



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
MAY 15, 2018**

President Wallace called the Committee of the Whole meeting to order at 8:33 p.m.

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

ABSENT: Chairman Gabrenya

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, Assistant Community Development Director Roberta Grill, 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, Deputy Chief Chuck Snider, Village Attorney Bryan Mraz and Village Clerk Lorna Giles.

FINANCE & GOLF, CHAIRMAN DEYNE

Discussion on Requests for Proposals for Broker/Consultant Services for the Village's Health, Dental and Life Insurance

Chairman Deyne stated that they have two brokers to present this evening.

Human Resources Director Janelle Terrance stated that the first presentation is from John Herr and Jim Cornelius from Hub International.

Mr. Cornelius stated that his business started in 1984 and in 1986, he started an insurance brokerage company called Corporate Benefit Consultants. They started with a partner or two and a secretary and after about eighteen years they have over thirty employees and eight million dollars in revenue. In the late nineties, they decided that it was time to create transparency. They sold their business to the Hub Group four years ago and tripled their presence in the market. They soon wrote about fifty public entities over the next ten years. They have a very fair price and feel that they are 15 to 20 percent below others and they feel they have expertise working with multiple counties all the way down to local groups, municipalities and school districts. They have been in the business a long time and are honest people that do the right thing for municipalities. He felt that there were opportunities within our HMO to reduce costs about 6% without really changing benefits. He stated that they are the fifth largest brokerage in the world today and have about eleven thousand employees.

President Wallace asked what tactics have they used in other municipalities to reduce costs?



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Mr. Cornelius stated that the first thing they would do is pull out the commissions. When they pull those out, you will get a little bit more than you are paying back in your pocket. He stated that the Village has HMO Illinois which is unique for a group this size. The Village is experience rated and that gives some advantages. They have a finance group that can work with this and they can argue trend with the underwriters. He spoke about the Blue Advantage HMO and thought it would be a great opportunity to see what it looks like for the group. They may be able to save five or six points there. On the PPO side, it's really the strength of the relationship since they are held up to their manuals and experience in ongoing claims. They would work on the individual situations to see if they could reduce reserves and get an overall reduction in the program. Sometimes it is pleading to the Blue Cross court. Blue Cross made over a billion dollars this year and last year they lost about three hundred million mostly in the exchanges. You really have to get into the carriers retention and he thought they were very, very good at that based on their relationship with the Blues.

Mr. Herr stated that the first thing they do is look at culture. He talked about another plan called Blue Choice Select and stated that there could be up to an eight percent differential in price. They want to make sure that they creatively look at things they could do for the Village.

Mr. Cornelius talked about an HRA since the Village has very low deductibles. When you are captive to the low deductibles, Blue Cross knows that you need to have that two hundred fifty dollar deductible and they charge you more than it is worth. Ideally, you might want to retain more risk – perhaps \$1,000 or \$2,500, and the Blues will allow you to go up to those levels and self-fund the difference. Attached, please find a two page handout that was distributed to the Board.

President Wallace stated that it's change and you have to teach people how to accept change.

Chairman Deyne introduced the next broker which is Connor & Gallagher OneSource.

Ms. Terrance stated that they have Tom Connor and Dan Daley to present.

Tom Connor, President of Connor & Gallagher, thanked the Board and staff for having them. Connor & Gallagher OneSource (CGO) is a twenty-one-year-old company that he and his partner started from the ground up. They started with two people and are now up to eighty people with four divisions. They are specifically commercial insurance brokers. They are a privately owned company and have spent the last ten years structuring so they could remain a privately held company. They are flexible and able to pivot and implement any idea that comes up in a short period of time. They don't answer to shareholders or venture capital partners or a board that is not involved in the day-to-day operations.



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Dan Daley introduced himself as the benefit consultant. His responsibility would be to oversee the entire town, renewal, programs and wellness. He introduced all of his team members with a brief description of what they do. He stated that their whole "center" is working with the Village and you would be viewed as number one. Blue Cross/Blue Shield is their largest carrier and their role going forward would be to market the Village's account while looking at any/all alternatives and substitutes to Blue Cross. The only way that you get Blue Cross to negotiate numbers is to show them that you are serious about leaving them. This process has been immensely successful. In order to do that, they need to have a strategic plan and a timeline. He stated that the Village is in a market and with one hundred and fifty employees, they make the most money. He presented the attached slides.

Chairman Hopkins asked if they thought they could save the Village money from the current plan?

Mr. Daley spoke about HSA's, HRA's, and stated that they model plans at varying levels to make sure it is affordable. Eighty percent of the claims are incurred by twenty percent of people and you are paying one hundred percent for twenty. They will do the modeling and recommend a plan that fits best.

Chairman Deyne thanked them for coming out this evening.

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

ROLL CALL VOTE TO ADJOURN

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

NAYS: None

ABSENT: None

MOTION CARRIED

The meeting adjourned at 9:17 p.m.

Lorna Gilless
Village Clerk