

Minutes Of Personnel Relations Committee Meeting

September 6, 2016

6:15 PM

Members Present: Stan Darter, Clyde Heller, Jim Hopkins, Rita Trantham, Gerry Frederick

Members Absent: None

Others Present: Mayor Smith, Vickie Koerber, Steve Notheisen, Russ Thomas, Shawn Kennedy, Dan Hayes

1) Meeting was called to order at 6:15 PM

2) There were no petitions by citizens on non-agenda items.

3) At 6:17 PM, a motion was made by Alderman Hopkins and seconded by Alderman Heller to enter Executive Session for the Discussion of Personnel and Contract Negotiations as per 5 ILCS 120/2©(1) and (2) respectively. The motions was approved by unanimous vote.

4) At 6:52, the committee returned to regular session.

5) Shawn Kennedy updated the committee on the proposed High Deductible Plan offered through the City Insurance Broker, CBIZ. Ms. Kennedy briefed the cost, the deductibles, the costs, and the need for a 3rd Party Administrator for the plan. If approved, the insurance plan would take effect on October 1, 2016. The 3rd Party service could be offered by CBIZ for \$2,673/year with a one-time \$250 set-up fee. In addition, she explained this year's cost of CBIZ's Affordable Care Act Checkpoint Service would be \$1,753 for the upcoming year. This service provides for the monitoring/issuing of 1095C forms for employees.

6) Mayor Smith raised the issue of how retiree health insurance coverage would be handled under a High Deductible Plan with possible City contributions to offset a portion of the employee deductible. Under the previous Zero Deductible Plan, retired employees were responsible for all costs of the insurance (the retired employee paid both the individual and City's premium share).

With at least 1 retirement pending in the near future, this issue must be decided sooner rather than later. This led to an extended discussion of whether the City should contribute to the deductible of retired employees as it might for active employees. The discussion included whether it was appropriate given the premium savings the City could receive to subsidize the deductible for retired employees (as it plans for active employees). In addition, Attorney Hayes suggested that it might appropriate to consider

having retirees pay the full premium for the plan with City contributions to offset the deductible (as planned for active employees). In addition, he believed it may not be lawful under the Illinois Continuation Act and/or COBRA to not offer retired employees the same deductible subsidy as active employees. It was also discussed that the total cost to a retiree with no City contribution to premiums or subsidy of deductibles would be approximately the same as the total cost of the previous zero deductible plan.

Following the discussion, a motion was made by Alderman Darter that the City, barring a legal requirement, would not subsidize (either premiums or deductibles) retiree health insurance. Alderman Heller seconded the motion. The motion passed 3-0 with Alderman Trantham abstaining

7) There was a brief discussion of Sick Time and Vacation Policy for management employees. A comparison of policies at other local municipalities was handed out.

8) A motion to adjourn was made by Alderman Heller and seconded by Alderman Hopkins. The motion passed unanimously. The meeting was adjourned at 7:25 PM.