

COMMITTEE OF THE WHOLE
APRIL 8, 2025
VILLAGE BOARD ROOM
2200 HARNISH DRIVE, ALGONQUIN
7:30 P.M.

Trustee Auger – Chairperson
Trustee Spella
Trustee Glogowski
Trustee Dianis
Trustee Smith
Trustee Brehmer
President Sosine

∞ AGENDA ∞

- 1. Roll Call – Establish a Quorum**
- 2. Administer Oath of Office:**
 - A. Police Officer Edder Steven Cedillo
 - B. Police Officer Jake Winchell
- 3. Public Comment – Audience Participation**
(Persons wishing to address the Committee must register with the Chairperson prior to roll call.)
- 4. Community Development**
 - A. Consider a Public Event/Entertainment License for the Algonquin Aces Memorial Weekend Bash Softball Tournament May 23 – 25, 2025, at Algonquin Lakes Park and Kelliher Park Fields, and Waiver of Fees
 - B. Consider a Non-Exclusive Licensing Agreement with Knockout Management, LLC and Cattleman’s Burger and Brew, Inc. for the Use of Certain Village Property
- 5. General Administration**
 - A. Consider an Affiliation Agreement with AAYO for the 2025 Season
- 6. Public Works & Safety**
- 7. Executive Session (if needed)**
- 8. Other Business**
 - A. MD Health Pathways Presentation
- 9. Adjournment**



Village of Algonquin

2200 Harnish Drive, Algonquin, IL
(847) 658-2700 | www.algonquin.org

AGENDA ITEM

<u>MEETING TYPE:</u>	Committee of the Whole
<u>MEETING DATE:</u>	April 8, 2025
<u>SUBMITTED BY:</u>	Patrick M Knapp, AICP, Director Stephanie Barajas, Planner
<u>DEPARTMENT:</u>	Community Development
<u>SUBJECT:</u>	Algonquin Aces Memorial Weekend Bash, May 23 – 25, 2025

ACTION REQUESTED:

Tony Minasola, on behalf of Algonquin Aces, is seeking approval of a Public Event/Entertainment License for the Algonquin Aces Memorial Weekend Bash occurring May 23 – 25, 2025.

DISCUSSION:

This is a repeat, non-profit event that will be held for the Girls Fast Pitch Softball Tournament at Algonquin Lakes and Kelliher Parks in Algonquin. The applicant expects up to 150 participants at different times of the day. In addition to requesting approval of a Public Event/Entertainment License, the applicant has also requested waste removal on Sunday and mowing of the fields before the tournament.

The applicant is requesting a waiver of the Public Event License fee (\$50/day) and has submitted the appropriate documentation to show that they are a Tax-Exempt Organization.

RECOMMENDATION:

Staff has reviewed the request and recommends approval with the following conditions outlined below:

- Village Police officers and other officials shall have free access to the event at all times to ensure that the event complies with the Municipal Code;
- All garbage/debris from the event shall be deposited in on-site trash bins by the event coordinator;
- Any on-site food truck operators will need to apply for a separate permit through the Village of Algonquin at least 2 weeks in advance and shall pay the Special Event Fee;
- All temporary tents or structures shall be securely anchored according to the manufacturer's instructions. Cooking is prohibited under tents unless the tent is certified for such use. In the event of unfavorable weather conditions, all temporary tents or structures shall be vacated and removed, and no temporary tent or structure shall be used for shelter;
- The event coordinator is responsible for suspending or canceling the event in case of structural concerns, electrical malfunctions, or storms that may include wind above 40 mph, lightning, tornado warnings, unruly crowds, or any other issues that may pose a risk or danger to the public.
- The applicant shall abide by all provisions of the Algonquin Municipal Code, with specific attention to the Public Event/Entertainment section, along with all provisions/requirements of the Public Event/Entertainment License Application checklist and the application provided.

ATTACHMENTS:

- Public Event License Application



Village of Algonquin
PUBLIC EVENT/ENTERTAINMENT LICENSE APPLICATION

In order for the Village of Algonquin to assist you with your Public Event, please fill out the information below and return to the Ganek Municipal Center (2200 Harnish Drive) or permits@algonquin.org at least 45 days prior to the event.

Please type or print legibly.

Official Name of the Event: Algonquin Aces Memorial Weekend Bash

Sponsoring Organization:

Name: AAYO/Algonquin Aces Contact Name: Toony Minasola

Address: PO Box 265

City, State, ZIP: Algonquin IL 60102

Phone: [REDACTED] Email: [REDACTED]

Event Coordinator:

Name: Tony Minasola

Home Address: [REDACTED]

City, State, ZIP: Algonquin IL 60102

Phone: [REDACTED] Email: [REDACTED]

Event Information:

Describe the Nature of the Event: Girls Fastpitch Softball Tournament Ages 10-16

New Event Repeat Event If repeat, will anything be different this year? _____

No Changes. Same event we have been running for over 20 years

Event Address: Algonquin Lakes and Kelliher Park

Date(s) and Time(s) of the Event: 8 AM to 9 PM May 23-25th

Rain Date(s), if applicable: May 26th may be used for Rain date

Set-Up Date/Time: May 21st and 22nd

Maximum Number of Attendees/Participants Expected: Approx 150 at different times of day

Admission Fee: Yes No If Yes, list fee(s) to be charged: _____

How will the revenue be used (include donations to non-profit or charitable organizations): Any Funds Received

for hosting the event will go back to the Algonquin Aces Softball Teams to cover costs of other tournaments, Uniforms, etc.

