

Minutes of the Executive Session
 Regular Village Board meeting
 January 3, 2017, 7:30 p.m.
 Village Hall of Tinley Park
 16250 S. Oak Park Avenue, Tinley Park, IL

Motion was made by Trustee Younker, seconded by Trustee Vandenberg, to adjourn to Executive Session at 8:07 p.m. to discuss the following:

- A. 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.
- B. THE APPOINTMENT, EMPLOYMENT, COMPENSATION, DISCIPLINE, PERFORMANCE, OR DISMISSAL OF SPECIFIC EMPLOYEES OF THE PUBLIC BODY OR LEGAL COUNSEL FOR HE 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.

The Village Clerk announced that this Executive Session is now being recorded.

A roll call was taken:

In attendance, responding to roll call:

- D. Seaman, Mayor
- P. Rea, Clerk
- B. Maher, Village Trustee
- T. Grady, Village Trustee
- M. Pannitto, Village Trustee
- J. Vandenberg, Village Trustee
- B. Younker, Village Trustee

Absent:

- K. Suggs, Village Trustee

Village Staff:

- D. Niemeyer, Village Manager
- S. Tilton, Asst. Village Manager
- B. Bettenhausen, Village Treasurer
- S. Neubauer, Police Chief (Depart 8:46 p.m.)
- J. Urbanski, Asst. Public Works Director (Depart 9:15 p.m.)
- L. Godette, Deputy Village Clerk
- P. Connelly, Village Attorney
- D. Rosenbaum Hall, Village Attorney (Depart 9:15 p.m.)

Item 1 – Discuss Collective Bargaining –

MAP Negotiations – Village Attorney Deanna Rosenbaum Hall and Manager Niemeyer presented the Board with an update on the MAP Proposal Summary for collective bargaining negotiations as follows:

December 14, 2016 – At the negotiating session with MAP, MAP proposed to take the Village insurance and drop residency in exchange for 3% wage increase. A written MAP proposal was received on January 2, 2017.

- Financials –
 - ◆ 3% wage increase for three years. Total cost to the village approximately \$169,111 versus a 2.5% wage increase.
 - ◆ Proposal did not accept Village insurance outright. Added contract language capping deductibles and kept language regarding prescription co-pays.
 - ◆ Proposal would cap officer paid health insurance deductible at \$255 per year. Village to reimburse for approximately \$245 per year. Total cost to village approximately \$46,305 over life of the contract.
 - ◆ Prescription co-pays reimbursed above \$30. Cost to Village will vary each year.
 - ◆ Proposal included Village language that officers “shall” wear bullet-proof vest in exchange for increase in uniform allowance.
 - ◆ \$200 increase in uniform allowance per year. Total cost to the Village of approximately \$37,800.
 - ◆ Maintained position regarding investigator Stipend. Cost to the Village for 2015 approximately \$5,252. For each standby period in 2016, \$524.04 (2.25% increase basis); for 2017, \$537.14; for 2018, \$550.55.)
- Financials –
 - ◆ Removed adjusted vacation schedule request
 - ◆ Edited arbitration of suspension or termination provisions
 - ◆ Removed facial hair proposal
 - ◆ Removed paternity leave proposal
 - ◆ Removed retiree insurance request
 - ◆ Removed Zone assignment language

After discussion by the Board Staff and Village Attorneys were directed to present the Board with a residency proposal for review and present a comparable report to the Board. The three core issues are wages, residency and insurance.

Local 150 - Village Manager Niemeyer presented a Local 150 proposal on health insurance and the next union contract. The current contract ends on April 30, 2018. The union is proposing extending this contract until April 30, 2021 if we agree to switch them out of the village health insurance plan and put them in the union health insurance. The union would also agree to reduce wage increases from May 1, 2018 to April 30, 2021. The current contract calls for an increase of 2.5% in the pay scales from May 1, 2017 to April 30, 2018. They would agree to pay scale increases of 1% in each of the three succeeding years. Also, the union has agreed to work with us on changing our complicated overtime call out system that has been a huge challenge for staff.

The Village would pay 100% of the employees insurance cost; currently we pay 90%. There would also be an annual 5% cap on what the union insurance could increase on an annual basis. Blue Cross Blue Shield has told us our overall insurance rates will not be affected if Public Works Union employees leave out plan.

