



GLENCOE PARK DISTRICT
Committee of the Whole Meeting
Tuesday, October 3, 2023 at 7:00pm

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 Takiff Center, 999 Green Bay Rd, Glencoe, IL 60022

AGENDA

- I. Call to Order
- II. Roll Call
- III. Matters from the Public
- IV. Discussion on Tax Levy
- V. Discussion on 2024 Health Insurance
- VI. Green Team Presentation
- VII. Other Business
- VIII. Executive Session
 - A. Personnel 5ILCS 120/2c (1)
- IX. Adjourn

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 email: lsheppard@glencoeParkDistrict.com

Key rules governing participation

All comments will be limited to three (3) minutes per person and no longer than 30 minutes for all comments.



IV. Discussion on Tax Levy

Glencoe Park District
October 2023 Committee of the Whole Meeting

MEMORANDUM

TO: Board of Park Commissioners
CC: Lisa Sheppard, Executive Director
FROM: John Cutrera, Director of Finance/HR
SUBJECT: 2023 Tax Levy Process and Overview
DATE: October 3, 2023

It is that time of year again when we begin the legal cycle for our **next** fiscal year, FY2024/25. The first step in that cycle is to determine the District's levy amount and to approve the 2023 Tax Levy Ordinance which is filed with the Cook County Clerk's Office.

Last year, the District approved an operating levy increase of 8.94%, which allowed for the maximum 5.0% CPI plus estimated new growth of 3.94%. Due to the computer compatibility issues with the Cook County Assessor's office, we have not yet received our final extension for 2022. Until that is received, we will not know for sure whether we captured all new growth in our 2022 levy request.

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 prerequisite 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. In the past year, this is shifted more toward program and user fees as tax revenues represent approximately 45% of total revenues.

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 2023 levy relates to tax revenues to be collected in FY2024/25 (March 1, 2024 through February 28, 2025). 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 meetings. 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 year's final extension (or estimated extension if final is not available). 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

MEMORANDUM

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 2023 levy, this cap will be **5.0%** - meaning all old growth will be capped at this level. This will be the second year in a row and second time since the tax cap was enacted that CPI exceeds 5%. In the three tax levy years prior to that, the CPI has been 1.4% (2021), 2.3% (2020), and 1.9% (2019) (operating expenditures such as health insurance, utilities, gasoline, etc. have typically increased above and beyond 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.

In prior years, under the tax cap, **taxing bodies were required to levy for all potential new growth to actually receive it**. In the past, if it was not levied for, not only would a District 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. There was a new law enacted in 2022 that allows for taxing Districts to not levy to the maximum in a given year, but still not lose the ability to capture that in future years. There are, however, certain requirements in the law that will limit its effectiveness and District’s ability to utilize it. For example, under the new law, a District’s limiting rate is determined using either the District’s most recent aggregate extension or what the most recent aggregate extension would have been if the District had used the maximum limiting rate permitted for each of the three immediately preceding levy years. Therefore, if there are three consecutive years with elevated CPI, there is still the potential for permanent losses of new growth. Based on these factors, it is important to make sure the levy amount includes estimation for all new growth anticipated within the District. This is important to remember for each levy. As mentioned earlier, due to the delay in the issuance of the final extended rates, we still do not know if the District did recognize all new growth potential for the 2022 levy.

While it can be difficult to estimate new growth each year 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 (though much later this year due to a computer compatibility issue with the Cook County Assessor’s office). 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 is determined and a public hearing is 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. While the

MEMORANDUM

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 began for staff in July 2023, the budget is discussed by the Board in February/March 2024, and the Budget and Appropriations Ordinance is officially approved in April/May 2024. Final tax information (i.e. tax revenues, tax rate) will not be known until July/August 2024, 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.

2023 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 and capturing up to the 5% cap for the 2023 levy. 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 (e.g.: sales tax, gasoline tax, etc.) to rely on to operate. The Park District relies primarily on property taxes (45%) and user/program fees/other sources (55%).
2. Operating expenses have increased over the 5% cap this year and additional increases are expected. Examples include utilities, insurance premiums, contractual services, wages, and gasoline.
3. Per the District's Fund Balance Policy, the Board directed staff to keep minimum fund balance requirements (50% in Corporate and Recreation, and 25% in all other funds). 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 \$515,000 is also earmarked for annual capital improvements in the Capital Projects (Fund 65).
5. Although we are proposing levying to the maximum for the 2023 levy, even with the 5% CPI increase in 2023, the current 10-year average CPI growth rate is only 0.20% above the two prior 10-year periods. Since PTELL was enacted, the 10-year periods from 1994-2003 and 2004-2013 saw average percentage increases of 2.46% and 2.42% respectively. The chart below summarizes the CPI increases from 2014-2023, noting an average of 2.63% for that period.