Event Website: _____

Event Details:

Describe provided security, including who will be providing the security (name and contact information), hours, and a security plan: __
This is a Girls Softball Tournament So no need for additional security

Describe parking or traffic control, including the location of extra parking and the number of spaces allocated, and how overflow parking will be handled: Overflow parking with be on side streets if needed

Will there be a need for road closures? Yes No If Yes, please explain: _____

Are you requesting Algonquin Police Officer(s) presence? Yes No If Yes, to perform what function?

Do you want a fire truck or ambulance present? Yes No If Yes, for what hours and to perform what function? _____

Are you wishing to post temporary sign(s) announcing the event? Yes No If Yes, please describe desired size, location and date(s) that the signage will be displayed: _____

Do you wish to serve alcoholic beverages? Yes No

If Yes, do you have DRAM Shop Insurance for the sale/consumption of alcohol? Yes No *If Yes, attach a copy of the policy.*

Will you have live entertainment? (e.g. bands, D.J., amplified sound, etc.) Yes No

If Yes, please describe type, band name(s), and hours of performance and if there will be a stage: _____

Do you foresee any other special needs for this event? (Physical set-up assistance, waste removal, portable toilets and hand washing stations, electricity, generator, running water, tent(s), etc.): _____

Waste Removal would be needed for Sunday Morning at Kelliher, and Algonquin Lakes. Other than that we ask to have the fields mowed so they look good for the girls to play

Do you plan on holding a raffle during this event? Yes No
(Must be an Algonquin-based, non-profit organization)

Name of on-site contact during the event (please print): Tony Minasola
On-site contact's cell number: [REDACTED]
On-site contact's work number: Same as above
On-site contact's home number: [REDACTED]

Affidavit of Applicant:

I, the undersigned applicant, or authorized agent of the above noted organization, swear or affirm that the matters stated in the foregoing application are true and correct upon my personal knowledge and information for the purpose of requesting the Village of Algonquin to issue the permit herein applied for, that I am qualified and eligible to obtain the permit applied for and agree to pay all fees, to meet all requirements of the Algonquin Village Code, and any additional regulations, conditions, or restrictions set forth in the permit and to comply with the laws of the Village of Algonquin, the State of Illinois, and the United States of America in the conduct of the Public Event described herein. In addition, Applicant certifies, by signing the application, that, pursuant to 720ILCS 5/11-9.4(c), no sex offenders are employed by the carnival operator, and that no carnival employees are fugitives from Illinois or any other state's law enforcement agencies. I (or the above named organization) further agree(s) to hold harmless and indemnify the Village, its officials, employees and successors and assigns, for any and all liability, damages, suits, claims and demands for damages at law or in equity it incurs as a result and arising either directly or indirectly out of the public event noted above including but not limited to damages and attorney's fees.

Tony Minasola
Signature of Applicant

03/21/2025
Date

Tony Minasola
Printed Name of Applicant

Indemnification, Waiver and Release

To be signed by all: applicant, sponsor, organizer, promoter and permittee/licensee.

The Permittee/Licensee shall indemnify and hold harmless the Village, its officers, boards, commissions, agents, elected, elected officials, and employees (collectively, “the Village Indemnitees”) from any and all costs, demands, expenses, fees and expenses, arising out of: (a) breach or violation by the Permittee/Licensee of any of its certifications, representations, warranties, covenants or agreements in its application and permit/license issued by the Village; (b) any actual or alleged death or injury to any person, damage to any property or any other damage or loss claimed to result in whole or in part from the negligent performance by or on behalf of the Permittee/Licensee; or (c) any negligent act, activity or omission of permittee or an or its employees, representatives, subcontractors or agents.

The Permittee/Licensee agrees to indemnify, defend and hold harmless the Village Indemnitees against and from any and all losses, claims, demands, causes of action, actions, suits, proceedings, damages, costs and/or liabilities of every kind and nature, whatsoever (including, but not limited to expenses for reasonable legal fees, and disbursements and liabilities assumed by the Village in connection therewith), to persons or property, in any way arising out of or through the acts or omissions of the Permittee/Licensee, its servants, agents or employees, or to which the negligence of the Permittee/Licensee shall in any way contribute.

Permittee/Licensee hereby waives and releases all claims against the Village Indemnitees or arising out of the issuance of a permit to Permittee/Licensee for any and all injuries to persons or damage to property from any cause arising at any time during the event listed herein or the issuance of the Permit/License.

The term “Permittee/Licensee” refers to the applicant, as well as any sponsor, organizer, promoter of the event. Each undersigned represents and warrants that he/she has authority to execute this Indemnification, Waiver and Release Agreement on behalf of the person or entity for which he/she has signed.

Permittee/
Licensee: AAYO/Algonquin Aces

Circle all
that apply: Applicant Sponsor Organizer Promoter

By: Tony Minasola
[Print] *Tony Minasola*
[Signature]

Date: 03/21/2025



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AGENDA ITEM

<u>MEETING TYPE:</u>	Committee of the Whole
<u>MEETING DATE:</u>	April 8, 2025
<u>SUBMITTED BY:</u>	Patrick M Knapp, AICP, Director Stephanie Barajas, Planner
<u>DEPARTMENT:</u>	Community Development
<u>SUBJECT:</u>	Consider a Non-Exclusive Licensing Agreement with Knockout Management, LLC and Cattleman's Burger & Brew, Inc.

ACTION REQUESTED:

Cattleman's Burger & Brew, Inc. is requesting to utilize Village Property on the north side of their building for seasonal outdoor dining.

DISCUSSION:

This 1-season Non-Exclusive License Agreement will permit the use of village property for outdoor dining between May 1, 2025, and October 31, 2025. The License Agreement will also require that the outdoor dining space be kept in good condition, conform to local and state liquor laws, and maintain at least a 5-foot-wide pedestrian corridor outside of the outdoor dining area. If any of the conditions of the agreement are not met, the village has the right to terminate the license.

