

VILLAGE OF ORLAND PARK

14700 Ravinia Avenue
Orland Park, IL 60462
www.orlandpark.org



Meeting Minutes

Monday, October 1, 2018

6:00 PM

Village Hall

Finance Committee

*Chairman Michael F. Carroll
Trustees Patricia A. Gira and Daniel T. Calandriello
Village Clerk John C. Mehalek*

CALL TO ORDER/ROLL CALL

The meeting was called to order at 6:08 P.M.

Present: 2 - Chairman Carroll and Trustee Calandriello

Absent: 1 - Trustee Gira

APPROVAL OF MINUTES**2018-0667 Approval of the September 4, 2018 Finance Committee Minutes**

I move to approve the Minutes of the Regular Meeting of the Finance Committee of September 4, 2018.

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

Aye: 2 - Chairman Carroll, and Trustee Calandriello

Nay: 0

Absent: 1 - Trustee Gira

ITEMS FOR SEPARATE ACTION**2018-0647 Audit Services Proposal - Approval**

Director of Finance of Annmarie Mampe reported that on July 20, 2018, the Village issued an RFP for Professional Auditing Services. In response to this RFP, seven (7) audit firms submitted proposals, including Baker Tilly Virchow Krause, BKD, Clifton Larson Allen, Crowe, John Kasperek Co, Lauterbach and Amen, and Sikich. Baker Tilly Virchow Krause has been the Village's auditor for the last six (6) years. Of these firms, two (2) were selected for an interview, BKD and Sikich. The most important criteria for selecting firms for interviews was the number and complexity of current municipal clients listed in the firms proposal and staff's comfort level with the firm's ability to provide quality audit services.

Based upon the results of the interviews, as well as feedback received from references listed in the proposals, staff recommends BKD. BKD has extensive experience in providing audit services to a large of number of municipal clients, including the Villages of Bolingbrook, Downers Grove, and New Lenox. Staff recommends entering into a two (2) year contract for the FY18 and FY19 audits, with the option to renew for three (3) additional fiscal years. Audit fees quoted in the proposal are as follows: FY18 - \$51,325, FY19 - \$53,105, FY20 - \$55,945, FY21 - \$56,835, FY22 - \$58,795. The fee amounts listed include Single Audit services; if a Single Audit is not required, actual fees will be approximately \$6,000 less each fiscal year.

Chairman Carroll had comments. (refer to audio file)

I move to recommend to the Village Board of Trustees to approve BKD to provide professional auditing services to the Village for FY18 and FY19, in an amount not to exceed \$51,325 and \$53,105, respectively, with the option to renew for an additional three (3) years in the amount not exceed \$55,945 for year three (3), \$56,835 for year four (4) and \$58,795 for year five (5).

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

Aye: 2 - Chairman Carroll, and Trustee Calandriello

Nay: 0

Absent: 1 - Trustee Gira

2018-0657 Budget Adjustments 3rd Quarter 2018 - Approval

Director of Finance Annmarie Mampe reported that a detailed spreadsheet (by fund) of budget adjustments is attached to the Committee Packet showing an increase in revenues of \$504 and an increase in expenditures of \$504.

The increase in revenues is due to the following:

- Increase revenue from the Secret Service grant in the amount of \$504.
- Decrease transfer from Home Rule Sales Tax Fund to General Fund in the amount of \$100,000 and increase transfer from Home Rule Sales Tax Fund to Capital Improvement Fund in the amount of \$100,000.

The increase in expenditures is due to the following:

- Increase expenditures related to the Secret Service grant in the amount of \$504.
- Decrease transfer from Home Rule Sales Tax Fund to General Fund in the amount of \$100,000 and increase transfer from Home Rule Sales Tax Fund to Capital Improvement Fund in the amount of \$100,000.
- Transfer the budget related to the demolition of properties from the General Fund to the Capital Improvement Fund in the amount of \$100,000.
- Transfer the budget for the Email Blast Software from the Recreation & Parks Fund to the General Fund in the amount of \$1,347.

