

Village of South Barrington

LEGAL AND HUMAN RESOURCES COMMITTEE

JUNE 25, 2015 MEETING

MINUTES

CALL TO ORDER

The meeting was called to order by Committee Chairman Stagno at 9:30 a.m.

ROLL CALL

Members present: Chairman Stagno, Trustee Cohen, Trustee Matuska

Others present: President McCombie, Trustee Abbate,
Courtney Calabrese - Digital Benefits Advisors

Staff present: Administrator Palmer, Treasurer Bodie

APPROVAL OF MINUTES

Trustee Cohen made a motion, seconded by Trustee Stagno to approve the Minutes of the May 11, 2015 Regular Meeting as printed and distributed. The motion passed by unanimous voice vote.

AGENDA ITEMS

Proposal for change to the Principal Employee Term Life Insurance Plan

The Committee reviewed the Principal Employee Term Life Insurance proposal as obtained by Courtney Calabrese of Digital Benefits Advisors. The proposed policy maintains the \$25,000 accidental death and dismemberment insurance benefit per employee but has a modified benefit age reduction schedule from the current policy with The Hartford. The Principal policy will have a reduction in benefit of 35% beginning at age 70 instead of 33% reduction at age 65 in the current Hartford policy. The cost per employee in the Principal proposal is \$7.48 which is \$0.57 less than the current Hartford policy cost of \$8.05.

A brief discussion on the practice of a reduction in benefits by age in life insurance policies was discussed. Courtney explained that the practice is not considered age discrimination in the life insurance industry because there is a direct relationship between age and expense. Courtney also noted the The Principal has a A+ rating. Trustee Cohen made a motion, seconded by Trustee Stagno, to send a resolution to the Board to change the employee life insurance provider to The Principal effective August 1, 2015. The motion passed by unanimous voice vote.

Discussion regarding HRA Employee Health Insurance Plan Option

Trustee Stagno expressed his interest in looking at health insurance options including reducing out of pocket costs to the employee by group financing a portion of the deductible. Courtney distributed a spreadsheet to demonstrate how the Village could buy a lower cost high deductible plan and use self-insurance to create plan attributes similar to the current PPO plans. The Village could offer to pay a portion of the high deductible with a HRA plan, which would only be funded to the employee account when needed. Courtney said that the general rule that 20% of employees use 80% of the benefits can save Village money if all employees are in the same plan.

It is anticipated that the Village will receive the Blue Cross Blue Shield health insurance renewal premiums sometime in early September. The Village has the opportunity to renew the current plans without any changes to the benefits for an additional year, perhaps two. Until the renewal premiums are available, the discussion on insurance plan options will be tabled.

The next meeting of the Legal and Human Resource Committee will be called to review the Health Insurance Renewal information when it becomes available.

NEW BUSINESS

Update on Police Union Negotiations

Mayor McCombie stated the Union and Village representatives have scheduled additional MAP Union Contract negotiating sessions for July 7th and 30th.

CLOSED SESSION - None

ADJOURNMENT - A motion for adjournment was made by Trustee Cohen and seconded by Trustee Matuska. By unanimous voice vote, the meeting adjourned at 11:00 a.m.

Respectfully submitted by
Michelle Bodie, Treasurer