RECOMMENDATION:

Staff is recommending approval of the Non-Exclusive License Agreement.

ATTACHMENTS:

- Non-Exclusive License Agreement
- Exhibit A: Outdoor Patio Area

NON-EXCLUSIVE LICENSE AGREEMENT

This NON-EXCLUSIVE LICENSE AGREEMENT (“Agreement”) is made by the Village of Algonquin (the “Village”) and Knockout Management, LLC, as owner of certain property (“Knockout Management”) and Cattlemans Burger & Brew, Inc., as a tenant (“Cattlemans”), collectively referred to as “Licensees”.

RECITALS:

Knockout Management, LLC is the legal titleholder of property located at 205 South Main Street and legally described as follows:

THE SOUTHWESTERLY 26.5 FEET OF LOT 3 IN BLOCK 9 IN PLUMLEIGH’S ADDITION TO ALGONQUIN, BEING A SUBDIVISION OF PART OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 43 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, WEST OF FOX FIVER, AND PART OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 43 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, EAST OF CHICAGO AND NORTHWESTERN RAILROAD, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 24, 1860 IN BOOK 28 OF DEEDS, PAGE 400, IN MCHENRY COUNTY, ILLINOIS.

PIN: 19-34-107-009 (the “Property”)

The Village is the legal titleholder of the property assigned PIN 19-34-107-019 which consists of an alley that is located along the north side of the Property (“Alley”).

Knockout Management owns the building where Cattlemans operates a restaurant on the Property known as Cattlemans Burger & Brew, as a part of the restaurant, said Licensees wish to utilize an area of the Village’s Alley north of the property line of the Property for an outside eating area. Said eating area, which is referred to herein as the “Outdoor Patio” is depicted on the Site Plan attached hereto and incorporated herein as “Exhibit A”.

Cattlemans plans to apply for an auxiliary outdoor liquor license to serve alcohol within said Outdoor Patio.

Licensees are requesting that the Village grant them a non-exclusive license for giving them the right to utilize the Alley for the proposed Outdoor Patio. The Village is willing to do so provided that the Licensees provide the Village with certain assurances and the releases as herein defined.

Accordingly, the Village and Licensees agree as follows:

1. The Village hereby grants to Licensees a non-exclusive license with respect to the surface portion of the Alley in the location depicted on Exhibit A for the operation of the Outdoor Patio for food and alcohol sales and service as part of the Cattlemans Burger & Brew restaurant establishment.

2. Said non-exclusive license is terminable at the sole discretion of the Village and shall terminate no later than October 31, 2025.

3. Licensees have examined and know the condition of the Alley and have received the same in good repair, and acknowledge that no representations as to the condition and repair thereof, and no agreements or promises to alter, repair or improve the Outdoor Patio, have been made by the Village.

4. Licensees agree that they are solely responsible for maintaining the Alley and Outdoor Patio and will remove any trash or debris that accumulates on the Alley. If the Alley is not kept in good repair and in a clean, sightly and healthy condition by Licensees, the Village may enter the licensed premises without such entering constituting an interference with the possession of the Outdoor Patio by Licensees, and the Village may make any and all repairs necessary to restore the Alley to its original condition and Licensees agree to pay the Village any expenses it may incur in restoring the Alley to its original condition as a result of damages caused by Licensees' use.

5. Licensees have requested permission to install fencing that will surround the Outdoor Patio. The Village agrees to allow fencing with an ornamental design to be installed to surround the outside eating area so long as it is in compliance with the location as depicted on Exhibit A; said fencing shall be subject to final design approval and inspection by the Village prior to the Outdoor Patio opening for business. The fencing, if approved, shall not be attached to the surface of the Alley in a permanent manner. At the end of this non-exclusive license, Licensees shall remove the fencing and shall ensure that the Alley is in the same condition of cleanliness and repair as at the beginning of this non-exclusive license. All fencing, chairs, and tables can be placed on the Outdoor Patio on May 1 and must be removed by November 1 of each year. If the fencing,

chairs, tables, and other items are not removed by November 1, the Village may remove the items without notice at the Licensees' expense.

6. Licensees shall allow the Village free access to the Outdoor Patio for the purpose of examining the same, or to make any repairs or alterations thereof which the Village may see fit to make, and to ensure that the use of the Outdoor Patio is in compliance with the Village Municipal Code. Licensees further agree not to obstruct pedestrian access to and around said Alley and shall provide for at least a 5-foot wide pedestrian access outside the Outdoor Patio fencing area.

7. Licensees agree that the Outdoor Patio will comply with all applicable statutes, codes and ordinances, including the Americans with Disabilities Act. Licensees shall abide by all provisions of the Village Municipal Code.

8. Licensees understand and agree that they must obtain an auxiliary liquor license pursuant to Chapter 33, Liquor Control and Liquor Licensing, of the Village Municipal Code.

9. Licensees understand and agree that a controlled point of access shall be maintained at all times, for access into the Outdoor Patio. Cattleman shall establish a hostess station to be staffed at all times by an employee to restrict access into the Outdoor Patio to other employees / servers, and customers that have already been seated in the Outdoor Patio.

10. The parties agree that the Village is not liable to the Licensees for any damage or injury to them or their personal property situated on said Outdoor Patio area regardless of the cause of said damage or injury. All claims for any such damage or injury are expressly waived by the Licensees.

11. Licensees agree that they and their successors and assigns shall hold harmless, indemnify and reimburse the Village, its officials, employees, successors and assigns for any and all liabilities, including but not limited to attorney's fees, claims and judgments, arising from or in connection with this non-exclusive license and the operation of said Outdoor Patio and including any incidents associated with the sale and consumption of alcohol on the Outdoor Patio, excepting those negligent acts or omissions of the Village.

