

**VILLAGE OF BANNOCKBURN
BOARD OF TRUSTEES
JANUARY 27, 2014
MEETING MINUTES**

1. **Call to Order.** President Barkemeyer called the meeting to order at 7:00PM.

President: James Barkemeyer

Trustees Present: James Boyle, Timothy Fisher, David Korner, Daniel Orth III,

Trustees Absent: David Ansani, Frank Rothing

Also Present: Village Clerk Estelle Raimondi, Village Manager Maria Lasday, Finance Director Linda McCulloch, Village Police Chief Ron Price, Village Engineer David Gewalt, Village Counsel Vic Filippini, Assistant to Village Manager Ryan Mentkowski

Visitors: Catherine Loney – GCG Financial

2. 01-01/27: **Pledge of Allegiance.** President Barkemeyer led everyone in reciting the Pledge of Allegiance.

3. **Visitors' Business.**

None

4. 02-01/27: **Discuss the Bannockburn Annual Citizen Survey.**

Trustee Orth provided his technical comments on the revised survey and suggested that we add a Holiday Lighting section. Trustee Fisher asked whether a question on the survey regarding the holiday lights is necessary. Trustee Boyle stated that the issue is the color of the lights. Village Attorney Filippini stated that lighting itself has become more secular in nature, but light colors have different associations and there needs to be sensitivity to those associations. The color of lights could be asked, but the question may be more divisive than helpful. Village Manager Lasday asked if the question should be included. Trustee Fisher asked if the question would not open "Pandora's box", and if it was not a decision more appropriately made by the Board. Trustee Boyle stated that he would like to see what the response would be from the residents. Trustee Korner stated that he thought it could be asked as long as there was context so that there were no misunderstandings. He suggested that the question be included as written by Trustee Orth, and included with the signage, entry way section of the survey. Village Manager Lasday observed that the question as written is incorporated into a larger question. Direction to staff was to incorporate Trustee Orth's comments into the survey.

5. 03-01/27: **Discuss Health, Life and Dental Insurance Renewal Options.**

Catherine Loney of GCG Financial introduced herself. The Village has a Grandfathered health insurance plan, so it can keep the same benefits if it makes no plan changes. The

United Healthcare renewal reflected an increase of 15%. Her recommendation is to keep the plan grandfathered. She looked at several different carriers and also different individual pricing and how it would impact the cost. After examining the options, it was preferable to keep the plan the same. Trustee Orth asked if there was not individual underwriting for other than grandfathered plans. Catherine Loney explained that there was not individual underwriting but that it was priced per person based on their age and the zip code for Bannockburn. Comparatively the grandfathered plan was less expensive per person than other plans evaluated.

The next issue was to examine the contribution strategy, as other groups have suggested there is reverse discrimination because the older people get more of a benefit if it is at a percentage contribution. As a result, it was felt that the grandfathered plan was advantageous to keep the Village with the same approximate benefits as the discrimination concern would not apply. The other component is a Health Reimbursement Account (HRA). Village Manager Lasday stated that it is better to stay with the grandfathered plan as the plan will need to be changed at some time but this will keep a higher level of benefits for the Village at this time.

Trustee Fisher asked the difference in price between an employee at age 35 and age 62. Catherine Loney reviewed prices for employees at different ages and discussed that each member is priced individually for non-grandfathered plans. Village Manager Lasday stated that the other advantage of keeping the Grandfathered plan is to keep funding the same. To change plans would change the funding mechanism. Catherine Loney stated that discussions will need to happen over the next year regarding how the Village will adapt the contribution strategy if we are mandated to change or we elect to change policies. Trustee Boyle stated that in examining all of the costs, United Healthcare seems to be the best option. He also noted that with the extension until April it actually saved money for the year.