MEMORANDUM



Breakdown of Levy Amount By Fund

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

Staff Recommendation-2023 Tax Levy Amount

Per the County Clerk's Office, the old growth (or existing EAV base) will be capped at **5.0%** 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 **\$5,415,500**, which is **3.29%** greater than last year's estimated tax extension of **\$5,242,932**. While this increase is below the 5.0% cap, it's important to note that for the funds in which the tax cap applies (all operating funds excluding special recreation), the increase is slightly less than 8.0%. Therefore, all funds subject to the tax cap will be able to capture the 5.0% plus new property. The 3.29% is the result of the increases to the tax capped funds combined with a significant decrease in the special recreation levy. The special recreation levy was levied at the maximum rate of .04% in the prior year due to the significant ADA related capital needs from the Watts renovation. The special recreation fund is used to pay our NSSRA member contribution, companion fees, and ADA related capital.

Realizing that old growth will be capped at 5.0% this year no matter what the levy amount is, it is the District's intent in levying the amount above to ensure all new property is captured and the District keeps pace with rising operating costs. Please note, new growth has averaged 0.74% in the past ten years.

The District's **debt service** levy amount of **\$1,314,450** includes principal and interest for the 2015 Refunding Bonds (\$1,034,400), and the 2020 Bonds (\$280,050). When comparing the 2023 levy to the estimated 2022 extended amounts, there is an overall increase of 21.95%. Please note that the prior year did include a \$240,000 one-time abatement to utilize existing debt service fund balance (accumulation of County applied loss reserves). The combined overall increase from the prior year for both the operating and debt service funds is 6.47%.

MEMORANDUM

Although the District's 2023 operating levy request does not exceed 105% of last year's estimated extension, past practice has been to hold a public hearing on the levy regardless. It is staff's intent to formally approve the amount to be levied and approve the Truth in Taxation Resolution at the October 17 regular Board meeting, and then approve the Levy Ordinance at the November 21 regular meeting. The public hearing on the levy will be held at the November 21 regular Board meeting as well. The Levy Ordinance must be filed with the County Clerk's office by the last Tuesday in December (December 26, 2023).

**Glencoe Park District
Breakdown of Levy By Fund-2023 LEVY REQUEST**

----Tax Rates---			Estimated	Proposed	% Increase	
Limit	2021 Rate*	Fund	Tax Yr 2022 Extension**	Tax Year 2023 Extension	(Decrease)	Relevant Considerations
0.3500	0.2642	Corporate	2,627,202	2,756,000		The 2023 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 \$515,000 has been used annually to fund the District's capital projects program. The District must be able to keep pace with the increase in operating expenses due to continued high inflation. The unassigned projected fund balance level at the end of the year is expected to exceed the 50% minimum. The Board committed \$850,000 for future Fund 69 capital in FY23/24.
0.3700	0.1430	Recreation	1,181,993	1,267,000		The 2023 tax year levy will also be used to cover general operating increases as described above. Enrollments in District programs continue to be strong. The program net surplus is used to offset the deficit operations of running Takiff Center. Adequate fund balance levels are key to the financial health of this fund. The unassigned projected fund balance at the end of the fiscal year is expected to exceed the 50% minimum. The Board committed \$550,000 for future Fund 69 capital in FY23/24.
0.0400	0.0400	Special Recreation	506,568	310,000		NSSRA contribution estimated increase of 5% to approximately \$128,500 to fund increase in operating expenses. Companion fees will likely also increase based on increase program participation. There will be a reduction in ADA spending based on the completion of Watts. Fund balance at the end of the year is slightly over 50%. Staff looks to reduce rate from maximum .0400 for next fiscal year based on reduction in capital.
None	0.0449	IMRF	297,981	325,000		Next fiscal year, employer IMRF contribution rate will decrease from 8.49% to 7.92%. IMRF participation will hopefully increase with an improved labor market. Projected fund balance at the end of the year is approximately 70%, primarily due to the inability to fill open positions. Although this exceeds our set fund balance policy, it's important to note that the 7.92% is the lowest contribution rate in at least the last 10 years and as recently as 2018 the contribution rate was nearly double. As the rate increases, so does the 25% minimum fund balance. Therefore staff feels it would be prudent to maintain additional fund balance reserves in the IMRF fund.
None	0.0347	Social Security	338,705	425,000		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 the year is right at 25%. There is much less risk of volatility in rates for this fund as opposed to IMRF. The approach will remain to maintain projected ending fund balance at or slightly above the 25% minimum.
None	0.0185	Liability Insurance	238,385	280,000		PDRMA notified members earlier this summer that they would be raising rates by 5% due to a combination of an increasingly expensive reinsurance market, inflation and legal environment. The reinsurance market has been increasing since 2018 due to global natural disasters, economic inflation and supply chain disruption. PDRMA will also be changing the contribution rate methodology which could also have an impact on contributions. PDRMA is phasing in the overall impact of the increases due to methodology changes, capping at 5% in 2024 and capturing all increases by 2027. In addition to increases from PDRMA for general liability, property and employment practices, we anticipate increased capital expenditures in FY 24/25 to continue addressing evolving safety needs. Projected fund balance at the end of the year is expected to be right near the minimum of 25%. Staff recommends an increase in the levy amount to account for increased spending on safety related projects and increases in PDRMA contributions.
None	0.0055	Workers Comp	34,764	35,000		PDRMA anticipates a similar increase in worker compensation insurance premiums, per the rationale above. Projected fund balance at the end of the year is over 80%, and staff recommends a levy amount below that of last year in order to exhaust excess fund balance.
0.0050	0.0020	Audit	<u>17,333</u>	<u>17,500</u>		Levy amount includes slight increase in audit fees for Annual Comprehensive Financial Report and accounts for GASB 75 actuarial fee. Projected fund level at the end of the year is approximately 55%.