12. Licensees assume liability for all injury to or death of any person or persons including employees of Cattlemans, any supplier or any other person and assumes liability for all damage to property sustained by any person related to Licensees' use of the Property.

13. Licensees shall maintain the following insurance policies with limits no less than:

a. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. The general aggregate shall be twice the required occurrence limit. Minimum General Aggregate shall be no less than \$2,000,000.

b. Workers' Compensation and Employers' Liability: Workers' Compensation coverage with statutory limits and Employers' Liability limits of \$500,000 per accident.

c. Liquor Liability: Not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

In addition, the policies are to contain, or be endorsed to contain, the following provisions:

General Liability and Liquor Liability Coverages.

- a. The Village is to be covered as an insured with respect to liability arising out of activities performed by or on behalf of Licensees and the Outdoor Patio. The premises included in the policy shall specifically include the Outdoor Patio area. The coverage shall contain no special limitations on the scope of protection afforded to the Village except coverage for the Village will be limited to the Outdoor Patio area.
- b. Licensees' insurance coverage shall be the primary coverage with respect to the Village. Any insurance or self-insurance maintained by the Village shall be excess of Licensee's insurance and shall not contribute to it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Village.
- d. Licensees' insurance shall contain a Severability of Interests/Cross Liability clause or language stating Licensees' insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

The insurer shall agree to waive all rights of subrogation against the Village for losses arising from work performed by Licensees.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Village.

Insurance is to be placed with insurers with a Best's rating of no less than A-, VII and licensed to do business in the State of Illinois.

Licensees shall furnish the Village with certificates of insurance naming the Village as additional insureds, and with original endorsements affecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements may be on forms provided by the Village and are to be received and approved by the Village. Other additional insured endorsements may be utilized if they provide a scope of coverage at least as broad as the coverage stated on such endorsement. The Village reserves the right to request full certified copies of the insurance policies and endorsements.

14. This Agreement shall not be amended except upon written agreement of all Parties and ratified by Board action except as outlined in paragraph 2 herein.

15. This Agreement shall not be assignable by Licensees without the prior written consent of the Village which shall not be unreasonably denied.

16. Licensees shall pay upon demand all the Village's costs, charges and expenses, including fees of attorneys, agents and others retained by the Village, incurred in enforcing any of the obligations of Licensees under this non-exclusive license or in any litigation, negotiation or transaction in which the Village shall, without the Village's fault, become involved through or on account of this non-exclusive license.

17. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition and validity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

18. All of the obligations of the Licensees outlined in this Agreement are the joint and several responsibilities of Knockout Management and Cattlemans.

19. This Agreement may be recorded by Licensees with the McHenry County Recorder of Deeds office.

Dated this ____ day of April, 2025.

VILLAGE OF ALGONQUIN

By: _____
Debby Sosine, Village President

ATTEST:

Fred Martin, Village Clerk

KNOCKOUT MANAGEMENT, LLC

By: _____
Michael Gallo, its Manager and
authorized agent

CATTLEMANS BURGER & BREW, INC.

By: _____
Michael Gallo, its President and
authorized agent

Exhibit A: Cattleman's Outdoor Dining Area





Village of Algonquin

The Gem of the Fox River Valley

MEMORANDUM

TO: Tim Schloneger, Village Manager
FROM: Stacey VanEnkevort, Recreation Director
DATE: April 3, 2025
SUBJECT: 2025 AAYO Affiliate Agreement

The Village of Algonquin's affiliate agreement with the Algonquin Area Youth Organization (AAYO) is set for renewal this year. To ensure alignment for the upcoming year, both the Recreation and Public Works teams have met with AAYO representatives to discuss expectations.

Given the recent and upcoming park projects, including the development of new ball fields and the uncertainty surrounding field availability at certain times, we have proposed a one-year agreement instead of the previous three-year agreement. Additionally, we have added in an annual Supplemental Agreement, which outlines the maintenance provided by the Village, along with User Fees for 2025. Due to rising costs of supplies and staff, there will be a slight increase in rates. Public Works will handle all field maintenance at Presidential Park beginning this fall, along with additional weekly maintenance at all other fields starting this spring. Even with the rate increases, our fees remain competitive and below those of neighboring villages and districts. All terms being presented have been reviewed and agreed upon by AAYO.

New Terms Summary

- One year agreement-plan to return to a three year agreement in 2026
- Increase in rates by \$3 per player in Spring and \$5 in Fall with the addition of Presidential Park and field maintenance provided by Village
- Increase in Tournament Rates from \$85 to \$200
- Lighting costs remains the same
- Village will provide additional maintenance as outlined in Supplemental Agreement annually.
- Field use will be based on schedule submitted to the Village

C: Michael Kumbera, Deputy Village Manager
Nadim Badran, Public Works Director

**VILLAGE OF ALGONQUIN
AFFILIATE ORGANIZATION AGREEMENT**

This Agreement entered into this ____ day of _____, in the year of 2025, by and between the Village of Algonquin (“VILLAGE”), an Illinois Municipal Corporation and the Algonquin Area Youth Organization (“AFFILIATE ORGANIZATION”), a not-for-profit athletic-oriented group, organization, or association.

Whereas, the **VILLAGE** owns and operates the **FACILITIES** identified in the annual Supplemental Agreement-Exhibit A attached hereto and incorporated herein and the **AFFILIATE ORGANIZATION** desires to utilize areas of the **FACILITIES** for the terms described, upon the following terms and conditions;

Now therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

TERM

The term of this Agreement is for 1 year(s) which will be automatically renewed annually unless either the **VILLAGE** or the **AFFILIATE ORGANIZATION** gives sixty (60) day notice in writing to the other of its desire to end the agreement.

