

**Alderman Denise Rodd**1420 Miner Street
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desplaines.org**MEMORANDUM**

Date: January 7, 2016

To: Don Smith, 7th Ward Alderman

From: Denise Rodd, 3rd Ward Alderman

Cc: Mike Bartholomew, City Manager

Subject: Finance Committee Agenda Request

This is a follow up to my request during the October 21, 2015 budget meeting. Thank you for agreeing to consider the topic of employer paid health and dental benefits for elected officials in an upcoming Finance Committee Meeting of the Whole. Please consider including this memo and the attached information in the packet distributed to the City Council on the Tuesday prior to the meeting.

A discussion of health benefits will provide transparency to a topic that is of interest to the taxpayers of Des Plaines. Health insurance benefits are offered to elected officials, their spouses and children. The City of Des Plaines pays 88% of the premium, and the covered party pays the remaining 12%. This practice was not part of a Council vote; nor was it added to Chapter 7 of the City Code which details the salary and expense amounts for each office. There is no record of discussion or a vote with public input to offer these health benefits.

The practice of offering health benefits to elected officials was likely put in place at an administrative level when the City had a mayoral form of government and when health insurance was inexpensive. According to the 2015 City of Des Plaines Total Compensation report, the cost of providing benefits to elected officials was \$98,575. This is an annual expense that increases each year as premiums increase. In two years, the Affordable Care Act mandates a "Cadillac Tax" that will impose a 40% penalty on employers who offer health plans such as the one the City offers.

On November 17, 2015, the City of Naperville voted to end elected officials' access to the health insurance benefits offered to them by the City. According to an October 2013 survey by the Northwest Municipal Conference, of the 25 municipalities responding, only Des Plaines and Palatine offer insurance benefits to elected officials at a cost to the City. Schaumburg offers the benefits; however, at full cost to the individual.

Continued on page 2

It is my hope that this Council will follow Naperville's example and end the practice of offering health and dental benefits to future elected officials starting with the April 2017 election. An action to end the practice would not affect any elected officials or their family members currently participating in the plan according to state statute which states that pay or benefits cannot be adjusted while officials are in office.

If this Council ends the practice, then it will have a financial impact on the City – saving approximately \$100,000 annually. As stewards of the taxpayers' money, this would be a prudent act that would leave a positive legacy for the future of the City of Des Plaines.

City Council phasing out health coverage benefit



[Susan Frick Carlman](#) Naperville Sun

No health insurance for future City Council members.

November 23, 2015, 10:06 AM

The next people who win seats on Naperville's City Council will have access to one fewer job perk, whether they take office in two years or four.

The council members agreed last month that their part-time positions should not remain eligible for health insurance coverage, for which the city pays 80 percent of the premium. They also agreed that those voted mayor should remain entitled to the benefit.

Under state law, officeholders can't adjust their pay or benefits while they are in office. Any changes they make must take effect for the next terms.

All eight council members began new terms in May. The unprecedented circumstance arose from a scrapped plan to switch the city from at-large council representation to geographically based electoral districts. Voters reversed their support of the change after the election schedule had been set. As a result, four of those who won in the spring consolidated election are serving terms that will end in two years, while the other four will remain in office for at least four years.

Last week, when the code change came up for a first reading, the council members said they wanted to stagger the benefit cutoff to coincide with their terms. Councilwoman Rebecca Boyd-Obarski said it would be better than having those elected to four-year terms in 2017 opting into the coverage and having to give it up two years later.

The issue has come up repeatedly over the past couple of years. The previous council discussed at length discontinuation of the benefit for the part-time position before voting to keep the coverage, as well as the position's \$12,500 annual salary.



Councilman Kevin Coyne supported ending the benefit, saying the matter has been "somewhat of an albatross" for the council in recent times. He and the other six council members at the meeting voted to make the change, with Mayor Steve Chirico casting the sole vote against it.

Three of the current council members signed up for the coverage. In addition to Chirico, Councilwomen Judy Brodhead and Patty Gustin used their eligibility after starting their new terms. Gustin, who signed up for the dental coverage alone, said she canceled her enrollment after learning the city was subsidizing most of the cost.

The city's current yearly expense for the insurance coverage is \$17,594. Chirico's premiums represent 36 percent of the sum.

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Editorial: Naperville right to end council's health benefits



Mayor Steve Chirico and the Naperville City Council.

Daily Herald File Photo / Laura Stoecker Istoecker@dailyherald.com

The Daily Herald Editorial Board

Should elected city council members qualify for taxpayer-supported benefits that rank-and-file employees don't have?

