



**GLENCOE PARK DISTRICT
FINANCE COMMITTEE OF THE WHOLE MEETING
Tuesday, October 15, 2019 | 6:30pm
Takiff Center**

Consistent with the requirements of the Illinois Compiled Statutes
5 ILCS 120/1 through 120/6 (Open Meetings Act), notices of this meeting were posted.
Location of the meeting is in the Takiff Center, 999 Green Bay Road, Glencoe, IL 60022

A G E N D A

- I. Call to Order
- II. Roll Call
- III. Matters from the Public
- IV. Discussion of Proposed 2019 Tax Levy Amount
- V. Discussion of Health Insurance Renewal
- VI. Other Business
- VII. Adjournment

The Glencoe Park District is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or facilities, are asked to contact the Park District at 847-835-3030. Executive Director E-mail address: lsheppard@glencoeParkDistrict.com

IV. Discussion of Proposed 2019 Tax Levy Amount

Glencoe Park District

October 15, 2019

Finance Committee of the Whole Meeting

To: Board of Park Commissioners
From: Carol Mensinger, Director of Finance/HR
Date: October 3, 2019
CC: Lisa Sheppard, Executive Director

Subject: 2019 Tax Levy Process and Overview

It is that time of year again when we begin the legal cycle for our **next** fiscal year, FY2020/2021. The first step in that cycle is to determine the District's levy amount and to approve the 2019 Tax Levy Ordinance which is filed with the Cook County Clerk's Office.

Last year, the District approved an operating levy increase of 4.21%, which allowed for the 2.1% CPI plus estimated new growth of 2.11%. Per the **final** extension for 2018 that was received this past June, the actual new growth increased only 0.76% - this means we actually met our full potential to collect all "new growth" dollars.

The law requires all taxing bodies in Cook County to hold a public hearing on the proposed levy if the proposed aggregate levy exceeds the amount extended for the previous year by 105%. Even if the proposed aggregate levy does not exceed the amount extended by 105%, a public hearing can still be held.

To better understand this levy process, staff offers the following information each year on this process.

Tax Levy Process – A General Explanation

While the levy process can be confusing, simply stated, it is the legal pre-requisite to a governmental entity receiving money from taxation. It is **not** an appropriation, which is the authorization for the **expenditure** of monies from taxes and other revenue sources. Rather, it is the **authority to collect** tax revenue to finance the District's expenses. Historically, the District's revenue sources consist of approximately 50% tax revenues and 50% program and user fees.

Each year, the District is required to estimate the amount of money to be raised by taxation for use in the following fiscal year. For example, the tax year 2019 levy relates to tax revenues to be collected in FY2019/2020 (March 1, 2020 through February 28, 2021). This estimated amount is called the "aggregate levy amount" and must be stated in a formal resolution passed by the Board. This is typically done at the October or November board meeting. The District is required to publish a notice and hold a public hearing on the proposed property tax levy if the aggregate operating levy increase is greater than 105% of last years extension. The hearing typically takes place at the regular board meeting in November or December.

The total aggregate levy is made up of both the **operational levy** and the **debt service levy**. The operational portion is determined by the amount of the District's levy request **and** numerous unknown variables (Equalized Assessed Valuation (EAV), CPI, new development). The debt service portion is determined by the County Clerk and is based solely on the amount of principal and interest due for all outstanding bond ordinances on file with the County. In addition, the County automatically adds a 3% "loss in collection" factor to all operating fund levies and a 5% "loss factor" to the debt service levy. The Property Tax Limitation Act of 1994 (referred to as "the tax cap") drastically changed the levy process. The tax cap limits tax growth on the existing EAV base, often referred to as "old growth", to an increase of 5% or the CPI, whichever is **lower**. For the 2019 levy, this cap will be 1.9% - meaning all old growth will be capped at this level. In the past three years, the CPI has been 2.1% (2018), 2.1% (2017), and 0.7% (2016). (Unfortunately, operating expenditures such as health insurance, utilities, gasoline, etc., usually increase above and beyond the CPI.)

The tax cap does **not** limit the collection of property taxes on **new development**, often referred to as "new growth", within the District boundaries as long as the maximum legal tax rates have not been achieved. This would include for example, new subdivisions, new homes, new commercial industry, or newly annexed property. The reason that new growth is not capped is due to a philosophy of equity. Because new homeowners and businesses will be benefiting from parks and facilities already paid for by current District residences and business owners, it is felt that they too should pay their fair share. In the second and subsequent years, this new growth then becomes part of the EAV base, or old growth, and is thus capped at the lower of 5% or the CPI.

Under the tax cap, however, **taxing bodies must levy for all potential new growth to actually receive it**. If it is not levied for, not only will you not receive the full potential of all tax monies entitled to the District in the initial year, but it also has a compounding effect because the following year's tax extension is based on the prior year's tax extension, and so on. Therefore, it becomes especially important to make sure the levy amount includes estimation for all new growth anticipated within the District. As mentioned earlier, due to the actual increase in new growth last year, the District did not recognize all new growth potential. This is important to remember for each levy.

