NOTICE OF SPECIAL MEETING

OF THE ADMINISTRATION AND

LEGAL COMMITTEE

A Special Meeting of the Administration and Legal Committee is scheduled for

Tuesday, July 24, 2018, beginning at 5:30 p.m. in the

Council Chambers located at the
Village Hall of Tinley Park
16260 South Oak Park Avenue
Tinley Park, Illinois

A copy of the agenda for this meeting is attached hereto.

Kristin A. Thirion
Clerk
Village of Tinley Park

NOTICE OF SPECIAL MEETING OF THE
ADMINISTRATION & LEGAL COMMITTEE

Notice is hereby given that a special meeting of the Administration & Legal Committee of the Village of Tinley Park, Cook and Will Counties, Illinois, will begin at 5:30 p.m. on Tuesday, July 24, 2018, in Council Chambers at the Village Hall of Tinley Park, 16250 S. Oak Park Avenue, Tinley Park, Illinois.

The agenda is as follows:

1. OPEN THE MEETING
2. CONSIDER THE APPROVAL OF THE MINUTES OF THE ADMINISTRATION AND LEGAL COMMITTEE MEETING HELD ON JUNE 26, 2018.
3. DISCUSS HEALTH INSURANCE.
4. RECEIVE COMMENTS FROM THE PUBLIC.

ADJOURNMENT

KRISTIN A. THIRION
VILLAGE CLERK

MINUTES
Meeting of the Administration & Legal Committee
June 26, 2018 - 6:30 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present:	M. Pannitto, Chairman C. Berg, Village Trustee
Members Absent:	None
Other Board Members Present:	None
Staff Present:	D. Niemeyer, Village Manager P. Carr, Assistant Village Manager D. Spale, Village Attorney L. Godette, Deputy Village Clerk L. Carollo, Commission/Committee Secretary

<u>Item #1</u> - The Administration & Legal Committee Meeting was called to order at 6:30 p.m.

<u>Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF THE ADMINISTRATION & LEGAL COMMITTEE MEETING HELD ON MAY 1, 2018</u> – Motion was made by Trustee Berg, seconded by Chairman Pannitto, to approve the minutes of the Special Meeting of the Administration & Legal Committee Meeting held on May 1, 2018. Vote by voice call. Chairman Pannitto declared the motion carried.

<u>Item #3 – DISCUSS 2018 SURPLUS EQUIPMENT ORDINANCE</u> - Per state law, an ordinance must be adopted to declare any Village property in excess of $1,000 of estimated value as surplus prior to disposing of or sale to another agency. Based on the age, service condition, mileage, future maintenance costs, and other factors, the items are deemed to be no longer practical for Village uses and are earmarked for sale or disposal as appropriate. The Village will donate, send to auction or dispose of the items considered surplus. The Administration & Legal Committee was given a copy of the proposed ordinance with the items to be considered surplus.

Motion was made by Trustee Berg, seconded by Chairman Pannitto, to recommend 2018 Surplus Equipment Ordinance be brought forward for future Village Board approval. Vote by voice. Chairman Pannitto declared the motion carried.

<u>Item #4 – DISCUSS ELECTRICAL AGGREGATION</u> - The Village has been part of an "opt out" electric aggregation program that was authorized by the State of Illinois since 2011, which has saved residents millions of dollars since inception. The Village goes out to bid for electric power and residents are automatically enrolled with the new supplier unless they opt out after receiving notification by mail. Regardless of the electric provider, ComEd remains the distributor. The contract with the current supplier, Dynergy, expires in October 2018. NIMEC, who oversees the electric aggregation program for the Village, recently went out to bid for a new program. However, NIMEC found that due to changing market conditions a supplier could not be secured below the ComEd default rate of 7.75 cents/kwh. David Hoover with NIMEC was present and discussed an overview of a new electric aggregation program in conjunction with ComEd and MC Squared. At this juncture the Village has two options. The electric aggregation program would be suspended and all residents would automatically be enrolled under ComEd as the energy supplier at a rate of 7.75 cents/kwh at 14.5% renewable energy or a new program utilizing ComEd's default rate and MC Squared using 100% renewable energy. Chuck Sutton from MC Squared was present and discussed details of the new program. The program would consist of calculating the price for each individual account in Tinley Park and switching only the accounts for which power costs less than the ComEd's default rate to MC Squared. The remainder of the accounts that are costlier to serve would remain on ComEd's supply service. However, the entire aggregation including those remaining on ComEd's supply would receive 100% renewable energy for all power consumed, for which MC Squared would purchase renewable energy certificates (RECs) for the entire aggregation community. RECs were set up by the federal government and monitored as validation of 100% renewable energy. All residents would continue to be billed by ComEd and all residents would pay the same ComEd default rate. This 100% renewable energy program would be an "opt out" electric aggregation program after receiving notification by mail or contacting the supplier. A resident wanting to opt out of the electric aggregation program would opt out of a 100% renewable energy program, however, would receive the ComEd default rate with ComEd as the energy supplier.