0.5528 Subtotal-Operating 5,242,932 5,415,500 3.29%

None	0.1574	Bond & Interest	1,077,900	1,314,450	21.95%	Levy amount is automatically determined by the County based on all bond ordinances on file. The amount levied includes the 2020 Series principal (\$200,000) and interest (\$80,050) for a total of \$280,050. The amount levied for the 2015 Refunding Series includes principal (\$975,000) and interest (\$59,400) for a total of \$1,034,400. 2022 levy included a one time abatement of \$240,000.
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0.7102 Total - All Funds 6,320,832 6,729,950 6.47%

* 2022 final rates are not yet available from the County.

** This estimate for truth in taxation is based off of 2021 extended rates multiplied by the lesser of CPI or 5.0% at 12/31/21 (35 ILCS 200/18-70).

**Glencoe Park District
History of Final Levy Tax Extensions
September 2023**

Tax Year	CPI**	Total EAV	EAV- Old Growth	EAV- New Growth	Limiting Tax Rate	Total EAV Inc/(Dec)	% +/- Total EAV	% +/- NEW Gwth	% +/- OLD Gwth**
2023	5.0%								
*2022	5.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A *
2021	1.4%	879,008,836	(75,080,062)	3,803,061	0.723	(71,277,001)	-7.50%	0.40%	-7.90%
2020	2.3%	950,285,837	(2,221,131)	7,269,206	0.465	5,048,075	0.53%	0.77%	-0.23%
*2019	1.9%	945,237,762	35,815,290	5,658,231	0.453	41,473,521	4.59%	0.63%	3.96% *
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 the lesser of 5.0% or CPI.

**GLENCOE PARK DISTRICT
RESOLUTION No. 956**

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 estimated corporate and special purpose property taxes extended or abated for 2022 were \$5,242,932. The proposed corporate and special purpose property taxes to be levied for 2023 are \$5,415,500. This represents a 3.29% increase over the previous year.
2. The estimated property taxes extended or abated for debt service and public building commission leases for 2022 were \$1,077,900. The estimated property taxes to be levied for debt service and public building commission leases for 2023 are \$1,314,450. This represents a 21.95% increase over the previous year.
3. The total estimated property taxes extended or abated for 2022 were \$6,320,832. The estimated total property taxes to be levied for 2023 are \$6,729,950. This represents a 6.47% 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 21, 2023.

Passed this 17th day of October 2023.

AYES:
NAYS:
ABSENT:

Carol Spain, President
Board of Park Commissioners

Attested and filed this 17th day of October 2023.

Lisa M. 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. 956:

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 on the 17th day of October 2023.

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 17th day of October 2023.

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 2023 will be held on November 21, 2023, at 7:00pm, 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 at 999 Green Bay Road, Glencoe, Illinois, 60022 or telephone number (847) 835-3030.

- II. The corporate and special purpose property taxes extended or abated for 2022 were \$5,242,932.

The proposed corporate and special purpose property taxes to be levied for 2023 are \$5,415,500. This represents a 3.29% increase over the previous year.

- III. The property taxes extended or abated for debt service and public building commission leases for 2022 were \$1,077,900.

The property taxes to be levied for debt service and public building commission leases for 2023 are \$1,314,450. This represents a 21.95% increase over the previous year.

- IV. The total property taxes extended or abated for 2022 were \$6,320,832.

The total property taxes to be levied for 2023 are \$6,729,950. This represents a 6.47% increase over the previous year.