DEFINITION OF AFFILIATE ORGANIZATION

An **AFFILIATE ORGANIZATION** is defined as a not-for-profit organization, association, or similar group whose main purpose is to provide constructive athletic opportunities to the residents of Algonquin on **VILLAGE**-owned property. Activities conducted by an **AFFILIATE ORGANIZATION** must meet the conditions described below for constructive, wholesome and worthwhile recreational pursuits:

- 1) The group must:
 - a) Be governed by a Board of Directors or Officers.
 - b) Be designated and maintain not-for-profit status.
 - c) Be established and operating consistently for the past five years.
 - d) Be athletic-oriented.
 - e) Make a demonstrated effort to target a majority of participants that reside within the municipal boundaries of the Village of Algonquin.
 - f) Maintain the integrity and purpose of the **FACILITIES** and the surrounding areas by demonstrating appropriate behaviors with all members of the **AFFILIATE ORGANIZATION**.
- 2) The group’s existence shall be of maximum value to the community.
- 3) The activities of the group must develop a sense of achievement and self-worth for its participants.
- 4) Benefits of the activities shall include improvements of the physical, mental, and/or emotional well-being of participants.
- 5) The activity shall stimulate creativity, develop recreational skill, and /or enhance avenues of socialization.
- 6) The **VILLAGE** shall agree to sanction no more than five (5) non competing Affiliate Organizations at any given time. This may include up to one (1) group per sport.
- 7) Activities sponsored by an **AFFILIATE ORGANIZATION** shall not, other than to adhere to specific membership guidelines or to minimum residency standards, discriminate against or exclude any individual from participation for reasons of race, color, creed, national origin, religion, sex, sexual orientation, or physical or mental disability. Registration for membership and/or tryouts must be open and publicized to all residents of the Village.

PROVISIONS TO BE A VILLAGE AFFILIATE ORGANIZATION

- 1) The **VILLAGE** shall have no financial or legal responsibility for the **AFFILIATE ORGANIZATION**.
- 2) The **AFFILIATE ORGANIZATION** and the **VILLAGE** shall meet annually to discuss issues, exchange ideas, and discuss plans for future opportunities.
- 3) The **AFFILIATE ORGANIZATION** will provide annually:
 - a) The names of the directors or officers governing the **AFFILIATE ORGANIZATION**.
 - b) **AFFILIATE ORGANIZATION** Statement of Purpose.
 - c) **AFFILIATE ORGANIZATION** established guidelines, and a set of by-laws that have been accepted and approved by the organization's board.
 - d) Copies of current annual report, and financial information.
 - e) Copy of **AFFILIATE ORGANIZATION** not-for-profit certificate and/or letter.
 - f) Copy of **AFFILIATE ORGANIZATION** Code of Conduct to be distributed and signed by coaches, parents, and participants at minimum the code of Conduct must meet the provisions in Exhibit B.
 - g) Verification that completed Background Checks on all coaches, managers, or other adults who have leadership roles or contact with minor participants have been performed.
 - h) Contact information for a minimum of one (1) of the **AFFILIATE ORGANIZATION** liaisons. In no such case shall there be more than two (2) liaisons.
 - i) Certificate of Insurance indemnifying the **VILLAGE** and its **FACILITIES**.
- 4) The **AFFILIATE ORGANIZATION** shall be a not-for-profit organization, defined as follows:
 - a) Revenues shall be exclusively devoted to the development, continuation, promotion, operation and expansion of the specialized activities in which the organization is involved.
 - b) Expenses shall be limited to the purposes to which the organization is devoted and may include, but shall not be limited to, the payment of reasonable salaries and compensation to its officers, agents, employees and contractors.
 - c) Assets of the organization shall not either during its operation or upon its dissolution, be distributable to or for the benefit of any individual or for-profit entity, group, or organization.
 - d) Deposits, expenditures, and assets of the organization shall be held on behalf of the organization and not in the name of any individual.
- 5) A Code of Conduct shall be signed by **AFFILIATE ORGANIZATION** participants, parents, and coaches each year of this agreement. Failure to self-enforce the Code of Conduct shall nullify this agreement. The signed Codes of Conduct shall be kept on-file by the **AFFILIATE ORGANIZATION** and made available to the **VILLAGE** upon request.
- 6) All spectators, participants, coaches, and staff of **AFFILIATE ORGANIZATION** shall adhere to:
 - a) **VILLAGE's** Municipal Code Chapter 11 Parks and Playgrounds.
 - b) Annual Code of Conduct for participation in **AFFILIATE ORGANIZATION**.
- 7) The **AFFILIATE ORGANIZATION** shall not without prior written **VILLAGE** approval commence any changes, modifications or improvement to Village property. Costs to rectify unapproved changes or modifications to **VILLAGE** property shall be paid by the **AFFILIATE ORGANIZATION**. Any private contractor(s) who intends to work on the Village's grounds, facilities or equipment shall be approved by the Village in advance.
- 8) The **AFFILIATE ORGANIZATION** shall maintain general liability and worker's compensation insurance as required herein.

APPROVED FACILITIES

The **AFFILIATE ORGANIZATION** shall use the following **FACILITIES** for their events and activities as listed in the Annual Supplemental Agreement-Exhibit A.

All other **VILLAGE**-owned parcels are not approved at this time for use by the **AFFILIATE ORGANIZATION**, unless otherwise approved by written notice by the Village Manager or designee.