Discussion included no direct costs to the Village or residents would be incurred for the new electric aggregation program. Since another supplier could not secure a lower rate than ComEd's default rate, the benefit to residents under the new program would be to receive the designation of US EPA Green Power Community by receiving 100% renewable energy. There would be a contract for 1 year, starting October 1. A 2-year contract could be made available as well. At Chairman Pannitto's request, Mr. Hoover stated he would check the supply market for a lower rate than ComEd's in the near future, but felt it unlikely to see the market drop below the ComEd default rate. Mr. Hoover stated renewable energy is a new program and another supplier approached NIMEC with the same business concept, however, NIMEC and MC Squared have an established business relationship as opposed to the other supplier. Mr. Hoover stated there is a standard contract available if there is an interest by the Village in the new electric aggregation program. Trustee Berg suggested having the Environment Enhancement Committee be involved in consideration of this program. The Village Board will need to make a decision about the program by end of July 2018.

<u>Item #5 – RECEIVE COMMENTS FROM THE PUBLIC</u> - No comments from the public.

ADJOURNMENT
Motion was made by Trustee Berg, seconded by Chairman Pannitto, to adjourn this meeting of the Administration & Legal Committee. Vote by voice call. Chairman Pannitto declared the motion carried and adjourned the meeting at 7:20 p.m.

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Interoffice Memo

Date: July 19, 2018

To: Administration and Legal Committee

From: David Niemeyer, Village Manager DN

Subject: **Health Insurance Renewal 2018-2019**

The Village is in receipt of Employee Benefits Program Renewal Proposal for Medical and Dental from Alliant/Mesirow for the October 1, 2018 renewal date.

We are pleased to report -6.8% difference from current premium for Medical and -10.5% difference from current premium for Dental. These premiums now include Alliant/Mesirow Insurance Services annual service fee of $42,000, which we have requested be rolled into commissions.

Alliant/Mesirow performed due diligence in the marketplace and performed analysis of competitive products. Some of the findings included more denials of claims, slow review or increased grievances with other market products. After review of these other markets, Alliant/Mesirow recommends renewal with Blue Cross Blue Shield of Illinois because it offers the largest network with deep discounts and best services for our staff needs. Attached is the supporting documentation for your review. Village staff is in agreement with this recommendation and requests your support in renewing Medical and Dental Insurance for the 2018-2019 plan year.

As a reminder, in 2017 the Village awarded a professional services agreement to Alliant/Mesirow Insurance Services for Health Insurance Broker Services after proffering a Request for Qualifications for a new health insurance broker. The Village last proffered a Request for Qualification since 2014.

Some of the issues raised and accomlishments in this first year are listed as follows:

ISSUE	ACCOMPLISHMENT
Improved employee communication	Professional renewal brochures and materials with electronic versions for easy access.
New, nontraditional ideas on health insurance plans that will assist the Village to better manage costs	Shopped the marketplace for competitive dental and negotiating an even larger decrease with current provider. Offering new "Virtual visits" with online doctor for PPO plan.
Familiarity with rapidly changing health insurance laws and markets	Affordable Care Act updates, COBRA compliance and Regular Wellness Note electronic communication
A robust employee wellness plan; and	Onsite with BCBS representative to showcase "Well on Target" and "Virtual visits."
A firm that is in a position to be able to institute and properly communicate a new plan for the upcoming Oct 1 play year to our employees.	Broker on site for renewal and employee wellness fair. Regularly available as resources for staff and retiring employees who need assistance selecting supplemental plans or maneuvering the social security maze.
Flat fee of $42,000 per year for the first two years. The third year is based on CPI.	First year flat fee of $42,000. Second year Village requests fees be included as commissions.
Dearborn Life Insurance classification plans for staff	Although the Village's life insurance is currently in a rate guarantee, Alliant/Mesirow marketed the coverage in an effort to determine the most competitive carrier as well as to negotiate the Dearborn National in-force rates. Broker was successful in reducing in-force rates by -12.9%. These rates will be effective 12/01/17 and are guaranteed for 2 years.

