



**GLENCOE PARK DISTRICT
PERSONNEL AND POLICY COMMITTEE MEETING
Tuesday, June 20, 2017 – Immediately following the Regular Board Meeting
Takiff Center – Community Hall**

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.
Meeting Location: Takiff Center, 999 Green Bay Road, Glencoe, IL 60022

AGENDA

- I. Call to Order
- II. Roll Call
- III. Discussion on Proposed Policy Changes or Additions
 - A. Review Policy on Recreation Program Discounts for Employees
- IV. Discussion of Additional 3 Year PDRMA Health Insurance Commitment
- V. Matters from the Public
- 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 Email: lsheppard@glencooparkdistrict.com

III. Review Policy on Recreation Program Discounts for Employees

Glencoe Park District

June 20, 2017

Personnel & Policy Committee Meeting

TO: Board of Park Commissioners

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

DATE: June 16, 2017

SUBJECT: Evaluation of District's Recreation Program Discount for Employees

Currently, our District provides eligible employees with a discount on the cost of recreation programs for not only the employee, but also for their immediate families. The actual discount for full-time employees is 100% for non-contractual programs and 50% for Children Circle Daycare, and either 50% or 30% for part-time employees based on the number of hours they work. There are not restrictions on how many programs employees can sign up for, or any maximum dollar limit.

Per IRS guidelines, employees are now subject to pay withholding taxes on this discount amount, less a 20% exclusion, as these discounts are considered taxable fringe benefits. Per our current policy, the District allows employees to sign up immediately for these programs, i.e., they do not have to wait until the class starts to see if there is an open spot. Additionally, the District is directly liable to also pay Social Security and Medicare on the value of the discount, which equates to 7.65% of the discount amount. For example, a total of \$50,000 in taxable program discount, the cost of Social Security and Medicare payable to the IRS by the District on this amount would equal \$3,835. In addition, it is recommended not to allow program discounts for Commissioners over 20% because we would then have to issue a 1099 and tax them on the programs. There is no taxing on facility memberships.

Given this information staff did a quick survey of other park districts to research what their policies are, and to see if we are still in line and competitive with what other park district are doing. See Attached.

Based on our review, there is only one district that responded (Winnetka) that offers 100% discount to their employees with no restrictions.

Staff and Commissioners are encouraged to experience park district facilities and programs on a frequent basis, including the audit of programmed activities, so that they are able to report back on the operations, customer service and program content.

With all the information we reviewed, staff recommends a change in the current policy effective on programs that start after September 1, 2017. Since Preschool Registration and Children Circle Registration have already occurred for the upcoming year, the policy for those two programs will go into effect for programs that start after June 1, 2018. The recommended change in policy is attached.

We feel this change still offers a benefit for employees and keeps us competitive with other employers to enables us to attract the best and the brightest. Another very positive benefit is that our staff get a first-hand view of our program operations. This is instrumental in finding ways to improve our services. We would require all staff that takes a program benefit to fill out a program evaluation form.

Excerpts from the Full-time Personnel Manual, Part-time Personnel Manual, and Board Policy Manual...

Full-Time Employee Program and Facility Discounts

1.25.3 Use of Programs and Facilities

1.25.3.1 Facilities

All full-time employees receive complimentary ~~seasonal tokens~~ pass to the Glencoe Beach and Watts Ice Center for themselves and their immediate family. For purposes of this paragraph, "immediate family" includes your spouse and your minor children, stepchildren, or minor children over whom the employee is a guardian residing with you in your household. All full-time employees receive a 50% discount on an individual pass to the Glencoe Fitness Area, but employee will be reimbursed the 50% paid if the employee uses the fitness area 150 times annually.

There will be no point of sale discount for employees at Glencoe Beach/Boating or Watts Ice Center.

All full-time employees receive Class 2 Usage/Rental rates for Takiff or Watts.

1.25.3.2.1 Recreation Programs

All full-time employees will be given the discount off the resident rate. Registration fees for recreation programs for themselves and their immediate family, excluding contractual programs, will be as follows:

- 20% discount on all non - contractual recreation programs including ELC Preschool, GPD Summer Camp, Kids Club Before/After School program. Employee can register on the first day of real-time registration to receive this discount. *This discount is not taxed.
- 50% discount on all non-contractual recreation programs including ELC Preschool, GPD Summer Camp, Kids Club. Employee must wait 5 days after resident registration to register. *This discount is partially taxed.
- 100% discount on all non-contractual general recreation programs if on the day the program begins there are openings. This discount excludes ELC, GPD Day Camp, Kids Club, Days Off School Trips and contractual programs. *This discount is not taxed.

