

VILLAGE OF ORLAND PARK

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



Meeting Minutes

Monday, August 16, 2021

7:00 PM

Village Hall

Board of Trustees

*Village President Keith Pekau
Village Clerk Patrick R. O'Sullivan
Trustees, William R. Healy, Cynthia Nelson Katsenes, Michael R. Milani,
Sean Kampas, Brian Riordan and Joni Radaszewski*

CALL TO ORDER/ROLL CALL

The meeting was called to order at 7:01 P.M.

Present: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski and Village President Pekau

VILLAGE CLERK'S OFFICE**2021-0596 Approval of the August 2, 2021, Regular Meeting Minutes**

The Minutes of the Regular Meeting of August 2, 2021, were previously distributed to the members of the Board of Trustees. President Pekau asked if there were any corrections or additions to be made to said Minutes. There being no corrections or additions,

I move to approve the minutes of the Board of Trustees Meeting of August 2, 2021.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

2021-0595 Approval of the August 6, 2021, Special Meeting Minutes

The Minutes of the Special Meeting of August 6, 2021, were previously distributed to the members of the Board of Trustees. President Pekau asked if there were any corrections or additions to be made to said Minutes. There being no corrections or additions,

I move to approve the minutes of the Board of Trustees Special Meeting of August 6, 2021.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

PROCLAMATIONS/APPOINTMENTS/PRESENTATIONS**2021-0610 Proclamation Honoring Rutledge Printing as Orland Park Business of the Month- August, 2021**

Mayor Pekau honored Rutledge Printing with Orland Park Business of the

Month-August, 2021.(refer to audio)

Rutledge Printing has been serving the community since 2008 and we congratulate them for celebrating over 89 years as a family owned business. Rutledge Printing made Orland Park their home in 2008 and provides service to our community with knowledgeable staff and excellent customer service.

This item was a presentation. NO ACTION was required.

ACCOUNTS PAYABLE

2021-0606 Accounts Payable - Approval

The lists of Accounts Payable having been submitted to the Board of Trustees for approval and the lists having been determined by the Board of Trustees to be in order and having been approved by the various Department Heads,

I move to approve the Accounts Payable from August 2, 2021 through August 15, 2021 in the amount of \$5,047,084.84.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

CONSENT AGENDA

Passed the Consent Agenda

A motion was made by Trustee Milani, seconded by Trustee Kampas, to PASS THE CONSENT AGENDA, including all the following items marked as having been adopted on the Consent Agenda. The motion carried by the following vote:

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

2021-0607 Payroll - Approval

I move to approve the Bi-Weekly Payroll for August 6, 2021 in the amount of \$1,406,683.79

This matter was APPROVED on the Consent Agenda.

2021-0599 Orland Park History Museum Night Out - Raffle License

I move to approve waiving the \$10 license fee and fidelity bond requirement.

This matter was APPROVED on the Consent Agenda.

2021-0608 Orland Park Veterans Golf Classic - Raffle License

I move to approve the Orland Park Veterans Commission's request to waive the fidelity bond requirement and the \$10 license fee.

This matter was APPROVED on the Consent Agenda.

TECHNOLOGY, INNOVATION AND PERFORMANCE IMPROVEMENT**2021-0590 RFP 21-034 Internet and SIP Data Circuit Services Vendor Award Recommendation**

The Village's existing Primary Rate Interface (PRI) telecommunications circuits will need to be replaced with new Session Initiation Protocol (SIP) circuits which are required to support the Village's new Cisco Voice over Internet Protocol (VoIP) telecommunications platform being implemented in 2021. Additionally earlier this year, the Village experienced an Internet outage that negatively impacted Village services. If the Village had a redundant internet circuit located at another facility, services would not have been affected. Therefore, to resolve both these issues, an RFP was issued June 7, 2021 for a vendor to provide two (2) SIP circuits and two (2) Internet circuits.

