

MINUTES
Special Meeting of the Committee of the Whole
August 14, 2018 - 7 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present: B. Younker, President Pro-Tem
 M. Pannitto, Village Trustee
 C. Berg, Village Trustee
 W. Brady, Village Trustee
 M. Glotz, Village Trustee
 J. Curran, Village Trustee

Members Absent: J. Vandenberg, President
 K. Thirion, Village Clerk

Other Board Members Present: None

Staff Present: D. Niemeyer, Village Manager
 P. Carr, Assistant Village Manager
 B. Bettenhausen, Village Treasurer
 M. Zonsius, Assistant Village Treasurer
 J. Urbanski, Assistant Public Works Director
 P. Connelly, Village Attorney
 L. Valley, Executive Assistant to the Manager and Trustees
 L. Godette, Deputy Village Clerk
 L. Carollo, Commission/Committee Secretary

Item #1 - The Special Committee of the Whole Meeting was called to order at 7:02 p.m.

Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE SPECIAL COMMITTEE OF THE WHOLE MEETINGS HELD ON JULY 17, 2018 AND JULY 24, 2018 – Motion was made by President Pro-Tem Younker, seconded by Trustee Berg, to approve the minutes of the Special Committee of the Whole meetings held on July 17, 2018 and July 24, 2018. Vote by voice call. President Pro-Tem Younker declared the motion carried.

Item #3 – DISCUSS RISK MANAGEMENT SERVICES UNDERWRITER QUOTES - D.
Niemeyer, Village Manager provided an update for risk management services. The Village of Tinley Park recently gave the Intergovernmental Risk Management Agency (IRMA) a revocable notice of withdrawal and the Village has until August 31, 2018, to decide on an alternate pool or private insurance for the Village's liability and property insurance for the next renewal, which would be January 1, 2019. Alliance/Mesirow "Alliant" was appointed broker for the Village's private insurance and other options were explored.

M. Zonsius, Assistant Village Treasurer presented the Committee of the Whole an overview of the solicited risk management provider responses from Alliance/Mesirow "Alliant," Municipal Insurance Cooperative Agency (MICA), Suburban Liability Insurance Pool (SLIP) and Intergovernmental Risk Management Agency (IRMA).

Alliant is the Village's private sector broker and provided three (3) proposals, which included an alternate insurance pool and two private insurance options. SLIP is a newly formed insurance pool and could not provide a response until late August. MICA was unable to provide a cost competitive and comparable response, as their program solely has a \$5,000 deductible option. A proposal was additionally received from IRMA.

Alliant recommended the alternate insurance pool option of Illinois Counties Risk Management Trust (ICRMT), as they were lower in cost than the two other options of Old Republic and Safety National.

Alliant was started in 1983, owned by members and managed by the Insurance Program Managers Group. Alliant has 333 Illinois public entities, total assets as of November 2017 of \$140,762,659 and total cash/cash equivalents/investments of \$134,998,182. Insurance coverage includes:

- Liability (general, auto, law enforcement, public officials) with a deduction of \$100,000 and limit of \$16,000,000
- Property with a deduction of \$50,000 and limit of \$83,907,000
- Workers Compensation with a deduction of \$300,000 and limit is statutory
- Cyber with a deduction of \$25,000 and limit of \$1,000,000
- Crime with a deduction of \$50,000 and limit of \$5,000,000

Cost - Premium \$764,449

IRMA was started in 1979, owned and governed by a Board of Directors with a full representative Board of Directors. IRMA has 70 Illinois public entities, total assets as of December 2017 of \$202,224,638 and total cash/cash equivalents/investments of \$196,846,033.

- Liability (general, auto, law enforcement, public officials) with a deduction of \$50,000 and limit of \$15,000,000
- Property with a deduction of \$50,000 and limit of \$250,000,000
- Workers Compensation with a deduction of \$50,000 and limit is statutory
- Cyber with a deduction of \$10,000 and limit of \$500,000
- Crime with a deduction of \$50,000 and limit of \$5,000,000

Cost - Premium \$749,922

ICRMT represented by Tom Collins, Dan Maki, Dane Mall and Todd Greer was allowed 10 minutes to address the Committee of the Whole for consideration.

IRMA represented by Margo Ely, Dan Le Tourneau, Susan Garvey and Rita Osirom was allowed 10 minutes to address the Committee of the Whole for consideration.