V. Discussion on 2024 Health Insurance

Glencoe Park District
October 2023 Committee of the Whole Meeting

MEMORANDUM

TO: Board of Park Commissioners
FROM: John Cutrera and Lisa Sheppard
SUBJECT: 2024 Health Insurance Renewal
DATE: October 3, 2023

Glencoe Park District's total health insurance program consists of the following coverages: medical, dental, vision, EAP and life. Per the Board's decision in July to remain in the PDRMA Health Program for a three-year commitment, the decisions relating to the 2024 insurance renewal for the District are limited to PDRMA offered plans. The renewal for our current PDRMA Health Program's coverage is effective January 1, 2024. (Specific instructions on our plan, however, must be submitted to PDRMA by October 20 for the open enrollment period which runs from November 13 through December 1.)

Currently, the PDRMA Health Program includes over 80-member agencies covering nearly 2,000 employees. The majority of PDRMA Health agencies utilize the high deductible PPO plan with the Health Reimbursement Account (HRA). As of June 1, 2023, there were 791 employees enrolled in a high deductible PPO plan with the HRA option, compared to 326 enrolled in a straight PPO plan and 51 enrolled in a high deductible health plan with HSA. All agencies offer the HMO option as an alternative as well. The HMO is the highest utilized plan with a total of 804 employees enrolled as of June 1, 2023.

The premium **increase** for the PDRMA Health Program for 2024 for PPO/HMO, prescription, dental, vision and EAP coverage for the Glencoe Park District when comparing the same plans year-over-year is approximately 7.55%. This compares to an **increase** of 3.97% in 2023, a **decrease** of 0.78% in 2022, and **increases** of 2.10% in 2021 and 4.00% in 2020. In 2024, the increases/decreases *by insurance type* are as follows: PPO 7.9% increase, HMO 7.7% increase, Dental 3% increase, Vision 10% decrease, Life coverage 35% decrease, and no change for EAP.

On September 27, the PDRMA Health Program Council (i.e. governing board of directors) approved rates and benefit plan changes to the plan for 2024.

Effective January 1, 2024, the Health Program Council made the following benefit changes:

- Discontinued the Rx2 plan options in an effort to reduce plan options while impacting the least number of members.
- Discontinued the \$2,500 PPO/\$2,250 HRA option in an effort to simplify the rating process with actuaries and decreasing administrative work.
- Changed the \$1,500 HDHP with HSA plan to \$1,600 HDHP with HSA to meet the increased threshold of High Deductible Health Plan per the IRS.
- Removed dependent enrollment restrictions and allow employees to enroll each dependent in all, some, or none of the medical, vision and dental plans offered.
- Added Delta Dental to Go benefit, which will allow for carryover of unused benefits up to the in-network maximum.

MEMORANDUM

In 2023, Glencoe Park District offered 48 eligible full-time enrollees three options: \$1,250 PPO/\$1,000 HRA, HDHP/HSA plan, and an HMO plan. Applying the new PDRMA 2024 rates to our covered employee's current selections, the total amount of dollars for medical/dental/vision/life/EAP premiums equates to \$748,642. This compares to the amount for current enrollees with last year's 2023 rates of \$696,119. It should be noted that unplanned changes during 2024 are possible, which may also impact these costs, such as employee changes due to resignations, new hires, new babies, and changes in marital status. Further, due to the fact that ten full-time employees opted out of coverage for 2023 due to spousal or other family coverage, the budgeted cost will include contingency amounts for potential changes in coverage.

Prior to 2022, the District had historically offered a straight PPO plan option (\$500 deductible). In 2022, it was determined that the PPO plan option would be replaced with a HDHP/HSA in order to be more cost effective to the District and offer employees a wider scope of plan options. In reviewing plan options for 2024, staff included the straight PPO plan option in the evaluation so as to have an additional point of comparison when evaluating overall cost and ensure the current mix of plan offerings were still the best options for the District and its employees. As part of this analysis, the assumption was made that existing HMO enrollees would remain in the HMO. Staff then evaluated potential cost if the PPO enrollees were all enrolled in the \$500 deductible plan, the \$1,250 PPO/\$1,000 HRA plan and the High Deductible Health Plan (HDHP) with Health Savings Account (HSA). The chart below reflects the total cost by plan, assuming all current PPO enrollees select that particular plan:

\$500 Deductible PPO Plan	\$1,250 Deductible with \$1,000 HRA Plan	High Deductible Health Plan with Health Savings Account
\$793,176	\$757,212 - \$799,212	\$716,880

While all three plans have fixed premiums, the \$1,250 PPO/ \$1,000 HRA includes a variable component dependent on covered members usage. The District would be responsible for covering these costs through the HRA, up to the maximum. Since these costs are dependent on usage in the plan year, there is no way to determine with certainty what these costs will be; however, prior utilization rates provide a means to estimate what the additional cost for this variable component will be in the upcoming plan year. The utilization rate for Glencoe Park District in 2022 and year-to-date in 2023 is 35% and 28% respectively. Based on these factors, staff feels a conservative estimated utilization rate of 40% for 2024 is a reasonable assumption in estimating potential costs for 2024. This would equate to an estimated cost of \$774,012 for the \$1,250 PPO/ \$1,000 HRA plan. It should also be noted that in-network coverage for the \$1,250 PPO/ \$1,000 HRA plan would result in a lower deductible and out of pocket maximums for employees when compared to the \$500 deductible PPO plan.