Catherine Loney stated that there were some decisions that need to be made by the Board regarding the policy. She recommended moving to National Insurance Services, for the HRA and the Flexible Spending Account (FSA). The HRA will be taken as pre-tax dollars. She was able to get that for an administrative fee than was slightly less than is currently charged. Trustee Orth asked how it was charged. She stated that it was generally \$4.50 per employee per month. Although AFLAC was not unreasonable, she knew that this company could accommodate this program and they were willing to do it for \$3.00 per employee per month. There are not a lot of companies that work with small organizations and so this was a good choice. With this group, it is a 3 year agreement which will be in a trust and will be reimbursing employees directly.

Life Insurance is also through United Healthcare and is a multi-year policy. The amount of savings through another company was minimal and it would impact the medical rate if the Village did not go through United Healthcare for both policies. As a result she recommends that we stay with United Healthcare but will be marketing this every year. The dental insurance with Delta was fixed in cost through January 31, 2015 with no changes.

Village Manager Lasday stated that there were questions that needed to be answered to give direction to staff. One question is regarding the HRA and how much should we fund. Catherine Loney stated that looking over the utilization over the last several years, it is funded so that it is available and can be automatically paid out. Mid America will send an indicator to Finance Director McCulloch to confirm that all covered employees are still at work before it is processed. Interest is paid on this type of fund.

Trustee Fisher asked how much was spent last year. Finance Director McCulloch stated it appeared to be \$13,500 or \$14,000 for the year ending January 31, 2014. Trustee Fisher asked what happened to the money if it was unused. Finance Director McCulloch stated that it remained there as a Village asset. Catherine Loney stated it will make 2.5% interest because it is in a trust. If we terminate with the company, they will pay it back over a period of time. The Village Board directed staff to fund it with \$20,000.

Village Manager Lasday stated that staff also needed Board direction regarding the employee deductible. Historically it was \$250 but it was raised last year to \$500. The contribution also has changed and was 5%, when she first started with the Village, then it went to 10%, and then 12.5%. Finance Director McCulloch stated that it had been at 12.5% for several years, and another question is how much should employees contribute. Catherine Loney stated that generally for the public sector, the contribution is \$350. Trustee Boyle stated that if it could be brought back to \$250 that would be nice for the employees. Trustee Fisher noted that staff had received additional compensation in other forms. Trustee Korer stated that he thought it should stay at \$500 and 12.5% to stay consistent and mirror what was done previously.

Village President Barkemeyer asked about the possibility of keeping the deductible at \$500 and reducing the premium participation to 10% or 11%. Trustee Fisher stated that the Village is incurring more cost, not less cost in insuring employees and so it should be maintained where it is at. Trustee Boyle stated that the average for non-union employees in the area is 10%, and he thinks the employees know that. Trustee Boyle asked what the difference in price would be from 10% to 12.5%. Finance Director McCulloch stated that it only impacted dependents, as employees were covered 100% by the Village. The total would be between \$3,000 and \$3,500 roughly. She noted that the draft memo showed the payroll deduction changes with semi-annual pre-tax payroll deductions based upon the current policy premium increases. Trustee Korer noted that it has gone from post-tax to pre-tax on the HRA reimbursement.

Catherine Loney noted that the difference in \$250 and \$500, if the employee does not use the full amount, stays in the Village's pocket. The deductible for the plan is really \$2,500, and the Village pays for the difference. Trustee Korer stated he thought it was best to stay consistent. Trustee Boyle stated that comparing to other municipalities, some of the funding from other Villages is higher. Trustee Fisher stated that the movement in public agencies is for there to be less funding because of the fiscal health of the organizations. Village President Barkemeyer stated that if the percentage was dropped to 10%, the take home pay would remain approximately the same. Trustee Fisher stated

that the cost to the Village was increasing by 15.1%. He would recommend leaving it at the \$500 deductible and 12.5% and look at the compensation package total, but keep the healthcare in proportion to the direct costs to the Village. Trustee Orth noted that would be a consistent way to move forward now and in the future.

