

# VILLAGE OF ORLAND PARK

14700 Ravinia Avenue  
Orland Park, IL 60462  
[www.orland-park.il.us](http://www.orland-park.il.us)



## Meeting Minutes

Monday, November 5, 2012

6:00 PM

Village Hall

## Finance Committee

*Chairman Brad S. O'Halloran  
Trustees James V. Dodge and Patricia A. Gira  
Village Clerk David P. Maher*

**CALL TO ORDER/ROLL CALL**

The meeting was called to order at 6:15 PM.

**Present:** 2 - Chairman O'Halloran and Trustee Dodge

**Absent:** 1 - Trustee Gira

**APPROVAL OF MINUTES****2012-0593 Approval of the October 1, 2012 Finance Committee Minutes**

I move to approve the Minutes of the Regular Meeting of the Finance Committee of October 1, 2012.

**A motion was made by Trustee Dodge, seconded by Chairman O'Halloran, that this matter be APPROVED. The motion carried by the following vote:**

**Aye:** 2 - Chairman O'Halloran and Trustee Dodge

**Nay:** 0

**Absent:** 1 - Trustee Gira

**ITEMS FOR SEPARATE ACTION****2012-0641 Multi-Purpose Paper Bid 2012 - Approval**

On September 27, 2012 an invitation to Bid was issued for Multi-Purpose Paper and sent to eight vendors in addition to our current vendor, Warehouse Direct. Pricing was requested for regular copier paper and various weights of colored paper. Only one response was received from Warehouse Direct. Attached is the pricing from Warehouse Direct for the various types of paper.

It is likely that we only received one bid because there is a very small profit margin on paper. These companies make their profit from the sale of office supplies. If these other vendors could also have our office supply business, then they would bid for the paper as well. In addition, some vendors are not willing to commit to a price for the entire year as they want to pass along the price increases to the customer as they happen. Our contract only allows a once a year increase upon renewal.

I move to recommend to the Board to approve the Multi-Purpose Paper Contract with Warehouse Direct for 2013 at the above stated per unit rates for a one-year term with automatic renewal for two (2) additional one year periods

And

To authorize the Village Manager to execute the agreement.

**A motion was made by Trustee Dodge, seconded by Chairman O'Halloran, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion carried by the following vote:**

**Aye:** 2 - Chairman O'Halloran and Trustee Dodge

**Nay:** 0

**Absent:** 1 - Trustee Gira

#### **2012-0651 FY2013 Liability Insurance Renewal - Approval**

Finance Director Annmarie Mampe reported that the Horton Group has provided the Village with its renewal premium amounts for Fiscal Year 2013 for all property and liability insurance policies, including Excess Worker's Compensation. A summary renewal packet was attached to this agenda packet for reference purposes.

Overall, the Village's FY2013 liability and property premiums decreased approximately \$9,600 as compared to FY2012 premiums. Savings are due to a decrease in the Excess Worker's Compensation premium of approximately \$4,100 and a decrease in Horton's Annual Service Fee of \$5,500. All other premiums remained constant. In addition, retention amounts (deductibles) on each of the lines remained the same, with the exception of Worker's Compensation; these retention amounts increased from \$500,000 to \$550,000 for police employees and from \$425,000 to \$500,000 for all other employees. Although increased, these retention amounts are still below those offered by Safety National to many of their other municipal clients.

Mr. Michael Gleason from the Horton Group was present to explain the renewal process and answer any questions.

I move to recommend to the Board to approve the property and liability insurance carriers and premiums, in the amount of \$857,430, as presented by the Horton Group.

**A motion was made by Trustee Dodge, seconded by Chairman O'Halloran, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion carried by the following vote:**

**Aye:** 2 - Chairman O'Halloran and Trustee Dodge

**Nay:** 0

**Absent:** 1 - Trustee Gira

#### **2012-0656 Employee Insurance Renewal FY2013 - Approval**

Director Mampe reported that the Horton Group completed a market analysis on behalf of the Village of Orland Park and has provided final recommendations for the January 1, 2012 renewal of the following benefit programs:

- Medical/RX
- Dental
- Vision
- Life and AD&D
- STD - ASO
- Flexible Spending Account (FSA)
- Employee Assistance Program (EAP)
- Crisis Response Program (Community)
- Virgin Health Miles (Wellness Initiative)
- CHC Biometric Screenings (Wellness Initiative)

A summary of these recommended options is attached to this agenda packet for reference.