I move to recommend to the Village Board of Trustees to approve increasing the FY2018 revenue budget by \$504 and increasing the FY2018 expenditure budget by \$504.

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

Aye: 2 - Chairman Carroll, and Trustee Calandriello

Nay: 0

Absent: 1 - Trustee Gira

2018-0679 Village of Orland Park Employee Insurance Renewal FY2019

Director of Human Resources Stephana Przybylski 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, 2019 renewal of the following benefit programs:

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

Based on the final analysis provided by The Horton Group, the following carriers/vendors associated with each benefit offering are being recommended effective January 1, 2019:

- BlueCross BlueShield of Illinois (Medical/RX)
- Delta Dental of Illinois (Dental)
- EyeMed (Vision)
- Discovery Benefits (Flexible Spending Account Administration)
- Metropolitan Family Services (Employee Assistance Program)
- Virgin Pulse (Pedometer and Rewards Program - Wellness Initiative)
- CHC (Biometric Screenings - Wellness Initiative)
- The Horton Group (Benefit Consultant)

Attached to the Committee Packet is a summary of the renewal for each benefit offered. Actual budgeted amounts will be adjusted to reflect the number of participants per plan. Overall, this is a favorable renewal resulting in an approximate 6% decrease in insurance fund expenses. A long term focus on our employee benefit strategy of consumerism, choice, and wellness along with the reduction of lives on the plan in 2019 contributed to the decrease. This summary also includes Trinity Services, the current provider of 24/7 crisis response services, for the Police Department and Village employees. The Police Department has applied for a grant to help offset the cost of these services.

The Village Medical/Rx plan is self-funded and administered by an insurance carrier to provide the appropriate medical networks and administrative services.

Proposals for the FY2019 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.

BlueCross BlueShield of Illinois (BCBS) presented a renewal resulting in a decrease in expected plan exposure, as well as the premium equivalents. BCBS proposed options account for expected claims, stop loss coverage, Affordable Care Act (ACA) fees and a general health insurance reserve, as well as the reduction in lives covered on the plan. The recommended option includes maintaining the current HDHP/HSA, Silver PPO, and HMO plans, as well as adding a Blue Advantage HMO and eliminating the Gold PPO for non-union employees. In addition, starting January 1, 2019 the Orland Park Public Library will no longer participate in the Village's employee benefit program.

Effective January 01 2019, non-union 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 wellness screenings. The non-union employee premium contribution percentage share will be adjusted to industry standards as outlined in the attached chart.

Employees in the IBEW, AFSCME, Deputy Chief and Commanders, Metropolitan Alliance of Police (MAP), and Police Supervisors groups will make employee contributions based on the percentages or rates outlined in the collective bargaining agreements effective, May 1, 2015 - April 30, 2019. These rates include a wellness incentive rate for those employees that participate in the biometric wellness screening.

In addition, \$232,400 is included in the Insurance Fund for Village funding of the HSA accounts for those employees enrolled in the HDHP/HSA Plan.

Mr. Michael Wojcik from the Horton Group was present at the Finance Committee meeting on October 1, 2018 to explain the renewal process, results, and to answer any questions.

Chairman Carroll and Trustee Calandriello had comments. (refer to audio file)

Director Przybylski had additional comments. (refer to audio file)

I move to recommend to the Village Board to approve agreements with the recommended carriers/vendors and associated expenses effective January 1, 2019.

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

Aye: 2 - Chairman Carroll, and Trustee Calandriello

Nay: 0

Absent: 1 - Trustee Gira

ADJOURNMENT: 6:15 P.M.

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

Aye: 2 - Chairman Carroll, and Trustee Calandriello

Nay: 0

Absent: 1 - Trustee Gira

2018-0683 Audio Recording for the October 1, 2018 Committee Meetings - Finance, Parks & Recreation, Public Safety

NO ACTION

/AS

Respectfully Submitted,

John C. Mehalek, Village Clerk

Casey Griffin, Deputy Village Clerk