



**VILLAGE OF BARTLETT  
COMMITTEE MINUTES  
JULY 3, 2018**

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President Wallace called the Committee of the Whole meeting to order at 7:21 p.m.

**PRESENT:** Chairmen Camerer, Carbonaro, Deyne, Gabrenya, Hopkins, Reinke, and President Wallace

**ABSENT:** None

**ALSO PRESENT:** Village Administrator Paula Schumacher, Assistant Village Administrator Scott Skrycki, Human Resources Director Janelle Terrance, Management Analyst Sam Hughes, Finance Director Todd Dowden, Community Development Director Jim Plonczynski, Management Analyst Tyler Isham, Public Works Director Dan Dinges, Public Works Engineer Bob Allen, Building Director Brian Goralski, Head Golf Professional Phil Lenz, Chief Patrick Ullrich, Deputy Chief Geoff Pretkelis, Village Attorney Bryan Mraz and Village Clerk Lorna Giles.

**FINANCE & GOLF, CHAIRMAN DEYNE**

**Bluff City SSA Refinance**

Chairman Deyne asked Finance Director Todd Dowden for a brief overview.

Finance Director Todd Dowden stated that in 2004, the Village issued \$16,600,000 Special Service Area Number One (Bluff City) Unlimited Ad Valorem Tax Variable Rate Demand Bonds. The developer within the SSA would like to reduce costs and the associated taxes by refunding the 2004 bonds. They pay \$925,000 in principal and have six payments left. They carry a Letter of Credit which puts an additional 1.3% annually onto the cost of the debt. The refunding bonds would be purchased by the developer and will bear an interest rate based on the prime rate. This would eliminate the need for the security and Letter of Credit. We will set a tax levy for the life of the bonds and they will be abated to 1% over prime to make sure the money is collected to pay the annual debt service. The bonds will continue to be non-recourse to the Village and are payable solely and only from the Special Service Area (SSA) taxes.

Chairman Hopkins asked if this TIF District expires in 2022.

Mr. Dowden stated that the last levy will be 2022 and the last payment will be in December of 2023.

Village Attorney Bryan Mraz stated that the way these work is that they show up on the tax bill as a Special Service Area, so the owners of each of those parcels has a separate PIN and line item on their tax bill. They are paying the taxes so they receive some income tax relief. These are taxable bonds and non-recourse, which means the Village is not on



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the hook at all and they are dictated solely by the real estate taxes. He stated that the bond counsel on this is Ice-Miller. The establishing ordinance for the SSA is not changing and this is simply a restructure of the \$6.1 million dollar bond ordinance. They are paying all of the costs of the Village in connection with this.

Chairman Hopkins stated that this is savings for the developers as well as the people paying the taxes.

**Discussion of Responses to Request for Proposals for Broker/Consultant Services for the Village's Health, Dental and Life Insurance**

Chairman Deyne asked the Human Resources Director for a summary.

Human Resources Director Janelle Terrance stated that the Village is seeking a broker to perform the full range of services related to the design implementation, maintenance, communication, compliance and improvement of its health, dental and life insurance plans, with focus on plan design changes for cost containment strategies. They received responses from nine brokers and five of them made presentations to the Board. Staff would like direction from the Board as to whether they would like to continue being serviced by the current broker, Arachus Group out of Bartlett or choose another. One of the things they realized in all of the presentations was that they all had opportunities for cost savings.

Chairman Hopkins stated that the biggest concern he had from the Arachus Group presentation was why they have not utilized these cost-saving measures? He asked if she had plans, if they picked the Arachus Group, to utilize their methods to try and save the taxpayer's money?

Village Administrator Paula Schumacher stated that they have learned that there are a number of different ways to skin that cat. She stated that she can't speak about years past since she was not involved in that deliberation.

Chairman Hopkins stated that she did approve the last year's contract.

Ms. Schumacher stated that last year's contract had changes to the structure of the plan for the first time in thirty-five years.

Chairman Hopkins stated that they still did not save any money.

Ms. Schumacher stated that they saved money with changes in the structure system, emergency care fees and yes, they were incremental. There are certainly other things they can do with the design and many things that are available currently that were not



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available in previous years such as digital doctoring. Our philosophy and the Village Board has changed in that timeframe. The waves of change has been telling for a while. She has given this a lot of thought and doesn't want to make profound changes too quickly, especially with police union negotiations going on. What is feasible is looking at a longer period of time to build a program that reduces costs over time that makes it palatable to the employees and for their families. She thought there were lots of ways to make those changes and they could do that with the current broker or a new broker. With the proper structure they can do this in a way that won't alienate anyone.