While the High Deductible Health Plan (HDHP) with Health Savings Account (HSA) does offer the lowest fixed premiums of the plans reviewed, the plan itself results in much higher deductibles and out of pocket maximums to the employee. To help offset these costs, the IRS does allow covered

MEMORANDUM

members enrolled in a HDHP to contribute to an HSA account (up to \$4,150 annually per individual and \$8,300 annually for families). While contributing to the HSA account will provide an added tax benefit to employees, it likely will not be enough to move employees into the plan given the higher deductibles and out of pocket maximums. PDRMA has recognized that and incorporated within their cost modeling tool, an assumption for the employer to contribute a portion of the maximum allowed HSA contribution. Staff also believes a District contribution to the HSA would help incentivize employees to enroll in the lower premium HDHP/HSA. This could be a great benefit for the employees who utilize it while still keeping the cost to the District consistent with the cost of the other two PPO plan options. If the District funded 50% of the allowed maximum contribution (\$2,075 for individuals and \$4,150 for families), it would result in additional expense to the District of \$66,875 based on the current mix of enrollees. This would result in a total cost of \$783,755 to the District.

The chart below reflects the total cost of the PPO plans when factoring in the 40% utilization rate for the \$1,250 PPO/\$1,000 HRA plan and a 50% individual and family District contribution to the employee's HSA for the HDHP/HSA plan:

\$500 Deductible PPO Plan	\$1,250 Deductible with \$1,000 HRA Plan *	High Deductible Health Plan with Health Savings Account **
\$793,176	\$774,012	\$783,755

*Assumes 40% utilization rate

** Assumes 50% District contribution to employee and family HSA, employee +1 would be an average of the two

PDRMA allows member agencies to select a maximum of three health plans. The District will continue to offer the HMO, so therefore must choose two of the three PPO plan options above. Staff's recommendation is to once again offer the \$1,250 PPO/\$1,000 HRA plan and the HDHP/HSA plan with District contribution of 50%.

As stated above, there was an overall increase in PPO and HMO premiums of 7.9% and 7.7%, respectively.

Historically, the goal has been to bring premium contributions for all coverage types (excluding single) to be 10% of the monthly premium. In the prior year, the District moved to a model that individual HMO coverage be provided at no cost to the employee and all other tiers of HMO coverage be reduced to approximately 3%. While every individual's needs differ, the HMO network is Blue Cross Blue Shield of Illinois, which is a vast network that will continue to meet the needs of an individual and their family in most cases. HMO participants also have the security of knowing that any out of pocket costs will be very minimal when using in network providers. For example, a family HMO participant would have a \$0 deductible and a maximum out of pocket of \$3,000 compared to a family PPO plan participant who would have a \$3,750 in network deductible and maximum out of pocket of \$6,750. The District also recognizes cost savings when employees choose the HMO. With the proposed employee contributions, the District would still save over \$4,000 per enrolled employee family in PPO coverage who moves to the HMO, and for individuals the savings would be a little less than \$1,800 per individual employee. The HRA variable cost is also eliminated. Staff will still be incentivized to

MEMORANDUM

decline insurance if not needed as they would be eligible for the insurance buy-out discussed below. As such, staff recommends that employee contributions for 2024 be set as follows:

Grade 1:

<u>Type of Coverage</u>	CURRENT			PROPOSED		
	<u>HDHP</u>	<u>HRA</u>	<u>HMO</u>	<u>HDHP</u>	<u>HRA</u>	<u>HMO</u>
Single	\$26	\$26	\$0	\$28	\$28	\$0
Employee + Child	\$140	\$140	\$40	\$145	\$145	\$45
Employee + Spouse	\$180	\$180	\$50	\$190	\$190	\$55
Family	\$250	\$250	\$70	\$270	\$270	\$75
Employee + Children	\$175	\$175	\$50	\$185	\$185	\$55

Grade 7:

<u>Type of Coverage</u>	CURRENT	PROPOSED
	<u>HMO</u>	<u>HMO</u>
Single	\$0	\$0
Employee + Child	\$40	\$45
Employee + Spouse	\$725	\$780
Family	\$1,400	\$1,510
Employee + Children	\$610	\$650

*Currently, four (4) employees with Life/EAP coverage and Dental only make no monthly contribution.

