

October 14, 2015

Minutes of the regular meeting of the Board of Trustees of the Skokie Public Library held in the Skokie Public Library Board Room, Wednesday, October 14, 2015.

CALL TO ORDER

Mark Prosperi, President, called the meeting to order at 7:07 p.m.

Members present: Mark Prosperi, President; Diana Hunter, Vice President/President Emerita; Karen Parrilli, Secretary; Susan Greer; Eugene F. Griffin; Jonathan H. Maks, MD; Zelda Rich; and Carolyn A. Anthony, Director.

Staff present: Richard Kong, Deputy Director; and Beth Dostert, Human Resources Manager (arrived at 8:20 p.m.).

Guests present: Maryann Mileto, Assurance Agency (arrived at 8:20 p.m.); and April Krzeczkowski, Executive Director, LIMRiCC, attended via phone at 8:20 p.m.

ASPEN INSTITUTE REPORT ON PUBLIC LIBRARIES

Mr. Kong led the Board in the SOAR (Strengths, Opportunities, Aspirations, Results) exercise of the Aspen Institute Report.

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 9, 2015

Mrs. Hunter made a motion, seconded by Mr. Griffin, to approve the minutes of the regular meeting of September 9, 2015, subject to additions and/or corrections. There being no additions or corrections, the minutes were approved unanimously and placed on file.

CONSENT AGENDA (Financial Statements; Circulation Report/Dashboard; Reports from Department Heads; Gift; Personnel)

Mrs. Hunter commented on the increasing bookmobile statistics. Mrs. Parrilli commented that there aren't enough eBooks (nonfiction and history). Mr. Prosperi agreed (history and biographies). Mrs. Hunter commented that she doesn't like the word "terminations" for those staff who have resigned.

Dr. Maks made a motion, seconded by Mrs. Hunter:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE FINANCIAL STATEMENTS, SUBJECT TO AUDIT,

AND THAT THE FOLLOWING CONSENT AGENDA ITEMS BE PLACED ON FILE:

1. CIRCULATION REPORT/DASHBOARD
2. REPORTS FROM DEPARTMENT HEADS
3. GIFT: \$100. FROM DONNA J. GRINHAM FOR AUDIO/VISUAL
4. PERSONNEL: PROMOTION: KENNY WABOMNOR, FROM PART-TIME MATERIALS PAGE, ACCESS SERVICES, TO PART-TIME DIGITAL LITERACY SPECIALIST, LEARNING EXPERIENCES, EFFECTIVE SEPTEMBER 28, 2015; TERMINATIONS: NANCY HELLGETH, PART-TIME DIGITAL LITERACY SPECIALIST, LEARNING EXPERIENCES, EFFECTIVE SEPTEMBER 24, 2015; MICHAEL POCRNICH, PART-TIME DIGITAL LITERACY SPECIALIST, LEARNING EXPERIENCES, EFFECTIVE OCTOBER 9, 2015; TAYLOR ERVIN, PRODUCTION SPECIALIST, VIRTUAL COMMUNITY ENGAGEMENT, EFFECTIVE OCTOBER 23, 2015; ALDO VASQUEZ, DIGITAL LITERACY SPECIALIST, LEARNING EXPERIENCES, EFFECTIVE NOVEMBER 14, 2015; HIRE: CAITLIN MYERS, PART-TIME DIGITAL LITERACY SPECIALIST, LEARNING EXPERIENCES, EFFECTIVE OCTOBER 13, 2015.

The vote for approval was 7 ayes, 0 nays; the motion passed unanimously.

#### BILLS

After brief discussion, a motion was made by Mrs. Rich, seconded by Mrs. Parrilli:

MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE BILLS, SUBJECT TO AUDIT.

The roll call vote for approval was 7 ayes, 0 nays; the motion passed unanimously.

#### DIRECTOR'S REPORT

USAGE----Circulation in September was down by 1% from the same month last year. There is no obvious reason except perhaps that the month was mild and lovely which probably kept more people engaged outdoors. The Bookmobile was off the road for 1.5 days with mechanical issues, but Bookmobile circulation still increased slightly.

Eaudiobook use is up sharply, mirroring the trend in eSales, while eBook use has lagged. Most inter-library lending is through LINKin which continues to be a quick and easy way for patrons to get materials from other area libraries at lower cost and with less staff intervention than is required with conventional Interlibrary Loan. The Gate Count is down 7% to about 63,000 for the month. Thanks to the good work of the Community Engagement Department, we are meeting and serving more people out in the community.