While it can be difficult to estimate new growth within the District, one can look to prior year history to calculate a historical average, and then build in any anticipated new growth, which may be added to the tax rolls in the coming year. This would also include teardowns. Again, levy amounts are estimates. Determination of actual tax amounts that are extended and collected on behalf of the District are not known until all key factors in the calculation are known, usually in June/July. Key factors include the aggregate levy request, total EAV, assessed value of new development, re-assessment of current (or existing) base EAV, statutory limits on tax rates, CPI, and total debt outstanding. After the tax

levy amount in determined and public hearing held, the Tax Levy Ordinance must be approved and filed with the County. This ordinance is an official legal document which outlines by fund, the total amount of taxes to be assessed and levied for and against all property within the District. While the ordinance is typically approved in November or December, it is for tax revenues that will be actually received in the **following** fiscal year. Although the District's budget process begins for staff in September 2019, the budget is discussed by the Board in February/March 2020, and the Budget and Appropriations Ordinance is officially approved in April/May 2020; the final tax information (i.e. tax revenues, tax rate) will not be known until June/July 2020, or even later. Due to the timing of the levy process and the impact of the tax cap, staff is in effect using its "best guess" when it comes to determining the tax levy amount. (Please remember, the Board can also utilize its authority to abate taxes once all the unknowns are known.) *Ultimately, the tax cap limits the amount of tax dollars received on old growth to the lower of the CPI or 5%, no matter what the levy increase is. And the amount of tax dollars received on new growth depends on if you have actually levied enough to receive it.*

2019 Tax Levy Amount-Glencoe Park District

Given the information above, staff feels that the District should continue to proceed with a proactive approach by levying an amount which would ensure we are capturing all new growth tax dollars. In addition to the philosophy of equity, capturing all new growth tax dollars becomes especially important when considering the following:

- 1.** Unlike the Village, the Park District does not have other revenue sources (ex: sales tax, gasoline tax, etc.) to rely on to operate. The Park District relies primarily on property taxes (50%) and user/program fees/other sources (50%).
- 2.** Operating expenses have increased over and above the CPI increase in recent years. Examples include utilities, insurance premiums, contractual services, wages, gasoline, and pension contributions to IMRF.
- 3.** Per the District's Fund Balance Policy, the Board has directed staff to keep minimum fund balance requirements (50% in Corporate and Recreation, and 25% in all other funds) as is advised by the Government Finance Officers Association. This is especially important when faced with large, unexpected repairs, or delays in receiving the second installment of tax revenues.
- 4.** Specific funding for the District's Master Plan Projects (Fund 69) has been historically dependent on the surpluses in the Corporate and Recreation Funds. Each year, a minimum of approximately \$500,000 is also earmarked for annual capital improvements in the Capital Projects (Fund 65).

Breakdown of Levy Amount By Fund

See attached for additional information on the breakdown of the proposed aggregate levy amount by fund.

Staff Recommendation-2019 Tax Levy Amount

Per the County Clerk's Office, the old growth (or existing EAV base) will be capped at 1.9% CPI. It has been past Board philosophy that new homeowners and business owners should pay their fair share for parks and facilities already existing within the District. Thus, it is important to levy an amount to capture all new growth potential. Based on these considerations, staff recommends an **operating** levy amount of **\$4,713,000**, which is **4.93%** greater than last year's final tax extension of **\$4,491,703**. Realizing that old growth will be capped at 1.9% (CPI) this year no matter what the levy amount is, it is the District's intent in levying 4.93% is only to **ensure** new growth tax dollars (up to 3.03%) are received. Please note, new growth has been under 1.5% in the past nine years, however with the sale of the Hoover property, there *potentially* could be some additional "new growth" added this levy year.

The District's **debt service** levy amount has remained at an increased level since the successful referendum bond issue in 2006. The total debt service levy amount of **\$1,164,950** includes principal and interest for the 2010 Refunding Bonds (\$130,000) and the 2015 Refunding Bonds (\$1,034,950). This will result in a 4.73% decrease in the debt service levy compared to last year's final extension.

Since the District's 2019 operating levy request is not more than 105% of last year's final extension, it is not required to hold a public hearing on the levy but the Board may still wish to do so. It would be staff's intent to formally approve the amount to be levied and approve the Truth and Taxation Resolution at the October 15 regular board meeting, and then approve the Levy Ordinance at the November 19 regular meeting. If held, the public hearing on the levy would be held at the November 19 regular meeting as well. The Levy Ordinance must be filed with the County Clerk's office by the last Tuesday in December (December 31, 2019).

