

Chairman Gianopulos called the meeting to order at 9:05 a.m. Roll Call.

Members Present

Skip Gianopulos, Chairman
Fritz Gohl

Other Attendees

Karen Selman, Trustee
Rosemary Ryba, Village Treasurer
Robert Kosin, Director of Administration
Chief Murphy
Rich Semelsberger, Deputy Chief
Wendi Frisen, Manager of Municipal Services
Alice Runvik, Assistant to Chief of Police
Marlene Boehler, Lundstrom Insurance
Boomer Whipple, Lundstrom Insurance

MINUTES

Reviewed minutes from May 10, 2012 Insurance Meeting. Motioned and moved by Fritz Gohl for approval, seconded by Skip Gianopulos. Minutes approved.

LUNDSTROM INSURANCE – PLAN ASSESSMENT

Boomer stated the Village could save money by making changes to the benefits currently offered. He then answered the question that our current plan could not combine a co-pay/prescription card, but if the Village changed to a plan to incorporate those, the premiums would increase. He began to review the medical financial analyses material provided by Lundstrom Insurance. If the Village were to move the employee portion of the deductible to the “front end” as opposed to the “back end” as is currently in place, it would equal a savings of \$5,936.18 annually. He stated that it would possibly change behavior because people may postpone going to the doctor if they had to pay out of their own pocket. Fritz Gohl asked Boomer what time period is when utilization is at its highest. He replied that for Barrington Hills, it is the beginning of the year and the end of the year.

Boomer then stated the national average deductible for municipalities was between \$500 - \$1,500 and according to the 2011 Kaiser/HRET Survey, the average percentage of premium paid by state/local government workers was 13% for single coverage and 32% for family coverage. He then reviewed the contribution analysis for an employee contribution rate of 2.5% for employee and 5% for dependents could generate a savings of \$32,538.87 annually. Skip then added that could possibly change the culture with employees who may not wish to continue with the plan offered if a spouse has coverage.

Treasurer Ryba asked if the premium contribution would be pre-taxed. Boomer confirmed as well as explained the amount contributed would not be reimbursable through the FSA plan in place. Local municipalities detailing employee contribution rates included in the report were Algonquin, Barrington, Carpentersville, Hoffman Estates, and South Barrington.

It was discussed that this information is helpful because the decision would be easier to make once the renewal rate for 2013 comes in early to mid-October. Boomer added that average increases in premiums this year have been between 8% and 10%. Chief stated that it would be a two part process employees would most likely want an increase in salary to offset the contribution rate to be paid by employees. Karen Selman stated it is the principal matter that employees should make contributions.

Skip then added that he wants to eventually have employees contribute about 15% - 20% by 2016. Fritz Gohl agreed to slowly increase the employee contributions over the next three to four years. Chief Murphy said he would survey employees through the DMS system to get feedback and plan to meet again in late July to review the findings.

There being no further business, Fritz motioned to adjourn and seconded by Skip at 10:41 a.m.

Rosemary Ryba
Recording Secretary