Trustee Glotz asked about the Village's premium if the Village leaves IRMA and would like to rejoin IMRA in a year. Ms. Ely stated as per IRMA's bylaws the Village would not be allowed to rejoin for 3 years. Trustee Glotz inquired as to the payout amount from IRMA for Buckeye and Ms. Ely stated it was \$1,482,590 out of \$2,450,000. The Village paid \$780,000 and the deductible was \$50,000. Trustee Glotz asked Ms. Ely to discuss full defense coverage for public official liability. Trustee Pannitto asked for clarification on IRMA's "owned and governed by members" statement and difference in premium for a higher deductible. President Pro-Tem Younker asked if Tinley Park is IRMA's largest member and Ms. Ely stated Tinley Park is the second largest member in IRMA. Trustee Curran asked

how often IRMA would audit payroll and Ms. Ely replied IRMA will never audit payroll. Trustee Curran asked Ms. Ely to clarify on adjusting the deductible.

President Pro-Tem Younker asked the Committee of the Whole if there were further questions for Ms. Ely regarding IRMA. No one came forward.

President Pro-Tem Younker asked the Committee of the Whole if there were questions for ICRMT.

Trustee Glotz asked Mr. Greer to discuss how ICRMT handles zoning cases. Trustee Pannitto asked Mr. Greer how ICRMT is governed. Mr. Greer was asked to discuss more in detail aspects of their risk management services and any other questions were satisfactorily addressed.

President Pro-Tem Younker asked the Committee of the Whole if there were any other questions or comments. Trustee Berg stated with Tinley Park being a large member in both insurance pools, in regards to the assessable provision, the Village would have to make payments to IRMA in addition to obligatory annual premiums, which ICRMT does not require. Discussion continued regarding deductibles and the average cost of workers compensation cases within the Village in the past.

Motion was made by Trustee Berg, seconded by President Pro-Tem Younker, to recommend Village Board approval of the recommended proposal received from Alliance and renewal of property liability and workers compensation program with ICRMT.

Vote on roll call: Ayes: Younker, Berg, Curran, Brady. Nays: Pannitto, Glotz

Item #4 – RECEIVE COMMENTS FROM THE PUBLIC - Diane Galante stated from a financial standpoint she is confused as to why the Committee of the Whole would vote in this direction and she does not believe the Committee of the Whole's recommendation is financially responsible for Tinley Park. Nancy O'Connor stated based on the history of workers compensation claims reported by the Village millions of dollars will have to be put into the budget and taken into consideration the difference in money and habitual litigious residents, she believes the Village will be set up for massive payouts. Ms. O'Connor stated this recommendation is not only fiscally irresponsible, but a breach of fiduciary responsibility to the residents of Tinley Park.

Item #5 – ADJOURN TO EXECUTIVE SESSION TO DISCUSS: -

- A. LITIGATION, WHEN AN ACTION AGAINST, AFFECTING OR ON BEHALF OF THE PARTICULAR PUBLIC BODY HAS BEEN FILED AND IS PENDING BEFORE A COURT OR ADMINISTRATIVE TRIBUNAL, OR WHEN THE PUBLIC BODY FINDS THAT AN ACTION IS PROBABLE OR IMMINENT, IN WHICH CASE THE BASIS FOR THE FINDING SHALL BE RECORDED AND ENTERED INTO THE MINUTES OF THE CLOSED MEETING.**
- B. THE APPOINTMENT, EMPLOYMENT, COMPENSATION, DISCIPLINE, PERFORMANCE, OR DISMISSAL OF SPECIFIC EMPLOYEES OF THE PUBLIC BODY OR LEGAL COUNSEL FOR THE PUBLIC BODY, INCLUDING HEARING TESTIMONY ON A COMPLAINT LODGED AGAINST AN EMPLOYEE OF THE PUBLIC BODY OR AGAINST LEGAL COUNSEL FOR THE PUBLIC BODY TO DETERMINE ITS VALIDITY.**
- C. COLLECTIVE NEGOTIATING MATTERS BETWEEN THE PUBLIC BODY AND ITS EMPLOYEES OR THEIR REPRESENTATIVES, OR DELIBERATIONS CONCERNING SALARY SCHEDULES FOR ONE OR MORE CLASSES OF EMPLOYEES.**

Vote on roll call: Ayes: Younker, Pannitto, Berg, Brady, Glotz, Curran. Nays: None.

ADJOURNMENT

Motion was made by President Pro-Tem Younker, seconded by Trustee Brady, to adjourn this Special Meeting of the Committee of the Whole. Vote by voice call. President Pro-Tem Younker declared the motion carried and adjourned the meeting at 9:13 p.m.

lc