That's the crux of the matter in Naperville, where city council members voted last week to do away with their access to city health insurance benefits.

We applaud the council for the vote.

It's the right move from a fairness point of view, as well as to save taxpayers money.

Naperville employees need to work at least 30 hours a week to participate in the city's subsidized health insurance program. Last year, six of eight council members failed to certify they spent 1,000 hours a year on city business, which works out to less than 20 hours a week.

The disparity needed to be corrected.

And there's another reason why we're glad to see the health benefits go. Representing fellow citizens by serving on the council is not meant to be a full-time job, and officeholders shouldn't collect benefits as if it were one.

The Naperville vote on health insurance is part of a slow -- and sometimes divisive -- peeling back of benefits for the council members, who are paid \$12,500 a year.

Up until last year, council members also were eligible for pensions, with the city using taxpayer funds to make employer contributions into the Illinois Municipal Retirement Fund. A cellphone and Internet stipend ended in 2013.

The council also ended pension benefits for Mayor Steve Chirico beginning this year with his first term.

Chirico, however, will keep his health insurance, at a cost to taxpayers of \$530 a month. Chirico said he works full time on the job of mayor and liquor commissioner, for which he is paid \$25,000 a year. He voted against getting rid of health insurance for the city council, saying he considers it fair compensation. We disagree, though we don't doubt the mayor and council work hard.

Even though the vote has been taken, health benefits for council members will be around a while longer. A state law that prohibits diminishing an elected official's benefits during his or her current term in office means access to taxpayer-subsidized health will end for some council members in 2017 and for others in 2019.

Naperville's elected officials haven't necessarily been swift in making these changes, but they have steadfastly moved in the right direction over the years. We urge other governments in the suburbs to follow Naperville's example in setting responsible policies that recognize the importance of fiscal restraint.

"I want to bring closure to this issue," councilman Kevin Coyne said last week.

Revising benefits has been a time-consuming topic for the Naperville City Council for years. We're with Coyne in being glad to see the issue settled.

| Municipality | What is the population of your municipality? | Do elected officials serve at large? | Are elected officials classified as full-time employees? | Are elected officials classified as part-time employees? | What is the annual stipend for elected officials? Please specify position. | What is the annual expense stipend for elected officials? Please specify position. | Are elected officials provided a municipal-owned vehicle while they serve in office? Please specify position. | If the answer to #7 is yes, is gasoline provided by the municipality? | Are elected officials provided other municipal-owned property while they serve in office (computers, cell phones, etc.)? Please specify items. | Is health insurance (medical and/or dental) offered to elected officials by the municipality? (Oct. 2013 survey) | Are spouses and dependents included in the coverage? | What is the annual cost to the municipality? | What is the annual cost to the individual? | Are the health care benefits extended to the elected officials once they are no longer in office? |
|-------------------|--|--------------------------------------|--|--|---|--|---|---|--|--|--|--|--|---|
| Antioch | 14,430 | Yes. | No. | Yes. | \$12,000 Mayor; \$6,000 Trustees. | None. | No. | | Computers, cell phone (Mayor only). | | | | | |
| Arlington Heights | 75,100 | Yes. | No. | No. | Mayor - \$8,500 Trustees - \$2,800 | None. | No. | N/A | No. | No. | | | | |
| Barrington | 10,327 | Yes. | No. | No. | Annual compensation is \$4,500 for Village President, \$1,200 for Trustees, and \$3,000 plus \$100/meeting for the Village Clerk. | None. | No. | | Computer. | No. | | | | |
| Buffalo Grove | 41,496 | Yes. | No. | No. | President \$7,800, Trustees \$4,200, Clerk \$6,000. | None for specific Trustees. \$600 is budgeted for training and travel and \$7,000 is budgeted for receptions and community affairs. | Only when traveling to Springfield. | Yes. | No, but Clerk is provided with a laptop. Trustees own their own iPads. | No. | | | | |
| Carpentersville | 37,691 | Yes. | No. | Yes. | President - \$12,000, Village Trustee - \$6,000. | We have no stipend, however, if they choose to attend seminars the cost is allocated through the Village Trustee - Legislative Budget. | No. | | I-Pads - the agendas are sent to them electronically. No paper documents are provided. | No. | | | | |
| Deerfield | 18,225 | Yes. | No. | No. | None. | \$0 - The Village reimburses elected officials for expenses related to attending conferences and pays the cost of attendance at certain luncheons/breakfasts and community events. | No. | | Officials receive an iPad to be used for packet distribution. | No. | | | | |
| Evanson | 74,486 | No. | No. | No. | \$12,240 Alderman, \$18,993 Mayor. | \$0 | No. | | Laptop or iPad if requested. | | | | | |
| Glencoe | 8,700 | Yes. | No. | No. | None. | N/A | No. | | No. | No. | | | | |
| Lincolnshire | 7,275 | Yes. | No. | No. | N/A | None budgeted, will reimburse for NMMC dinners, Springfield drive downs. | No. Mayor shares a pool vehicle with staff. | Yes. | None. | No. | | | | |
| Mount Prospect | 54,000 | At large. | | Part-time. | \$2,750, Mayor \$6,500. | \$600 per Trustee and SWANCC & NMMC attendee \$600 (right now, that's one Trustee that goes to both SWANCC & NMMC). | No. | | No. | | | | | |
| Niles | 29,803 | Yes. | No. | Yes. | Trustees - \$2,500.16 Mayor - \$4,000 | | No. | | No. | | | | | |

