

**KINKAID-REED'S CREEK CONSERVANCY DISTRICT  
PERSONNEL COMMITTEE MEETING  
Wednesday, March 16, 2022**

The Personnel Committee of the Kinkaid-Reed's Creek Conservancy District held its meeting on Wednesday, March 16, 2022. Chairman Mike Barone called the meeting to order at 6:00 p.m. at the District Office on Water Plant Road in Murphysboro, Illinois.

<b>ROLL CALL:</b> Mike Barone	Present
Steve McGriff	Present
Chuck Novara	Present
Tony Miluer	Present (Arrived late)
Scott Wilmouth	Present

Also present: Joshua Hellman, Lisa Garver, Kyle Hargraves, Cathy Rothe and JT Jenkins

**MINUTES:**

Trustee Novara made a motion to approve the minutes of the December 06, 2021, Personnel Committee meeting. Motion was seconded by Trustee McGriff.

Roll Call Vote:

Mike Barone	Yes
Steve McGriff	Yes
Chuck Novara	Yes
Tony Miluer	Absent
Scott Wilmouth	Yes

Trustee Novara made a motion to approve the minutes of the November 20, 2021, Personnel Committee meeting. Motion was seconded by Trustee McGriff.

Roll Call Vote:

Mike Barone	Yes
Steve McGriff	Yes
Chuck Novara	Yes
Tony Miluer	Absent
Scott Wilmouth	Yes

**OLD BUSINESS:** Nothing to discuss

**New Business: Employee Life insurance:** Manager Wilmouth reported that in the packet is some communication's between Lisa Graver and me. The District pays for term life insurance for the employees, and they can take that insurance with that when they leave, however they have to pay the premium. I have been here so long that mine has maxed out. I have an option to continue paying the premium which will go up every year or convert it to a whole life policy. Lisa and I have talked, I am getting so close to retirement, and maybe this would be another incentive for personnel to stay knowing that when they reached 20-year mark on life insurance, that the District would continue to pay and convert it to a whole life until they leave. That is what this is about. Trustee Novara stated, did you said convert it to a whole like until they leave? Manager Wilmouth replied, convert it until it's paid up, but until the employee retires the District would pay for it, but then it would be their responsibility. Trustee Barone stated that the employee would continue to be covered while they work, but once they retire, they are going to be liable for their own. Lisa Graver stated that is what it is right now. First, I want to



