

**THE CITY OF LAKE FOREST  
PERSONNEL COMPENSATION ADMINISTRATION (PCA) COMMITTEE MINUTES**

**Monday, November 17, 2020**

**1:30 p.m.**

**Remote Access Meeting**

**I. Call to Order:** The meeting was called to order at 1:30 p.m.:

Present: Mayor Pandaleon; Alderman Morris; Alderman Karras

Absent:

Also Present: City Manager Jason Wicha, Finance Director Elizabeth Holleb, Human Resources Director DeSha Kalmar, Assistant Finance Director Hall, Benefits Consultant Peter Wright

**II. Real Estate Transfer Tax (RETT) Request for Variances and Recommended Code Changes**

City Code sections 39.164 – 39.166 provide the process for residents to submit requests for a refund of RETT paid up to \$2,000, appeal staff’s interpretation of the code and request a variance to the RETT refund requirements. In order to qualify for a refund, residents must meet two main requirements. The resident must have occupied the sold residence as the primary residence for a minimum of three years preceding the sale and the closing dates of both properties fall within twelve calendar months of each other.

City Code provides guidelines for a resident to request a variance from the City Manager regarding a denial of a refund request. The City Manager may grant a variance of the one-year limitation up to two years. If a variance of the one-year limitation is greater than two-years, the request is required to be presented to the PCA Committee. A variance of the one-year requirement may not be granted if greater than three years. The determination of the PCA Committee shall be final.

Assistant Director Hall presented two separate appeals to the PCA Committee and recommendations for RETT City Code amendments:

1. **Joan Alley, 727 N. McKinley** – Residence purchased 6/11/2018 and former residence sold 8/29/2019; application for refund received 1/8/2020. Request denied due to the one-year sale/purchase requirement. A variance request was denied based on the one-year sale date requirement and the receipt of the request for a refund more than 60 days after the sale date. Eligible for a \$2,000 refund.
2. **Katherine Fluri, 146 W. Westminster** – Residence purchased 6/15/2018 and former residence sold 6/26/2020. The City Manager has the authority to review requests for a variance of the one-year requirement up to two years. Any request for a variance of greater than two years shall be presented to the PCA Committee, which can authorize a variance upon showing extraordinary hardship. Eligible for a \$1,400 refund, which is within the PCA’s authority to approve.
3. **RETT City Code Recommendations** – Staff is proposing changes to the Code to provide clearer language regarding the requirements to qualify for a refund and to provide staff with greater flexibility to approve reasonable requests:
  - a. Recommend the initial request of a variance from one year to two years move to the Finance Director and any additional request from two years to three years to the City Manager.

The question was raised of whether the PCA Committee has the authority to grant a variance based on the current Code language based on the 60-day requirement and if staff interpreted it correctly. If Committee wanted to grant a waiver of the 60-day requirement, it would require approval of the City Council. If the Committee wants to grant the refund, then the Committee should make a motion to recommend to the City Council.

Motion by Morris, second by Karras, that the PCA Committee recommends the City Council waive the 60-day filing requirement and grant Ms. Alley the \$2,000 refund. The following voted "Aye": Mayor Pandaleon; Alderman Morris; Alderman Karras. The following voted "Nay": None. 3-Ayes, 0 Nays, motion carried.

Motion by Morris, second by Karras, to grant a variance from 2 years to 3 years and grant Ms. Fluri a refund. The following voted "Aye": Mayor Pandaleon; Alderman Morris; Alderman Karras. The following voted "Nay": None. 3-Ayes, 0 Nays, motion carried.

Motion by Morris, second by Karras, to recommend amendments to the City Code that the initial request of a variance from one year to two years move to the Finance Director and any additional request from two years to three years to the City Manager. Motion carried unanimously by a voice vote.

### **III. Review of Health Insurance Contract Renewals for Calendar Year 2021**

Benefits Consultant Peter Wright and HR Director Kalmar reviewed the process undertaken as part of our various insurance renewals and recommended the following:

- Retain Professional Benefit Administrators (PBA) for Administration and Billing Services
- Retain preferred provider network administration with CIGNA through PBA
- Change to Sun Life for Stop Loss Coverage, Increase the City Self-Insured Retention to \$170,000 from \$150,000, and Retain Optum Health for Transplant coverage.
- Retain Asset Health services for Think Healthy Wellness Program

Following in-depth discussion on methodology used, as well as the reason we are recommending the increase in stop loss coverage, the Committee agreed to recommend these actions to the full City Council. Alderman Morris requested that the wellness results be detailed at a Council meeting for the public's information. Director Kalmar will discuss this when the renewals are brought to the full City Council in December.


### **IV. Approval of the Regular Session and Executive Session Minutes of the March 2, 2020, and August 31, 2020, Meetings:**

Alderman Morris questioned whether two committee members who were not on the PCA Committee in March 2020 can approve those minutes. The executive session minutes were distributed individually to the Committee members. The Mayor requested that language indicating that the PCA Committee was in agreement to not make changes to the subject discussed. Motion by Morris, second by Karras, to approve the August 31, 2020, minutes and if the City Attorney opines that it is okay, then also approve the March 2, 2020 minutes as amended. Motion carried unanimously by a voice vote. (Follow-up: City Attorney advised it is appropriate for them to all vote on the March minutes.)

### **V. Other Business:** Mayor Pandaleon congratulated Director Kalmar on her upcoming retirement after 38 years of service to the City.

- VI. Adjournment:** Motion by Morris, second by Karras, to adjourn the meeting. Motion carried unanimously by a voice vote at 3:03 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "DeSha D. Kalmar". The signature is written in a cursive style with a large, sweeping initial 'D'.

DeSha D. Kalmar  
Director of Human Resources