**Glencoe Park District
Breakdown of Levy By Fund-2019 LEVY REQUEST**

----Tax Rates----		Fund	Tax Yr 2018	Proposed	%	Relevant Considerations
Limit	2018 Rate		Extension	Tax Year 2019 Extension	Increase	
0.3500	0.2485	Corporate	2,245,854	2,320,000	3.30%	The 2019 tax year levy will be used to cover general operating increases in utilities, contractual services, wages, health insurance, postage, supplies, etc. In addition, an amount of \$500,000 has been used annually to fund the District's capital projects program. Staff expects fund balance to be maintained at or near current levels. The undesignated projected fund balance level at the end of the FY2019/20 is 59%. The Board designated \$650,000 to be "committed" for future capital in FY20/21.
0.3700	0.1194	Recreation	1,079,094	1,120,000	3.79%	The 2019 tax year levy will also be used to cover general operating increases as described above. It is expected that enrollments in District programs will grow, and that as such, the typical net surplus can be used to offset the deficit operations of running the Takiff Center. Adequate fund balance levels are key to the financial health of this fund. The undesignated projected fund balance at the end of FY2019/20 is approximately 56%. The Board designated \$850,000 to be "committed" for future capital in FY20/21.
0.0400	0.0359	Special Recreation	324,450	360,000	10.96%	Preliminarily, NSSRA contribution will increase 6-7% from current \$104,980 to \$111,300 to fund addl maintenance costs on new building. Companion fees will likely be maintained at \$50,000. New bdlg contribution is \$100,063. Projected fund balance at the end of FY2019/20 is 34%. Staff looks to maximize levy this year for ADA plan and payment of new building.
None	0.0392	IMRF	354,275	385,000	8.67%	Next fiscal year, employer IMRF contribution rate will increase from 12.12% to 12.27%. IMRF participation increased significantly due to the Daycare expansion. Projected fund balance at the end of FY2019/20 is approximately 55%. Staff recommends a levy amount equal to the anticipated budget amount, given the level of fund balance.
None	0.0305	Social Security	275,648	310,000	12.46%	This employer FICA contribution rate remains at 6.2% and the Medicare contribution rate remains at 1.45%. Projected fund balance at the end of FY2019/20 is 24%. To build fund balance reserve, staff recommends a levy amount larger than the anticipated budget amount, which will be significantly increased over last year due to the Daycare expansion.
None	0.0174	Liability Insurance	157,254	160,000	1.75%	PDRMA continues to maintain single-digit increases in general liability, property, and employment practices insurance coverages by utilizing their rate stabilization fund. Unemployment claims have been maintained at same level. Projected fund balance at the end of FY2019/20 will be 78%. Staff recommends that the levy amount in this fund be equal to the anticipated budget for new year, which will increase following increased operating expds of expanded Daycare.
None	0.0047	Workers Comp	42,476	44,000	3.59%	PDRMA anticipates a similar increase in worker compensation insurance premiums, per the rationale above. Projected fund balance at the end of FY2019/20 is 88%, and staff recommends a levy amount equal to the anticipated budget for new year, which will increase following increased wages of expanded Daycare program.
0.0050	0.0014	Audit	<u>12,652</u>	<u>14,000</u>	10.65%	Levy amount includes no increase in audit fees as they will remain \$12,350 for the third year of a 5-year contract extension with Lauderbach & Amen. Projected fund level at the end of the year is 44%.
	0.4970	Subtotal-Operating	4,491,703	4,713,000	4.93%	
None	0.1353	Bond & Interest	1,222,725	1,164,950	-4.73%	Levy amount is automatically determined by the County based on all bond ordinances on file. The amount levied includes 2010 Refunding Series principal (\$125,000) and interest (\$5,000) for a total of \$130,000. The amount levied for the 2015 Refunding Series includes principal (\$850,000) and interest (\$184,950) for a total of \$1,034,950. (Note, the levy amount does not yet reflect the 5% loss factor added by the County.)
	0.6323	Total - All Funds	5,714,428	5,877,950	2.86%	

NOTE: Fund balance percentages are calculated by dividing projected 2/29/20 fund balance by budgeted FY2019/20 annual operating expenditures.

**Glencoe Park District
Levy Information - Fund Balances of Operating Funds
September 2019**

Fund	Actual 2/28/2019 Fund Balance	Projected 2/29/2020 Fund Balance	
CORPORATE			
Undesignated	779,228	261,035	9%
Designated-Min Oper F/B Guideline	1,424,600	1,468,767	50%
Assigned - Medical Insurance Reserve	13,000	12,000	
Committed - Future Capital	<u>300,000</u>	<u>650,000</u>	
Total	2,516,828	2,391,802	
RECREATION			
Undesignated/Committed	850,012	293,138	6%
Designated-Min Oper F/B Guideline	2,404,419	2,518,075	50%
Committed - Future Capital	<u>700,000</u>	<u>850,000</u>	
	3,954,431	3,661,213	
SPECIAL RECREATION	133,651	115,106	34%
IMRF RETIREMENT	227,252	205,603	55%
SOCIAL SECURITY	62,999	65,999	24%
BOND & INTEREST	339,749	393,633	34%
LIABILITY INSURANCE	136,264	128,465	78%
WORKERS COMPENSATION	36,140	36,950	88%
AUDIT	<u>8,913</u>	<u>6,463</u>	44%
Grand Total	Operating Funds	7,416,227	7,005,234

Glencoe Park District
 History of Final Levy Tax Extensions
 September 2019

Tax Year	CPI	Total EAV	EAV- Old Growth	EAV- New Growth	Limiting Tax Rate	Total EAV Inc/(Dec)	% +/- Total EAV	% +/- NEW Gwth	% +/- OLD Gwth**
*2019	1.9%								
2018	2.1%	903,764,241	(44,622,502)	7,186,106	0.462	(37,436,396)	-3.98%	0.76%	-4.74%
2017	2.1%	941,200,637	10,099,210	10,546,572	0.431	20,645,782	2.24%	1.15%	1.10%
*2016	0.7%	920,554,855	166,281,244	5,309,461	0.427	171,590,705	22.91%	0.71%	22.20% *
2015	0.8%	748,964,150	(33,538,383)	8,126,533	0.518	(25,411,850)	-3.28%	1.05%	-4.33%
2014	1.5%	774,376,000	1,312,512	6,885,500	0.491	8,198,012	1.07%	0.90%	0.17%
*2013	1.7%	766,177,988	(88,862,471)	4,339,734	0.485	(84,522,737)	-9.94%	0.51%	-10.45% *
2012	3.0%	850,700,725	(65,096,549)	5,012,190	0.427	(60,084,359)	-6.60%	0.55%	-7.15%
2011	1.5%	910,785,084	(114,212,290)	7,988,009	0.384	(106,224,281)	-10.44%	0.79%	-11.23%
*2010	2.7%	1,017,009,365	(196,141,919)	6,993,287	0.334	(189,148,632)	-15.68%	0.58%	-16.26% *
2009	0.1%	1,206,157,997	57,174,254	24,028,445	0.273	81,202,699	7.22%	2.14%	5.08%
2008	4.1%	1,124,955,298	39,624,601	18,336,947	0.284	57,961,548	5.43%	1.72%	3.71%
*2007	2.5%	1,066,993,750	271,610,592	23,166,226	0.284	294,776,818	38.17%	3.00%	35.17% *
2006	3.4%	772,216,932	(15,805,477)	17,426,571	0.374	1,621,094	0.21%	2.26%	-2.05%
2005	3.3%	770,595,838	35,760,402	20,140,599	0.354	55,901,001	7.82%	2.82%	5.00%
*2004	1.9%	714,694,837	163,446,630	12,357,248	0.357	175,803,878	32.62%	2.29%	30.33% *
2003	2.4%	538,890,959	(9,698,462)	10,969,839	0.442	1,271,377	0.24%	2.04%	-1.80%
2002	1.6%	537,619,582	30,706,852	9,847,825	0.452	40,554,677	8.16%	1.98%	6.18%
*2001	3.4%	497,064,905	89,548,869	13,932,060	0.473	103,480,929	26.29%	3.54%	22.75% *
2000	2.7%	393,583,976	(10,549,605)	5,708,214	0.526	(4,841,391)	-1.22%	1.43%	-2.65%
1999	1.6%	398,425,367	9,377,933	5,158,838	0.498	14,536,771	3.79%	1.34%	2.44%
*1998	1.5%	383,888,596	35,078,769	4,829,704	0.502	39,908,473	11.60%	1.40%	10.20% *
1997	3.6%	343,980,123	(1,831,113)	3,054,227	0.543	1,223,114	0.36%	0.89%	-0.53%
1996	2.5%	342,757,009	1,384,535	3,190,291	0.522	4,574,826	1.35%	0.94%	0.41%
*1995	2.7%	338,182,183	30,661,674	5,458,884	0.518	36,120,558	11.96%	1.81%	10.15% *
1994		302,061,625							