Catherine Loney stated that the employees are wise consumers and the challenge is to make sure that the consumer is educated, particularly about drug costs as that is one of the biggest drivers in the increase of health care costs. Trustee Fisher stated he would rather keep the health care discussion separate from the discussion of overall compensation. Trustee Korner said that he thought that the employees were satisfied with their compensation. Trustee Boyle stated that each year we get farther behind other municipalities and we need to keep pace to be fair to the employees. Trustee Fisher stated that the Village employees are stellar employees, but we cannot keep pace with much larger municipalities, and that we need to govern ourselves based on what is fair and equitable. The leadership in the Village has kept the employees here much longer.

Trustee Boyle suggested dropping it to 10% with a \$500 deductible. Village President Barkemeyer and Trustees Korner and Orth agreed that was acceptable. Trustee Fisher asked if it was better financially to keep the premium at 12.5% and drop the deductible. Village President Barkemeyer stated that he thought that employees would rather have more money in their paycheck with the deduction. Catherine Loney clarified that it would stay at 5% for dental.

6. **04-01/27: Consider Approval of Renewals for Health and Life Insurance with United Healthcare (February 1, 2014 – January 31, 2015).**

Trustee Boyle moved, seconded by Trustee Orth, to approve the Renewal for Health and Life Insurance with United Healthcare. On a roll call vote, the motion was unanimously approved. Ayes: Four (Boyle, Fisher, Korner, Orth); Nays: None; Absent: Ansani, Rothing.

7. **05-01/27: Consider Approval of an Insurance Renewal with Delta Dental (February 1, 2014 – January 31, 2015).**

Trustee Orth noted some typos on the renewal from Delta Dental and requested they be corrected.

Trustee Fisher moved, seconded by Trustee Boyle, to approve the Insurance Renewal with Delta Dental as corrected to remove the typos. On a roll call vote, the motion was unanimously approved. Ayes: Four (Boyle, Fisher, Korner, Orth); Nays: None; Absent: Ansani, Rothing.

8. **06-01/27: Consider Approval of a Health Reimbursement Account and Flexible Spending Account Administrative Services with National Insurance Services and the following documents related to the Health Reimbursement Account and Flexible Spending Account:**

Health Reimbursement Account including: Adoption Agreement; Plan Document; Section 115 Adoption Agreement; Arrangement Trust; Service Agreement; Hippa

Business Associate Addendum; Unallocated Fix Contract Application, Acceptance and New Business Agreement; Application for a Group Annuity Contract.

Flexible Spending Account including: Adoption Agreement; Amendment to Allow Carryover and Other Options; Certificate of Adopting Resolution; Summary of Material Modifications; Plan Document; Administrative Services Agreement; Fee Schedule; Authorization for Debits/Credits; Hipaa Business Associate Addendum.

Trustee Fisher moved, seconded by Trustee Boyle, to approve a Health Reimbursement Account and Flexible Spending Account Administrative Services with National Insurance Services and the attached documents related to the Health Reimbursement Account and Flexible Spending Account. On a roll call vote, the motion was unanimously approved. Ayes: Four (Boyle, Fisher, Korner, Orth), Nays: None; Absent: Ansani, Rothing.

9. **07-01/27: Consider Approval of an Ordinance Granting a Special Use Permit for Non-Student Recreational Uses for Trinity International University.**

Trustee Fisher briefly left the meeting.

Trustee Boyle moved, seconded by Trustee Orth, to approve Ordinance 2014-03, an Ordinance Granting a Special Use Permit for Non-Student Recreational Uses for Trinity International University. On a roll call vote, the motion was unanimously approved. Ayes: Four (Barkemeyer, Boyle, Korner, Orth), Nays: None; Absent: Ansani, Fisher, Rothing.