SYNERGY----Amy Koester, Youth and Family Program Coordinator, completed three sessions of Synergy, the leadership program run by the State Library. Richard Kong served as a mentor for a group of Synergists this year so Skokie Public Library was well represented in the multi-type library leadership program. It was brought back this year after a few years lapse due to funding issues at the State Library.

FLU SHOTS----Sixty-two employees received free flu shots in September at the Village Health Department. The Village has graciously invited library staff to participate in the flu shot clinic for several years now. Mrs. Anthony thinks it helps to minimize winter absences due to staff illness.

ALSC CURIOSITY CREATES GRANT----We have been notified that the library is one of twenty-two libraries nationally selected to receive a grant for an artist-in-residence program. The \$7,500 will be used to fund a residency with visual artist Melanie P. Brown of approximately six weeks in advance of National Library Week. Children from grades 4-8 will be involved in creating artworks reflecting their personal idea of place. There will be five scheduled programs, twelve drop-in programs, and a culminating event to which participants in all the programs will be invited for a collaborative project. Youth and Family Program Coordinator Amy Koester prepared the grant proposal and will be the lead staff person on the project, assisted by Shauna Anderson, Amy Holcomb, and Sue Teller.

HEALTH DESK LAUNCH---Beginning October 20 and continuing Tuesdays from 3-6 pm, a Health Desk will be staffed in the library lobby by students from Northwestern University's McCormick School of Engineering. The students are part of a Community Health Corps that will also be answering questions and providing brochures at the Evanston Public Library. The program, called HIRCULES Health Hub, has been about two years in development with involvement of staff Kate Belogorsky and Community Engagement Manager Susan Carlton. A kick-off program "In Sickness and In Health" will feature Dr. Catherine Counard, Director of the Skokie Health Department; Dr. Avery Hart, Chief Medical Officer of the Erie Family Health Center; and Dr. Muhammad

Parachi, Clinic Director of Asian Human Services. This program contributes to the Village Health Department's focus on improving access to health care.

**SUPPLEMENTAL AIR CONDITIONING INSTALLED----**Work has been completed on installation of the supplemental air conditioning units that will service the Materials Handling work room, the Call Center, and Customer Services Manager Eileen Coulombe's office on the west side of the first floor. The air conditioning is particularly needed in the winter when the boilers are in operation directly under this work area.

**FIRE DRILL----**The mild fall weather to date gave us the opportunity to have a fire drill, coordinated with the Skokie Fire Department. Staff from the Fire Department timed the building evacuation at about six minutes. The drill gave us the opportunity to review emergency procedures with supervisors.

**SALE OF 3M LIBRARY SYSTEMS----**3M Library Systems global business has been purchased by One Equity Partners which manages equity investments for JP Morgan. They are also a lead investor in Bibliotheca Group, an international supplier of self-service and digital solutions to the library and education industry. The library has a 3M RFID system, 3M automated sorting system, and 3M self-check stations and we make eBooks available from the 3M Cloud System. The new SmartLocker installed at the Weber Center is from Bibliotheca. We are told that there will be a smooth transition and that Bibliotheca is committed to a high level of service. The sale was a surprise, but is in keeping with the move toward consolidations that we have seen in the library technology industry.

**LIBRARIAN OF CONGRESS----**Librarian of Congress James Billington, a respected Russian scholar, has resigned from his post in advance of his planned retirement in January 2016. Many in the library community have been calling for a Librarian of Congress who is more engaged with evolving library technology. Dr. Billington had been in the position for 28 years and it has been a life appointment. Legislation has already been introduced to change the appointment to a renewable ten year term.

**ICMA CONFERENCE----**Mrs. Anthony presented on Project Outcome, the PLA outcome measures project, at the International City/County Managers Association conference in Seattle September 28. The PLA Board held their fall meeting in Seattle in conjunction with the ICMA Conference so that PLA Board members could attend the conference and strengthen PLA's partnership with the municipal organization. Deborah Jacobs, Head of the Gates Global Libraries program also met with the PLA Board and the

Board had a luncheon with Amy Garmer, Director of the Aspen Institute Dialogue on Public Libraries.