Five vendor proposals (EXHIBITS A-F) were received by the June 24, 2021 deadline. The evaluation team reviewed these vendor proposals and short-listed two finalists, AT&T and Comcast Business. A detailed report of the evaluation teams assessment of these vendors is attached as EXHIBIT G. The evaluation team selected AT&T and Comcast Business as finalists because these firms met all the Village's requirements using their own network infrastructure, which Call One, Coeo Solutions and Granite Telecommunications could not do. Representatives from both AT&T and Comcast Business presented their proposals and answered questions from evaluation team members during in-person interviews. The evaluation team met again after these interviews and narrowed their requirements to the following: a five-year contract; each circuit coming from a different Central Office/Head-end for redundancy; Distributed Denial of Service (DDoS) protection; and pricing for 250MB/300MB and 500MB Internet services. These requirements were incorporated into a Best and Final Offer (BAFO) requests to Comcast Business and AT&T who each responded with their revised proposals (EXHIBITS A & E) by August 4, 2021.

The evaluation team evaluated both BAFO proposals. Staff concluded that two (2) 250-300MB Internet circuits would satisfy the Village's current and future usage

requirements. Comcast Business offered 50MB more bandwidth per Internet circuit than AT&T (250MB) for less cost. The team also identified that the Comcast Business offered comparable services annually for \$15,947.28 less cost than AT&T. Therefore, staff recommends the Board of Trustees award a five-year contract to Comcast Business to provide services for two (2) 300MB Internet circuits and two (2) SIP circuits containing thirty (30) call paths each.

On August 10, 2021 this item was reviewed by the Technology Commission, recommended for approval and referred to the Village Board of Trustees for consideration.

Trustee Riordan had questions. (refer to audio)

President Pekau and Village Manager George Koczwara responded to Trustee Riordan. (refer to audio)

Trustee Kampas had comments and questions. (refer to audio)

Village Manager Koczwara responded to Trustee Kampas. (refer to audio)

Trustee Milani had comments. (refer to audio)

I move to accept the recommendation of the Technology Commission and approve a five-year contract with Comcast Business for \$197,760.00 plus monthly usage, taxes, and fees;

And,

To authorize the Village Manager to execute all related contracts subject to Village Attorney review.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

PUBLIC WORKS

2021-0246 Civic Center and FLC Boiler Replacements - ITB #21-036

On June 16, 2021, the Public Works Department issued Invitation to Bid (ITB) #21-036 for replacement of the existing boilers at the Civic Center and Franklin Loebe Recreation Center (FLC). The boilers at both buildings have reached the end of their life cycles and are in need of replacement. The scope of work detailed in the ITB includes all mechanical equipment, duct work, piping, and demolition

associated with the project. The project bid documents were completed by the Farnsworth Group with input from Public Works Staff.

The schedule for this project was originally spread out over two (2) years (Civic Center in 2021 and FLC in 2022). However, as the Village Hall, Civic Center, and FLC Soffit Repair project will be deferred until 2022, due to higher than expected bid pricing, funding from that project plus funding allocated in 2021 for boiler replacements are available to complete both boiler projects this year.

During the two (2) weeks that the bid was open for review, eighty-five (85) firms downloaded either partial or complete bid packages. ITB 21-036 was opened on July 2, 2021, at which point three (3) firms had submitted bids. All three (3) bid packages, as well as an audit of the bid submittals, are attached for reference. A summary of the bid prices is provided below:

Mechanical Inc. DBA Helm Mechanical: \$397,800.00
Oak Brook Mechanical Services, Inc.: \$435,500.00
Monaco Mechanical, Inc.: \$442,000.00

Based on pricing and firm qualifications, staff recommends approving the bid from Mechanical Inc. DBA Helm Mechanical for \$397,800.00, plus a 5% (\$19,890.00) contingency, for a total project cost of \$417,690.00.

Due to timing of construction, this item was reviewed by the Committee of the Whole and the Village Board of Trustees on the same night.

I move to approve awarding ITB 21-036 to Mechanical Inc. DBA Helm Mechanical of Westmont, IL for an amount of \$397,800.00 plus a 5% contingency for \$19,890.00 for a total not to exceed amount of \$417,690.00;

And,

Authorize the Village Manager to execute an agreement with Mechanical Inc. DBA Helm Mechanical for boiler replacement services, subject to Village attorney review;

And,

To authorize the Village Manager to approve change orders not to exceed the contingency amount.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

2021-0243 FLC, Civic Center and Village Hall Soffit Repairs ITB 21-039 - Rejection

On June 16, 2021, the Public Works Department issued Invitation to Bid (ITB) #21-039 for the replacement of the soffits at Franklin Loebe Recreation Center (FLC), Civic Center, and Village Hall. The project scope of work included repair and replacement of failing soffits, fascia, and insulation system at FLC, Village Hall, and Civic Center. These soffits are original to the buildings (which were constructed in 1987) and have deteriorated in several locations. The project bid documents were completed by Studio GC with input from Public Works Staff.

