

MINUTES OF THE SPECIAL MEETING OF THE LIBRARY BOARD OF TRUSTEES
OF THE VILLAGE OF CAROL STREAM

Carol Stream Public Library
616 Hiawatha Dr.
Carol Stream, IL 60188

DATE: May 22, 2012

TIME: 7:00 p.m. PLACE: Library Horizon Room

I. Call to Order

President Wade called the Special Meeting of the Library Board of Trustees to order at 7:00 p.m.

Pledge to the Flag

President Wade led those in attendance in the Pledge of Allegiance to the Flag.

II. Roll Call

Secretary Hudspeath called the role.

Present: Trustees Clark, Galle, DeRango, Jeffrey, Wade, Bailey and Hudspeath
Absent: none
Also Present: Library Director Ann Kennedy, Assistant Library Director Pam Leffler

Trustee DeRango moved and Trustee Jeffrey seconded to amend the agenda.
Motion carried.

Ayes5 Trustees Clark, Galle, DeRango, Jeffrey, and Wade

Nays2 Trustees Bailey and Hudspeath

Absent or Not Voting 0 None

Discussion:

Trustee DeRango stated that he wanted to amend item 3 on the agenda, from "reconsideration of plan" to "amend the plan". Trustee Hudspeath asked what was intended by "amend the plan". President Wade stated that technically the Board cannot reconsider a previous motion at this time but the board can amend a previous motion. Director Kennedy advised that Trustees can amend the motion, not the plan. Trustee Hudspeath asked what the motion would be amended to.

Trustee DeRango distributed copies of the amended motion. Trustee Hudspeath asked why the new motion was not distributed before the meeting. Trustee Hudspeath added that she felt there had been a lot of discussion before the

meeting began and decisions had already been made when the meeting has just begun. Trustee Hudspeath asked if this was a reconsideration of the motion passed or a reconsideration of the vote. Trustee Hudspeath stated that the vote was made and the plan was passed and this is not a reconsideration of plan but a reconsideration of the motion.

President Wade stated that Trustee DeRango would like to amend the motion. Trustee Hudspeath stated that amending the motion is the same as changing the motion and if it was legal than it was skating on the fine edge of ethics. Director Kennedy stated that the law firm said the motion could be amended. Trustee Hudspeath stated that the motion was voted on and passed and that now Trustee DeRango wants a motion on the table to change the vote on the motion that passed. President Wade stated that they are not changing the vote and that discussion will be on whether this board wishes to amend the motion that was made the previous week.

Trustee DeRango stated that discussion didn't finish, that he was cut off too soon, and that he wants to discuss the plan further. Trustee DeRango added that he did more research after the meeting and he doesn't think his vote was completely right when made.

Trustee Bailey stated that according to Robert's Rules of Order as long as every Trustee has a chance to speak that is all that is required. President Wade repeated that Trustee DeRango stated that he did not have a chance to speak. Trustee Bailey stated that every Trustee spoke to the motion. Trustee DeRango stated that he didn't finish because Trustee Bailey called the vote. Trustee Bailey stated that calling for vote was a valid request and that the response from the Board President should have been "Is there a second?" Trustee Bailey added that the President did not do that and the Board voted.

President Wade stated that the suggested motion is "that the board of library trustees not adopt the plan to incent employees to waive their rights to switch from the HMO plan to The PPO plan."

Director Kennedy asked Trustee DeRango to share what information he found that changed his mind. Trustee DeRango stated that after reading the document again and thinking about employees waiving their right to switch to a PPO plan he felt that the incentive is not the way to do it. Trustee DeRango added that employees should have the option of switching to PPO or staying with HMO and he decided it was not a correct vote for him to agree with the plan.

Trustee Bailey stated that he would like the motion corrected to correct the spelling of waive.

Trustee Hudspeath asked how the new motion is different from what is on the agenda and if they change the motion than they change question that is on the agenda. Trustee Hudspeath added that a reconsideration would entail a discussion but that an amendment is a change on a voted item.

President Wade stated that he understands that "amend" means "change" and Trustee DeRango wants to change the agenda to say "amend the plan" instead of "reconsideration of plan". President Wade added that is what is before the Board to be voted on.