~~Fees for recreation programs will be waived for the full-time employees and the immediate family of full-time employees with the exception of programs and services provided on a contractual basis where out-of-pocket expenses are incurred for each participant.~~ For purposes of this paragraph, "immediate family" includes your spouse and your minor children, stepchildren, or minor children over whom the employee is a guardian residing with you in your household.

*Please contact the Director of Finance/Human Resources for additional information.(see 1.25.3.4 Tax Status of Discounted Park District Programs)

1.25.3.3 Children's Circle Full Day Preschool

Grade 1 full-time employees may enroll their children in the **Children's Circle Full Day Preschool** at 50% of the published fee. (see 1.25.3.4 Tax Status of Discounted Park District Programs) **Due to the fact that Children Circle Full Day Preschool stipulates that no tax monies be used for the operation of Children Circle, the intent is to not take revenue from the program. Therefore, if one child is on the waitlist for a classroom that an employee's child is currently enrolled in, a transfer from Corporate Fund to the Recreation Fund/Day Care Department, for the amount of that discounted revenue. This item will be budgeted annually in the G & A Department.**

1.25.3.4 Tax Status of Discounted Park District Programs

As part of the Glencoe Park District benefit package, park district employees can receive a discount on recreation programs offered by the District. These programs include camp, daycare, preschool, and enrichment-type classes. The discount varies based on whether you are full-time or part-time, and if you are part-time, how many hours you worked in the previous year.

In order to comply with current IRS regulations on taxable fringe benefits, effective September 1, 2016, the District began taxing employees on the applicable portion of their discounted program costs as required by law. This portion is considered a taxable fringe benefit to employees and is subject to withholding.

District policy allows employees to enroll in programs offered by the District at the same time they are offered to the general public (i.e., you do not have to wait until the enrollment period has expired) AND employees can enroll no matter what the enrollment numbers are, thus the "Employee Discount Exclusion" applies. This exclusion allows for the District to exclude 20% of the program discount from wages, and thus the remaining percentage of the discount becomes taxable as a fringe benefit, unless enrollment is secured on the first day of class.

The taxable discount amount is added to your gross wages as a taxable benefit so that Federal withholding, State withholding, Social Security and Medicare (not IMRF) is paid on that benefit.

Part-Time Employee Program and Facility Discounts

1.25.4 Benefit Levels for Part-Time Employees

Grade 4 Employees	complimentary individual season token pass to beach (if working during beach season) or rink (if working during ice skating season)
Grades 2 and 6 Employees	+After one year of employment, shall get <u>sick/ personal leave</u> equivalent to three of his normal work days to be used in a program year with an additional (fourth) day after 15 years of service

1.25.5 Benefits Based on Hours Worked

300 1 - 499 hours/year (average 6 to 9 17 hours/ week 52 weeks) <i>May include grades 2, 3, 4, 5, 6</i>	+complimentary family individual beach and skating tokens passes
500 - 899 hours/year (9 to 17 hours/week) <i>May include grades 2, 3, 4, 5, 6</i>	+complimentary family beach and skating tokens +30% discount on Park District programs for self and immediate family beginning on date of employment +5% discount for use of child care center run by Park District
900 500 - 999 hours/year (17 - 19 hours/week) <i>May include grades 2, 3, 4, 5, 6</i>	+complimentary family beach and skating tokens pass +30% 10% discount on non-contractual Park District programs for self and immediate family for the year of employment beginning on date +10% discount for use of child care center run by Park District
1,000 + hours/year (over 20+ hours/week)	+Mandatory participation in the Illinois Municipal Retirement Fund (IMRF) beginning on date of employment +50% 20% discount on non-contractual park district programs for self and immediate family for the year beginning on date of employment +Complimentary family season beach and skating tokens pass 10% discount for use of Children Circle Child Care center. +100% discount on all non-contractual general recreation programs if on the day the program begins there are openings. This discount excludes ELC, GPD day camp, Kids Club, Days Off School Trips and contractual programs.

There will be no point of sale discount for employees
at Glencoe Beach/Boating or Watts Ice Center.