Insurance Buy-Out Option

As evidenced by this memo, employee medical expense is and will continue to be a significant expense for the District. The total annual expense is dependent on how many employees opt for the District's coverage. When an employee chooses their spouse or other family member's insurance plan, it can result in annual savings of over \$30,000. In 2022, the District began offering an insurance buy-out to employees who declined District provided health insurance. The rollout of the insurance buy-out has been an overwhelming success for the District. In the prior year, ten employees opted for the insurance buy-out and utilized other coverage options outside of the District, five of which are family eligible employees. Each family eligible employee who opts for the buy-out over the PPO with HRA nets the District over \$30,000 in savings annually. Given the financial impact to the District, staff recommends continuing to offer a buy-out option to employees who opt out of our insurance as this would continue to be a useful tool to incentivize employees with other health insurance options to utilize those alternatives.

Staff recommends continuing a tiered insurance buy-out of \$1,850 (\$1,750 in prior year), \$3,675 (\$3,500 in prior year) and \$5,400 (\$5,100 in prior year) for single, employee +1 and family respectively. This reflects an approximate increase of 5% from the prior year, but still represents approximately 20% of the total HMO cost for each tier. The savings realized by one family eligible employee opting for alternative insurance would pay for nearly four additional family insurance buy-outs.

MEMORANDUM

Recommendation:

For the 2024 renewal, staff recommends to the Board of Park Commissioners that the District provide three PDRMA plan options: the HMO Plan, the \$1,250 deductible/\$1,000 HRA option and the HDHP/HSA with a 50% District contribution to the employee HSA. This would be no change to the plan options offered in 2023. Further, staff also recommends that there be increases to the employee contribution levels as shown above, and that the Medical Reserve be utilized only to the extent that claims exceed the estimated 50% utilization rate for the HRA. It is also recommended that the District continue to provide an insurance buy-out option at increased rates of \$1,850, \$3,675, and \$5,400 (for single, employee +1 and family respectively) for eligible employees who decline the coverage offered by the District.

PDRMA HEALTH PROGRAM

2023 vs. 2024 RATE COMPARISON

Plan - HRA/HDHP/HMO with Dental, Vision, EAP, and Life Insurance

Coverage	# of EE's	2023 Rate/ Month	2023 Rate/ Year	2024 Rate/ Month	2024 Rate/ Year
SINGLE HRA	8	960.62	92,219.52	1,033.87	99,251.52
SINGLE DENTAL only	1	55.47	665.64	56.78	681.36
SINGLE HDHP/HSA	3	894.64	32,207.04	954.35	34,356.60
SINGLE HMO	10	789.98	94,797.60	856.07	102,728.40
TOTAL	22		219,889.80		237,017.88
FAMILY HRA	5	2,856.81	171,408.60	3,076.39	184,583.40
FAMILY DENTAL only	3	141.37	5,089.32	145.11	5,223.96
FAMILY HDHP/HSA	2	2,657.29	63,774.96	2,837.80	68,107.20
FAMILY HMO	3	2,367.37	85,225.32	2,542.98	91,547.28
TOTAL	13		325,498.20		349,461.84
EMP + SPOUSE HRA	5	1,957.70	117,462.00	2,107.77	126,466.20
EMP + SPOUSE DENTAL	0	102.16	0.00	104.72	0.00
EMP + SPOUSE HDHP/HSA	0	1,821.37	0.00	1,944.74	0.00
EMP + SPOUSE HMO	1	1,623.26	19,479.12	1,743.25	20,919.00
TOTAL	6		136,941.12		147,385.20
EMP + CHILD HRA	0	1,345.54	0.00	1,448.34	0.00
EMP + CHILD DENTAL	0	78.33	0.00	80.42	0.00
EMP + CHILD HDHP/HSA	0	1,252.44	0.00	1,337.00	0.00
EMP + CHILD HMO	1	1,117.14	13,405.68	1,199.43	14,393.16
TOTAL	1		13,405.68		14,393.16
Life/EAP only	4	8.00	384.00	8.00	384.00
Total Medical Coverage (Medical, Dental, Vision, Life, EAP)	46		\$696,119		\$748,642

7.55%

\$500 Deductible PPO

Coverage	# of EE's	2024 Rate/ Month	2024 Rate/ Year
SINGLE PPO	11	1,105	145,860
SINGLE DENTAL only	0	1,034	
SINGLE HRA	1	57	684
SINGLE HMO	0	954	
SINGLE HDHP/HSA	10	856	102,720
TOTAL	22		249,264
FAMILY PPO (more than one dep)	7	3,289	276,276
FAMILY DENTAL only	0	3,076	
FAMILY HRA	3	145	5,220
FAMILY HMO	0	2,838	
FAMILY HDHP/HSA	3	2,543	91,548
TOTAL	13		373,044
EMP + SPOUSE PPO	5	2,253	135,180
EMP + SPOUSE DENTAL	0	2,108	
EMP + SPOUSE HRA	0	105	
EMP + SPOUSE HMO	0	1,945	
EMP + SPOUSE HDHP/HSA	1	1,743	20,916
TOTAL	6		156,096
EMP + CHILDREN PPO	1	1,199	14,388
TOTAL	1		14,388
Life/EAP only	4	8	384
Total Coverage (Medical, Dental, Life, EAP)	46		\$793,176