ILA ANNUAL CONFERENCE----At least ten staff members will attend one or more days of the ILA Annual Conference in Peoria October 22-24. Mrs. Anthony will participate in a panel presentation on the Coming Together in Skokie program Voices of Race, held earlier this year, and also will present on Project Outcome.

Mr. Prosperi asked the Board to move the regular order of business and begin with Petty Auditorium AV Upgrade moving the Intergovernmental Agreement for LIMRiCC and Employee Health Insurance after Reaching Across Illinois Libraries Systems (RAILS). The Board agreed.

#### APPROVAL OF PETTY AUDITORIUM AV UPGRADE

During the July 2015 Board meeting, permission was given to go out to bid for AV upgrades in the Petty Auditorium. Staff worked with an AV consultant, Tom Harm, to write an RFP (request for proposal). By upgrading aging and outdated equipment, the library will be able to ensure high-quality, functional AV for movies, performances, lectures, and other large events.

The major components include:

- A new Sony 7000 Lumen Laser Light Source LCD Projector and new fabric screen.
- A simplified interface that will allow staff to control the AV from the stage podium, the sound booth, or an iPad.
- A new sound system with new speakers throughout the entire auditorium and the ability to work with assisted-listening devices.

The RFP went out to ten vendors, and we received four bids.

<b>Vendor</b>	<b>Bid Amount</b>
Allen Visual Systems	\$77,975.00
Conference Technologies	\$84,844.00
Midwest Computer Products	\$103,842.40
Audio Visual Systems	\$179,622.02 (note: apparent error in cost of new projection screen)

Tom Harm reviewed each proposal. He recommends that we approve the bid from Allen Visual Systems because they are the low bidder and have a good reputation with over 40 years of experience. The bid also includes one-year of maintenance and support. IT

Manager, Mark Kadzie, and IT Specialist, Anna Caran, have also reviewed the bids and concur with Mr. Harm's assessment.

Mr. Kong recommends approval of Allen Visual Systems, the low bidder, in the amount of \$77,975.00. If approved, Allen Visual Systems should be able to complete all of the work in approximately one week sometime in January-February 2016.

Mrs. Hunter commented that she attended the Michael Phillips program recently in the auditorium and was disappointed in the attendance. For the November Board meeting, Mrs. Hunter would like a report on publicity and the different venues that receive library press releases.

After brief discussion, a motion was made by Mr. Griffin, seconded by Dr. Maks:

**MOTION: THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES APPROVE THE BID FROM ALLEN VISUAL SYSTEMS FOR AUDIOVISUAL UPGRADES IN THE PETTY AUDITORIUM IN THE AMOUNT OF \$77,975.00 AS PRESENTED.**

The roll call vote for approval was 7 ayes, 0 nays; the motion passed unanimously.

#### APPROVAL OF PAVEMENT AND CONCRETE WORK

Certain areas of the west parking lot and both the east and south driveways are showing significant deterioration and need to be repaved. Specifically, there is concern with areas around some storm drains that have sunk over time. The repair would involve removing existing pavement and installing new asphalt. Repaving these areas will provide a safer environment for vehicles and pedestrians.

Additionally, a few sections of the concrete curb near the Park Avenue entrance/exit and the west entrance area are significantly damaged. Repair work would involve removing the current damaged curb areas and installing new concrete curb.

Finally, in order to comply with Village Code, it is necessary to modify the six handicap spaces in the west parking lot to provide ramps at each space. Currently, patrons in wheelchairs must move through the parking lot to access the large ramp at the west entrance. Adding ramps will allow patrons easier and safer access to the sidewalk.

We received three competitive quotes from companies that have all been vetted and bonded in good standing.

Lorusso Concrete Company	\$30,675.
JDR Construction, LLC	\$35,075.

Done-Rite Sealcoating, Inc.      \$37,140.

Richard Simon, Head of Maintenance, recommends approval of Lorusso Concrete Company, the low bidder, in the amount of \$30,675. Lorusso has a good reputation with previous work performed for the library and the Village of Skokie. Lorusso estimates that it will take three days to complete the work, with all of the removal to occur at the same time followed by all of the new installation. Temporary plywood covers over open areas may help minimize the inconvenience to patrons. The project would be scheduled immediately upon Board approval so it would be completed before the colder winter period.