10. **08-01/27: Consider a Resolution of the Village of Bannockburn, Illinois Reallocating 2014 Volume Cap to the Village of Buffalo Grove, Illinois (Village of Bannockburn's Private Activity Bond Volume Cap Allocation of \$158,300 to be Pooled into the Lake County Private Activity Bond Clearinghouse).**

Trustee Fisher returned to the meeting.

Trustee Orth moved, seconded by Trustee Korner, to approve the Resolution 2014-R-05, a Resolution of the Village of Bannockburn, Illinois Reallocating 2014 Volume Cap to the Village of Buffalo Grove, Illinois (Village of Bannockburn's Private Activity Bond Volume Cap Allocation of \$158,300 to be Pooled into the Lake County Private Activity Bond Clearinghouse). On a roll call vote, the motion was unanimously approved. Ayes: Five (Boyle, Fisher, Korner, Orth); Nays: None; Absent: Ansani, Rothing.

11. **09-01/27: Village Engineer Report.**

Village Engineer Gewalt stated that letters were sent to the Stirling Circle residents and a meeting will occur on February 10th at 6:00 PM. Trustee Korner noted that the purpose of the meeting was to meet with residents and the landscape architect to get input on preliminary ideas for Stirling Circle. Although a resident had asked that the meeting be moved, there is no reason to do that because other residents have already committed to it and nothing will be resolved that night. A meeting on this date will allow the Village to get input from residents as quickly as possible.

Village Engineer Gewalt stated he sent the MFT Resolution to IDOT after the last meeting. Trustee Korer stated that his wife had been at Midtown and Midtown is starting a campaign to reduce water consumption. Midtown is blaming Bannockburn for the new policies, stating that the cost of water has become prohibitively expensive. Village Manager Lasday noted that she had been a member for 20 years and it had never been an issue previously. Village Attorney Filippini stated that the water policy is fair as it recognizes as those consumer who use more water consumption pay a higher rate.

12. 10-01/27: **Village Counsel Report.** Village Attorney Filippini stated he had no report

13. 11-01/27: **Village Manager Report.**

Village Manager Lasday stated there was a neighborhood meeting last week regarding the proposed Mariano's Grocery store at the Beeson property. Del Mar Woods residents were there, and she heard from several of those residents along with other people. There is appropriate zoning for the store through Lake County. Several residents of Del Mar Woods have stated they are in favor of the project if it is annexed into the Village. Trustee Fisher clarified that the residents are proposing that the store be annexed, not the Del Mar Woods subdivision itself, and Village Manager Lasday confirmed that they would like the store annexed not the subdivision.

Village Manager Lasday is meeting with a grocer regarding the space available at the Bannockburn Green Retail Center. She will advise the Board if she receives a commitment for the space.

Village Manager Lasday noted that the Sears space (1951 Waukegan Road) and the Comprehensive Plan are on the PCZBA agenda for February 3, 2014.

Village Attorney Filippini asked if the Board would be interested in establishing a tax so that there would be revenue generated if a storage facility would open in the Village. He has created a template that would impose a tax on a square footage basis for the users of the facility, with the owner of the facility responsible for collecting the tax. It would be a tax based on the Special Use Permit that would have to be issued by the Village.

Village Manager Lasday asked the Village Attorney if it had been done before. Village Attorney Filippini stated that he believed that Lincolnshire had done it on a revenue basis. Village Manager Lasday asked if it would stand up in court. Village Attorney Filippini stated that it is not a sales tax, which can only be done if statutorily authorized. This is not a sales tax, but is based on square footage and each person who rents a unit will have the obligation to pay the owner.

Trustee Fisher asked if the funds could be used to fund some of the recreational activities of the Village, including the hayride, etc. Village Attorney Filippini stated that the Ordinance as proposed has the funds going to the General Fund but that can be changed. Village Attorney Filippini recommended that Metro Self Storage be advised of the proposed Ordinance. There was discussion of the response of Metro, and Village

President Barkemeyer stated that they can choose to keep an administrative fee for collecting the tax and therefore he does not believe it will be a problem.