* Denotes a tri-annual re-assessment year.

** Note: Old Growth is capped at CPI.

**GLENCOE PARK DISTRICT
RESOLUTION No. 905**

TRUTH IN TAXATION LAW RESOLUTION

RESOLVED, by the Board of Park Commissioners of the Glencoe Park District, Cook County, Illinois that based upon the most recently ascertainable information, the following estimate of taxes to be levied is hereby made in accordance with Section 60 of the "Truth in Taxation Law":

1. The corporate and special purpose property taxes extended or abated for 2018 were \$4,491,703. The proposed corporate and special purpose property taxes to be levied for 2019 are \$4,713,000. This represents a 4.93% increase over the previous year.
2. The property taxes extended for debt service and public building commission leases for 2018 were \$1,222,725. The estimated property taxes to be levied for debt service and public building commission leases for 2019 are \$1,164,950. This represents a 4.73% decrease over the previous year.
3. The total property taxes extended or abated for 2018 were \$5,714,428. The estimated total property taxes to be levied for 2019 are \$5,877,950. This represents a 2.86% increase over the previous year.
4. Based on the foregoing, no public hearing or publication is required under the Truth in Taxation Law. However, the Board will still hold a public hearing on the proposed levy on November 19, 2019.

Passed this 15th day of October 2019.

AYES:
NAYS:
ABSENT:

Lisa Brooks, President
Board of Park Commissioners

Attested and filed this 15th day of October 2019.

Lisa Sheppard, Secretary
Board of Park Commissioners

[SEAL]

STATE OF ILLINOIS)
) **SS**
COUNTY OF COOK)

SECRETARY'S CERTIFICATE

I, Lisa M. Sheppard, do hereby certify that I am Secretary of the Board of Park Commissioners of the Glencoe Park District, Cook County, Illinois, and as such official, I am keeper of the records, ordinances, files and seal of said Park District; and,

I HEREBY CERTIFY that the foregoing instrument is a true and correct copy of Resolution No. 905:

TRUTH IN TAXATION LAW RESOLUTION

adopted at a duly called Regular Meeting of the Board of Park Commissioners of the Glencoe Park District, held at Glencoe, Illinois, in said District held immediately following a 7:00 p.m. Finance Committee of the Whole meeting on the 15th day of October 2019.

I DO FURTHER CERTIFY that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Park District Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Glencoe Park District at Glencoe, Illinois this 15th day of October 2019.

Lisa M. Sheppard, Secretary
Board of Park Commissioners
Glencoe Park District

[SEAL]

**Notice of Proposed Property Tax Levy Increase
For Glencoe Park District**

- I. A public hearing to approve a proposed property tax levy increase for the Glencoe Park District for 2019 will be held on November 19, 2019, at 7 p.m., at the Glencoe Park District, 999 Green Bay Road, Glencoe, Illinois.

Any person desiring to appear at the public hearing and present testimony to the taxing District may contact Lisa Sheppard, Secretary of the Board of Park Commissioners, 999 Green Bay Road, Glencoe, Illinois, telephone number (847) 835-3030.

- II. The corporate and special purpose property taxes extended or abated for 2018 were \$4,491,703.

The proposed corporate and special purpose property taxes to be levied for 2019 are \$4,713,000. This represents a 4.93% increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2018 were \$1,222,725.

The estimated property taxes to be levied for debt service and public building commission leases for 2019 are \$1,164,950. This represents a 4.73% decrease over the previous year.

- IV. The total property taxes extended or abated for 2018 were \$5,714,428.

The estimated total property taxes to be levied for 2019 are \$5,877,950. This represents a 2.86% increase over the previous year.

V. Discussion of Health Insurance Renewal

Glencoe Park District

October 15, 2019

Finance Committee of the Whole Meeting

MEMORANDUM

TO: Board of Park Commissioners

FROM: Carol Mensinger, Director of Finance/HR
Lisa Sheppard, Executive Director

DATE: October 9, 2019

SUBJECT: Recommendation for 2020 Health Insurance Renewal

The District's total health insurance program consists of the following coverages: medical, dental, EAP, and life. Per the Board's decision in July 2017 to remain in the PDRMA Health Program for a three-year commitment, the decisions relating to the 2020 insurance renewal for the District are limited. The renewal for our current PDRMA Health Program medical, dental, EAP and life insurance coverage is effective January 1, 2020. (Specific instructions on our plan, however, must be submitted to PDRMA by October 25 for the open enrollment period which runs from October 28 through November 19).