APPROVED DATES & TIMES FOR APPROVED FACILITIES

The **AFFILIATE ORGANIZATION** shall use the following **FACILITIES** for their events and activities. Said events and activities will be described annually in a Supplemental Agreement-Exhibit A.

STATUTES, RULES, AND REGULATIONS

In the interest of the personal safety of guests, participants, and staff, the following rules must be followed:

- a) The **FACILITIES** is not to be used in excess of its normal capacity.
- b) All doorways, sidewalks, fence entrances, and driveways must remain unobstructed at all times.
- c) **AFFILIATE ORGANIZATION** acknowledges that this Agreement is subject to all Federal, State, and Local rules and regulations of the Village of Algonquin and its **FACILITIES**.
- d) **AFFILIATE ORGANIZATION** agrees to conform to all applicable rules and regulations and be bound thereby.
- e) **AFFILIATE ORGANIZATION** further agrees that it shall conform to, comply with, and abide by all applicable laws of the United States, the State of Illinois, the rules and regulations of all jurisdictional governmental boards and bureaus, including the regulation of the Village of Algonquin Police Department and Algonquin/Lake in the Hills and/or Huntley Fire Protection District.
- f) Failure to comply with any provision in this section will be grounds for the immediate termination of any event(s) or activity(s), with the full costs of the Event or Activity and all costs of termination assessed to **AFFILIATE ORGANIZATION**, regardless of the duration of the Event or Activity prior to termination.

ADA COMPLIANCE

AFFILIATE ORGANIZATION agrees to comply with all applicable provisions of the Americans with Disabilities Act (ADA), as well as its related regulations, for Events and activities held in **VILLAGE** facilities, including the **FACILITIES**.

PARKING

Parking in the vicinity of the facility will be in accordance with Village policy. Guaranteed parking is not part of this contract, and during Village Special Events a fee may be required for parking, and parking may be prohibited in lots that surround the **FACILITIES**. Parking in fire lanes, on Village Park Parcels (including grass areas, basketball courts, and paths) is strictly prohibited.

ASSIGNMENT

The **AFFILIATE ORGANIZATION** may not sublet their approved allocated date or time, nor otherwise assign any rights, responsibilities, or obligations relating to this Agreement.

SPECIAL FACILITIES AND SERVICES

The **AFFILIATE ORGANIZATION** shall be responsible for providing and maintaining appropriate and approved portable toilets at the **FACILITIES** where bathrooms are not available. Portable toilets must be onsite by the first day of the season and removed no more than thirty (30) days after the conclusion of the season each year.

AFFILIATE ORGANIZATION'S LIABILITY

The **AFFILIATE ORGANIZATION** shall be responsible for the supervision and control of the **AFFILIATE ORGANIZATION** attendees and their activities on **VILLAGE** premises, including the **FACILITIES**. The **AFFILIATE ORGANIZATION** agrees to indemnify, save and hold harmless, assume liability for and defend the Village of Algonquin, its Board of Trustees and Village President, and its officers, employees, attorneys, volunteers, and agents (collectively, "Indemnities,") from and against any and all actions, claims, liabilities, damages, assertions, or liability, losses, costs, and expenses, which in any manner arise or are alleged to have arisen from the use of the **AFFILIATE ORGANIZATION** premises, including the use in any way of the **FACILITIES**.

PERSONNEL AND SPECIAL SERVICE CHARGE(S) – ADDITIONAL BILLING

It is agreed that the **VILLAGE** may unilaterally undertake to provide the **AFFILIATE ORGANIZATION** special janitorial and supervisory coverage including services which are sufficient, in it's the **VILLAGE** sole discretion, to restore the **FACILITIES** to a safe, clean and orderly condition. **AFFILIATE ORGANIZATION** shall pay for all services reasonably necessary or desirable to properly maintain and operate the **FACILITIES** during the term of the use including, although not limited to, traffic control, parks and forestry staff, building services personnel, and other services as deemed appropriate by the Village Manager, or designee. If the aforesaid services are arranged by the **VILLAGE**, then the **AFFILIATE ORGANIZATION** will reimburse the **VILLAGE** for all costs associated with such services. These costs will be assessed and made available to the **AFFILIATE ORGANIZATION** within 48 business hours of occurrence. The number of employees working and hours reasonably necessary to accomplish their work shall be in the sole discretion of the Village, unless expressly stated in this Agreement.

The **VILLAGE** will not provide staffing during events and activities unless otherwise specified in Supplemental Agreement

Requests for additional assistance beyond the general care or maintenance listed on the Supplemental Agreement of the **FACILITIES** including, but not limited to painting of concession stands, field preparation, lining, etc. will be billed for separately. These requests must be made in writing to the **VILLAGE**. These costs will be assessed and made available to the **AFFILIATE ORGANIZATION** within 48 business hours of completion. The **VILLAGE** retains the right to decline and/or modify all requests for assistance.

DAMAGES AND SITE EXPECTATIONS

All **FACILITIES** are to be used respectfully and kept clean at all times by the **AFFILIATE ORGANIZATION**. All garbage and debris are to be removed from the site or placed in the proper trash receptacles during use of the **FACILITIES**. Recycling is highly encouraged. **AFFILIATE ORGANIZATION** is responsible for bringing appropriate containers to and from the **FACILITIES** to encourage recycling amongst **AFFILIATE ORGANIZATION** participants and spectators. Any garbage, debris, or recycling not removed or put into the appropriate receptacle at the **FACILITIES** is considered damage to the facility.