| Municipality | What is the population of your municipality? | Do elected officials serve at large? | Are elected officials classified as full-time employees? | Are elected officials classified as part-time employees? | What is the annual stipend for elected officials? Please specify position. | What is the annual expense stipend for elected officials? Please specify position. | Are elected officials provided a municipal-owned vehicle while they serve in office? Please specify position. | If the answer to #7 is yes, is gasoline provided by the municipality? | Are elected officials provided other municipal-owned property while they serve in office (computers, cell phones, etc.)? Please specify items. | Is health insurance (medical and/or dental) offered to elected officials by the municipality? (Oct. 2013 survey) | Are spouses and dependents included in the coverage? | What is the annual cost to the municipality? | What is the annual cost to the individual? | Are the health care benefits extended to the elected officials once they are no longer in office? |
|-----------------------|--|---|--|--|--|--|---|---|--|--|--|--|--|---|
| Northbrook | 33,170 | Yes. | No. | Yes. | President - \$6,400/yr., Trustee - \$5,800/yr. | \$0 - costs for seminars or dinners that come up periodically are paid directly to the organization as they occur. | No. | | iPads for meetings. | No. | | | | |
| Northfield | 5,420 | Yes. | No. | No. | \$0 - strictly volunteer. | | No. | | No. | No. | | | | |
| Park Ridge | 37,500 | Mayor and Clerk, yes; Aldermen serve by Ward. | No. | No. | Mayor - \$12,000 annually, Aldermen - \$1,200 annually, Clerk - \$9,000 annually. | | No. | | No. | No. | | | | |
| Rolling Meadows | 24,241 | No we have wards. | No. | Yes. | Mayor - \$9,950.04 Alderman - \$4,000. | None. | No. | | Laptop. | No. | | | | |
| Schaumburg | 74,227 | Yes. | No. | Yes. | Mayor - \$22,482 plus \$75 per meeting, Trustee - \$4,934 plus \$75 per meeting, Clerk - \$7,576 plus \$75 per meeting. President - \$14,000 + Liquor Commissioner - \$1,000 = \$15,000; Trustee - \$6,000. | Mayor - \$9,530, Trustee - \$1,215, Clerk - \$1,215. | No. | N/A | Mayor - Cell Phone. | Yes. | Yes. | \$0 | Full cost of plan selected. | Yes. |
| Vernon Hills | 25,113 | Yes. | No. | Yes. | President - \$11,000, Clerk - \$7,000, Trustee - \$6,000. | N/A. | No. | | Tablets. | No. | | | | |
| Wheeling | 37,648 | Yes. | No. | Yes. | President - \$11,000, Clerk - \$7,000, Trustee - \$6,000. | None. | No. | | President - cell phone. All iPads upon request. | | | | | |
| Wilmette | 27,087 | Yes. | No. | No. | None. | None. | No. | | No. | No. | | | | |
| Winnetka | 12,200 | Yes. | No. | No. | None. | None. | No. | N/A | Village President uses village laptop and cell phone. All Trustees are issued Village iPads during their terms. | No. | | | | |
| Bannockburn | | | | | | | | | | No. | | | | |
| Deer Park Lake Forest | | | | | | | | | | Deer Park has no health benefits for either employees or elected officials. | Yes. | 90% of rate | 10% of rate | Same continuation benefits as any other qualified plan member with a terminated status. |
| Palatine | | | | | | | | | | Yes. | Yes. | 90% of rate | 10% of rate | Same continuation benefits as any other qualified plan member with a terminated status. |