Village Trustee Fisher asked if the tax could be applied to both occupied and unoccupied units. Village Attorney Filippini stated that the Village would not be able to do that because there is no statutory authority. Trustee Korner noted that the Ordinance as proposed would not burden the business owner with a tax if the units are not making money. The Board directed that the Ordinance be drafted for the next Board meeting.

14. 12-01/27: **Village Clerk Report.**

Village Clerk Raimondi stated she had no report.

15. 13-01/27: **Village Commissioner Reports.**

*Water Commissioner

Trustee Fisher stated he was hoping with warmer weather there were not going to be any additional burst pipes. Trustee Boyle suggested that vacant houses on house watch by the Police Department have their water meters checked for potential leaks. Police Chief Price will work with Assistant to Village Manager Mentkowski to look at the leak reports in the morning for vacant properties.

Village President Barkemeyer requested that hydrants be checked to confirm that they are operational, and that hydrants be shoveled out of the snow if needed.

14. 14-01/27: **Village President Report.**

Village President Barkemeyer stated that a project manager for a local building had contacted him to discuss overriding the Fire Chief's recommendations. He recommended that no action be taken, but did want to bring it up to the Board. The issues that the project manager is concerned about are life/safety issues. Village Attorney Filippini stated that there is an appeal process for building related issues in the building code. If they would like to appeal, we should tell them there is a process available.

Last week was meeting for Lake County Leaders. Approximately 130 people attended, and he sat with Highland Park and Deerfield among others and discussed ideas of how to make thing work better in the county. One idea was to try to get one big contract for a reverse 911 for the entire county. Vic noted that the 911 is a little different than building and public works because 911 is all electronic. The real issue will be how they are able to get and field back the calls. Historically, people could figure out where they are, but now they are just using GPS. Trustee Fisher noted that alarm companies are now recommending that residents not hard wire their systems as that can be terminated at the box.

Lake County Municipal League is having their breakfast in Round Lake this weekend and is open if anyone would like to go.

Village Manager Lasday reported on the Northwest Municipal League meeting. She noted that the Responsible Bidder Bill is very concerning. We are going to need to be there to push for what we want because the unions are really going to put up a fight for this bill and the bill will negatively impact Bannockburn.

Village Manager Lasday also was concerned about the statement that “We all have to share in the pain” for revenues. The State will be balancing their budget, and they want the municipalities to “share in the pain”. Pension reform was also discussed, and it appears that they will be proposing an increase in the minimum retirement age to 55. This will impact the Village because we get police officers once they are eligible to collect a pension from another department, and now police staff will not be able to come to us till after 55.

Village Manager Lasday also stated that a Capital Bill will be coming forward and if there are any infrastructure improvements needed then this is the time to do it. If we can get some of the grants we can do things for the Village, but staff needs direction what the Board would like money allocated for, and perhaps improvements to Village Hall can be proposed. The Bill is going to happen and people will get money. Additionally, when it comes to EAB, landscaping and other projects that we have contractors for we already have wage exemptions through the Department of Labor. If we try to fight the Prevailing Wage then the unions will get involved and this will become an issue for Bannockburn. These are the main issues for Lobby Day in March, and it is concerning.

16. 16-01/27: Consideration of Approval of the January 13, 2014 Board Meeting Minutes.

Trustee Orth moved, seconded by Trustee Korner, to approve the January 13, 2014 Board Meeting Minutes. On a voice vote the motion was unanimously approved. Ayes: Four (Boyle, Fisher, Korner, Orth); Nays: None; Absent: Ansani, Rothing.

17. Adjournment.

Trustee Orth moved, seconded by Trustee Korner, to adjourn the meeting at 8:17 PM. On a voice vote the motion was unanimously approved. Ayes: Four (Boyle, Fisher, Korner, Orth); Nays: None; Absent: Ansani, Rothing.