

## Village of South Barrington

### LEGAL AND HUMAN RESOURCES COMMITTEE

AUGUST 19, 2014

### MINUTES

#### **CALL TO ORDER**

The meeting was called to order by Committee Chairman Stagno at 5:18 p.m.

#### **ROLL CALL**

Members present: Chairman Stagno, Trustee Cohen, Trustee Kerman

Others present: President McCombie, Trustee Abbate

Staff present: Administrator Palmer, Treasurer Bodie, Courtney Calabrese from the Linden Group Health Services

#### **AGENDA ITEMS**

##### Change in Broker of Record for Employee Insurance Benefit Group

The committee was advised a letter had been sent on July 24, 2014 from Mayor McCombie to Blue Cross Blue Shield (BCBS) to change the Broker of Record from Maryniw Financial to the Linden Group Health Services. Courtney Calabrese of the Linden Group Health Services was present to answer questions from the committee regarding the employee insurance plan renewal and the Affordable Care Act (ACA).

##### Employee Insurance Renewal and Health Savings Accounts

Companies with two to 50 employees were scheduled to migrate to ACA compliant plans this year however there was an update to the federal legislation which allows employers to “grandmother” their current plans with no changes to the benefits until 2016. The Village’s current BCBS plan renewal rates were 1% below the previous year’s premiums and approximately 6% below the proposed ACA plans. It was noted that there are significant differences between the proposed ACA plans and the Village’s current plans, such as higher deductibles, co-pays for doctor visits and prescription drugs and maximum out of pocket limits in the ACA plans.

The Committee discussed the Village’s Employer contribution to employees’ Health Savings Accounts (HSA) as it expires annually. The previous year’s contribution level was \$1000/\$1500 for employee/family coverage funded quarterly for employees enrolled in an HSA compliant health plan. The Committee discussed increasing the Village contribution for the period of Nov 1, 2014 to Oct 31, 2015 to \$1,000/\$2000 for employee/family coverage funded semiannually. This level was considered fair as the HSA contribution and premium combined is comparable to the Village’s expense for PPO coverage.

Blue Cross Blue Shield provided a renewal quote for dental insurance with an increase of 7% in premiums. The Linden Group prepared a spreadsheet of dental plan options. When paired with a vision plan, the Village could reduce the cost of dental insurance by up to 13%. The Assurant Health dental plan offers the same coverage as the current BCBS plan at the lowest premium.

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Most employees' dentists are included in the provider network of the Assurant Health plan. The proposed vision plan would be optional to employees and the premium would be fully paid by the enrolled employee. Both non-bargaining unit employees and union employees would be eligible to participate in the new voluntary employee vision plan.

TRUSTEE COHEN MADE A MOTION to recommend to the Village Board to renew the BCBS health insurance plans on Nov 1, 2014 for one year which include Blue Advantage HMO Plan RHHHB103 and Blue Advantage PPO Plan RPP73423 and the Blue Edge HSA Plan RPEC1807 and to approve Assurant Health as provider for the Village's dental and voluntary vision plans for the same period.

Trustee Kerman seconded the motion.

The motion passed by unanimous voice vote.

TRUSTEE COHEN MADE A MOTION to recommend to the Village Board to approve an Employer contribution to employee's HSA plans of \$1000 individual and \$2000 family toward the \$2500 individual and \$5000 family deductible of the HSA compliant plan funded in equal semiannual installments.

Trustee Kerman seconded the motion.

The motion passed by unanimous voice vote.

### Spousal Insurance

The Committee acknowledged that the Village insurance plans are typically preferred by employees over spousal insurance plans due to the plan benefits and cost to the employee. The Village provides a waiver payment in the amount of 50% of the HMO individual insurance premium to incent employees to choose spouse insurance plans for their coverage. The committee discussed the cost of spousal participation in Village health insurance plans and the 25% premium surcharge the Village has in place for insurance covering a working spouse eligible for insurance through their own employment. In this case, an employee will pay a monthly surcharge which ranges from \$34.86 (HSA) to \$90.20 (HMO) to insure their working spouse in the Village's insurance plan. Treasurer Bodie presented a simplified form prepared by the Linden Group with a level surcharge of \$50 per month for spousal participation when the spouse is eligible for coverage through their own employment at a reasonable cost to the spouse of \$250 per month or less. After discussion, the Committee was in agreement with the simplified criteria, form and surcharge for working spouse coverage.

It was noted that the Union contract provided for a two year increase in the employee contribution rate from 0% to 10% for HMO employee coverage. Effective November 1, 2014, Union employees enrolled in the Village's HMO plan will pay 10% of the total premium for insurance coverage. In order to apply the 10% contribution rate to non-Union employees, the Village will need to amend the personnel policy.

TRUSTEE COHEN MADE A MOTION to recommend to the Village Board to amend the Village's Personnel Policies and Administrative Procedures to include the discussed spousal surcharge rate of \$50 monthly and the 10% employee contribution level for HMO plans.

Trustee Kerman seconded the motion.

The motion passed by unanimous voice vote.

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### Employee Sick and Vacation Benefits

The Committee discussed the Village policy regarding employee sick, vacation, compensatory and holiday benefits and the pay outs at retirement or termination. The Village's pension plan for administrative personnel, Illinois Municipal Retirement Fund (IMRF), requires an accelerated payment from the municipality toward the retirement benefits due an employee when the final rate of earnings exceed 6% over the previous year. The Village was charged an accelerated payment of \$20,437 in August primarily due to the payout of sick, vacation and holiday time at termination of a retiring employee. The Village's pension for sworn personnel, the Police Pension Fund, does not take into account payouts of benefits at retirement in calculation of pension as the pension is based on the wage on the last day of work.

The Committee requested Treasurer Bodie prepare a survey of local municipalities on their policies on vacation, sick, compensatory and holiday benefits including accrual, carryover to subsequent years and payout at retirement or termination for discussion at the next meeting.

**ADJOURNMENT** - A motion for adjournment was made by Trustee Kerman and seconded by Trustee Cohen. By unanimous voice vote, the meeting adjourned at 6:50 p.m.

Respectfully submitted by  
Linda Hooker, Deputy Clerk