During the two (2) weeks that the bid was open for review, sixteen (16) firms downloaded either partial or complete bid packages. ITB 21-039 was opened on July 19, 2021, at which point only one (1) firm had submitted a bid. The submitted bid package, as well as an audit of the bid submittals, is attached for reference. A summary of the bid price is provided below:

Ward Contracting and Building Restoration, Inc.:
\$1,749,000.00 (plus \$565,760.00 for Alternate #1)

Due to higher than expected bid pricing, staff recommends rejecting the bid from Ward Contracting. Staff is anticipating a better bidding environment next year, and as such, plans to request funding for soffit repairs at all three (3) buildings in 2022.

President Pekau had comments and questions. (refer to audio)

Village Manager George Koczwara responded to President Pekau. (refer to audio)

I move to reject the one (1) bid received for ITB 21-039 FLC, Civic Center, and Village Hall Soffit.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

2021-0264 Public Works Building HVAC Improvements - Equipment

Many components of the existing HVAC system at the Public Works (PW) building, including roof top units (RTUs) and unit heaters, have reached the end of their life cycles. For example, the typical lifespan of an RTU is 15 - 20 years; the RTUs at PW are original to the construction of the building in 1993 (28 years). Furthermore, the units are highly inefficient compared to modern equipment, do not provide heating/cooling to all areas of the building, and have become

increasingly expensive to maintain.

As such, NRF Staff have researched options to improve the efficiency of the HVAC system for the entire PW facility, to reduce maintenance costs and improve the functionality of the Vehicles and Equipment garage HVAC system.

Staff began this process by reaching out to ComEd through their Energy Efficiency Program. ComEd subsequently connected PW Staff with Trane U.S. Inc., who participate in a purchasing cooperative (Omnia Partners), and whose equipment PW Staff have had positive experience with in the past. Trane equipment is also compatible with the building automation system (BAS) improvements currently underway at several Village facilities.

Ultimately, this project involves three (3) components: 1) the procurement of HVAC equipment, 2) the installation of the HVAC equipment, and 3) the installation of an electrical service to support the new HVAC system. ITBs will be issued shortly for the installation and electrical service aspects of the project, but due to the lead time for the RTUs themselves, Staff recommends proceeding with the procurement of the HVAC equipment in advance of the installation and electrical ITBs.

Trane U.S. Inc. participates in the Omnia Partners Co-Op program, which offers HVAC products to the public sector through contract 15-JLP-023. NRF Staff worked with the local Trane sales representative to obtain a co-op proposal for the HVAC equipment necessary to complete the intended improvements, at a cost of \$111,251.61.

The quote provided by Trane includes all materials and equipment required to provide improved heating and cooling at PW, including nine (9) new RTUs, twenty (20) new unit heaters, and nine (9) curb adapters. Staff recommends approving quote number 30-192278-21-001 dated June 28, 2021 from Trane U.S. Inc. via Omnia Partners Co-Op Contract 15-JLP-023 for \$111,251.61 for the RTUs and related equipment required to complete the Public Works HVAC improvements.

It should also be noted that an additional advantage of this project is that, by completing the HVAC improvements at PW, the Village would qualify for a ComEd Comprehensive Energy Savings Bonus, which is an additional 20% incentive when three (3) or more projects are completed at the same facility. As the Village is currently working on two (2) other energy efficiency projects at PW (BAS and LED High Bay Lighting Upgrades), the proposed HVAC improvements would represent the third. The anticipated rebate once these projects are complete is \$39,852.00 which will offset some of the cost of the project.

