

City of Darien

Minutes of the Administrative Finance Committee
September 12, 2011

The Meeting was called to order by Alderman John Poteraske at 6:30 pm. Committee members Alderman Tina Beilke and Alderman Ted Schauer were also present. Staff members City Administrator Bryon Vana and Assistant City Administrator Scott Coren were also present.

Delta Dental

Assistant Administrator Coren said the City of Darien has contracted with Delta Dental for the past three years to insure employee dental needs, with 100% of the cost carried through employee payroll deductions. Delta Dental is a non-profit organization that has been in existence for over fifty years. There are both HMO and PPO options with this plan. During the previous one year period, Delta Dental paid out \$23,397.94 in claims while collecting \$24,285.65 in premium. This spread is much smaller than targets for dental insurance companies. Staff asked for both one and two year proposals from Delta for renewal, receiving a proposal for a 15.9% increase for the PPO and a 0% increase for the HMO for a one year contract and a 20.5% increase for the PPO and a 4% increase for the HMO for the two year agreement.

Under a two year agreement, employees would be paying 4% more immediately but would have cost certainty through September 2013. Under a one year agreement, employees would be exposed to another large increase next year. The Delta Dental program was considered extremely competitive by the IPBC, our health insurance pool that also provides dental options.

Employees overall have been satisfied with the Delta Dental program, with few complaints received. The primary complaints have been the HMO network of dentists, of which fewer dentists are participating in all different pools. The City of Darien does not contribute financially to the program, so there would be no additional cost to the City for the program.

Alderman Schauer made a motion to approve, seconded by Alderman Beilke. Motion carried 3-0.

Police Vehicle Financing

Assistant Administrator Coren said the City of Darien planned a squad car and equipment purchase totaling \$695,965.90 in 2011. The first \$212,500 is budgeted in FYE 2012, with the remainder financed over the following three years. Staff sent a bid sheet to all

Darien area banks, chamber of commerce members, and finance company solicitations over the past six months to offer rates for financing.

The institution offering the lowest rate and financing cost over the next three years is Hinsdale Bank and Trust. Staff recommended entering into an agreement with Hinsdale Bank and Trust, with an estimated draw date of October 15, 2011.

Alderman Beilke made a motion to approve, seconded by Alderman Schauer. Motion carried 3-0.

Adjournment

There being no further business Alderman Schauer made a motion to adjourn, with a second by Alderman Beilke. The motion carried 3-0 at 6:38 pm.

Approved:

John Poteraske, Chairman _____

Ted Schauer, Member _____

Tina Beilke, Member _____