

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL MEETING**  
**APRIL 4, 2007 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Contract Renewal – Health Plan Consulting and Accounting Services	✓ Resolution Ordinance Motion Discussion Only	Wesley Morgan Human Resources Director

**SYNOPSIS**

A resolution has been prepared to authorize a contract renewal with GCG Financial, Inc. of Bannockburn, IL, for Plan Consulting and Accounting Services in an amount not to exceed \$48,715 (\$36,475 for consulting services and \$12,240 for accounting services). There is no increase in contract cost for either service.

**STRATEGIC PLAN ALIGNMENT**

The Village Goals for 2011 include *Exceptional Municipal Organization*. A supporting objective of this statement is to provide *Responsible Stewardship of Village Finances and Resources*.

**FISCAL IMPACT**

The FY 2007 budget provides for this annual cost within the health insurance program budget. The cost is \$48,715.

**RECOMMENDATION & UPDATE**

This item was discussed at the March 27, 2007 Workshop meeting. In response to questions at the meeting, the Village Attorney has verified that the GCG contract or any part thereof can be terminated with a 90 day notice. Approval is recommended on the April 3, 2007, active agenda.

**BACKGROUND**

The Village of Downers Grove contracts with an employee benefit consultant for Village insurance needs as well as for accounting services related to the health insurance program. Consultant services are currently provided by GCG Financial. Services provided by the consultant include: conducting research, providing advice, screening of products, and negotiating various insurance products and alternatives.

A request for proposal for an employee benefits consultant was last issued in May 2005, with the services of GCG Financial being retained at that time. In 2006, the Village renewed the services with GCG Financial at a 1.98% increase. This year, renewal will remain at the 2006 rates. Staff does intend to prepare a Request for Proposal for these services again for the contract year beginning May 1, 2008 in compliance with the Village's purchasing policy.

The current agreement with GCG Financial was reviewed and it was determined that all contractual obligations were met. While not all inclusive, accomplishments this past year included negotiation of contracts for Employee Assistance Program services, stop loss coverage and long term disability insurance, resulting in an overall savings to the healthcare program of approximately \$118,000 in fiscal year 2006.

In the upcoming year, the benefits consultant will be required to request alternative bids on all contracts related to the Village's health insurance program which expire December 31, 2007. These contracts

include the following services: third party claim administration for the medical, dental and vision programs; stop loss coverage; life/accidental health and dismemberment coverage; long term disability and employee assistance program services.

In addition to consulting services, the Village contracts with GCG Financial to provide accounting services related to the Village's self-funded health insurance program. The Village began this arrangement with GCG in 2002. Under this arrangement, GCG Financial reconciles the self-funded health insurance accounts each month. This reconciliation each month indicates all refunds and outstanding checks, monitors stop payments, reissues and voids and also monitors for bank fraud which has occurred with other GCG clients. The Village currently does not have adequate resources to monitor such activities.

## **ATTACHMENTS**

Resolution

Addendum to the Agreement for Professional Services between the Village of Downers Grove and GCG

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING EXECUTION OF A  
PLAN CONSULTANT & ACCOUNTING ADMINISTRATION AGREEMENT  
BETWEEN THE VILLAGE OF DOWNERS GROVE AND GCG FINANCIAL**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Agreement for Professional Services (the “Agreement”), between the Village of Downers Grove (the “Village”) and GCG Financial (the “Plan Consultant”), for certain insurance consultant services, as set forth in the form of the agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Mayor and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:  
Attest: \_\_\_\_\_  
Village Clerk

**ADDENDUM TO AGREEMENT FOR PROFESSIONAL SERVICES  
BETWEEN THE VILLAGE OF DOWNERS GROVE AND GCG FINANCIAL**

THIS ADDENDUM dated this \_\_\_\_ day of \_\_\_\_\_, 2007, by and between the Village of Downers Grove, an Illinois municipal corporation (hereinafter referred to as "Owner"), and GCG Financial, an Illinois corporation (hereinafter referred to as "Plan Consultant"), in consideration of the following mutual covenants, terms and agreements, hereby agree to amend the Agreement for Professional Services between the Village of Downers Grove and GCG Financial ("Agreement"), whose effective date was May 1, 2006, as follows:

1. That the effective date of the Agreement as stated in paragraph 2.1 shall be extended through April 30, 2008.
2. All terms and conditions of the May 1, 2006 Agreement and any other addendums thereto shall apply equally to this Addendum Agreement; except as provided below:
  - a. The dates referenced in Article 9, paragraphs 1 and 2 of the Agreement shall be May 1, 2007 through April 30, 2008.
  - b. Appendix A shall be removed and replaced with Appendix A, attached hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed as of the day and year first specified above.

VILLAGE OF DOWNERS GROVE

GCG FINANCIAL

BY: \_\_\_\_\_

BY: \_\_\_\_\_

ATTEST: \_\_\_\_\_

ATTEST: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**Appendix A**

The Plan and the Client hereby designate the following employees as responsible for the Plan's administrative functions who are permitted to use and disclose PHI:

Cara Pavlicek, Village Manager

Enza Petrarca, Village Attorney

Wes Morgan, Privacy Officer

Mary LaLonde, Benefits Coordinator

Dennis Burke, Risk Manager

Angie Panovich, Secretary, HR

Jenny Bielawski, Secretary, HR

Catherine Loney

Kathy Czyzewski

Mary Wilson

Laurie Koval

Madeline Hood

Patty Wells

Carol Kocek

Marge Harmon

Mike Davis

Heidi Naumowicz