Chairman Hopkins stated that he was impressed with the Arachus Group and their straightforward presentation.

Chairman Reinke commented that the attempt to paint the Board as someone who would want to kick a child out of the hospital, is something he wholeheartedly objected to. The Board has been talking about this for a very, very, long time. The lack of movement is not attributable to the Village Administrator, so this is not a personal attack. The Board does not want to bring a hammer down or upset employees. They want to treat the employees with respect and make sure they are taken care of. They need to get this show on the road and the Board has been dealing with this for years.

Ms. Schumacher stated that when she talked about incremental changes over a period of time, she was talking about having a goal and steps to attain that goal. We have to figure out where our endgame is and how to get there. Maybe that's a big change or maybe that's a little change. It is a composite and they need to figure out where they want to be as well as a plan to get them there.

Chairman Reinke liked the idea of the biometrics but did not like the idea about lining up the employees and sucking their blood to run tests. It sounded awful and it sounded expensive and it sounded invasive.

Chairman Gabrenya stated that her husband's insurance company had that option for families and she found it the opposite. It took only fifteen minutes and she had an entire 6-10 page pamphlet of all of her health variables. It included the optimal levels and changes that could be made to improve the results. It did not feel invasive.

Chairman Camerer stated that his wife's company also does biometric testing and she gets the benefit of having the lab results on site. He thought it was also an asset.

Chairman Gabrenya asked if there was a standout between the brokers that will help attain the Board's goals.

Ms. Schumacher stated that no one stood out in the presentations.



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Human Resources Director Janelle Terrance agreed. If she could take bits and pieces from each presentation and encompass them into one broker, they would have the perfect broker. There were some interesting factors in terms of things that were never brought before them in the past in terms of cost-saving strategies. She thought that any one of the brokers has the ability to assist them with this process.

Chairman Carbonaro took offense to the officer that spoke and the phrase that the Board is “putting the hammer down”. No changes were made to the insurance policy since 1991 through 2015 – that is 24 years and change is inevitable. The insurance broker stated that our current policy is still under 1990 premiums. This policy is antiquated and no one has this kind of coverage anymore. We need to go back to the current agent and have him suggest what is current in today’s market and see what kind of savings we can get just by going up to 21<sup>st</sup> century coverages. He suggested they stay with the current broker.

President Wallace stated that insurance is a very contentious issue and it has been since Obama Care reared its ugly head. On behalf of the Board, he assured employees that this was not a personal discussion about work performance. This is a difficult decision for the Board and he hoped everyone understood that changes would have to be made. Health insurance is one of the largest expenses that the Village has, which in turn is one of the largest expenses the taxpayers have. He stated that it doesn’t matter which broker is chosen, they all come from the same well. He preferred staying with Arachus.

Chairman Deyne asked to have some input on this decision and how they can review and structure the program in a different manner.

Ms. Schumacher stated that the notion that health insurance or any other expense would be off the table for review is not how they operate. They will take a good hard look at this expense and figure out a way to do it better. This is what they do with everything. She plans to sit down with the broker and come up with that plan for the Board to take a look at.

Chairman Reinke stated that he has been through this before and hoped that time restrictions will not prevent the Board from having a proper review.

Ms. Schumacher stated that this is why they have began the process the following month after renewal. She will certainly make sure they have time to look at it and not feel pressured.

The Board did a verbal straw pull and decided to stay with Arachus.

Ms. Terrance stated that they would have to make a decision no later than November since by law, employees must have the information to make an educated decision.



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Chairman Reinke stated that he is more inclined to change the broker but he understood that it makes sense to see what Arachus can do and then reassess.

Chairman Deyne stated that he also had some mixed feelings.

There being no further business to discuss, Chairman Deyne moved to adjourn the Committee meeting and that motion was seconded by Chairman Camerer.

**ROLL CALL VOTE TO ADJOURN**

AYES: Chairmen Camerer, Carbonaro, Deyne, Gabrenya, Hopkins, Reinke

NAYS: None

ABSENT: None

**MOTION CARRIED**

The meeting adjourned at 7:47 p.m.

Lorna Gilless  
Village Clerk