Currently, the PDRMA Health Program includes 84 member agencies covering over 2,300 employees, and nearly 4,000 covered lives. In 2020, PDRMA is adding a new coverage type for "Employee plus children" to their premium structure, which already includes options for \$1,250, \$1,500, \$2,000, and \$2,500 deductible plans with a HRA options, as well as the HMO plan and two tier levels for prescription coverage. The intent in offering these plan options is to allow more flexibility to member agencies in offering coverage to their employees. The majority of PDRMA Health agencies utilize the \$500 PPO deductible plans, as well as a \$1,500 high deductible plan along with a HRA option. All offer the HMO option as an alternative as well.

The premium increase for the PDRMA Health Program for 2020 for PPO/HMO, prescription, dental and EAP coverage for the Glencoe Park District is anticipated at approximately 4%. This compares to an increase of 2.17% in 2019, 4.09% in 2018, 0% in 2017, and 5% in 2016. In 2020, the increases *by insurance type* are as follows: PPO 2.1%, HMO 2.5%, Dental 1.8% and no increase for the Life and EAP coverages. The reason for the higher increase in HMO rates is due to a continuing shift in employees participating in the HMO versus the PPO.

On October 2, the PDRMA Health Program Council (i.e. governing board of directors) approved rates and benefit plan changes to the plan for 2020. After 2014 and 2015 renewals, there has been a lot less fluctuation in ACA-required changes, and most of the changes for 2020 are benefit-related changes.

Effective January 1, 2020, the following benefit changes were made by the Health Program Council:

1. Added a new coverage structure for “employees and more than one child, with no spouse.”
2. Reduced the number of PATH health/wellness test sites, and added two general testing labs for agencies with less than eight participants. (This will not impact Glencoe.)
3. Reduced colorectal cancer screening age from age 50 to 45.
4. Changed coverage for dialysis patients by requiring enrollment in Medicare Part B in effort to shift costs to Medicare versus PDMRA.
5. Offer hearing aid discounts of up to \$2,500 for eligible enrollees in medical coverage at EPIC Hearing Healthcare facilities.
6. Changed hemophiliac prescription cost from prescription coverage to medical coverage.
7. For children 19 years old and under, changed the maximum prescription supply of opioids to a 3-day supply.
8. Discontinued reimbursement of smoking cessation benefit due to low utilization and fact that coverage is currently compliant with ACA.
9. Removed age limit for speech therapy. (Previously, it was 4 years old.)
10. Removed the PDRMA-paid incentive for employees currently not enrolled in medical coverage. They will pay for biometric testing, but will no longer fund the \$400 incentive. This will be at the District’s cost.
11. Will offer unbundled coverages of life, EAP, vision and dental to non-health agencies that are in PDRMA for property and casualty, in an effort to increase participation.
12. Removed age limit for dental fluoride treatments for enrollees in the dental plan.
13. Waived waiting period for employee who leaves one PDRMA agency and enrolls in another PDRMA agency within 31 days of employment.

Applying the new PDRMA 2020 rates to our current \$500 deductible PPO/HMO plans for 35 current eligible full-time enrollees, the total amount of dollars for medical/dental/life/EAP premiums equates to \$506,298. Please see the attached information. This compares to an amount of current enrollees with last year’s 2019 rates of \$486,489 – resulting in an additional premium cost of \$19,809. This is an increase of approximately 4.07%. It should be noted that unplanned changes during 2020 are possible which may also impact these costs, i.e. employee changes due to resignations, new hires, new babies, and changes in marital status. Further, due to the fact that four employees opted out of coverage for 2019 due to spousal or other family coverage, and five employees opted for dental coverage only, the budgeted cost will include contingency amounts for changes in coverage.

Historically, the Board has been willing to absorb up to 8-10% of premium increases without considerable plan modification. The District's Medical Reserve balance currently stands at \$12,000. (The Medical Reserve was created in 1998 when dependent coverage was waived by several employees when dependent contributions were implemented. Over the years, as fund balance levels in the Corporate Fund have allowed, additional monies have also been set aside in this reserve.)

Last year, employees were given the option to move to the higher \$1,250 deductible plan with the added \$1,000 HRA component added...and in exchange, pay a lower monthly contribution. If employees utilize all IN-network providers, savings can be considerable. However, the downside is that it increases OUT-Network deductibles/maximum out-of-pockets *drastically* as the HRA reimbursement is for IN-network deductibles *only*. For example, for single coverage, the OUT-Network deductible increases from \$1,000 to \$3,000. Similarly, for family coverage, this deductible increases from \$3,000 to \$9,000.

In effort to persuade current PPO employees to consider the higher deductible/HRA option if they tend to stay in network, staff will again highlight this \$1250/\$1000 HRA, which would lower the employee's deductible to \$250. As in 2019, the District would recommend to continue to offer the \$500 PPO plan and HMO plan options. The hope is that with a lower monthly employee contribution and lower deductible, many of our employees will choose either the HMO or PPO/HRA options and potentially save the District additional monies. Last year, five employees switched their coverage from PPO to HMO.