cc: Pat Carr, Assistant Village Manager
Denise Maiolo, Director of Human Resources

Village of Tinley Park
Current Non-Contributory Life AD&D Financial Analysis
December 1, 2017 Effective Date

Life AD&D Plan Design	Dearborn National *Current*	Dearborn National *Revised Current*
Life AD&D Benefit Amount		
Class 1	Flat $65,000	Flat $65,000
Class 2	Flat $60,000	Flat $60,000
Class 3	Flat $55,000	Flat $55,000
Class 4	Flat $50,000	Flat $50,000
Class 6	Flat $50,000	Flat $50,000
Class 7	Flat $50,000	Flat $50,000
Guarantee Issue Amount	Full Benefit Amount	Full Benefit Amount
Reduction Schedule	Class 1, 2, 3 & 4: Age 65: 35%	Class 1, 2, 3 & 4: Age 65: 35%
(The age at which the original benefit	Class 1, 2, 3 & 4: Age 70: 50%	Class 1, 2, 3 & 4: Age 70: 50%
is reduced by the percentage shown.)	Class 1, 2, 3 & 4: Age 75: 70%	Class 1, 2, 3 & 4: Age 75: 70%
	Class 5 & 6: Age 65: 35%	Class 5 & 6: Age 65: 35%
Conversion	Included	Included

2018 Marketing Census	*Current*	*Revised Current*
Total Volume of Life Benefit	$10,912,500	$10,912,500
Life Rate Per $1,000 of Benefit	$0.194	$0.170
AD&D Rate Per $1,000 of Benefit	$0.030	$0.025
Total Life AD&D Rate Per $1,000 of Benefit	$0.224	$0.195
Est. Monthly Life AD&D Premium	**$2,444.40**	**$2,127.94**
Est. Annual Life AD&D Premium	**$29,332.80**	**$25,535.25**
Est. Annual Premium Change Over the Current Policy Year		-$3,797.55 (-12.9%)

Markets Approached

CONTRIBUTORY MEDICAL

Current Carrier / A.M. Best Rating	Status
BCBS of IL / A+	Renews 10/1/2018

Alternate Carriers / A.M. Best Rating	Status	Disposition
Aetna / A	Quote Received – Not Illustrated	+6.1% Above Current
Cigna / A	Quote Declined	Uncompetitive
Humana / A-	Quote Received – Not Illustrated	+3.9% Above Current
United Healthcare / A	Quote Received – Illustrated	-10.0% Below Current

Markets Approached (Cont.)

CONTRIBUTORY DENTAL

Current Carrier / A.M. Best Rating	Status
BCBS of IL / A+	Renews 10/1/2018

Alternate Carriers / A.M. Best Rating	Status	Disposition
Aetna / A	Quote Received – Illustrated	-18.5% Below Current
Ameritas / A	Quote Received – Illustrated	-24.7% Below Current
Cigna / A	Quote Declined	Uncompetitive
Delta Dental / No Rating Available	Quote Received – Illustrated	-11.7% Below Current
Guardian / A++	Quote Received – Illustrated	-14.2% Below Current
Humana / A-	Quote Received – Not Illustrated	-9.1% Below Current
Lincoln Financial / A+	Quote Received – Not Illustrated	-9.6% Below Current
MetLife / A+	Quote Received – Illustrated	-11.2% Below Current
Principal / A+	Quote Declined	Uncompetitive
Reliance / A+	Quote Received – Not Illustrated	-8.3% Below Current
Standard / A	Quote Received – Illustrated	-15.9% Below Current
Sun Life / A	Quote Received – Illustrated	-13.5% Below Current
United Healthcare / A	Quote Received – Not Illustrated	-6.7% Below Current
Unum / A	Quote Received – Illustrated	-16.4% Below Current

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COMMENTS FROM THE PUBLIC

ADJOURNMENT