\$1,250 PPO/\$1,000 HRA

Coverage	# of EE's	2024 Rate/ Month	2024 Rate/ Year	Estimated HRA Claims	Total Estimated HRA Expense	Maximum HRA Claims	Total Maximum HRA Expense
SINGLE PPO	0	1,105					
SINGLE HRA	11	1,034	136,488	4,400	140,888	11,000	147,488
SINGLE DENTAL only	1	57	684		684		684
SINGLE HDHP/HSA	0	954	0				
SINGLE HMO	10	856	102,720		102,720		102,720
TOTAL	22	0	239,892		244,292		250,892
FAMILY PPO	0	3,289					
FAMILY HRA	7	3,076	258,384	8,400	266,784	21,000	279,384
FAMILY DENTAL only	3	145	5,220		5,220		5,220
FAMILY HDHP/HSA	0	2,838	0				
FAMILY HMO	3	2,543	91,548		91,548		91,548
TOTAL	13		355,152		363,552		376,152
EMP + SPOUSE PPO	0	2,253					
EMP + SPOUSE HRA	5	2,108	126,480	4,000	130,480	10,000	136,480
EMP + SPOUSE DENTAL	0	105					
EMP + SPOUSE HDHP/HSA	0	1,945					
EMP + SPOUSE HMO	1	1,743	20,916		20,916		20,916
TOTAL	6		147,396		151,396		157,396
EMP + CHILD HMO	1	1,199	14,388		14,388		14,388
TOTAL	1		14,388		14,388		14,388
Life/EAP only	4	8	384		384		384
Total Medical Coverage (Medical, Dental, Vision, Life, EAP)	46		\$757,212	\$16,800	\$774,012	\$42,000	\$799,212

HDHP/'HSA

Coverage	# of EE's	2024 Rate/ Month	2024 Rate/ Year	50% annual Contribution	Total Expense HDHP
SINGLE PPO	0	1,105			
SINGLE HRA	0	1,034			
SINGLE DENTAL only	1	57	684		684
SINGLE HDHP/HSA	11	954	125,928	22,825	148,753
SINGLE HMO	10	856	102,720		102,720
TOTAL	22		229,332		252,157
FAMILY PPO	0	3,289			
FAMILY HRA	0	3,076			
FAMILY DENTAL only	3	145	5,220		5,220
FAMILY HDHP/HSA	7	2,838	238,392	29,050	267,442
FAMILY HMO	3	2,543	91,548		91,548
TOTAL	13		335,160		364,210
EMP + SPOUSE PPO	0	2,253			
EMP + SPOUSE HRA	0	2,108			
EMP + SPOUSE DENTAL	0	105			
EMP + SPOUSE HDHP/HSA	5	1,945	116,700	15,000	131,700
EMP + SPOUSE HMO	1	1,743	20,916		20,916
TOTAL	6		137,616		152,616
EMP + CHILD HMO	1	1,199	14,388		14,388
TOTAL	1		14,388		14,388
Life/EAP only	4	8	384		384
Total Medical Coverage (Medical, Dental, Vision, Life, EAP)	46	0	\$716,880	\$66,875	\$783,755

VI. Presentation from District's Green Team

Glencoe Park District
October 2023 Committee of the Whole Meeting

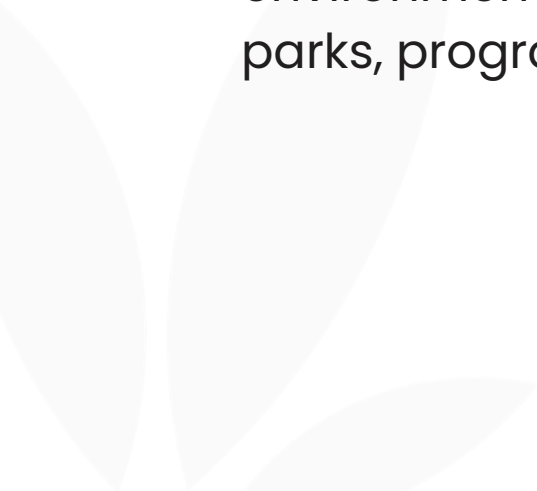
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GREEN TEAM COMMITTEE UPDATE

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Green Team

Work on projects and initiatives that focus on improving the environmental sustainability of our parks, programs, and facilities.



