMRF) effective from March 31, 2003 through January 13, 2014;

Whereas, the City Council of the City of Rock Island indicated in its meeting minutes on January 13, 2014 of its intention to only include taxable auto allowance as earnings reportable to IMRF for currently retired employees receiving an IMRF pension;

Whereas, the City Council of the City of Rock Island instructed the City of Rock Island's IMRF Authorized Agent that taxable auto allowance as earnings reportable to IMRF for pension would no longer be permitted for any current and new employees.

As the result of City Council's instruction, the City of Rock Island's IMRF Authorized Agent ceased allowing taxable auto allowance as pensionable earnings within the City of Rock Island's payroll system; and

Whereas, a law change occurred on August 25, 2017, making auto allowance amounts unreportable for new employees (40 ILCS 5/7-114 (a) (1)).

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Rock Island does hereby elect to exclude taxable auto allowance as earnings reportable to IMRF for pension purposes for any employee eligible for an auto allowance working retroactively on or after January 13, 2014. This resolution does not affect retirees who retired prior to January 13, 2014.

BE IT FURTHER REOLVED that Linda Mohr, Acting City Clerk is authorized and directed to file a duly certified copy of this resolution with IMRF.

CERTIFICATION

I, _____, the Acting City Clerk of the City of Rock Island,
Name

State of Illinois, do hereby certify that I am keeper of its books and records and that the foregoing is a true and correct copy of a resolution duly adopted by its City Council at a meeting duly convened and held on _____ day of July, 2020.

SEAL

Acting City Clerk (signature)



Suggested resolution to include taxable allowances as IMRF earnings

IMRF Form 6.74 (02/08)

PLEASE ENTER Employer IMRF I.D. Number

RESOLUTION

Number 14-2014

WHEREAS, standard member earnings reportable to the Illinois Municipal Retirement Fund do not include expense allowances; and

WHEREAS, the governing body of an IMRF participating unit of government may elect to include in IMRF earnings all taxable expense allowances; and

WHEREAS, the City Council of the City of Rock Island BOARD, COUNCIL, etc.

City of Rock Island is authorized to include taxable expense allowances as earnings reportable to IMRF and it is desirable that it do so.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Rock Island BOARD, COUNCIL, etc.

does hereby elect to include as earnings reportable to IMRF taxable expense allowances effective March 31, 2013.

BE IT FURTHER RESOLVED that Aleasha L. Patchin is authorized and directed to file a duly certified copy of this resolution with the Illinois Municipal Retirement Fund.

CERTIFICATION

I, Aleasha L. Patchin, the City Clerk of the City of Rock Island of the County of Rock Island State of Illinois, do hereby certify that I am keeper of its books and records and that the foregoing is a true and correct copy of a resolution duly adopted by its City Council at a meeting duly convened and held on the 13 day of January, 20 14.

SEAL

Aleasha L. Patchin
CLERK OR SECRETARY OF THE BOARD

Illinois Municipal Retirement Fund
Suite 500, 2211 York Road, Oak Brook Illinois 60523-2337
Member Services Representatives 1-800-ASK-IMRF (1-800-275-4673)
www.imrf.org

**CITY OF ROCK ISLAND
CITY COUNCIL MEETING**

**January 13, 2014
MINUTES**

No vote; those voting Aye being; Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Hotle, Alderman Murphy, Alderman Austin and Alderman Clark; those voting No, none.

a. Report from the Human Resources Department regarding payment in the amount of \$6,264.36 to Kutsunis and Weng P.C. for legal services rendered for the month of December.

b. Report from the Public Works Department regarding payment in the amount of \$22,500.00 to Elliott Equipment for the rental of two refuse packers for the 2013 Fall Leaf Collection.

c. Report from the Public Works Department regarding payment #4 in the amount of \$96,089.17 to Brandt Construction for services provided for the Quad City Botanical Center - Children's Garden project.

Agenda Item #14

Claims for the week of January 3 through January 9 in the amount of \$868,205.61.

Alderman Hotle moved and Alderman Murphy seconded to allow the claims. The motion carried by the following Aye and No vote; those voting Aye being; Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Hotle, Alderman Murphy, Alderman Austin and Alderman Clark; those voting No, none.

Agenda Item #15

Payroll for the weeks of December 23 through January 5 in the amount of \$1,329,998.46.

It was moved by Alderman Murphy and seconded by Alderman Hotle to allow the payroll. The motion carried by the following Aye and No vote; those voting Aye being; Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Hotle, Alderman Murphy, Alderman Austin and Alderman Clark; those voting No, none.

Agenda Item #16

Report from the Public Works Department regarding an agreement with the Illinois Department of Natural Resources for leases to two parcels of land at Hennepin Canal.

Alderman Hotle moved and Alderman Conroy seconded to approve the agreement as recommended and authorize the City Manager to execute the contract documents. The motion carried by the following Aye and No vote; those voting Aye being; Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Hotle, Alderman Murphy, Alderman Austin and Alderman Clark; those voting No, none.

Agenda Item #17

Report from the Human Resources Department regarding a Resolution for the adoption of IMRF Form 6.74 that includes taxable expense allowances reported as IMRF earnings for currently retired employees receiving a pension from IMRF.

**CITY OF ROCK ISLAND
CITY COUNCIL MEETING**

**January 13, 2014
MINUTES**

It was moved by Alderman Austin and seconded by Alderman Tollenaer to approve the recommendation as stated and adopt the resolution. The motion carried by the following Aye and No vote; those voting Aye being; Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Hotle, Alderman Murphy, Alderman Austin and Alderman Clark; those voting No, none.

Agenda Item #18

Report from the Community and Economic Development Department regarding the Jumer's Casino Rock Island TIF Surplus, recommending to declare a surplus of funds in TIF 4 in the amount of \$540,361.07 and authorize a budget adjustment to pay out these funds.

Alderman Hotle moved and Alderman Conroy seconded to declare the surplus of funds as recommended, authorize the budget adjustment and authorize the Finance Director to return these surplus funds to the Rock Island County treasurer for distribution. The motion carried by the following Aye and No vote; those voting Aye being; Alderman Conroy, Alderman Foley, Alderman Tollenaer, Alderman Hotle, Alderman Murphy, Alderman Austin and Alderman Clark; those voting No, none.

Agenda Item #19

Report from the Public Works Department regarding an increase in sewer utility rates, recommending a 3.0% sewer rate increase effective April 1, 2014 and a 3.0% sewer rate increase effective January 1, 2015.

It was moved by Alderman Austin and seconded by Alderman Conroy to approve the sewer rate increases as recommended and refer to the City Attorney for an ordinance.

Discussion followed. Alderman Austin advised that this item has been discussed thoroughly; it impacts everyone. Alderman Austin stated that the City has fiscal policies that dictate funds of this nature; enterprise funds must be self sustaining, and this is an action that needs to be taken. Alderman Austin further discussed this item.

Alderman Conroy stated that water rates will be frozen for the next two years.

Mayor Pauley advised that water rates will actually be frozen this year and for two more years.

After discussion, the motion carried by the following Aye and No vote; those voting Aye being; Alderman Conroy, Alderman Hotle, Alderman Murphy, Alderman Austin and Alderman Clark; those voting No, Alderman Foley and Alderman Tollenaer.

Agenda Item #20

Report from the City Clerk regarding a request from Kavanaugh's Hilltop Tavern to hold an outdoor tented event for St. Patrick's Day on Saturday, March 15, 2014 from 1:00 pm to 11:30 pm at 1228 30th Street.