Based on the final analysis provided by The Horton Group, the following carriers/vendors associated with each benefit offering effective 01/01/2013 are being recommended:

- BlueCross BlueShield of Illinois (Medical/RX) - New Carrier
- Delta Dental of Illinois (Dental)
- EyeMed (Vision)
- Dearborn National (Life/AD&D)
- Guardian (STD - ASO)
- Allied Benefit Systems (Flexible Spending Account Administration)
- Metro Family Services (Employee Assistance Program)
- Metro Family Services (Crisis Response Program - Community)
- Virgin HealthMiles (Pedometer and Rewards Program - Wellness Initiative)
- CHC (Biometric Screenings - Wellness Initiative)
- The Horton Group (Benefit Consultant)

A summary of the projected annual expense for each benefit offering is provided in an attachment to this Committee packet.

The Village's Medical/Rx plan is self-funded and is administered by an insurance carrier in order to provide the appropriate medical networks and administrative services. Proposals for the FY2013 Medical/Rx insurance administrator renewal are based on the carriers' estimations of the Village's expected claims for the year, stop loss coverage, and run-in claims. To ensure the best possible pricing, The Horton Group works on behalf of the Village to negotiate with carriers to obtain best and final offers.

The proposal provided by Aetna the incumbent carrier represented a 9.9% increase over FY2012. BlueCross BlueShield of Illinois (BCBS) presented the most competitive proposal resulting in a flat renewal. The BCBS proposal accounts for expected claims, stop loss coverage, run-out claims liability, run-out

claims administration and large claim liability that will present in the new plan year. The proposal includes maintaining our current HDHP/HSA, Silver, Gold and HMO plan designs. The BCBS renewal provides for a \$5,307,285 renewal, which as previously stated is significantly less than the proposal offered by the Village's current carrier. As a result, it is recommended that the Village contract with BlueCross BlueShield of Illinois to provide the administration of the medical/RX program.

Effective January 1, 2013, non-union and IBEW employee premium contributions will continue to be based on a percentage of the overall premium cost and participation by the employee and their enrolled spouse in the biometric screenings. A healthcare equalizer for non-union and IBEW employees has been included in the initial draft of the FY2013 budget to help equalize the employee premium expense amongst employee groups. Non-union and IBEW employee contributions are as follows for each medical plan offering:

- HDHP/HSA 3%
- HMO 10%
- Silver Plan 10%.
- Gold Plan - Employees will contribute the difference between the cost to the Village of the PPO (Silver) and the current PPO (Gold) which ranges from 20% for single coverage to 30% for family coverage.

Employees in the Police Supervisors group will make employee contributions based on flat rates which are outlined in the Collective Bargaining Agreement covering the period of May 1, 2011 through April 30, 2015. Other employees covered by labor agreements not specified above will make payments for insurance as outlined in the applicable labor agreements, pending negotiations. A spreadsheet outlining the employee contributions is attached for your reference.

Mr. Michael Wojcik from the Horton Group was present to explain the renewal process and answer any questions.

This agenda item has also been added to the Village Board of Trustees meeting on November 5, 2012 - contingent upon receiving approval at the Finance Committee meeting.

I move to recommend to the Board to approve the recommended carriers/vendors and associated expenses with each effective January 1, 2013.

**A motion was made by Trustee Dodge, seconded by Chairman O'Halloran, that this matter be RECOMMENDED FOR APPROVAL to the Board of Trustees. The motion carried by the following vote:**

**Aye:** 1 - Trustee Dodge

**Nay:** 0

**Abstain:** 1 - Chairman O'Halloran

**Absent:** 1 - Trustee Gira

**ADJOURNMENT - 6:27 PM**

**A motion was made by Trustee Dodge, seconded by Chairman O'Halloran, that this matter be ADJOURNED. The motion carried by the following vote:**

**Aye:** 2 - Chairman O'Halloran and Trustee Dodge

**Nay:** 0

**Absent:** 1 - Trustee Gira

/nm

APPROVED:

Respectfully Submitted,

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**David P. Maher, Village Clerk**