In comparison to other area Park Districts as far as employee contribution amounts, our district typically falls within the median range. Historically, the goal is to bring premium contributions for all coverage types (excluding single) to be 10% of monthly premium (with a slight incentive given to those that choose \$1250 PPO/HRA or HMO option). As such, staff recommends that employee contributions for 2020 be adjusted as follows:

<u>Type of Coverage</u>	[----- CURRENT-----]			[----- PROPOSED -----]		
	<u>PPO</u>	<u>HRA</u>	<u>HMO</u>	<u>PPO</u>	<u>HRA</u>	<u>HMO</u>
Single (13)	\$ 35	\$20	\$15	\$40	\$25	\$20
Employee + Child (1)	\$140	\$120	\$80	\$145	\$130	\$85
Employee + Spouse (4)	\$190	\$150	\$110	\$195	\$160	\$120
Family (8)	\$265	\$200	\$170	\$275	\$220	\$180
Employee + Children	N/A – new structure			\$190	\$140	\$100

*Four employees with Life/EAP coverage only and five employees with Dental only make no monthly contribution.

For the 2020 renewal, staff recommends to Board of Park Commissioners that the District provide three PDRMA plan options: the \$500 deductible PPO plan, the \$1,250 deductible/\$1,000 HRA option and the HMO Plan. Further, staff also recommends that there be an increase in employee contribution levels as shown above, and that \$2,000 of the Medical Reserve be utilized. (These changes will result in an estimated increase to the District of approximately 3.23%, with a potential for further *savings* if employees sign up for the \$1,250 deductible/HRA or HMO options.)

PDRMA HEALTH PROGRAM 2019 vs. 2020 RATE COMPARISON

Plan - \$500 Deductible PPO/HMO with Dental,EAP,Life Insurance

Coverage	Employee's Name	# of EE's	2019 Rate/ Month	2019 Rate/ Year	2020 Rate/ Month	2020 Rate/ Year
SINGLE		9	1,033.89	111,660.12	1,076.56	116,268.48
SINGLE DENTAL only		3	51.49	1,853.64	53.37	1,921.32
SINGLE HMO		4	715.35	34,336.80	746.76	35,844.48
TOTAL		16		147,850.56		154,034.28
FAMILY PPO (more than one dependent)						
		6	2,636.03	189,794.16	2,744.25	197,586.00
FAMILY HMO (more than one dependent)						
		2	1,907.95	45,790.80	1,982.17	47,572.08
FAMILY DENTAL only		1	115.45	1,385.40	120.38	1,444.56
TOTAL		9		236,970.36		246,602.64
EMP + SPOUSE PPO						
		3	1,877.10	67,575.60	1,954.28	70,354.08
EMP + SPOUSE HMO						
		1	1,343.55	16,122.60	1,397.55	16,770.60
EMP + SPOUSE DENTAL						
		1	83.86	1,006.32	90.74	1,088.88
TOTAL		5		84,704.52		88,213.56
EMP + CHILD						
		1	1,372.40	16,468.80	1,412.76	16,953.12
TOTAL		1		16,468.80		16,953.12
Life/EAP only						
		4	10.30	494.40	10.30	494.40
Total Medical Coverage (Medical, Dental,Life, EAP)		35		\$486,489		\$506,298

4.07%

Less: Additional Employee Contributions
Less: Portion of Medical Insurance Reserve

(\$2,100)
(\$2,000)