say thank you for the opportunity to come talk to you tonight. Before my time in 2002, Modern Woodman came here to offer this life insurance benefit to the employees. What they did at that time was a term plan. I always think that life is complicated enough let's keep it simple. There is term insurance and term insurance is when it has X number of years whether it is 10, 20 or 30-year plan. The premium is low, but that premium is locked in for whatever term that we choice. With Modern Woodman we have ask those questions one time. I come out when you guys get a new employee and put in the application for a term plan, so they are covered while they are working here. Whenever they terminate employment, they have the option to take that with them. You guys also have an IMRF term life insurance here. It is a decreasing term, so as the employee get older the value, the base amount, goes from 30, to 18 to 12 to 7500 as they get older. This policy is locked in, they are covered at \$50,000 dollars. What is happening is as Scott was saying is that his term that was written when Modern Woodman first started here came up. The term expired so now we have to do something with it. Every year that premium can change. I don't know how much it can change. Another option is convert that a \$50,000 to permanent plan. That locks in so you have it forever. The thought process as we were talking is, I was looking through what we have now, and we are going to run into this problem with the majority of the employees that we have right now. So I don't know what the right fix is. I wanted to show you some options on paper and let you guys talk about it, and give me some questions. So what I have is the pricing of everybody that is on the plan right now. On there it is showing what the premiums are. Now on Closson it does show that there is a premium in the errors, there is not, the home office has taken care of that. The premium is what that paper shows, and everybody has \$50,000 dollars of term life insurance. The premium right now is \$146.74 a month, this is what the business is paying. Any questions up to this point? The problem with this is, when they are going to expire, and what their ages are going to be, on the plan that they have right now. A cost of \$146.74 term that is what is up on top. One option, and for a better lack of words, would be like an executive bonus plan. It's an opportunity to attract and keep you good quality employees. That is what my job is, to help make your benefit package stand out, and look above what a new employee coming in, they are going to go wow it's an extra benefit that they may not get somewhere else. What Scott and I talked about is doing a paid-up plan. I'm giving examples right now, totally up to you guys. If you would say, if they came in and worked at least 20 years prior to retirement, they can walk away with a paid up \$50,000 life insurance plan. This all started because Scott's is due, so we have to figure something out anyway. If he is close to retirement that could be a huge added benefit. There are quite a few of us sitting here, that is our thought process, is what is life going to look like in retirement. We don't want a lot of extra bills. If I worked here and I knew walking away that I would have \$50,000 of a paid up life insurance policy, and that I would not have to worry about for the rest of my life, and I pass away, and I'm 92 years old, and I know that my family is taken care of with this additional \$50,000 death benefit, that I got from here, that is powerful. Now the guys that are coming in that are 25 years old, they don't have that concept. That is my job to walk them through that and show them this is what this is going to look like. I ran executive bonus plan numbers if we did a 20 year pay, the total monthly premium would be \$738.72. If this is something that you would want to do, I think there needs to be something done because of their age. That is why the premium is so much higher. Anybody that, knows anything about life insurance knows that the older we are the higher it is. They are covered now, but if you're wanting to move forward, so we are not in this predicament again in a few more years, because we are going to have other ones expiring, we need to do something. It is kind of like two pieces of this puzzle. For this younger group that is coming in, that is going to be really easy to fix and take care of. Then we have these two, but we can work on something to make that, so it is affordable for the business. If we carved them two out the price for all the other employees, is \$432.68 per month. They would have to be employed 20 years, retire from here then they walk away with \$50,000 worth of life insurance. Or there is a ten year pay, there is a lot of different ways we can do it, or we can set it up when they come, the premium is paid until age 65. What is the age of retirement from here? Manager Wilmouth replied 55, IMRF is age 55. Ms. Graver stated that we have a 10 year and a 20 year, or a pay until age 65, which would work out really good with the 55. There are a lot of different options, and I told Scott, I feel like we need to throw this out on the table and start the conversation and the though process of what we could possibly do. Trustee Novara stated that Scott has to do something now, so is his premium is \$738.72 a month? Ms. Graver replied, no that is for everybody's. Trustee Novara asked so his would be \$139.09?