I move to approve to use Omnia Partners Co-Operative Contract #15-JLP-023 for the purchase of Trane HVAC equipment for an amount of \$111,251.61;

And,

To authorize the Village Manager to execute an agreement with Trane U.S. Inc. for the purchase of HVAC equipment.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

DEVELOPMENT SERVICES AND PLANNING

2021-0530 Woodland Avenue Lot Consolidation - Lots 33 through 36 - Development Petition for Plat of Consolidation

The petitioner is proposing to consolidate four (4) nonconforming adjacent lots into one (1) conforming lot for the purpose of constructing a new single-family home. Approval of the single-family home or any other structure is not part of this petition and will be reviewed by Development Services Department via the permit process.

The Peoples Orland Park Addition was established in 1894, via the recording of a Subdivision Plat. The original platted lots measured twenty-five (25) feet wide and one-hundred (100) feet long. As such, these lots are existing nonconforming vacant lots as bulk regulations cannot be met. The present petition is to create a single conforming lot on which a conforming structure can be constructed.

Overall, the project conforms to the Village's Comprehensive Plan, Land Development Codes and policies for this area.

President Pekau had questions. (refer to audio)

Director of Development Services Ed Lelo responded to President Pekau. (refer to audio)

Regarding Case Number 2021-0530, also known as Woodland Avenue Lot Consolidation, I move to accept and make findings of fact as discussed at the Plan Commission meeting and within the Staff Report, dated August 3, 2021;

And,

I move to approve the Plat of Consolidation titled "Woodlands Plat of Consolidation", prepared by Martin M. Engineering, Inc., dated July 20, 2021, and last revised on August 10, 2021.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

PARKS AND RECREATION

2021-0611 Rech Entertainment Company LLC, Addendum

The Village of Orland park entered into an agreement (see attached) with Rech Entertainment Company, LLC to provide contract, rider, show advance, and to coordinate and execute day of show hospitality and back of house services in support of the 2021 Centennial Park West Concert Series.

As noted in the agreement, the Village will pay Rech Entertainment 10% of the total artist fees. The original contractual amount due to Rech Entertainment was \$17,470. Due to changes in artists for the June 26th concert and the addition of the September 5th concert, the total contractual 10% fee due to Rech Entertainment has decreased to \$15,620. A 50% deposit (\$11,646), based on the original contract amount was made on June 26, 2021. The balance is payable in one-third increments (July: \$2911.67; August: \$1062.33) after each of the subsequent concert dates.

Additional fees due to Rech Entertainment are reimbursement expenses for transportation, day of show hospitality for artists, the hospitality manager, a production manager, day of show runners, security and hotel. Please note, transportation costs for the August and September concerts are being paid directly to the transportation vendor.

Below, please find a summary of contractual and reimbursable expenses due to Rech Entertainment from the June 26th concert, as well as estimated expenses for the August 14th and September 5th concerts.

June 26, 2021

Rech Entertainment one-third of 10% Artist performance fee: \$5,650

Hospitality Manager: \$402.50

Production Manager: \$2,602.50

Stage Hands: \$805

Runners: \$402.50

Security: \$402.50

Day of Show Hospitality: \$605.96

Transportation: \$2,250

Actual Total Fees for June 26, 2021: \$13,120.96

August 14, 2021

Rech Entertainment 10% of performance fee: \$6,500

Hospitality Manager: \$400

Production Manager: \$2,200

Stage Hands: \$800

Runners: \$300

Security: \$800

Day of Show Hospitality: \$1,500

Estimated Total Fees for August 14, 2021: \$12,500

September 5, 2021

Rech Entertainment 10% of performance fee: \$3,470

Hospitality Manager: \$400

Production Manager: \$2,200

Stage Hands: \$800

Runners: \$300

Security: \$800

Day of Show Hospitality: \$1,500

Estimated Total Fees for September 5, 2021: \$9,470

Total paid to Rech Entertainment Company, LLC including reimbursable expenses:
\$35,090.96

I move to approve a payment, not to exceed \$35,090.96 to Rech Entertainment Company, LLC for contract and rider show advance, as well as to coordinate and execute day of show hospitality and back of house services in support of the 2021 Centennial Park West Concert Series;

And,

Authorize the Village Manager to execute the contract with Rech Entertainment Company, LLC. subject to Village Attorney review.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

2021-0082 Winter/Spring 2022 Program Lists Approval

The lists of recommended programs and events to be offered by the Recreation and Parks Department for the Winter/Spring 2022 Program Guide are attached. Included are contractual costs (over \$25,000) which require Board approval. These costs are offset by revenues generated through registration fees. Actual costs are dependent upon the number of participants that register.