Net Total

\$502,198 3.23%

2020 Medical Plans - Rx 1 (\$10/\$30/\$50)

\$250 Deductible			\$500 Deductible			\$1,250 Deductible			\$1,500 Deductible			\$2,000 Deductible			\$2,500 Deductible			\$3,000 Deductible			HMO Plan		
Enrollment	Annual Cost		Enrollment	Annual Cost		Enrollment	Annual Cost		Enrollment	Annual Cost		Enrollment	Annual Cost		Enrollment	Annual Cost		Enrollment	Annual Cost		Enrollment	Annual Cost	
	2020 Rate Estimate	2020 Rate Estimate		2020 Rate Estimate	2020 Rate Estimate		2020 Rate Estimate	2020 Rate Estimate		2020 Rate Estimate	2020 Rate Estimate		2020 Rate Estimate	2020 Rate Estimate		2020 Rate Estimate	2020 Rate Estimate		2020 Rate Estimate	2020 Rate Estimate		2020 Rate Estimate	2020 Rate Estimate
EE Only	0	\$1,065.88	0	9	\$1,023.19	0	0	\$956.13	0	0	\$935.71	0	0	\$871.54	0	0	\$886.18	0	0	\$804.62	4	\$693.39	\$33,283
EE + 1 CH	0	\$1,403.09	0	1	\$1,343.32	0	0	\$1,249.44	0	0	\$1,220.85	0	0	\$1,131.02	0	0	\$1,151.51	0	0	\$1,037.32	0	\$927.08	\$0
EE + SP	0	\$1,951.06	0	3	\$1,863.54	0	0	\$1,726.08	0	0	\$1,684.21	0	0	\$1,552.67	0	0	\$1,582.68	0	0	\$1,415.48	1	\$1,306.81	\$15,682
EE + Children	0	\$1,875.19	0	0	\$1,791.51	0	0	\$1,660.09	0	0	\$1,620.05	0	0	\$1,494.29	0	0	\$1,522.98	0	0	\$1,363.12	0	\$1,254.22	\$0
Family	0	\$2,751.94	0	6	\$2,623.87	0	0	\$2,422.71	0	0	\$2,361.43	0	0	\$2,168.94	0	0	\$2,212.85	0	0	\$1,968.17	2	\$1,861.79	\$44,683
Total EEs	0	\$0	19	\$382,630	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	7	\$93,647	\$0	
HRA Plans																							
			\$1,000 HRA			\$1,250 HRA			\$1,500 HRA			\$2,000 HRA											
			<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>									
			\$1,000	\$0	\$1,250	\$0	\$1,500	\$0	\$2,000	\$0	\$2,000	\$0	\$4,000	\$0									
			\$2,000	\$0	\$2,500	\$0	\$3,000	\$0	\$4,000	\$0	\$4,000	\$0	\$6,000	\$0									
			\$2,000	\$0	\$2,500	\$0	\$3,000	\$0	\$3,000	\$0	\$4,000	\$0	\$6,000	\$0									
			\$3,000	\$0	\$3,750	\$0	\$4,500	\$0	\$4,500	\$0	\$6,000	\$0	\$6,000	\$0									
			\$3,000	\$0	\$3,750	\$0	\$4,500	\$0	\$4,500	\$0	\$6,000	\$0	\$6,000	\$0									
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Annualized Cost Per Plan			\$1,250 Deductible/\$1,000 HRA Plan			\$1,500 Deductible/\$1,250 HRA Plan			\$2,000 Deductible/\$1,500 HRA Plan			\$2,500 Deductible/\$2,000 HRA Plan											
			<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>									
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Option B																							
			\$1,000 HRA			\$1,250 HRA			\$1,500 HRA			\$2,000 HRA											
			<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>									
			\$1,000	\$0	\$1,250	\$0	\$1,250	\$0	\$2,000	\$0	\$2,000	\$0	\$4,000	\$0									
			\$2,000	\$0	\$2,000	\$0	\$2,500	\$0	\$2,500	\$0	\$3,000	\$0	\$4,000	\$0									
			\$2,000	\$0	\$2,000	\$0	\$2,500	\$0	\$2,500	\$0	\$3,000	\$0	\$4,000	\$0									
			\$3,000	\$0	\$3,000	\$0	\$3,750	\$0	\$3,750	\$0	\$4,500	\$0	\$6,000	\$0									
			\$3,000	\$0	\$3,000	\$0	\$3,750	\$0	\$3,750	\$0	\$4,500	\$0	\$6,000	\$0									
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Annualized Cost Per Plan			\$1,500 Deductible/\$1,000 HRA Plan			\$2,000 Deductible/\$1,250 HRA Plan			\$2,000 Deductible/\$1,250 HRA Plan			\$2,500 Deductible/\$2,000 HRA Plan											
			<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>									
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Option C																							
			\$1,000 HRA			\$1,250 HRA			\$1,500 HRA			\$2,000 HRA											
			<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>	<i>HRA Reimbursement</i>	<i>Maximum Exposure</i>									
			\$1,000	\$0	\$1,000	\$0	\$1,250	\$0	\$1,250	\$0	\$1,500	\$0	\$2,000	\$0									
			\$2,000	\$0	\$2,000	\$0	\$2,500	\$0	\$2,500	\$0	\$3,000	\$0	\$4,000	\$0									
			\$2,000	\$0	\$2,000	\$0	\$2,500	\$0	\$2,500	\$0	\$3,000	\$0	\$4,000	\$0									
			\$3,000	\$0	\$3,000	\$0	\$3,750	\$0	\$3,750	\$0	\$4,500	\$0	\$6,000	\$0									
			\$3,000	\$0	\$3,000	\$0	\$3,750	\$0	\$3,750	\$0	\$4,500	\$0	\$6,000	\$0									
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
Annualized Cost Per Plan			\$2,000 Deductible/\$1,000 HRA Plan			\$2,000 Deductible/\$1,000 HRA Plan			\$2,000 Deductible/\$1,000 HRA Plan			\$2,000 Deductible/\$1,000 HRA Plan											
			<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Minimum</i>	<i>Maximum</i>									
			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0									

