



Legislation Text

File #: 2020-0705, Version: 0

Title

Budget Adjustments 4th Quarter 2020 (#1) - Approval

History

A detailed spreadsheet (by fund) reflecting budget adjustments is attached.

Retiree Health Insurance

An increase in expenditures in the Retiree Medical & OPEB Fund is requested for additional retiree health insurance claims that were not previously budgeted. The Village's health insurance plan is self-funded with stop-loss coverage for catastrophic claims. For 2020, the Village budgeted \$594,807 for retiree health claims. With an influx of retirees, retiree insurance claims were much higher than anticipated. For example, the original budget expected approximately \$49,500 in monthly claims costs. In January and February, claims costs were \$133,389 and \$118,086 respectively, and have averaged \$77,000 through July. This budget amendment assumes \$70,000 in claims for the balance of the year, which appears sufficient in light of the decreasing expenses throughout the year.

Vehicle and Operations

Most of the Village's sedans and light duty trucks are Ford products. Staff is recommending entering into an agreement with Joe Rizza Ford of Orland Park for vehicle maintenance services for the Ford sedans and light duty trucks which will permit the Village's two remaining full-time mechanics to concentrate on maintaining the heavy duty vehicles and equipment. A portion of the salary savings from staff eliminations will be used to outsource vehicle maintenance responsibilities, as needed.

Snowbird Program

Earlier this year, one full-time Maintenance Worker position was eliminated. The salary dollars from the eliminated Maintenance Worker II position will be utilized to create four winter seasonal (aka "Snow Bird") positions to maintain and improve the Village's snow fighting fleet. These Snow Birds are seasonal employees of the Village (with CDL designations) that are used to supplement existing staff.

Additionally, in years past, the Village has budgeted funds to contract for supplemental snow operations. Because of the cost of utilizing contractors, and the limited amount of funding available, these funds were never fully employed. These funds will instead be used to hire additional Snow Birds. In total, without an increase in expenditures, the Village will supplement their winter operations this year with seven (7) additional winter seasonal truck operators.

Leave Management

As part of a re-evaluation of the staffing structure in the Human Resources Department, staffing in

the Human Resources Department will be reduced from 3.5 full-time equivalent positions to 3 full-time employees. In order to continue to meet departmental needs, a functional responsibility (leave management) will be outsourced. Leave management, \ncludes Family and Medical Leave Act (FMLA) and the Families First Coronavirus Act (FFCRA). In total, the net effect of these changes will result in a cost savings.

Financial Impact

The attached spreadsheet identifies the budget impact.

Recommended Action/Motion

I move to approve an increase to the FY2020 expenditure budget of the Retiree Medical & OPEB Fund in the amount of \$294,995 and a decrease in the General Fund by \$4,300.