

VILLAGE OF OAKWOOD

COUNCIL FINANCE (BUDGETARY HEARING) COMMITTEE MEETING MINUTES

February 12, 2019

PRESENT:

Johnnie Warren – Council President

Elaine Gaither- Council at Large

Chris Callender – Ward 1

Eloise Hardin – Ward 2

Anthony Akins- Ward 3*

Patricia Rogers – Ward 4

Candace Williams – Ward 5

Brian Thompson- Finance Director

Gary Gottschalk-Mayor*

ABSENT:

* Arrived after roll call

Thompson opened meeting at 6:25p

7799 – Village wide

Warren asked about health benefits. **Thompson**: This category is not the total description. I have dissected it; subtotalling the health benefits. **Warren** asked if health benefits were addressed under Police. **Thompson**: No, they are all here. Pensions are included in Police.

Workers Comp

Thompson: Our claim rate has been good over the years. We are at the same rate as last year.

Health Care

Thompson: I get claims every week with stop loss, we netted expenses of \$576,000. **Hardin** asked about the expenses. **Thompson**: We pay out from the general fund, then we have a stop loss feature. **Hardin**: We don't have initial coverage then start paying out? **Thompson**: We pay the full claims. **Warren**: Our premiums are based on the Village paying up to a certain amount in claims. After that, the insurance company reimburses us for claims above that level. We project what we would pay out. **Hardin**: Are you speaking of the stop gap? **Thompson**: Yes. **Hardin**: Why can't we get insurance prior to stop gap? **Thompson**: It goes back to the FOP contract. Until we make a change on the health care structure, this is the plan we shop out. **Williams**: How many other communities pay their health insurance in this way? What is the standard? **Thompson**: You can be self-insured with a fixed rate each month. We pay less than that due to the stop loss. Most smaller villages can't do a fully insured plan. **Warren**: We went out for bid on a fully insured plan and it was much more than what we were paying. Then we tried to collaborate with other communities, but because we are so small and at the time, our claims were so high, no one would take us on. It is due to the aging of employees. **Hardin**: Every year, out of due diligence, the organization we talked about, do they automatically shop for us? **Thompson**: Yes. I will have them come to one of the next Council meetings and show Council the details. **Williams**: Shopping is based on the contract. **Thompson**: Yes. **Williams**: We don't consider something cheaper? **Thompson**: We do look for other medical models 85% vs 100%. We also go after fully insured as the President stated. We search industry standards as well. **Hardin**: Every year, we are handclapped by the FOP contract. Have him come to Council to show us those comparisons. **Warren**: Prior to budgets. **Hardin**: I have given you information I had. **Thompson**: Yes. **Hardin**: I think you need to have a meeting with Council-as-a-whole before we get here. It isn't too late now. **Thompson** will have the insurance agent come before Council at the next meeting. **Hardin**: There is a science that studies based on your number of employees, ages of employees, etc. for fully insured. We should do better. **Thompson**: We look at the age group; between 50 and 65 makes up what we have here, which is high risk area. **Warren**: One phenomenon is our people aren't paid as much to offset the good health insurance. You either get more money and less healthcare or more healthcare and less money. **Hardin**: The

salaries are right there with other municipalities. It isn't a tradeoff. **Warren:** We have such few employees, that their contribution would have to be horrendous, way more to offset the cost. He asked how many employees we have.

Thompson: We have 37 full-time. **Hardin:** If they had to pay an increase in their contribution it would throw it off, a big amount. **Williams:** For that number of employees, do we average the same as other communities our size? **Thompson:** In claims experience? **Williams:** Yes. **Thompson:** We have that data. **Gaither:** Deb gathered that data from other communities. **Clerk:** I should have that based on the salaries, number of employees, etc. In most cases if the municipality pays less in insurance, the employees pay more in premiums and get paid more in salaries to offset the premium. I can get that to you, and I can run that again with the average ages of employees in the study. **Thompson:** On a medical plan, you have to have a third-party to administer the claims. We paid \$237,140 for 2018 and capped it at \$240,000 for 2019. **Hardin** asked how long we have had the same company. **Thompson:** Over 10 years. **Rogers** asked the name. **Thompson:** Mutual Health Services and Love Insurance, our Broker, who goes to market. **Williams** asked if they get a separate fee. **Thompson:** Love Insurance gets a commission fee; about 9-10%. Vision and Life is offered as well as \$25,000 life insurance per employee from the Principle Group. **Hardin:** That is term? **Thompson:** Yes, and it is portable; you can take it with you but yes, term. **Rogers:** Some Council's get life insurance. **Hardin** asked if we want to look into it for Council.

Property and Casualty Insurance

Thompson: Love Insurance covers us for any lawsuits and employee bonding. **Williams:** Is this paid directly?

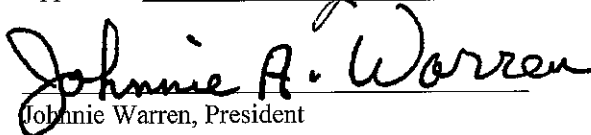
Thompson: Yes.

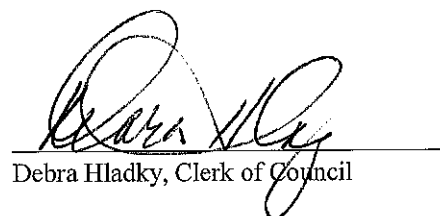
Miscellaneous Contractual

Thompson: This encompasses postage, copier leases, webhosting, IT support and cleaning of Village Hall facilities. We are moving toward paying a part-time employee. We were paying two companies totaling \$44,000. With the one employee, it will be approximately \$15,600 who will be paid out of Public Lands and Buildings. **Hardin** asked why. **Thompson:** They are an actual employee now. **Warren:** It is only one person. We have had a lot of people cleaning this building. One person can do all that work? **Thompson:** That is my understanding, Tommy can elaborate on that. **Williams** asked if they get PERS, etc. **Thompson:** Yes. **Warren:** No health insurance though. **Thompson:** Correct. **Hardin** asked about the County Board of Health funds and what the Village gets for that expenditure. **Thompson:** I don't know specifics. **Haba:** I don't think they did the mosquito spraying 2018. **Williams:** We just send them a check, even if they don't do anything? **Thompson:** They should be doing some things. **Williams** asked if they don't do anything, what happens to those funds? **Thompson:** They return those dollars. **Hardin** asked about RITA and if we pay for legal cases. **Thompson:** Yes, RITA manages non-payers for us. They remit the taxes back to us when the taxes are collected. **Williams** asked about the Postage Machine. **Thompson:** That is for the equipment and postage is separated out. **Warren** asked about tool rental. **Thompson:** I set that at the historical rate. **Williams** asked what was expended in 2017. **Thompson:** I will have to check on that. **Williams** asked about waiving of permit fees. **Thompson:** That is incurred by the Village; dollars we didn't collect. I track that here.

Meeting adjourned 7:00pm

Approved: February 26, 2019


Johnnie Warren, President


Debra Hladky, Clerk of Council