

VILLAGE OF ORLAND PARK

14700 Ravinia Avenue
Orland Park, IL 60462
www.orland-park.il.us



Meeting Minutes

Monday, October 7, 2013

6:00 PM

Village Hall

Finance Committee

Chairman (Vacant)
Trustees James V. Dodge and Patricia A. Gira
Village Clerk John C. Mehalek

CALL TO ORDER/ROLL CALL

The meeting was called to order at 6:35 PM.

Present: 2 - Trustee Dodge and Trustee Gira

APPOINT TEMPORARY CHAIRMAN

I move to approve appointing Trustee Dodge as Temporary Chairman for this meeting.

A motion was made by Trustee Gira, seconded by Trustee Dodge, that this matter be APPROVED. The motion carried by the following vote:

Aye: 2 - Trustee Dodge and Trustee Gira

Nay: 0

APPROVAL OF MINUTES**2013-0450 Approval of the July 1, 2013 Finance Committee Minutes**

I move to approve the Minutes of the Regular Meeting of the Finance Committee of July 1, 2013.

A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be APPROVED. The motion carried by the following vote:

Aye: 2 - Trustee Dodge and Trustee Gira

Nay: 0

ITEMS FOR SEPARATE ACTION**2013-0581 PTAB Appeals Intervention Costs - Intergovernmental Agreement**

The Village Board has previously authorized Intergovernmental Agreements between the Village, the Orland Park Public Library and the Orland Park Fire Protection District in order to formalize cost sharing agreements between the three parties with regard to all Property Tax Appeals Board appeal interventions handled by Klein, Thorpe and Jenkins (KTJ) involving tax years 2007, 2008, 2009 and 2010. This has allowed us to share costs incurred in these interventions that affect each of our assessed valuations and property tax collections. At the time these agreements were entered into, School District 135 and 230 had their own representation and choose not to join our cost sharing consortium.

Recently, KTJ contacted the Village to determine if we want to continue the cost sharing agreement going forward with the addition of School District 135 and 230. The cost sharing allocation would be based on 2010 tax rates, with costs allocated as follows - SD 135 42%, SD 230 31%, OFPD 15%, Village of Orland Park 8.5% and Orland Park Public Library 3.5%. Going forward, the allocation

would be reevaluated each year based on the prior year's final tax rate and adjusted if there is a material difference in allocation.

I move to recommend to the Village Board to approve the Intergovernmental Agreement titled: INTERGOVERNMENTAL AGREEMENT FOR THE COST-SHARING OF PTAB APPEAL INTERVENTION COSTS.

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

Aye: 2 - Trustee Dodge and Trustee Gira

Nay: 0

2013-0477 Deferred Compensation Plan 457(b) Plan

The village currently offers 457(b) deferred compensation plans through the following providers, ICMA-RC, Nationwide, and MassMutual (formerly The Hartford). Retirement Plan Advisors (RPA) serves as the authorized provider of investment advisory services for the MassMutual plan. Staff proposes to add AXA as a fourth deferred compensation plan option. This addition will provide employees an additional choice in deciding where to invest their retirement dollars.

AXA Equitable with a heritage of over 150 years, AXA Equitable stands among the nation's premier providers of life insurance and annuity products with 75 years of retirement plan expertise. AXA consistently earned high marks from A.M. Best Co., Fitch, Moody's, Standard & Poor's ranging from Aa3 to A+.

AXA will be able to provide expertise to manage all aspects of the Village's 457 program including administration, fiduciary responsibilities, investment selection, and employee education.

I move to recommend to the Village Board to approve authorizing the addition of AXA Advisors as a deferred compensation plan provider.

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

Aye: 2 - Trustee Dodge and Trustee Gira

Nay: 0

2013-0597 Employee Benefits Renewal FY2014

The Horton Group completed a market analysis on behalf of Village of Orland Park and has provided final recommendations for the 01/01/2014 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 item for reference.

Based on the final analysis provided by The Horton Group, the following carriers/vendors associated with each benefit offering effective 01/01/2014 are being recommended:

- BlueCross BlueShield of Illinois (Medical/RX)
- 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 below.

<u>Line of Coverage</u>	<u>Annual Expense</u>	<u>Comments</u>
Medical/RX	\$5,424,458	0% increase
Dental	\$275,419	6.72% increase overall
Vision	\$36,475	0% increase
Life and AD&D	\$63,967	18.42% decrease
FSA	\$3,000	0% fee increase, assumes 36 fees at 5.75 pepm, and \$500 adm.
STD - ASO	\$3,787	\$1,400 increase over 2013
Virgin Health Miles	\$22,000	20% decrease
CHC Wellness	\$35,000	Expect 100 new participants (235 in 2013) at \$105 per screening
Horton Retainer	\$57,500	no change, quarterly payments of \$14,375

EAP	\$19,500	no change
Crisis Response	\$30,000	no change

As you know, the Village Medical/Rx plan is self-funded and is administered by an insurance carrier to provide the appropriate medical networks and administrative services. Proposals for the FY2014 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 the best and final offers.

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, Affordable Care Act (ACA) fees and a general health insurance reserve. The proposal includes maintaining our current HDHP/HSA, Silver, Gold and HMO plans. Slight modifications have been made to the plan designs in accordance with the Affordable Care Act (ACA) and collective bargaining agreements.

Effective 01/01/2014, 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 preparation of the FY2014 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 AFSCME, Deputy Chief and Commanders, and Police Supervisors groups will make employee contributions based on flat rates which are outlined in the collective bargaining agreements effective, May 1, 2011 through April 30, 2015. These rates include a wellness incentive rate for those employees that participate in the biometric screening. Other employees covered by labor agreements but not specified above will make insurance contributions as outlined in their labor agreements, pending interest arbitration.

In addition, \$117,000 is included in the Insurance Fund for the employer seeding of the HSA accounts for those employees enrolled in the High Deductible Plan.

Mr. Michael Wojcik from the Horton Group was present at the Finance Committee

meeting to explain the renewal process and results and answer any questions.

I move to recommend to the Village Board to approve agreements with the recommended carriers/vendors and associated expenses effective January 1, 2014.

And

To retain the Horton Group's services at the recommended rate for FY2014.

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

Aye: 2 - Trustee Dodge and Trustee Gira

Nay: 0

ADJOURNMENT - 6:38 PM

A motion was made by Trustee Dodge, seconded by Trustee Gira, that this matter be ADJOURNED. The motion carried by the following vote:

Aye: 2 - Trustee Dodge and Trustee Gira

Nay: 0

/nm

APPROVED: November 4, 2013

Respectfully Submitted,

/s/ John C. Mehalek

John C. Mehalek, Village Clerk