Ms. Graver replied yes. Everybody except Cathy and Scott, if we change them over at the age they are today, the premium is \$432.68. If we do a 20-year plan on Scott, his 20 year is \$139.09 per month. That is \$50,000 paid up after 20 years, Cathy's is \$166.95. What they are doing is taking premiums from mortality tables that say now that we are going to live until we are 121 years old. So what they are doing is they are taking Scott's age, based at 51, the mortality tables are saying he is going to live this long, but we are wanting to do a paid up plan for 20 years. So they are just taking premiums and crunching them for 20 years and figuring what interest rate that would accumulate during that time, so the life insurance stays intact, and everything is running right. That is how they come up with that 20 year. Trustee Barone asked, basically what we are doing we are serving our employees, after years with us, they have life insurance no matter what, from now on until they die? Ms. Graver replied yes sir. Trustee Barone asked, the \$50,000, can they cash that in or is it only payable upon death? Ms. Graver replied as it stands right now, the way you guys have them set up now, they own their certificates and they set their own beneficiaries. So if they would leave, let say we did it for 10 years, and they would walk away, they could cash it in. Trustee Barone stated that even if Scott waits until 50 to retire and decides he wants to go a different route, can he cash that in and receive \$50,000? Ms. Graver replied no, only the cash that has accumulated, not the face amount, only what has been paid into it. Ms. Graver stated that it is a dividend paying policy, so it is based on the dividend that is there. They get annual statements every year to see what their cash value is. Trustee Barone asked, my question to Scott is, you also have IMRF correct, and they provide life insurance also? Manager Wilmouth replied yes. Trustee Barone stated that my wife has it, like me when I reach social security age, they pretty well cut you down to \$5,000. Anything above that you can purchase. Cathy Rothe stated that with IMRF you cannot purchase any more life insurance. At 65, IMRF, that is the NCPERS policy that goes down to \$7,500. The employees can pay the premium of \$16 per month if they want after they retire, they can continue to pay the \$16 per month, if they elect to. IMRF deducts the premium from the retirement check. Ms. Rothe asked Ms. Graver would that premium go down if you took me out of equation because I will definitely retire before I have been here 20 years? Ms. Graver stated that she didn't want to discriminate against anyone here. When I got to you two it got because of the age that is where I was stuff that is where I thought maybe we need to figure something different out. With all the other employees, it costs \$432.68 without you two in it, and if we add you two in it, then I did that equation at the bottom. Superintendent Jenkins stated that he was kind of stuck in the middle, at this moment right here, I doubt that I have 20 years left. I'm looking at maybe 17 or 18 years. Trustee Barone asked but if we pick it up, that determination will be made by the employee, what happens if they go with less than 20 years? Ms. Graver replied, there again, that kind of goes with how to you guys want this. That is why I wanted to bring it to the table and get a conversation started. Let say you have 3 years left of your 20 years, at that point, you got 3 years then you keep paying it yourself and it's a paid-up plan. The certificate is theirs. Trustee Barone asked, so the employee has the option to pick it up if they wanted to and carry it on till 50, but they have to pay it their self? Ms. Graver stated, the example with Scott, he has 3 years left to go and it is a paid up plan so you can just keep paying it or you have an employee that has been here 10 years and they decide to leave employment completely, they own the certificate so they can cash it in and take the money or they can keep it and just pay those premiums themselves. Trustee Barone asked, and that amount is only the amount that they have paid in them selves, like if they leave after 10 years, they are only going to receive the amount that was paid in up till then, not the total \$50,000? Ms. Graver replied correct, it is the surrender value. Manager Wilmouth stated that the company is paying it, not the employee, on this policy. Trustee Novara stated that you guys have got me totally turned around. Ms. Graver stated, everybody that we have right now does not have to go through any under writing whatsoever. It is just converting to permanent plan, because with Modern Woodman, I ask health questions one time. So we have that \$50,000 on everybody. Trustee Novara asked, the 50K term your not saying change that, you are saying that will stay until they have been out here 20 years? Ms. Graver replied that it is up to you guys. I'm proposing will help with these terms that are expiring before they retire. That is what we are dealing with on Scott's. What we are saying is we are going to take \$146.74, and we are going to use some of that to pay this \$400. We are going to get rid of the of the \$50,000 term. Trustee Novara asked, it is not 50/50, but it is that the employee's are going to pay x amount, and we are going to pay x amount? Ms. Graver replied that is up to you guys. Trustee Novara stated, that is what you just said. Ms. Graver replied no, right now every employee has