Trustee Hudspeath asked if the Board can look forward to this type of amendment anytime in the future when Trustees aren't prepared for a meeting.

III. *Amend the Plan to give employees incentive to waive right to switch from the HMO Health Plan to the PPO Health Plan*

Trustee Jeffrey moved and Trustee DeRango seconded that the Board of Library Trustees do not adopt the plan to incent employees to *waive* their rights to switch from the HMO plan to the PPO plan. Motion carried.

Ayes 5 Trustees Clark, Galle, DeRango, Jeffrey, and Wade

Nays 2 Trustees Bailey and Hudspeath

Absent or Not Voting 0 None

Discussion:

Trustee Bailey stated that if the plan is not adopted the Library will pay a lot more, employees will be unhappy, and the Library will lose its bond with the Village. Trustee Bailey stated that he would like to go on record as saying that rejecting the plan is not in the best interest of the Library or employees.

Director Kennedy stated that the Trustees seemed to want staff members to have a choice and they feel that this plan takes away employee choice. Director Kennedy stated that staff members have a choice on whether or not they sign the waiver, that no one is being forced to sign the waiver. Director Kennedy stated that the Board can give the staff a choice to take advantage of the incentive being offered and by not passing the plan the Trustees are taking away from staff the choice of the incentive.

Director Kennedy added that the cost savings to the Library has been lost in the discussion on choice between plans. Director Kennedy said that the Board needs to take into consideration staff members who were grandfathered in 2004. In 2004 new staff had to sign with the HMO plan and could switch to the PPO after one year, paying the difference between the plans. There are staff members who are grandfathered into the old plan and if those staff members choose to stay with the PPO plan, the Library will not be saving money in the long run. Director Kennedy explained that in a few years the Library may be paying a tax on the PPO plan so the plan will cost more money even if staff members pay the difference between PPO and HMO plans. Director Kennedy stated that the cost savings to the library that can be realized by adopting the plan has not been considered by the Board.

Director Kennedy stated that a comment was made in the previous meeting that although the funds for the incentive are coming out of IPBC, this is tax payer money. Director Kennedy agreed that it was taxpayer money that funded IPBC but it is now corporation money and the corporation is offering it to staff members. Director Kennedy added that there have been comments that there was not enough time to review the paperwork. Director Kennedy stated that the paperwork was available five days before the meeting but only three trustees took advantage of the opportunity to pick up the packet and review it ahead of time.

Trustee Clark stated that the entire health care plan will have to be revisited after the Supreme Court decision in June. Trustee Clark added that anytime you make quick decisions it is a mistake and that is exactly what happened with Obama Care. Trustee Clark stated that over 57% of people do not like Obama care and want it repealed.

Trustee Bailey talked over Trustee Clark's comments and did not stop talking when Trustee Clark asked him to wait. President Wade then warned Trustee Bailey that Trustee Clark has the floor to speak. Trustee Bailey made a Point of Order that he interrupted Trustee Clark because the meeting should not be a political forum and to stop it. When President Wade tried to explain that Trustees are elected political officials, Trustee Bailey continued to talk out of turn and was ruled Out of Order. Trustee Bailey made a second Point of Order objecting to Trustee Clark's political speeches about Obama care and stated that the comments are not germane to the discussion. President Wade stated Trustee Clark is trying to make his point but he can't because Trustee Bailey keeps interrupting him. President Wade stated that Trustee Bailey cannot inhibit Trustee Clark's freedom of speech. Trustee Bailey stated: "Yes I can!" President Wade ruled a second time that Trustee Bailey is Out of Order

Trustee Clark stated that several bills passed in a speedy manner and that is exactly what the Library Board was faced with. Trustee Clark stated that there has been over a \$600,000 increase in budget since he got on the Board. Director Kennedy asked for clarification. Trustee Clark stated that the first working budget they received had a budget of \$3,147,900 and the one received that evening had \$3,731,893. Director Kennedy explained that the first number is tax levy income and the second number is total income. Director Kennedy urged Trustees to ask her if they have questions on budget numbers which can be clarified before meetings.