Updates



- 01 Annual Earth Day Event**
Worked with volunteers to collect over 200 pounds of waste and recyclable materials from Everly Wildflower Sanctuary and Glencoe Beach.
- 02 GPD Apparel Share Shop**
111 share shop items were picked up to be reused by staff from all departments.
- 03 Composting Pilot at Camp**
Worked with women-owned Collective Resources for weekly compost pick up of camp lunch items, cookouts, and overnigher food waste.
- 04 Rain Garden Installation**
Rain Gardens were planted at Shelton park and along Green Bay Road/South Avenue. These plantings will help alleviate surface water drainage issues and provide wildlife habitat once established. Educational Signage was also installed near the rain garden.
- 05 Partnership with FGBT and Community Gardens**
Partner with Friends of the Green Bay Trail for trail clean up days as well as planting days in our parks. There is one next week at Woodlawn Park. Provide greenhouse space for growing plants as well supply water and electric to the Glencoe Community Gardens.

Updates



06 **Native Plantings**

Moving away from mass annual plantings and continue planting more native and perennial plants in garden beds. Kalk Park is planted and Lakefront Park will be planted this fall. Transplanted grasses next to Takiff, a further reduction in annual plant purchases.

07 **Compostable Products at Special Events**

Switched from plastic cups to compostable cups at Fourth of July celebration and Bier on the Pier events. We will continue to work with composting organizations to offer commercial composting at large events.

08 **Apiary**

We have three beehives pollinating plants and producing local honey.

09 **Less Salt Use on Pavement**

New steer skid broom was purchased for snow removal that will help sweep our hardscapes more cleanly compared to plowing or snow blowing and reduce our use of salt in those areas. Additionally we began using Entry Chloride Free liquid ice melt, a green seal certified product.

10 **Lobby Recycling Program**

We have new collection containers for snack pouches and batteries for special use recycling. We will continue to work on marketing and best locations for these recycling containers.

IPRA Environmental Report Card

- Assessed our environmental impact and stewardship utilizing IPRA's Environmental Report Card
- Scored in the "Very Good Job Range", just below Environmental Leader range.
- Strong areas include Facility Management & Maintenance and Parks & Natural Resource Management
- Areas of Improvement are Purchasing and Programming



Ongoing Initiatives

- We are working to update our tree inventory and tree care management plan working with Great Lakes Urban Forestry. Will have more information regarding findings by the end of the fiscal year. This was made possible through a grant from the Morton Arboretum
- Recycled paper products throughout facilities
- High-efficiency HVAC and plumbing fixtures
- Swap traditional lighting for LEDs throughout facilities
- Our stewardship agreement with Pizzo and Associates helps manage natural areas at Everly, Takiff, Shelton and Kalk Park. This helps to control invasive species through manual removal and controlled burns, reducing herbicide use



Upcoming

Improve Natural Areas

Hope to improve natural areas at Clara Dietz Bird Sanctuary and along the Bluff at Lakefront Park through staff management and stewardship. Continue to plant less annuals and more native and perennial plants as well as grow native trees in the greenhouse.

Nature Programs

Visit classrooms, camps, and library to provide education on nature based topics, including pollinators and our apiary. Will continue to work on introducing other nature-based programming and lessons in our camps and afterschool.

Sustainable Purchases

Continue to consider energy efficiency and environmentally friendly materials in new equipment and furniture purchases.

Educational Signage

Develop and post educational signage regarding recycling and other environmental initiatives in facilities and parks.

Creative Weed Control

Work on herbicide use reduction through weed-burning tools, utilizing clover in our grass blends, and renting a herd of goats to remove invasive species in the parks.



Goat Grazing

- Met with Kim Hunter aka The Green Goat Lady.
 - Assessed Milton and Lakefront Park
 - Milton is comparable to Clara Dietz and Everly
- Goats are brought in via trailer and left on site 24 hours/day
- Electric fence installed to contain goats
- A secondary fence installed as a barrier to the public
- Combination of Kim, staff, and volunteers would supervise goats from 6a-9p
- Goats clear roughly 150-300 ft² per day
- Site like Milton is about 1 acre and would be cleared in about 5 days
- Goats clear invasive species and overgrown natural areas in lieu of herbicides
- Offset costs with "Name a goat" or other special programming opportunities
- Estimated cost of \$2,500 for Milton
- Clearing would need to be done semi-annually to have long long-lasting impact
- Concerns and considerations are:
 - Communication to neighbors and public at large
 - Containment and monitoring of goats
 - Encouraging people to keep their dogs away
 - Educating the public on why it is beneficial to reduce herbicide use and remove invasive