After brief discussion, Mrs. Greer made a motion, seconded by Mrs. Hunter:

**MOTION:      THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES  
APPROVE THE QUOTE FROM LORUSSO CONCRETE COMPANY  
FOR PAVEMENT AND CONCRETE WORK IN THE AMOUNT OF  
\$30,675.**

The roll call vote for approval was 7 ayes, 0 nays; the motion passed unanimously.

#### DIRECTOR SEARCH

##### Approval of Desirable Skills and Traits of a Director for Skokie Public Library

Mrs. Parrilli requested, under Communication, adding an 8<sup>th</sup> bullet point to read “Understand and appreciate the unique needs, aspirations, and culture of the many ethnic groups among the library’s patrons”. A motion was made by Dr. Maks, seconded by Mrs. Parrilli to add the above item to the Desirable Skills and Traits of a Director for Skokie Public Library. The motion passed unanimously; there were 7 ayes and 0 nays.

A motion was made by Mr. Griffin, seconded by Mrs. Hunter:

**MOTION:      THAT THE SKOKIE PUBLIC LIBRARY BOARD OF TRUSTEES  
APPROVE THE DESIRABLE SKILLS AND TRAITS OF A  
DIRECTOR FOR SKOKIE PUBLIC LIBRARY.**

The motion passed unanimously.

##### Approval of Library Director’s Job Description

Under Essential Duties and Responsibilities, after discussion, Mrs. Hunter asked that in the 8<sup>th</sup> bullet point “...and coordinating all grant proposals...” be changed to “and actively seeking grant proposals...” A motion was made by Mrs. Parrilli, seconded by Dr.

Maks to make the change above. The vote for approval was 6 ayes, 1 nay (Mrs. Greer); the motion passed.

A motion was made by Mrs. Parrilli, seconded by Mrs. Hunter to add a 4<sup>th</sup> bullet point under Required Skills to read: “Ability to communicate with a culturally diverse community.” The vote for approval was 7 ayes, 0 nays; the motion passed unanimously.

Approval of Brochure Copy about Skokie Public Library

Mr. Prosperi said the initial draft will be sent to the consultant; members should notify Mr. Prosperi if they would like changes.

*LIBRARIES AT THE CROSSROADS: THE PUBLIC IS INTERESTED IN NEW SERVICES AND THINKS LIBRARIES ARE IMPORTANT TO COMMUNITIES BY JOHN HORRIGAN, PEW RESEARCH CENTER, SEPTEMBER, 2015*

The article was noted.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM (RAILS)

Mrs. Parrilli reported that the following are highlights from the September 25, 2015, RAILS Board of Directors meeting’s video recording and supporting documents held at the East Peoria Service Center:

*Financial Report:* RAILS Finance Director Jim Kregor again reported that a budget comparison was not included in the Board packet because of the non-receipt of FY2016 Area and Per Capita Grant payments due to the state budget crisis. The cash and investment balance ending August 31, 2015, is \$21,600,000, covering 25.9 months of operation. As requested by the Board, newly added to the budget report is a Capital Projects Fund in the amount of \$4,189,465, which reflects money set aside for capital expenditures.

*Annual Audit Report for FY2014-15:* The auditor, Dan Berg from Sikich Auditors, gave his audit report offsite. He communicated the audit process and outcome via telephone. He mentioned that he came across an “interesting dilemma” in that RAILS had more money invested in IMRF than liabilities showing net pension assets of \$5,000,000. He mentioned that mainly due to the past sale of facilities, RAILS is in a strong financial position.

In response to IMRF and recent media coverage regarding “pension spiking,” the Board was presented for discussion a new policy to their personnel policy. The Board agreed to send it to the Policy Committee for review. It reads:



RAILS will adhere to IMRF guidelines, and will not permit end-of-career pay outs in a way to pad or “spike” pensions. For example, but not by way of limitation, RAILS shall not pay out accrued but unused vacation time prior to the actual date of employment termination, and shall not increase an employee’s compensation or pay a retirement bonus timed to pad or “spike” an employee's IMRF pension.

*Executive Director Report:* Director Dee Brennan reported in her Board packet that the Burr Ridge facility is going through a major renovation, including expansion of meeting and office spaces and updating bathrooms. She also mentioned that in the Operations Report regarding continuing education, RAILS purchased another United for Libraries Trustee Academy program, which will be offered to member libraries in the entire state.