Trustee Clark stated that anytime an insurance company has to take these types of measures than employees might not want to be in the HMO plan at all. Director Kennedy stated that it is the only choice offered by the Library to employees, their choice is to be in the plan or find another one on their own. President Wade clarified that they could pay the difference to be in the PPO.

Trustee Hudspeath expressed her concern about the procedure as a whole and that she feels she is watching a new board reconstruct history the way they want it written. Trustee Hudspeath stated that this is the first time the Board has asked to

reconsider a vote and that this cannot be the history going forward, to reassess every vote, because the Library will not move forward.

Trustee Galle stated that she feels it is a very important matter that needs more discussion, that she understands the options but has never heard of an incentive being given and doesn't grasp it. Trustee Galle added that the library has to really consider when changing insurance plans and take months to review different plans and different variables, that it can't be decided in two days. Director Kennedy made a point of clarification that the Library is not changing insurance plans, it is the same plan that has always been offered, Blue Cross Blue Shield HMO. President Wade explained that the Library is just eliminating the possibility to change from HMO to PPO, not changing insurance plans.

Director Kennedy said that she took a short poll of the staff and that twelve people responded that they are happy with the HMO plan.

President Wade stated that he did not agree with the Village and there is a difference between HMO coverage and PPO coverage. President Wade quoted an article where the American Heart Association interviewed Dr. Paul Castle of Lancaster Heart Foundation, Dr. Castle was quoted as saying that "Death rates are higher for HMO patients hospitalized for heart attacks. He reviewed 4000 hospitalized heart patients under 65 and found the Health Maintenance Organization members are almost twice as likely to die as those treated under traditional insurance plans." Director Kennedy pointed out that the article being quoted is 15 years old.

President Wade read from a second article from May 2010 where another doctor expressed concern that HMOs are dangerous to your health. President Wade stated that the employee contract did not go before the law firm before it was presented to the Board. President Wade stated that Adam Simon of Ancel Glink wrote that "Writing a waiver is very technical since they need to be very clear, specific and well defined. In addition, determining the amount of offer in exchange for the waiver is not a simple calculus, since the amount paid is taxable income and also results in greater IMRF contributions. It is not a 1:1 trade." Director Kennedy said that the contract was reviewed by lawyers for the Village but that the Library Board can choose to pay their law firm to do duplicate work. Director Kennedy added that the comments were made by Adam Simon before he saw the waiver. President Wade asked if the Library Board takes the Village's law firm's opinion and gets sued, would the Village's lawyers protect the Library.

Director Kennedy asked if Adam Simon had anything to say about the contract after he reviewed it. Director Kennedy said that Adam Simon wrote "that the waiver agreement is not an unconscionable contract. For a contract to rise to the level of unconscionability is a very high standard - a very difficult one to meet. In this case, the employee's are not being compelled to sign the waiver and will always retain their freedom of choice - at least so long as the PPO option remains." President Wade stated that the incentive will increase the IMRF contributions.

Director Kennedy stated that the employees are aware of that and it is stated in the memo to the Board.

President Wade stated that he felt the contract was unconscionable. President Wade read from a law article on the internet, "In contract law an unconscionable contract is one that is unjust or extremely one-sided in favor of the person who has the superior bargaining power. An unconscionable contract is one that no person who is mentally competent would enter into and that no fair and honest person would accept. Courts find that unconscionable contracts usually result from the exploitation of consumers who are often poorly educated, impoverished, and unable to find the best price available in the competitive marketplace." Director Kennedy stated that the lawyers do not find the waiver to be unconscionable.

President Wade stated that employees who are in PPO will always have the opportunity to switch to the HMO and if the HMO stands on its own merit than employees should switch without an incentive.

Trustee Bailey stated that given an opportunity to research on Google he would come back in five minutes with as many arguments against President Wade's points. Trustee Bailey added that what is coming out of the discussion is that the plan needs to be studied in more depth before there is a vote.

Trustee DeRango said that if employees want to stay on HMO let them stay, they don't have to sign. Trustee DeRango asked what was the purpose of the plan if employees are happy, that if they never had a problem before then let them stay as is, it is saving money and not costing the library anything. Trustee DeRango asked why have the employees sign waivers if they are happy with the way it is and if they want to switch than they can switch.