Commissioner Program and Facility Discounts

E. District Programs and Facilities

Commissioners are encouraged to experience park district facilities and programs on a frequent basis, including the audit of programmed activities, so that they are able to reach sound decisions for budgeting and necessary changes to maintenance and operations of these facilities and programs. When interested in a scheduled program, the Commissioner shall notify the Executive Director at least seven days prior to the scheduled event to

determine if there are any openings. If openings exist on the day the program starts, the Commissioner or immediate family member shall be free to attend the program. A Commissioner shall not use a park district facility or participate in a Park District program if such use or participation will have the effect of excluding a paying resident. The Board encourages the commissioner, upon completion of the activity, to provide the Executive Director with feedback concerning the experience. Such first-hand experiences and interactions with users provide Commissioners with valuable background information to supplement customer evaluations and staff analyses.

~~The Park Board determined that because it is necessary for the faithful execution of their duties to attend, participate in, and get feedback from the users and patrons of the District's facilities and programs, it is in the best interest of the District and its residents to allow Commissioners a program fee discount while exercising their duty to manage and control all of the District's property and to plan, establish and maintain recreational programs. Therefore, while in office, Commissioners are entitled to:~~

- ~~1. Free entrance to any of the District's facilities for the purposes of observation and evaluation. To facilitate this provision, each Commissioner shall be provided with an identification (ID) card to be used for entry at no charge to Park District facilities, such as the beach and Watts Center. The ID card will provide entry for observation and evaluation purposes only, and will not take the place of a membership card that provides unlimited access and use of these facilities. However, the Board~~ Commissioners and their immediate family members will receive complimentary tokens passes to the Watts Ice Center and the Glencoe Beach.
- ~~2. Board members shall receive the same program fee discounts that are afforded to full time Glencoe Park District staff members to assist them in exercising their duty to manage and control all of the District's property and to plan establish and maintain recreational programs for the District's residents. (see also Personnel Policy Manual)~~

Since some programs can only be experienced through the participation of family members, the program fee discount is extended to the Commissioner's immediate family. For purposes of this section, immediate family means the Commissioner's spouse/partner and dependent children living in the same household as set forth in the IRS code. These benefits are intended for Park District Commissioners' personal use only and do not apply to groups, organizations, or clubs that the Commissioners may be associated with.

<u>Park District</u>	<u>Full-Time Percentage</u>	<u>Part-Time Percentage</u>	<u>Contractual</u>	<u>Preschool or Childcare</u>	<u>Priority</u>	<u>Notes</u>
Bartlett	75% - FT	50% (emp + family) - PT (1000 hrs/yr) 50% (emp only) - PT (<1000 hr/yr) 25% - PT (1-10 hrs/wk)	Excluded			Drop-in fees excluded
Carol Stream	50% - FT	Resident rate - PT				
Deerfield	Free or Reduced					
Fox Valley	Free (emp + fam)		Pay resident rate		Cannot displace a paying patron	• Valid for FVSRA emp
Gurnee	50%					
Highland Park	Free or Reduced				Cannot displace a paying patron	• Must complete 4-month introductory period before registering • Registration guidelines must be followed
Hoffman Estates	• 20% • 100% if openings available					
Homewood-Floosmoor	100% FT as long as no waitlist exists	Resident rate - PT	Pay direct cost as determined by supervisor	Free before/after school care (see notes)	Cannot displace a paying patron; Paying patrons have priority	
Northbrook						
Oak Brook	• 50% off resident rate if availability on the day of NR registration • 75% off resident rate for camp if availability remains 2 weeks prior to start		Pay resident rate		Allowed if pgm has availability on day of NR Registration	

Oak Park	50% - FT (emp + fam)	50% year-round PT (emp + fam)	Pay contractor's per-head fee			<ul style="list-style-type: none"> • Must comply with lottery guidelines/ fees in order to be included in lottery • Must pay any applicable
Urbana	50% off resident rate once minimum enrollment is met					
Vernon Hills	50% VHPD-run pgms	50% VHPD-run pgms 10% - Seasonal emp	10-20% off res rate (FT, PT & Seasonal)	25% off res rate - FT 10% off res rate - PT		
Villa Park	Free - FT Category 1 emp	50% - FT Cat 2 & PT Cat 1 & 2 emp	Excluded		Cannot displace a paying patron	<ul style="list-style-type: none"> • Enroll during NR registration period • Can pay res rate to register during res registration period
Waukegan	50% if space available 20% if expected to fill				Cannot displace a paying patron	
Wilmette	Free or reduced rate subject to the notes	\$0 or reduced - PT Class ACA I & II emp + fam 25% - PT Class ACA III & IV emp + fam	Registrant must pay contractor's per-head fee	Registrant must pay for some field trip costs (includes camp field trips)	Cannot displace a paying patron	<ul style="list-style-type: none"> • Must pay out-of-pocket expenses in connection with attendance in the program or lesson • Minimum enrollment met (non-paying employee does not count toward min) • If pgm fills, must pay full resident rate. • Must pay res rate if early registering, will refund difference if pgm doesn't fill. • No maximum
Winnetka	100%					No maximum; includes camp
York	Resident Rates					