*Illinois State Library Report:* Staff is still unsure when the state budget will be passed and encourages RAILS to continue their operations under the FY2015 Plan of Service. Also mentioned, assuming that the FY2016 state budget will be approved, public and school libraries should still follow through with the application process for the Area and Per Capita Grant program.

Next meeting: Friday, October 30, 2015, at Burr Ridge Service Center.

#### APPROVAL OF INTERGOVERNMENTAL AGREEMENT FOR LIMRiCC

At 8:20 p.m. Maryann Mileto from Assurance, LIMRiCC’s insurance broker, and Beth Dostert, Human Resources Manager, entered the meeting. April Krzeczowski, Executive Director, LIMRiCC, attended via phone at 8:20 p.m.

LIMRiCC group health plan is set to renew with Blue Cross/Blue Shield of Illinois for Medical, Delta Dental for dental, Unicare for life, and VSP for vision service. The quote for fully insured renewal came in at 6% over current. However, because of small group requirements of the Affordable Care Act and the number of small groups within the cooperative, this is not an option for LIMRiCC. Fully insured small groups would be in violation of ACA requirements that mandate specific plan designs and age-rated tiers.

Therefore LIMRiCC is in process of becoming a self-insured entity, requiring amendments to the LIMRiCC by-laws and the Intergovernmental Agreement under which LIMRiCC operates.

The Board needs to pass a resolution in agreement with these proposals, with the Board President signing p. 4 of the summary letter and p. 35 and 37 of the new

Intergovernmental Agreement. Pages 36 and 37 are a separate resolution that authorizes the President and Secretary to sign the Intergovernmental Agreement.

This action may be carried over to the November Board meeting, but must be completed at that time as the Agreement needs to be finalized by December 1, 2015.

Susan Dickens is the current President of LIMRiCC so she may be able to answer Board questions. There is also time if the Board would like library counsel Heidi Katz to review the documents.

No action was taken on this item.

#### APPROVAL OF EMPLOYEE HEALTH INSURANCE

Some significant changes are occurring in the library's health insurance, provided through the joint LIMRiCC pool. Changes will be effective in calendar year 2016.

One of the changes is that the pool must become self-insured and will, in fact, become two pools with one for the PPO (Preferred Provider Organization) and one for the HMO (Health Maintenance Organization). In order to have a larger reserve and help keep premiums down, the renewal is calling for one month's premium in advance, meaning that January and February contributions from the employer will be paid in January.

Currently, the library offers three choices of health plans: HMO Illinois, a high deductible PPO, and a low deductible PPO. Current offerings, with the number of enrollees and cost to the library. Mrs. Anthony distributed Attachment A. The most popular option now is HMO Illinois which covers 45 staff members. The PPO options each cover 14 staff members. A total of 73 staff members are covered by current insurance. The library pays 90% of the premium for single HMO coverage and 70% of the premium for dependents. For the high deductible PPO, the library pays 80% for employees and for the low deductible PPO, the library pays 70%. For dependent and family coverage, the library pays 70% in the high deductible PPO and 60% in the low deductible PPO. The strategy behind the differing percentage coverage was for the library to somewhat equalize its dollar contribution to each plan option. However, there was a deliberate strategy to make the HMO more affordable for single coverage so that lower compensated employees would have an affordable option. Note that the employee monthly share of premiums for HMO Illinois is just \$54.80.

Costs for all plans are going up effective January, 2016. The high deductible PPO will increase 3%, low deductible PPO 5%, and the HMO 13%. The HMO increase is greatest because within LIMRiCC it is a smaller pool and has been significantly impacted by the

rising cost of some pharmaceutical drugs in the past year. If we make no change in the insurance offerings and employees elect to stay in the same plans, the library's cost will increase 11.4% to \$654,133.20. Mrs. Anthony distributed Attachment B.

In order to make health insurance options more cost effective for staff and the library, LIMRiCC is introducing a Health Savings Account or HSA option beginning in 2016. The HSA has both an insurance and a savings component. The insurance component is a high deductible PPO like what is currently offered. The savings component enables a staff member to open a personal Health Savings Account, to which they can contribute pre-tax earnings which may be used for medical expense, prescription drugs, and other expenses such as for vision or hearing, etc. The accounts are actually handled by a bank or credit union which issues checks or a debit card when requested by the employee (if funds are adequate to cover the expense). Unlike the Plan 125 offered currently in which staff can contribute tax deferred earnings, revenue in the HSA account can carry over from year to year and can even pass to a spouse in the event of death.