Niemeyer presented comparable communities that have moved to the union health plan. According to the union, there haven't been any communities who have moved back to their village's plan after migrating to the union plan. However, some communities have not been satisfied with the move due to large cost increases in the union plan and dissatisfaction from the employees who migrated to the plan (our 5% cap mitigates some of those concerns at least for the first few years).

Union employees would receive several benefits:

- Their retirement insurance benefits are paid at 100% by the union at age 55 or whenever they retire until Medicare eligibility. Our plan awards 50% retirement insurance benefits to any employee hired prior to May 1, 2011 until Medicare eligibility. (We also pay a small amount for Medicare supplement coverage for retired employees which we would no longer do if we moved to the union plan.)
- We have been told that some of the union insurance benefits are better than our new plan. For example, our new plan has a \$500 deductible for a single person; their single deductible is \$300.
- Under our plan, employees are required to contribute 10% of the cost of the premium; Under the union's plan they contribute nothing.

If we migrated to the union plan, there are several Pros and Cons:

Pros:

- -Projected Savings of \$237,146.81 in health insurance over a 3 year period
- -Projected savings of \$264,394-419,239.86 in retiree insurance savings for the remaining employees that would be eligible for our retiree insurance plan if we didn't switch to the union plan.(Note-by Tuesday, we will have the estimated savings for the next 4 years only). The 2 assumptions are based on the average employee retiring at 60 or 62. (We will see significant savings in retiree costs for the next several years by migrating to the union plan; once employees hired after 2010 start to retire, these savings will diminish since we wouldn't be paying any retiree insurance costs if we continued with the village health insurance plan).
- -Projected savings in wages of \$102,923.60 over a 3 year period
- -Less administrative staff work dealing with employee benefit issues

Cons:

- -Loss of control over an employee benefit
- -Different benefit plans for employee groups
- -Other employee groups/police union may complain that public works has better benefit plan and doesn't have to pay 10% premium sharing
- -Potential for long term increases beyond the period when cost increases, and the cost increases could exceed the village's premium increases.

The Village could decline to agree to the extension of the contract and moving to the union's health insurance plan. However, the union will most likely file a grievance on the village's new plan since they think it is a significant change in benefits.

There are still some questions we have to talk to the union about that could affect some of these numbers, including how we deal with fair share employees, employees currently in our retirement plan, and how all our benefits compares to their plan, both for non-Medicare and Medicare retired employees.

Mayor Seaman stated how paternalistic we want to be, protecting them from themselves. It allows them to get in line with the union once they have this in place. He stated he is unsure about where health care costs are going.

Niemeyer also noted that the Public Works employees have concerns with the overtime process used by the Village.

Trustee Grady asked what does removing them from the employee pool do to the overall cost? Niemeyer stated that Blue Cross said this will have no effect on the overall cost.

Trustee Pannitto stated he wants to be sure that our employees are protected.

Trustee Younker asked if the Public Works employees have seen the Union Plan. Niemeyer stated they have seen a cost sheet.

Niemeyer stated that he would come back in two weeks with answers on the Medicare Advantage Plan and Medicaid information.

Item 2 – Personnel Issues -

Fire Chief Recruitment – Village Manager Niemeyer updated the Board on the recruitment process for the Fire Chief. Niemeyer stated that the search has been narrowed down to six (6) candidates. Niemeyer stated that his office would be sending notices to set up interviews of these candidates on possibly February 6th and February 7th, 2017.

Economic Development Manager – Village Manager Niemeyer updated the Board on the hiring of Patrick Hoban to the position of Economic Development Manager noting items that came up in the background process regarding a Driving Under the Influence charge he received fifteen (15) years ago and his discharge from the U.S. Navy. It was the consensus of the Board to continue with the hiring of Mr. Hoban and place his appointment on the January 17, 2017, Village Board agenda.

Motion was made by Trustee Younker, seconded by Trustee Vandenberg, to adjourn this Executive Session. Vote on roll call: Ayes: Maher, Grady, Pannitto, Vandenberg, Younker, Nays: None. Absent: Suggs. Mayor Seaman declared motion carried and this Executive Session was adjourned at 9:22 p.m.

Motion was made by Trustee Vandenberg, seconded by Trustee Younker, to adjourn the Special Village Board Meeting. Vote by voice call. Mayor Seaman declared the motion carried and adjourned this meeting at 9:22 p.m.

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