IV. Discussion of Additional 3 Year PDRMA Health Insurance Commitment

Glencoe Park District

June 20, 2017

Personnel & Policy Committee Meeting

TO: Board of Park Commissioners
FROM: Carol Mensinger, Director of Finance/HR
DATE: June 16, 2017
cc: Lisa Sheppard, Executive Director

SUBJECT: Health Insurance Commitment-Additional 3 Year Commitment

In December 2005, the Park District Board approved the District's initial participation in the PDRMA Health Program for health insurance coverage, effective January 1, 2006. This participation required a three-year commitment, and the District renewed its commitment to PDRMA Health for another 3-year period in 2008, 2011 and 2014. This December will mark the end of this latest commitment period. Furthermore, PDRMA Health Program requires a four-month notice of termination, which must be served via a resolution of the Board – this means that **if** the Board does **not** wish to continue participation, notice must be given to PDRMA Health Program by August 31, 2017. The absence of any notification would then mean that the District would be committing to another three-year period.

Below are the annual PDRMA Health Program renewal premium increases for the current year and the past ten years:

<u>Year</u>	<u>PDRMA Health Increase</u>
2017	0%
2016	5.0%
2015	11.2%
2014	10.2% (portion of increase is for new Affordable Healthcare Act fees)
2013	7.0%
2012	6.6%
2011	10.1%
2010	1.8%
2009	9.5%
2008	9.0%
2007	1.5%

In "commitment years" prior to 2014 and prior to the Affordable Care Act, staff used to utilize an independent broker to provide potential quotes from other (i.e. traditional) insurance companies. There was, however, an obvious down side to obtaining comparative quotes at that time because those traditional insurance companies were providing a quote well in advance of the effective date of coverage.

The rates quoted did not take into account the current specific health history of our group. There was also a risk that any type of large claim that was incurred in those last six months of the

calendar year would drastically impact the actual premium cost. Actual premium cost could not be guaranteed until the underwriting process was actually completed in late fall, which is well beyond the time we have to give notice to PDRMA.

PDRMA Health Program cannot give staff any indication for the 2018 renewal increase at this time. Their actuaries use actual claim data as of July 31, 2017 to estimate losses, as well as medical and Rx trends to set 2018 premium rates. The earliest the new rate information would be available is late September/early October. Please see previous page for the history of actual PDRMA increases that we made.

Staff recommends **continuing with the PDRMA Health Plan** for another three-year commitment for the following reasons:

1. Rates quoted by other companies are not guaranteed. They are based only on current Census information, and do not take into account specific health issues of our group.
2. Actual premiums as of January 1, 2018 will be based on claims incurred through December 31, 2017. One large claim could drastically increase premium cost. Any true savings would not be known until the District went through the underwriting process, at which time, there is no guarantee as to coverage and cost. (If we stay with PDRMA Health, the effect of one large claim incurred would be minimized as there are over 91 agencies with 2,500 employees and over 4,000 total covered lives in the group. By comparison, the Glencoe Park District group is only 31 employees and approximately 55 covered lives.)
3. The District has enjoyed very good service with PDRMA Health Program over the last 10 ½ year period. In addition, they have incorporated a very proactive approach to healthcare by instituting an extensive wellness program, and several opportunities for employees to be proactively healthier.
4. Renewal increases with PDRMA Health have been very reasonable over the past several years, and last year the increase was 0%.
5. Traditional insurance carriers are known to discount premium cost in the first year to “get you in the door” and then give more significant increases in subsequent years.
6. Given the complexity of the Affordable Care Act (ACA), as well as what may come out way as far as a replacement to the ACA, PDRMA Health continues to be an invaluable resource for information to help member agencies implement and understand the new and changing requirements.
7. PDRMA Health is continually striving to find options for health care coverage that meet the needs of its diverse member agencies.
8. Should the District terminate participation in PDRMA Health Program, it could not re-apply for membership for four years.

As such, staff recommends to the Board of Park Commissioners that no notification be given to PDRMA Health Program regarding termination, and in doing so that the District remain with PDRMA Health Program for another three-year period.