

The Village of Moreland Hills

Minutes of the Finance Committee Meeting

August 8, 2008

Call to Order: the meeting was called to order by Chairperson, William Wortzman at 11:05am

Attendance: The following members of the Finance Committee were present: William Wortzman, Chairperson. Kelly Ovsek was unable to attend. In addition, Mayor Renda, members (3) of the Fringe Benefits Committee, and Treasurer, Prashant Shah attended. Guests attending were Luke Clark, Client Executive and Vice President of the Hylant Group and Aaron Marinelli and his associate, representing Chapman & Chapman.

Old Business: None

New Business: the following topics were discussed by the participants:

Fringe Benefits Presentation: The Fringe Benefits Committee participated in this portion of the Finance Committee meeting. The subject dealt with the renewal of the Village's group medical and dental plans, which have a renewal date of September 1, 2008. Two fringe benefit specialists, Luke Clark and Aaron Marinelli, made presentations describing services provided by their organizations and the specific terms of renewal options – see below. Members of the Fringe Benefit Committee expressed certain concerns about the increase in co-pays, the denial of services and the level of out-of-pocket expenses for the staff. The Mayor emphasized the need to strike a balance between the need for appropriate coverage levels and a cost containment level that addresses the Village's budgetary situation. The broker presentations and the conclusions drawn are summarized below:

1. Mr. Clark made a presentation on behalf of the Hylant Group, the incumbent firm providing the Village's group medical and dental plans through Aetna. He indicated that the current medical plan could be renewed with only a 1.5% increase (monthly premiums would increase to \$22,493 vs. \$22,188 currently). The dental plan would have a 6.1% increase (monthly premiums would increase to \$1,318 vs. \$1,242 currently). He stressed the necessity of a wellness program to minimize the future increases in premiums.
2. Mr. Marinelli made a presentation on behalf of Chapman & Chapman. He spent a significant amount of time familiarizing the meeting participants with his Firm's services provided at no additional cost, which included establishing a health care website (this would be owned by the Village), providing leadership for an on-site

Village of Moreland Hills
Finance Committee Minutes
August 8, 2008

wellness program, and providing a "real value" statement for each employee to depict the value of their total compensation package. He indicated that he could also secure the current Aetna program at the same pricing. In response to questioning by Mr. Wortzman of possibilities of alternatives that might be cost neutral to the Village but provide potentially greater benefits to the employees, Mr. Marinelli suggested consideration of either a Health Savings Account or Health Reimbursement Account aligned with higher deductibles or other revisions that would reduce the base premium cost.

3. The discussion also centered around the timing of the renewal, since the September renewal date was close at hand. The Finance Committee voted to recommend to Council a change in broker representation from Hylant Group to Chapman & Chapman due to the feeling that service level would be improved and the plan design would be more carefully explored to the potential benefit of both the Village and the employees. Further, the Committee concluded that it would be prudent to pursue plan design changes immediately after the renewal ordinance has been approved at the upcoming Council meeting. If it proves worthwhile to change the plan design in the future, an amendment to the renewal ordinance would be presented to Council. The Fringe Benefits Committee members concurred with the Finance Committee recommendations.

Bills Ordinance: Treasurer Shah presented the ordinance for the payment of bills in the month of August, 2008 for \$437,452.26. The Committee recommended this ordinance for approval at the upcoming Council meeting.

Appropriation Changes: Treasurer Shah indicated that an ordinance will be presented at Council to amend the appropriations in the accounts that are in excess of the budget appropriation as approved by Council.

There being no other business, Chairperson Wortzman adjourned the meeting at 2:15 pm.

Respectfully submitted,
William Wortzman, Chairperson