

MINUTES
Special Meeting of the Finance Committee
June 24, 2019 - 6:30 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present: D. Galante, Chairman
C. Berg, Village Trustee
M. Mueller, Village Trustee

Members Absent: None

Other Board Members Present: M. Glotz, Village Trustee

Staff Present: D. Niemeyer, Village Manager
P. Carr, Assistant Village Manager
P. Connelly, Village Attorney
C. Faricelli, Deputy Police Chief
M. Zonsius, Assistant Village Treasurer
D. Framke, Marketing Director
H. Lipman, Management Analyst
L. Valley, Executive Assistant to the Manager and Trustees
C. Mikrut, Intern
L. Carollo, Commission/Committee Secretary

Item #1 - The Special Meeting of the Finance Committee was called to order at 7:55 p.m.

Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE SPECIAL FINANCE COMMITTEE MEETING HELD ON MAY 28, 2019 – Motion was made by Trustee Berg, seconded by Trustee Mueller, to approve the minutes of the Special Meeting of the Finance Committee held on May 28, 2019. Vote by voice call. Chairman Galante asked if there was any discussion. No one came forward. Chairman Galante declared the motion carried.

Item #3 – REVIEW MAY 2019 FINANCIAL REPORT - M. Zonsius, Assistant Village Treasurer presented a revenue and expense update for May 2019 - Fiscal Year 2020, Month 1. Revenues totaled \$3.45 million, which is currently slightly less than Budget due to property taxes. Property taxes are a reasonable type of revenue biannually and it is expected revenues will be closer to Budget moving forward within the fiscal year. Total expenses were \$2.7 million, which are currently under budget due to variable personnel expenses.

Chairman Galante asked the Finance Committee if there were any questions. No one came forward.

Item #4 – DISCUSS LIABILITY AND WORKERS' COMPENSATION INSURANCE - Effective January 1, 2019, the Village Board switched insurance carriers from the Intergovernmental Risk Management Agency (IRMA) to the Illinois Counties Risk Management Trust (ICRMT). Under IRMA, the Village had a single deductible of \$50,000 for all claim types. ICRMT offers more of a retention policy with deductibles referred to as Self-Insured Retention limits (SIRs), ranging from \$150,000 to \$300,000. Select categories have per occurrence SIRs, which the Village will pay per occurrence, and if totals exceed the limit, the remainder is paid by ICRMT.

H. Lipman, Management Analyst provided the Committee with an update of insurance claims/losses since January 1, 2019. The Village has had a total of forty-three (43) claims/losses since joining ICRMT in the following categories: Incident Only, Property, Auto, Workers' Compensation and Public Officials' Liability. Of note; the Village has not experienced any major losses in the last seven (7) months.

Currently, twelve (12) of the forty-three (43) total claims remain open. The vast majority of claims to date consist of Incident Only, where only minimal damage has occurred. Of the six (6) Auto claims, one has reached the \$5,000 per occurrence SIR, which the Village has paid for repair and ICRMT is responsible for additional costs. This is one of the only claims to date to meet a per occurrence SIR. There have been six (6) Workers' Compensation claims and total expenses have been minimal. Three (3) claims remain open. To date, Workers' Compensation claims total \$3,300. Currently, there are two (2) pending Public Officials' Liability claims, for which reserves are set aside in anticipation of legal fees and these costs are under \$3,000.

Since January, ICMRT has worked closely with staff to ensure a smooth transition and share resources. ICMRT's resources have included an online portal for staff to submit claims and track claims/costs and the ICMRT website for online training courses, as well as ICMRT hosting seminars free for members. Additionally, staff recently had an in-person claims review to discuss open claim status and a quarterly review will also be scheduled in a few months. ICMRT staff also attended Village Safety Committee meetings.

IRMA is still handling several claims that were open and ongoing prior to the transition to ICRMT, as well as any claims that occurred in 2018, but have only been recently reported to the Village. Two (2) Trip and Fall claims are pending and are being handled by IRMA-appointed attorneys and four (4) ongoing Workers' Compensation claims, for which attorneys have been designated.