The concept behind the HSA is that in the typical PPO insurance scenario, an employee may not use health services equal to the amount of contributions made personally or by the library on their behalf each year. In return for accepting a higher deductible, the employee agrees to pay a greater amount for their health care annually, with the payment to come from pre-tax earnings. However, if a major medical event should occur, expenses in excess of the deductible would still be covered according to the PPO guidelines.

Rather than leaving money on the table in unused insurance premiums, the money may remain in a dedicated savings account funded by untaxed contributions, earning untaxed interest, until such time as the funds are withdrawn (still untaxed) for healthcare needs.

Currently, with the HMO there is no deductible and a maximum in copays of \$1,500 for an individual or \$3,000 for a family. The low deductible PPO has deductions of \$500 for an individual and \$1,500 for a family, with maximum out-of-pocket of \$1,500 (in-network), \$3,500 (out-of-network) for an individual and maximum of \$4,500 (in-network), \$9,000 (out-of-network) for a family. The current high deductible PPO has a \$1,500 deductible for individuals and \$4,500 for family, with maximum out of pocket of \$2,500 (in-network) or \$4,500 (out-of-network) for individual and \$7,500 (in-network) or \$12,000 (out-of-network) per family.

The PPO with an HSA would have an individual deductible of \$2,600 (in-network) or \$5,200 (out-of-network) and a family deductible of \$5,200 (in-network) or \$10,400 (out-of-network). The maximum out of pocket cost for an individual would be \$2,600 (in-

network) or \$10,400 (out-of-network) and the maximum out of pocket cost for a family would be \$5,200 (in-network) or \$20,800 (out-of-network). Once the deductible was met, expenses would be 100% covered if in-network, with no co-pay. Currently, PPOs have a \$20 co-pay for physician services and a \$30 co-pay for specialists.

The new monthly rate for the individual PPO with an HSA would be \$523 for an individual and \$1,634 for a family, less than the current monthly rate for any plan, including the HMO. However, the employee would be accepting a greater liability for out-of-pocket payment for health expenses. While there are considerable potential savings to the employer and the employee with the PPO/HSA offering, the potential of greater out-of-pocket expense for medical care could be a deterrent to employee participation. To counter this, the employer has options to contribute not only to the premium cost, but to contribute toward the deductible by making a direct contribution to the employee's HSA.

If the library were to retain the HMO offering and the high deductible PPO, but offer the PPO/HSA in place of the low deductible PPO, contributing \$750 to each individual HSA and \$1,500 for a family to help offset the higher deductible, the library would save \$5,068.80 over keeping current plans in 2016 for a net increase in health insurance cost to the library of \$62,064.04. This assumes that only those employees currently in the low deductible PPO would move to the PPO/HSA while all other employees would stay with their current plan. (Attachment C was distributed.) There will be an open enrollment period for staff in November and the library will need to hold information sessions to inform staff about their options with the new offering of a PPO/HSA.

With the open enrollment, some staff currently in the low deductible PPO plan may choose to move to the high deductible PPO plan. Other staff may choose to move from the HMO to the PPO/HSA since it will now be the least expensive option. Should all staff choose to move to the HSA, the library would realize a savings of \$16,408.80 over 2016 costs without plan changes for a net increase of \$50,724.04 over 2015 costs. (Attachment D was distributed.)

We have been advised that there is a good chance the HMO option may not last more than one additional year because it is expected that within the pool, employees will switch from the HMO to the PPO/HSA, shrinking the HMO pool further and driving up those rates. Should the Board choose to accelerate the move from the HMO to the PPO/HSA, it could make the PPO/HSA more attractive (since it is the overall lowest cost option in terms of total monthly premiums) by reducing the library's share of

contribution to the HMO from 90% to 85%. If the library continues to pay 90% of the HMO monthly premium, it will be paying 4% more for each employee in the HMO, even with the contribution to the HSA in addition to the premium for each PPO/HSA participant. Should the library continue the high deductible PPO and continue to pay 90% of the HMO individual premium, the library would be paying 14% more for each participant in the HMO over the payment for each participant in the high deductible PPO.