Director Kennedy stated that what they are taking away from employees is the option to take advantage of the incentive being offered, that it does not cost the library anything now but will cost the library in the long run.

Director Kennedy stated that Trustee Jeffrey called the Village for information and asked him what he learned. Trustee Jeffrey said he learned that there is an advantage to the plan and that the incentive is there to get people to sign the waiver. Trustee Jeffrey added that the PPO is a better plan than HMO in his opinion but dangling a carrot of taxable income is not the way to go. Director Kennedy stated that she did say in the memo to the Board that the payment is \$2500 less tax and IMRF contribution.

Trustee Galle asked if the employees sign the waiver do they have the option of giving the \$2,500 back and switching to PPO. Director Kennedy said that they have 30 days to change their mind. President Wade said that he asked the lawyer and they said that putting an opt out condition into the contract, which would have changed Wade's opinion, would have been too much of a financial burden, that in Ancel Glink's opinion it would be burdensome and that health care organizations wouldn't approve.

Trustee Galle stated that she just doesn't understand the incentive and never heard of it before. Director Kennedy explained that three employees are grandfathered on PPO and are very happy and see no reason to switch. If Library gives them \$2500 they will consider switching and that will save the Library money in the long run. Director Kennedy said that perhaps they have never heard of incentives but there will be a lot of new things coming before the Board that they have not heard of before and the Board has to give it careful consideration.

IV. Participation in the Carol Stream Fourth of July Parade

Director Kennedy distributed a plan prepared by Assistant Director Pam Leffler for the Library to have a float in the Fourth of July Parade. The plan is being brought to the Board because the adopted budget was for \$1000 for event participation. The cost of the float is about \$850 which would not leave money for event participation in next 11 months. If the Library were to proceed with the float they may need to add an additional \$500 to budget line 5509 or go in to it with the understanding that the budget line may go over this year.

President Wade asked as there is money for the 50th year celebration could some of that money be used for the float. Director Kennedy said it could. Trustee Bailey expressed concern that the Library not take money out of the 50th Anniversary project to pay for the float. President Wade stated that the banner will say "Celebrating 50 years of service" so there is a 50th anniversary tie-in. Director Kennedy said that she is also asking for a commitment from Board members to participate in the parade if they are going to put out money for the float. Trustee Bailey stated that he is not inclined to reduce the budget for the 50th anniversary and if the Board needs to spend more money for the float than they should do so. Director Kennedy suggested that they proceed with the float and then once the 50th Anniversary is over they can see where the budget stands.

President Wade stated that it was worthwhile being in the parade last year and it would be worthwhile to do so again, that it is a good way to show the community that the Library is active in the community. Trustee Hudspeath stated that they showed the community quite a bit last year. President Wade asked the purpose to that comment. Trustee Hudspeath stated that it is a general observation.

Trustee Clark moved and Trustee Jeffrey seconded to accept Fourth of July float proposal and spend up to \$900. Motion carried.

Ayes7 Trustees Clark, Galle, DeRango, Jeffrey, Bailey, Hudspeath and Wade

Nays0 None

Absent or Not Voting 0 None

Director Kennedy also distributed copies of the Annual Report that will be sent to the Village by the end of the month. At the May 16 meeting the Director was asked to distribute the report for comments before forwarding it to the Village. The report is not on the agenda so it cannot be voted on but can be discussed and comments inserted. Trustee Hudspeath asked if it was unusual for copy machine use to decline. Director Kennedy said that it was and that usage was on a decline for several years before the recession. Trustee DeRango asked if materials available for Fiscal year 2012 include everything. Director Kennedy stated that it did.

There were no other questions or comments on the report.

It was the consensus of the Board that the Director forward the report to the Board of the Village of Carol Stream.

Trustee Bailey asked if all board members had received orientation. Director Kennedy stated that Trustee Jeffrey had not. Trustee Jeffrey stated that he is somewhat familiar with the Library and his work hours are not conducive to coming in for training.

V. Adjournment

There being no other business to come before the Board of Library Trustees, President Wade declared the meeting adjourned at 7:50 p.m.

Mary C. Hudspeath, Secretary
Board of Library Trustees