term insurance. Trustee Novara asked who pays for that? Ms. Graver replied, you guys do. Trustee Novara stated, that my point, is you got \$146.74 that we pay each month for each employee, when they get to the 20 years, they could go to this executive bonus plan, and we are expected to pay the \$146.74, and then they will pay remainder of the premium? Trustee Barone replied to Trustee Novara, no we will pick up the total, we will be responsible for 20 years at \$738. Right now it is costing us \$146.74, and at age 50 it expires. Ms. Graver stated that everybody is going to expire at a different age. Trustee Barone asked what happens if they work past 20 years? Ms. Graver replied that is what we are running into now. That is what brought all this to a head. I did not realize this. This was all put in prior to me with Modern Woodman, I stepped into it. Right now, Scott is the first one that has come up that is still employed, and still young enough, so what are we going to do. That is why this conversation started. We need to do something because we are going to end up having numerous employees that at age 50 that is going to expire. Retirement you told me is 55. Kyle Hargraves stated, for Tier 2 it is age 62. Ms. Graver stated what would happen, if it expires, as long as that person is healthy, we can rewrite and do another term, but that premium is going to be a lot more than what we are paying now because it is going to be at age 50. Then we are going to have to have at least another 15 to 20 years to make sure it goes all the way out to age 62. Does that make sense? Trustee Novara stated that he is concerned, with, policy, we are paying the \$146 now, and the employee should pay out whatever the difference is. That is where I am with this. I don't know how everybody else feels but that is where I am at. Mrs. Rothe stated to Trustee Novara, the \$146 is for everybody not just one employee. Trustee Novara stated, if you take \$146 from \$738. Ms. Graver replied to Trustee Novara, if you take a look at this page here that I passed out, it gives you detail of what you are paying per employee. Trustee Barone stated to Trustee Novara, right now for all our employees we are paying \$146 for all of them per month. Trustee Novara stated if we change everything today and went with this executive plan, how much would the District be paying per month in premiums? Trustee Barone replied to Trustee Novara, for 20 years, it would be \$738, Chuck our cost would increase from \$146, and if we locked them in on this 20 year executive bonus plan, it would be \$738.72 per month for the District for all of them. Manager Wilmouth stated that is with Cathy and I included. Ms. Graver stated that her suggestion would be maybe have conversation with Scott and Cathy and find out what that plan looks like. There is no need to do a twenty year plan for them. That is why I am bring it up, Scott asked if I could help explain some of this. It is just to start the conversation because I feel like it is going to be a can of worms that is going to get ugly. Trustee Novara asked, what is the earliest that we have to make a decision? Ms. Graver replied that we have to do something with Scott's by May. Manager Wilmouth stated regardless of what you guys do, I pretty much know what I am going to do. It's just a matter of whether you want to help me or not. Trustee Barone asked what happens is, once he is maxed out, if he wants to keep it, he is going to pick up the additional monthly cost. Ms. Graver replied yes. If you guys decide that we are going to leave everything as is. Trustee Novara stated that if it's a \$146 or whatever I can see where we would split that once you leave it would be up to you to pay the full premium, that is the way I see it. Ms. Graver stated that the executive bonus title is just an additional bonus to where when you retire from here it is something you get to take. It is just another option if that is something that you guys want to add to your benefit retirement package. There is different way you can look at it. This is what the District is paying, so if Scott decides this is his plan and this is what he is wanting to do then the District is going to pay this and he is just going to make up the difference until he retires. When he retires, he is going to pay the full premium, there is nothing wrong with that. Trustee Novara stated or cash it out. Ms. Graver stated what we have right now, there is nothing to cash out, it is term insurance. What is going to happen is, on down the road, this can of worms if going to open up because we are going to have all of these employees that is coming in and you will have the same situation that we have with Scott. They are going to young enough to where to convert that to a permanent plan. As long as they are healthy, we can rewrite them and do another term, but they have to be healthy, they have to go through all that under writing. Trustee Novara asked, could set up another meeting in April to hash this out? Trustee Barone stated, that the District needs to determine if we want to pay it all or do we want to do a cost share plan with the employees, I want to see the employees be allowed to keep it. I think it is just a matter of sitting down with our employees and our manager at the next meeting and see where they want to go with it. Ms. Graver stated, that if you guys come up with questions as you are talking reach out to me. Manager Wilmouth asked, if we set up



another committee meeting would you be able to attend? Ms. Graver relied, give me a little bit of notice, let me know the date and if I am available, I will be glad to attend. Trustee McGriff stated, it might be something that we want to do before our regular meeting, a day or two before. Trustee Barone asked Manager Wilmouth to put some numbers together, cost share 50/50 spit. Put together some options for us. It is senseless to let this expire after we have been paying into it this long. Ms. Graver replied, I totally agree with that. We know that you guys don't lose employees very often, so it is an added benefit to be able to offer them. Like you said why pay it for 20 years and then they walk away, and they have nothing. Trustee Novara stated that it takes me a while because I am not the sharpest knife in the drawer. Manager Wilmouth stated that we need to adjourn so we can get onto the Board meeting. Trustee Barone stated that he would like a second to talk to the committee.

