

FINANCE COMMITTEE MEETING

December 6, 2010

PRESENT: Finance Committee Chairman – Michael Lawler, Trustee – Leroy Brown – Finance Committee, Trustee – Rick Morales – Finance Committee, Rosa Cojulun – Finance Director, Jules Staley – Asst. to Director of Finance, Brenda Ladipo –HR/ IT Director, Bobbie Sievers – Human Resource. Guest: Renee Formell and Dan Mackey – Mesirow Financial

ABSENT: None

Finance Director, Rosa Cojulun called the meeting to order at 5:00 p.m. by welcoming the Finance committee trustees and guest.

First on the agenda was approval of the minutes for August 16, 2010 meeting. A motion was made by Trustee Morales and seconded by Trustee Brown. All Trustees said “AYE”.

Second item, Workers Comp. renewal, Rosa turned the meeting over to Dan Mackey – Mesirow Financial to discuss the options. Dan briefly went over the Insurance Proposal – the first being the Premium Summary and Comparison by saying that the First Dollar choice is 8.00% lower than this year or by \$164,957. He went on to say that 2006 year which the Village has incurred a \$2.5 million loss fell off the calculations for the 2011 renewal which saved the Village some additional cost. Also that the Grant Program is increasing to \$126,700 for 2011. Dan then briefly went over the summary sheet with all the options and stated that if claims continue to improve for 2011 then the self-insured option could be a competitive consideration for 2012 but for 2011, the First Dollar options with Illinois Public Risk Fund is still the best option for the Village and made this as the recommendation to the Trustees. Dan pointed out one benefit to the plan to consider, which IPRF is offering a matching grant of up to 50% the cost of purchasing Stryker Power-Pro and/or Stair-Pro for the Fire Department and made the recommendation to take advantage of this grant. Finance Committee Chairman – Michael Lawler said that he would inform the Chief of this grant.

Dan asked if anyone had any questions and Trustee Morales asked about how the reserve numbers were calculated on the summary page and Dan replied that they are based on forecasted numbers which these numbers get smaller as the claims are settlement over time. Trustee Lawler asked for a motion and Trustee Morales recommended renewal of option #1 – First Dollar and Trustee Brown seconded the motion and all trustees voted “AYE”. Trustee Lawler then thanked Dan for coming and provided the information on the worker comp. claims.

Third item, Renewal of Benefit Plan, Finance Director, Rosa Cojulun handed the floor over to Renee Formell to discuss the renewal options. Renee explained that the 2011 forecasted claims are projected to be 2.00% or \$155,318 lower even though the fixed cost with the plan has increased by 6.5% or \$64,302. Renee went on to say that these fixed costs are made up of parts, one being the specific Stop Loss Policy which increased by 6.1% or \$39,499 and the Third Party Administration which saw an increase of 7.3% or \$24,803. Renee said that after reviewing the data; they recommend no changes to the plan for the upcoming year. Renee also explained some of the benefit

changes due to the plan, starting January 1, 2011, that preventive and routine care will now be covered which Renee said the employees will be excited about during the enrollment sessions.

Renee then asked if there were any questions. Trustee Lawler asked if the 2.0% drop in claims number is the best case and Renee stated that this number is based on prior year numbers and the trend going forward. Trustee Morales asked if the history was just a year and Renee stated "Yes". Trustee Morales asked how well the claims process is doing and Bobbie replied "excellent". Trustee Lawler stated that the BCBS plan continues to be a benefit for both the Village and its employees due to better cost discounts, service, and options and thanked her for coming. Committee Chairman, Michael Lawler then asked for a vote and Trustee Morales made the motion to approve BCBS and Trustee Lawler made a second. All Trustees said "AYE".

Trustee Lawler proposed adjourning. All trustees voted "AYE". None opposed. The meeting adjourned at 5:55 p.m.