Trustee Mueller asked if the Village is saving or losing money when compared with IRMA. D. Niemeyer, Village Manager stated due to the different premium structures in the insurance pools there will be times the Village will either be saving or losing money depending on the types of claims submitted. Committee discussion continued regarding the differences between the insurance pools. Mr. Niemeyer stated going forward staff will need further Village Board direction as the concern remains insurance costs may be higher if large claims are incurred.

Item #5 – DISCUSS HEALTH INSURANCE - In July 2017, the Village awarded a Professional Services Agreement to Alliant/Mesirow Insurance Services for health insurance broker services after proffering a (Request for Qualifications) RFQ for a new health insurance broker and the agreement is anticipated to expire July 14, 2020.

The Village received a preliminary proposal from Alliant/Mesirow for Health/Dental Insurance Program renewal for plan year October 1, 2019 through September 30, 2020. Blue Cross and Blue Shield (BCBS) of IL medical and dental preliminary renewal offers reflect an overall program decrease of approximately \$157,000. Final recommendations are expected from Alliant/Mesirow July 1, 2019.

- Preliminary Medical Renewal: Decrease of approximately \$172,000 (-3.5% rate action).
- Preliminary Dental Renewal: Increase of approximately \$15,000 (+5.7% rate action/trend).

Premiums include Alliant/Mesirow Insurance Services annual service fee of \$42,000, which were rolled into commissions effective with the 2018-2019 plan year. Current full time and Public Works collective bargaining unit members contribute 10% cost share and police collective bargaining contribute 10% cost share for HMO plans and 8% for PPO.

Alliant/Mesirow continues to perform due diligence in the marketplace and analysis of competitive products. In anticipation of either no change or reduction in rate action, Village staff recommended renewal of Medical and Dental Insurance for the 2019-2020 plan year.

Chairman Galante asked the Committee if anyone had any questions. No one came forward.

Item #6 – DISCUSS REVOCATION OF BUSINESS LICENSE FOR TAXI EXPRESS AND ARS RESCUE ROOTER:

- a. INITIATION OF THE HEARING**
- b. APPOINTMENT OF A HEARING OFFICER**

Based upon recent complaints, Sergeant Patrick St. John requested the Licensing Committee to suspend or revoke the business license for Taxi Express. Additionally, based upon complaints of fraudulent activity by ARS Rescue Rooter with key witnesses to be present to testify as to their activity given rise to the request, it has been requested the Licensing Committee suspend and revoke ARS' business license.

Pursuant to Village Code, the Licensing Committee may initiate a hearing to determine if suspension or revocation is warranted and may appoint a hearing officer to conduct such hearing. It is recommended the law firm of Montana and Welch serve as the hearing officer. Montana and Welch is a local municipal firm well qualified to serve in this role and currently serving as hearing officer for Tinley Park's Adjudication Call.

Staff recommended initiation of the hearing and the appointment of the hearing officer be placed on the agenda for the next Village Board meeting.

Motion was made by Trustee Berg, seconded by Trustee Mueller, to recommend initiation of a hearing for ARS Rescue Rooter business license revocation, suspension or fine. Vote by voice.

Motion was made by Trustee Mueller, seconded by Trustee Berg, to recommend Montana and Welch law firm as the hearing officer for ARS Rescue Rooter business license revocation, suspension or fine. Vote by voice.

Motion was made by Trustee Mueller, seconded by Trustee Berg, to recommend initiation of a hearing for Taxi Express business license revocation, suspension or fine and to recommend Montana and Welch law firm as the hearing officer for Taxi Express business license revocation, suspension or fine. Vote by voice.

Item #7 – RECEIVE COMMENTS FROM THE PUBLIC - No comments from the public.

ADJOURNMENT

Motion was made by Trustee Berg, seconded by Trustee Mueller, to adjourn this Special Meeting of the Finance Committee. Vote by voice call. Chairman Galante declared the motion carried and adjourned the meeting at 8:12 p.m.

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