Staff is requesting approval of the recommended programs and events, along with approval to pay contractual vendors and instructors.

President Pekau had comments. (refer to audio)

Director of Recreation and Parks Ray Piattoni presented information regarding this matter. (refer to audio)

I move to approve the recommended programs and events and payment to the contractual vendors and instructors at the time of invoicing.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

MAYOR'S REPORT

2021-0585 Amend Title 7 Chapter 4 - Number of Class A Liquor License - Ordinance

Decrease the number of Class A liquor licenses from sixty-seven (67) to sixty-six (66) for the closing of Riviera Country Club located at 881 W. 143rd Street.

President Pekau had comments. (refer to audio)

I move to adopt an Ordinance entitled: AN ORDINANCE AMENDING TITLE 7, CHAPTER 4 OF THE ORLAND PARK MUNICIPAL CODE, REGARDING THE AVAILABLE NUMBER OF CLASS A LIQUOR LICENSES ISSUED BY THE VILLAGE OF ORLAND PARK, COOK AND WILL COUNTIES, ILLINOIS.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

VILLAGE MANAGER'S REPORT

2021-0614 Administrative and Record Keeper Services for 457(b) Deferred Compensation Plan and 401(a) Plan RFP

At the April 5, 2021 Village Board Meeting, following a RFP process, the Village

Board authorized the execution of a professional services agreement with Wells Fargo Advisors for Deferred Compensation Investment Management Consulting Services. The Village issued the RFP seeking services of a co-fiduciary and investment advisor for plan oversight, investment selection and monitoring of the 457 Deferred Compensation Plan.

Since that time, the Wells Fargo consultant, in consultation with the Deferred Compensation Committee, assisted the Village in reviewing all current 457 Deferred Compensation Plan vendors to determine performance and fees and assisted the Village in issuing a RFP for Administrative and Record Keeper Services for 457(b) Deferred Compensation Plan and 401(a) Plan. Attached are the results of the RFP.

The purpose of the Deferred Compensation Committee is to establish rules and processes consistent with fiduciary law, regulations, Village policy and best practices. The Committee will monitor the investment line-up of the Deferred Compensation Program, make any investment changes, approve and amend the investment policy statement, and other administrative tasks. The Village Board retains responsibility for general oversight and also with regard to determining or amending plan documents. The five (5) member committee consists of the following individuals: Village Manager, Finance Director, Human Resources Director, an employee representative of AFSCME, and an employee representative of Metropolitan Alliance-Police.

The Wells Fargo consultant worked with the Employee Deferred Compensation Committee to review the results of the RFP. The recommendation of the Employee Deferred Compensation Committee is to select Nationwide as the single vendor for the Village's 457 and 401(a) program.

There are no Village costs related to this agreement since fees will only be assessed post consolidation/restructuring and will be paid from assets as a percentage of the fee savings delivered to plan participants.

Highlights

The Village provides an employer-sponsored deferred compensation plan under Section 457(b) and a 401(a) defined contribution plan under the Internal Revenue Code (IRC). The 457(b) Plan provides tax benefits to employees who make deposits into the Plan for their retirement. The Village's current 457 Deferred Compensation vendors include: Nationwide (\$5,332,257 total assets with 32 participants), ICMA-RC (\$1,690,937 with 7 participants), Mass Mutual (\$9,357,814 with 61 participants) and AXA (\$196,352 with 8 participants). The 401(a) Plan provides an additional tax deferral benefit retirement savings program for some employees. Mass Mutual administers the 401(a) for the Village (\$1,659,665 total assets). Additionally, the Village provides a retiree healthcare savings plan ("RHS") to a limited number of employees. The RHS plan provides

some employee's tax-free savings to be used to pay for qualified medical expenses during retirement.