The **AFFILIATE ORGANIZATION** agrees to reimburse the **VILLAGE** for any damages in excess of ordinary wear to the **FACILITIES** or any part thereof, including but not limited to the grounds, buildings, furniture, equipment, toilets, concession stand, bathrooms, signs, gates, fencing, lights, or other fixtures caused by participants, coaches, employees, representatives, or invited or uninvited guests or spectators (collectively, "AFFILIATE ORGANIZATION Attendees") at Activities and Events conducted by the **AFFILIATE ORGANIZATION**. **AFFILIATE ORGANIZATION** assumes financial responsibility for the acts of all **AFFILIATE ORGANIZATION** Attendees. Whether damage is caused by **AFFILIATE ORGANIZATION** attendees or is in excess of ordinary wear shall be in the sole discretion of the Village Manager, or designee. The **AFFILIATE ORGANIZATION** will be billed for any such damages incurred or repaired by the **VILLAGE**, including labor and materials. These costs will be assessed and made available to the **AFFILIATE ORGANIZATION** within 48 business hours of occurrence. The parties agree that the **VILLAGE** does not assume and expressly waives responsibility for damage to or loss of any materials or equipment left in the **FACILITIES**, on display, or in storage.

No equipment is to be stored onsite unless prior approval from the **VILLAGE**. The **VILLAGE** is not responsible for **AFFILIATE ORGANIZATON** equipment.

SPECIAL REGULATIONS

The **AFFILIATE ORGANIZATION** shall not permit participants, coaches, employees, representatives, or invited or uninvited guests or spectators to bring onto, or possess on **VILLAGE** premises, weapons, contraband, alcohol, explosives, fireworks, or other controlled substances. The **AFFILIATE ORGANIZATION** shall provide adequate adult supervision of minors participating in Events and activities (1 adult:12 minors). For the purpose of the agreement, a “minor” is any person under the age of 18 years. The supervisor(s) shall be in charge of the group and shall be responsible for seeing that the terms and conditions of this agreement are met.

The **AFFILIATE ORGANIZATION** shall be responsible for complying with all local, state, and federal laws, and safety provisions.

The **AFFILIATE ORGANIZATION** will be responsible for obtaining a Special Events permit from the Village of Algonquin’s Community Development Department for events that are outside the parameters of a general game, practice, and scrimmage. This would include tournaments, meets, invitationals, etc.

LIAISON(S)

The **VILLAGE** and the **AFFILIATE ORGANIZATION** will both provide a minimum of one (1) and a maximum of two (2) liaison(s) who will communicate and address any questions, concerns and/or issues between the **VILLAGE** and the **AFFILIATE ORGANIZATION**. The purpose of the liaison is to ensure consistency and continuity between the two parties when questions, concerns, and/or issues arise. The Liaisons will be the only people to communicate problems, concerns, or issues between the two parties.

- 1) The Liaisons from both parties must:
 - a) Enforce and obey all facility regulations, as well as other federal, state, and local regulations.
 - b) Provide contact information including:
 - i) Home/Work Telephone
 - ii) Cellular Telephone
 - iii) Email Address
 - iv) Mailing Address
 - c) Be consistent when relaying information to their party.
 - d) Answer/Resolve the question, concern, and/or issue within the parameters of their position or refer the question, concern and/or issue to the appropriate personnel.
 - e) Be given a copy of this Agreement.

FOOD AND BEVERAGES

Food and/or beverages shall not be sold at the **FACILITIES**, unless prior written agreement through the **VILLAGE** is obtained. This agreement does not cover food and/or beverages sold in the Concession Stands located at various **VILLAGE FACILITIES**. **AFFILIATE ORGANIZATION** must comply with all local, state, and federal laws as it pertains to the sale and/or preparation of food and beverage items at the concession stands at the **FACILITIES**.

Alcoholic beverages are not permitted at any **VILLAGE FACILITIES**.

MERCHANDISE SALES

With written approval of the management of the **FACILITIES**, **AFFILIATE ORGANIZATION** may sell at the **FACILITIES** clothes, souvenirs, programs, or other merchandise at the **FACILITIES**. Such merchandise shall not bear **VILLAGE** trademarks or the name or picture of **FACILITIES**. Such merchandise must be in good taste, not state or imply an endorsement of **AFFILIATE ORGANIZATION** or Event or Activity by the **VILLAGE**.

SPONSORSHIP

The **VILLAGE** and the **FACILITIES** shall not be deemed to sponsor any activities conducted by **AFFILIATE ORGANIZATION** at the **FACILITIES** or elsewhere, and no literature or publicity shall indicate **VILLAGE** or **FACILITIES** sponsorship. Use of the **FACILITIES** for the purpose of commercial exploitation is prohibited. All posters, banners, etc., will be subject to approval by the Village Manager.

CANCELLATION OR CHANGES IN REQUEST

Written notification of cancellation by the **AFFILIATE ORGANIZATION** must be received by the **VILLAGE** fourteen (14) days prior to the first day of scheduled practice. Notification of cancellation by the **AFFILIATE ORGANIZATION** received after fourteen (14) days prior to the start of the season will result in the **AFFILIATE ORGANIZATION** being held liable for 50% of the Basic Facility Charge and any Special Service Charges which have accrued to the Village. Any changes to this agreement must be done in writing and signed by both parties.

Should the conduct of the events and activities contemplated by the **AFFILIATE ORGANIZATION** at the **FACILITIES** be prohibited or prevented by any laws, proclamations or decrees, or if such conduct is prevented or substantially impeded by an "Act of God", strikes, labor disturbances, demonstrations, war, riot or other like cause, such game, contest, practice, scrimmage, meeting, or exposition (collectively, "events and activities") shall be rescheduled, if practical, for a time mutually agreeable to the parties.