2020 Plan Design Illustration

	\$250 PPO		\$500 PPO		\$1,250 PPO		\$1,500 PPO		\$2,000 PPO		\$2,500 PPO		\$3,000 PPO		HMO	
<i>Deductible</i>	<i>In Network</i>	<i>Out of Network</i>	<i>In Network</i>	<i>Out of Network</i>	<i>In Network</i>	<i>Out of Network</i>	<i>In Network</i>	<i>Out of Network</i>	<i>In Network</i>	<i>Out of Network</i>	<i>In Network</i>	<i>Out of Network</i>	<i>In Network</i>	<i>Out of Network</i>	<i>In Network</i>	<i>Out of Network</i>
Single	\$250	\$500	\$500	\$1,000	\$1,250	\$2,500	\$1,500	\$3,000	\$2,000	\$4,000	\$2,500	\$5,000	\$3,000	\$6,000	\$0	N/A
Employee + 1 Dependent	\$500	\$1,000	\$1,000	\$2,000	\$2,500	\$5,000	\$3,000	\$6,000	\$4,000	\$8,000	\$5,000	\$10,000	\$6,000	\$12,000	\$0	N/A
Employee + 2 or more Dependents	\$750	\$1,500	\$1,500	\$3,000	\$3,750	\$7,500	\$4,500	\$9,000	\$6,000	\$12,000	\$7,500	\$15,000	\$9,000	\$18,000	\$0	N/A
Out-of-Pocket Maximum (Includes Deductible)																
Single	\$1,000	\$2,000	\$1,650	\$3,300	\$2,250	\$4,500	\$2,650	\$5,300	\$4,250	\$8,500	\$3,650	\$7,300	\$7,150*	\$14,300*	\$1,500	N/A
Employee + 1 Dependent	\$2,000	\$4,000	\$3,300	\$6,600	\$4,500	\$9,000	\$5,300	\$10,600	\$8,500	\$17,000	\$7,300	\$14,600	\$13,300*	\$26,600*	\$3,000	N/A
Employee + 2 or more Dependents	\$3,000	\$6,000	\$4,950	\$9,900	\$6,750	\$13,500	\$7,950	\$15,900	\$12,750	\$25,500	\$10,950	\$21,900	\$13,300*	\$26,600*	\$3,000	N/A
Plan Coverage																
Primary Care Physician	100% after \$20 copay	70%	100% after \$20 copay	70%	100% after \$20 copay	70%	100% after \$20 copay	70%	100% after \$20 copay	60%	100% after \$20 copay	70%	100% after \$40 copay	60%	100% after \$20 copay	Not Covered
Specialist	100% after \$30 copay	70%	100% after \$30 copay	70%	100% after \$30 copay	70%	100% after \$30 copay	70%	100% after \$30 copay	60%	100% after \$30 copay	70%	100% after \$60 copay	60%	100% after \$30 copay	Not Covered
Urgent Care	100% after \$30 copay	70%	100% after \$30 copay	70%	100% after \$30 copay	70%	100% after \$30 copay	70%	100% after \$30 copay	60%	100% after \$30 copay	70%	100% after \$75 copay	60%	100% after \$20 copay	Not Covered
Emergency Room	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay	100% after \$200 copay	100% after \$200 copay	100% after \$100 copay	100% after \$100 copay
Coinsurance	90%	70%	90%	70%	90%	70%	90%	70%	80%	60%	90%	70%	80%	60%	100%	Not Covered
Pharmacy																
Rx Copays	<i>Rx 1 (retail/mail)</i>	<i>Rx 2 (retail/mail)</i>	<i>Rx 1 (retail/mail)</i>	<i>Rx 2 (retail/mail)</i>	<i>Rx 1 (retail/mail)</i>	<i>Rx 2 (retail/mail)</i>	<i>Rx 1 (retail/mail)</i>	<i>Rx 2 (retail/mail)</i>	<i>Rx 1 (retail/mail)</i>	<i>Rx 2 (retail/mail)</i>	<i>Rx 1 (retail/mail)</i>	<i>Rx 2 (retail/mail)</i>	<i>Rx 1 (retail/mail)</i>	<i>Rx 2 (retail/mail)</i>	<i>Rx 1 (retail/mail)</i>	<i>Rx 2 (retail/mail)</i>
Generic	\$10/\$20	\$15/\$30	\$10/\$20	\$15/\$30	\$10/\$20	\$15/\$30	\$10/\$20	\$15/\$30	\$10/\$20	\$15/\$30	\$10/\$20	\$15/\$30	\$10/\$20	\$15/\$30	\$10/\$20	\$15/\$30
Preferred Brand	\$30/\$60	\$45/\$90	\$30/\$60	\$45/\$90	\$30/\$60	\$45/\$90	\$30/\$60	\$45/\$90	\$30/\$60	\$45/\$90	\$30/\$60	\$45/\$90	\$30/\$60	\$45/\$90	\$30/\$60	\$45/\$90
Non-Preferred Brand	\$50/\$100	\$90/\$180	\$50/\$100	\$90/\$180	\$50/\$100	\$90/\$180	\$50/\$100	\$90/\$180	\$50/\$100	\$90/\$180	\$50/\$100	\$90/\$180	\$50/\$100	\$90/\$180	\$50/\$100	\$90/\$180
Rx Out-of-Pocket Maximum																
Employee Only	\$1,000		\$1,000		\$1,000		\$1,000		\$1,000		\$1,000		\$1,000		\$1,000	
Employee + 1 Dependent	\$2,000		\$2,000		\$2,000		\$2,000		\$2,000		\$2,000		\$2,000		\$2,000	
Employee + 2 or more Dependents	\$3,000		\$3,000		\$3,000		\$3,000		\$3,000		\$3,000		\$3,000		\$2,000	
HRA Plans																
Option A																
					\$1,250 PPO/ \$1,000 HRA		\$1,500 PPO/ \$1,250 HRA		\$2,000 PPO/ \$1,500 HRA		\$2,500 PPO/ \$2,000 HRA					
					<i>Deductible (Pre HRA)</i>	<i>HRA Reimbursement</i>	<i>Deductible (Pre HRA)</i>	<i>HRA Reimbursement</i>	<i>Deductible (Pre HRA)</i>	<i>HRA Reimbursement</i>	<i>Deductible (Pre HRA)</i>	<i>HRA Reimbursement</i>				
Single					\$250	\$1,000	\$250	\$1,250	\$500	\$1,500	\$500	\$2,000				
Employee + 1 Dependent					\$500	\$2,000	\$500	\$2,500	\$1,000	\$3,000	\$1,000	\$4,000				
Employee + 2 or more Dependents					\$750	\$3,000	\$750	\$3,750	\$1,500	\$4,500	\$1,500	\$6,000				
Option B							\$1,500 PPO/ \$1,000 HRA		\$2,000 PPO/ \$1,250 HRA							
					<i>Deductible (Pre HRA)</i>	<i>HRA Reimbursement</i>	<i>Deductible (Pre HRA)</i>	<i>HRA Reimbursement</i>	<i>Deductible (Pre HRA)</i>	<i>HRA Reimbursement</i>						
Single					\$500	\$1,000	\$750	\$1,250	\$750	\$1,250						
Employee + 1 Dependent					\$1,000	\$2,000	\$1,500	\$2,500	\$1,500	\$2,500						
Employee + 2 or more Dependents					\$1,500	\$3,000	\$2,250	\$3,750	\$2,250	\$3,750						
Option C							\$2,000 PPO/ \$1,000 HRA									
					<i>Deductible (Pre HRA)</i>	<i>HRA Reimbursement</i>	<i>Deductible (Pre HRA)</i>	<i>HRA Reimbursement</i>								
Single					\$1,000	\$1,000	\$1,000	\$1,000								
Employee + 1 Dependent					\$2,000	\$2,000	\$2,000	\$2,000								
Employee + 2 or more Dependents					\$3,000	\$3,000	\$3,000	\$3,000								

*Indicates change for 2020 plan year.