As the plan sponsor, the Village has certain fiduciary duties and responsibilities. These duties and responsibilities focus on ensuring the operation and investment of the public retirement plan is for the exclusive purpose of providing benefits to participants and beneficiaries. Because of the increasing complexity of the investment process and associated responsibilities, the Village has sought to learn more about trends affecting the employer sponsored retirement plan marketplace and laws governing fiduciary requirements for the operation of the Village's sponsored plans.

The four (4) major trends in the current deferred compensation landscape include:

- High Fees - In other plan reviews, advisors have found fees to be inappropriately high.
- Education - Education programs are not being monitored for effectiveness or updated to fit current employee needs.
- Multiple Plans - It may seem that having multiple plans is good for employee choice; however, Employee Retirement Income Security Act (ERISA) courts have set the precedent that they are actually harmful. The precedent set rationalizes that they create confusion for employees, extra burdens for the fiduciary managing them, and eliminate fee discounts that would be obtained from holding the plans with one provider.
- Poor Fund Performance - Many other plan reviews have found the requirement of "proprietary" funds in the lineup, which means the service provider uses their own mutual funds in the plan. This increases the overall fees that your provider captures and creates a conflict of interest. There is a disincentive to remove those funds if they are underperforming. Because of this disincentive, other plan reviews have found plans that are not doing regular fund reviews to ensure the fund lineup is appropriate.

The proposed consolidation plan is an effort to ensure the Village is following best practices related to the defined contribution plans offered to its employees.

Following its review of proposals and cost analysis, the Employee Deferred Compensation Committee is recommending the Village enter into a three (3) year agreement with Nationwide to provide administrative and record keeper services for 457(b) deferred compensation plan and 401(a) plan. Nationwide currently works with over 7,600 entities for similar services.

Through this engagement, inefficiencies within current plan offerings will be eliminated through the eventual consolidation of assets from the plan providers

into one which will result in the Village receiving lower record keeping and administration fees applied to employee accounts, economies of scale, lower expenses for employees, and providing more attractive investment options. Plan participants, in aggregate, could expect to realize net fee savings over the term of the agreement. Annual costs will be paid directly by the record keepers from on-going plan savings. There are no Village costs related to this agreement since fees would only be assessed post consolidation/restructuring and will be paid from assets as a percentage of the fee savings delivered to plan participants.

President Pekau had comments. (refer to audio)

I move to authorize the execution of a three (3) year agreement with Nationwide to provide administrative and record keeper services for 457(b) deferred compensation plan and 401(a) plan;

And,

To authorize the Village Manager to execute a professional services agreement with Nationwide administrative and record keeper services for 457(b) deferred compensation plan and 401(a) plan subject to attorney review.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

NON-SCHEDULED CITIZENS & VISITORS

Resident Sue Stratton addressed the Board. (refer to audio)

President Pekau had comments. (refer to audio)

BOARD COMMENTS

Trustees Healy, Katsenes, Milani, Kampas, Riordan Radaszewski and President Pekau had Board comments. (refer to audio)

EXECUTIVE SESSION

I move to recess to a Closed Executive Session for the purpose of discussion of a) approval of minutes; b) collective negotiating matters between the village and its employees, or their representatives, or deliberations concerning salary schedules for one or more classes of employees; c) the purchase or lease of real property for the use of the village; g) setting a price for sale or lease of village property; d) pending litigation against, affecting or on behalf of the village or when found by the board that such action is probable or imminent.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

RECONVENE BOARD MEETING

The roll was called to reconvene the Regular Meeting and Trustees Healy, Katsenes, Milani, Kampas, Riordan, Radaszewski and President Pekau were present.

Purpose of the Executive Session was for the discussion of a) approval of minutes; b) collective negotiating matters between the village and its employees, or their representatives, or deliberations concerning salary schedules for one or more classes of employees; c) the purchase or lease of real property for the use of the village; g) setting a price for sale or lease of village property; d) pending litigation against, affecting or on behalf of the village or when found by the board that such action is probable or imminent.

ADJOURNMENT: 9:45 P.M.

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

Aye: 7 - Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, Trustee Radaszewski, and Village President Pekau

Nay: 0

2021-0618 Audio Recording for August 21, 2021, Board of Trustees Meeting

NO ACTION

/AS

APPROVED:

Respectfully Submitted,

Patrick R. O'Sullivan, Village Clerk