My recommendation is that the library offer the PPO/HSA, discontinue the low deductible PPO, continue the high deductible PPO, and change the percentage of coverage for the HMO from 90% per individual and 70% per family to 85% per individual and 65% per family. Retaining the high deductible PPO will provide a PPO option for those employees who choose not to open an HSA or who, because they are already 65 or older, are not eligible to do so. I also recommend that the library make contributions to the individual HSA of \$750. and \$1,500. to the HSA of employees choosing dependent or family coverage. These contributions could be made quarterly so that the library is not extending an expense early in the year to an employee who may leave before the end of the year.

Attachment E shows the savings and expense to the library with the above recommendations if all employees choose to stay with their current plan (except for current participants in the low deductible PPO who would be forced to move). Should some employees choose to move from the HMO or the high deductible PPO to the PPO/HSA, the potential savings to the library would only increase since the PPO/HSA is the least expensive option for the library, even with the contribution to the employees' HSA.

Mrs. Anthony stated that Board action on this item is requested so that we may prepare and disseminate information to employees in time for them to make a choice about their health insurance during the November open enrollment period.

Lengthy discussion followed. The Board asked Ms. Mileto how many libraries participate in the LIMRiCC health insurance pool. There are approximately 68 libraries.

The Board asked how many lives are covered (employees and dependents). As of the renewal, the PPO plans have 542 members; 418 subscribers and 124 dependents (across all PPO plans, the majority being in the low deductible plan). The HMO has 366 members; 257 subscribers and 109 dependents. Total enrollment as of renewal is 908 members made up of 675 subscribers and 233 dependents.

The Board asked how much money is in the pool now (and will be if everyone pays one month in advance). Ms. Mileto said that the LIMRiCC pool has been building reserve and will have \$1.3 million in reserve by 12/31/2015. Monthly billing is approximately \$570,000. By collecting an additional month up front, this will add an additional \$570,000 to reserve.

The Board questioned what the limits are to any library's liability. Ms. Mileto said the total premium collected will be approximately \$6,873,396. The projected maximum is approximately \$7,217,065 (which represents 125% of the projected claim value and admin costs). The difference is \$360,853. LIMRiCC has reserve to cover the difference and is collecting the one month premium in advance to lower any liability. Individual library liability would depend on enrollment at the library and is based on the premium amounts shown.

The Board asked what is the back-up vehicle for catastrophic loss. There is individual Stop Loss protection of \$155,000 – any individual claim over \$155,000 is covered under stop loss. Also, there is aggregate protection of 125% of the attachment point which covers the plan for a total of claims over the projected maximum. Again, LIMRiCC reserve would be able to cover the difference between the premium collected and the maximum exposure if it was incurred.

The Board asked what the alternatives are to the self-insured pool. Ms. Mileto explained that the library could purchase insurance outside the pool. The risk then goes from being spread across a pool to being considered small group (anything up to 100 lives is considered small group for 2016). This means rates will be age-banded, and the group will have to follow the small group market reforms set forth by ACA (Affordable Care Act). Once the library leaves the pool, the library will not be able to return to LIMRiCC or WIN (Wellness Insurance Network). The library could go to another pool, such as WIN, another pool option could be the CMS provided by the state for local governments (but the library would have to check to see if they qualify).

Mrs. Greer left the meeting at 9:03 p.m.

Discussion continued regarding Health Savings Accounts.

The Board thanked Ms. Mileto, Ms. Dostert, and Ms. Krzeczowski for attending the meeting.

The Board called for a Special Meeting on October 28, 2015 at 6:30p.m. to discuss employee health insurance followed by director search.

Mrs. Hunter stated that she would like the library to be a part of the Village's health insurance as it was at one time. Mrs. Anthony will check into this. Dr. Maks commented that the health insurance choices we offer library employees are very generous and consolidation of health care is a national trend.

The Board requested that library legal counsel Heidi Katz be sent LIMRiCC's Intergovernmental Agreement.

COMMENTS FROM TRUSTEES

There were no Comments from Trustees.

ADJOURNMENT

At 9:41 p.m. a motion was made by Mrs. Parrilli, seconded by Mrs. Hunter to adjourn the regular meeting. The motion passed unanimously.

A handwritten signature in blue ink that reads "Karen Parrilli". The signature is written in a cursive style and is positioned above a horizontal line.

Karen Parrilli, Secretary