**OTHER MATTERS TO DISCUSS:** Trustee Barone stated, I am going to make this real quick. I would like to hear from the board members on how they feel about our legal counsel and where we are going to go with that? I have talked to a lot of people. We know that we spent probably close to \$100,000 and got nothing out of this deal. I would just like to quickly talk to the committee here and get some input from each one of you and see how you feel about it. If it is something that we need to move on, lets do it or not. I would like to see where we are at with it. Trustee Novara stated, as far as the money spent, we did what we needed to do, I don't hold Eddy on that. I do think that we need a fresh set of eyes to look at our existing contract because whenever I look at it, I'm biased, I have been around it for 7 years. I don't know everything about it, but I have my own idea of what I think it says. Eddy has been on it for a long time, and nothing against Eddy, I just think we need to have an attorney who is a contract attorney go through this contract and tell us what is and what isn't. We have a whole bunch of stuff that is not being done and are we just going to sit back and not do anything about it or what? Trustee Barone stated, that I agree with you Chuck we can't. There is a lot of major issues going on with the Health Department. My concern is and anybody that knows me, I am not a lawyer, I depend on my lawyer for good advice. Trustee Novara stated, he didn't have a problem with what Eddy's advice was. Somebody has been told that we shouldn't really listen to him, but we don't have to do anything with Eddy. We just need to tell Eddy, we want to get a fresh set of eyes on the contract, that's all. Trustee Barone stated here is my concern, we gave him that option, we told him to bring in anybody he needed that specialized when we got into this lawsuit. He even brought up a name and we approved it. He didn't do that. I am concerned, I have lost confidence in him, I like him, I have known him all my life. I have lived here in Murphysboro, but I just feel that I don't have any confidence in him. I have read that, and I have had judges read it, and it is very clear in there that the ruling fell upon the draftee which is our attorney who drafted the language, that is where the buck stops. All this other evidence which was admitted it didn't mean nothing. I have just lost my confidence and I think if we are going to look at doing something different, now is the time because we are going into summer, and this is water under the bridge. We spent a \$100,000 and didn't get nothing. Ms. Rothe stated that this is being recorded. Trustee Barone stated, this is the way I feel, I want to poll the Board here and if it is a dead issue with everybody here but me, then I will forget it. Trustee Mileur stated that he had not been on the Board long enough, you have been here a long time. I have known Ed for years and had him do stuff for me. I don't feel that I have enough experience to speak to it. I will do whatever the Board decides. Trustee Barone, stated I think that if we are going to do something, now is the time. Because we are in between Spring. I feel that we got our ass kicked in court, no doubt about it. Trustee Mileur stated that I do think that you are right, we need a contract attorney. Trustee Barone asked, we are going to spend more money to bring in this special attorney, or do we just want to hire one that specializes in contracts? Trustee Novara asked, what if we have a lawyer that specialized in contracts, what's is it going to cost for you to go through and tell us what is and what isn't? We may not find any lawyer that will do that. Trustee Barone asked, do we want to pursue even looking or talking anybody? Trustee McGriff stated, I think that we spent a lot of money, but I think before we can go any further, we need to spend some money and get somebody to interrupt our contract, another attorney, and if he says it is all shit, then we are going to have to get rid of Ed and have somebody write us a new contract. If he says that was the only ambiguous part in it, then we still have a contract. Trustee Novara stated, we cannot write a new contract. Trustee McGriff stated, that he knew that during this. So we have to live with what we got but we need somebody to come in an interrupt what we have, and make sure we have ground's to stand



on. Trustee Barone stated, when we were in between concessionaires, we told him that language in those amendments needs to be cleaned up in the contract. That was his sole purpose in doing that and it didn't hold up in court, it don't hold water, so it's not worth the paper it's written on. If we need to have another committee meeting and talk about this some more. Trustee McGriff stated, he knew where he was coming from, and he agreed with that. I think we need to get the whole Board together and have another meeting and discuss it because we can't just keep saying we are going to do it and not do it. We need to set another date and have a meeting with all of us, decide what we are going to do. How can I stand out here and say, hey you are still in violation of the contract without knowing if I have any grounds to stand on? Trustee Barone asked, do we feel confident with our current counsel going in? We may end up in court with some of this stuff, who knows where we are headed. Obviously, they are thumbing their nose at anything we send them. There is so many violations at the Marina that we have in our packet. Do we need to set up a meeting next week just the Personnel ? Trustee McGriff stated that he thought the whole Board needs to be there. Trustee Barone replied just the Board, no legal counsel, and talk about it again and see where everybody is at. It is no hard feelings towards Ed. He has done a lot of stuff for me, and I have known him all my life. It is business. Manager Wilmouth stated just to back up, we probably need to make a motion to go into Executive Session. Ms. Rothe stated that this will all be typed for everybody to see. Everything that has been said. Trustee Barone stated let's have another meeting and go into Executive Session.

**ADJOURNMENT:** Trustee McGriff made a motion to adjourn the meeting. Trustee Novara seconded the motion.

Roll Call Vote:

Mike Barone	Yes
Steve McGriff	Yes
Chuck Novara	Yes
Tony Miluer	Yes
Scott Wilmouth	Yes



**CHAIRMAN**