Should such Events and activities not be rescheduled, **AFFILIATE ORGANIZATION** shall reimburse the **VILLAGE** for its actual expenses incurred in anticipation of and preparation for such events and activities. If the **AFFILIATE ORGANIZATION** has prepaid for such events and activities, the **VILLAGE** will prorate for the actual usage and refund remaining funds.

TERMINATION BY VILLAGE

The **VILLAGE** shall have the right to immediately terminate this Agreement by verbal notice to **AFFILIATE ORGANIZATION** representative. The **AFFILIATE ORGANIZATION** will be responsible for any Personnel and Special Service Charges, as well as any Basic Facility Charges for any and all use prior to the verbal termination.

ENTIRE AGREEMENT

This agreement constitutes the entire Agreement between the parties relating to the use of **FACILITIES** and supersedes any previous agreements or understandings.

GOVERNING LAW

This Agreement shall be construed according to laws of the State of Illinois. The Parties consent to the exclusive jurisdiction of the 22nd Judicial Circuit Court, McHenry County, Illinois, and waive all objections, including those as to venue, to same.

AUTHORITY

The person(s) signing below for the **AFFILIATE ORGANIZATION** hereby affirm that they have authority to bind that organization to this Agreement. In the event or to the extent that is not true, the signer agrees to assume personally all of the obligations and commitments herein agreed.

VILLAGE REMEDIES

The **VILLAGE** shall be entitled to enforce its rights hereunder through injunctive relief. The **VILLAGE** shall be entitled to receive its reasonable costs and attorney fees in bringing suit to enforce such rights.

AMENDMENT

This Agreement shall not be amended except upon written agreement of the **VILLAGE** and **AFFILIATE ORGANIZATION** and upon ratification by action of the Village Board.

SEVERABILITY

Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be valid and effective under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

EXTENSION OF AGREEMENT

This is a perpetual renewal agreement that will be annually reviewed to ensure provisions are met.

GENERAL CONDITIONS

- 1) If any term, covenant, or condition of this Agreement is declared invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect.
- 2) This agreement constitutes the entire agreement between the Village and the **AFFILIATE ORGANIZATION**. This Agreement may not be modified or amended except by written agreement of all parties.

NOTICES

All notices under this Agreement shall be sent to the following parties at the following addresses:

VILLAGE

Village of Algonquin
Village Manager’s Office
2200 Harnish Drive
Algonquin, IL 60102

FACILITIES: Exhibit A-Supplemental Agreement

CODE OF CONDUCT: Exhibit B

AFFILIATE ORGANIZATION:

Algonquin Area Youth Organization (AAYO)
P.O. Box 265
Algonquin, IL 60102

Village of Algonquin

AAYO

Printed Name of Authorized Signature

Printed Name of Authorized Signature

Title: _____

Title: _____

Signature

Signature

Date

Date

**2025 SUPPLEMENTAL CONTRACT BETWEEN
THE VILLAGE OF ALGONQUIN & ALGONQUIN AREA YOUTH ORGANIZATION
FOR USE OF THE
VILLAGE OF ALGONQUIN BASEBALL/SOFTBALL FIELDS**

This contract is supplemental to the ONE year agreement for baseball/softball seasons conducted by the Algonquin Area Youth Organization at the Village of Algonquin's ballfields listed below. This supplemental contract will be for the Spring and Fall seasons conducted in the year of 2025.

2025 USAGE DATES & TIMES

The AAYO season begins on _____. During this time, AAYO is permitted to utilize the specified fields for practices and games, and the Village will provide maintenance and schedule lighting based on schedule submitted by 3/31/25 as deemed appropriate for such activities as outlined in the full one-year agreement.

Approved Field Locations for 2025 Spring and Fall Seasons

Location	Storage Available	Maintenance Provided by Village Of Algonquin	Dates unavailable for use
Algonquin Lakes Park 700 Lake Plumleigh Way Algonquin, IL 60102	Storage Building in Pavilion	Will roll infield edges in the Spring and spray for weeds, weekly mowing. Daily maintenance will be provided by AAYO	4/12/25 (Special Event until 11:00am)
Gaslight Park 700 Terrace Drive Algonquin, IL 60102	2 AAYO Knaak Boxes (no larger than 60" w x 30" d)	Will roll infield edges in the Spring and spray for weeds, weekly mowing. Daily maintenance will be provided by AAYO	
Holder Park 1040 Timberwood Lane Algonquin, IL 60102	Temporary Shed through 2025 Fall Season	Will roll infield edges in the Spring and spray for weeds, weekly mowing. Daily maintenance will be provided by AAYO	
Jaycees Field 1295 Parkwood Circle Algonquin, IL 60102	2 AAYO Knaak Boxes (no larger than 60" w x 30" d)	Will roll infield edges in the Spring and spray for weeds, weekly mowing. Daily maintenance will be provided by AAYO	Used for practice only per AAYO
Kelliher Park 800 Square Barn Road Algonquin, IL 60102	Storage Building in Pavilion **Temporary outfield fence must be taken down at the end of each day and stored as not to interfere with mowing**	Will roll infield edges in the Spring and spray for weeds, weekly mowing. Daily maintenance will be provided by AAYO	
*Presidential Park 700 Highland Avenue Algonquin, IL 60102	Storage Shed	Village will do all maintenance, minus moving bases and pitching mounds	*4/1/25-7/31/25 Fields will be unavailable **Availability for Fall season may vary during the weekdays.
*Snapper Field 599 Longwood Drive Algonquin, IL 60102	AAYO Storage shed	Will roll infield edges in the Spring and spray for weeds, weekly mowing. Daily maintenance will be provided by AAYO	6/21/25 (Trails Meet)

Willoughby Farms Park 2001 Wynnfield Drive Algonquin, IL 60102	2 AAYO Knaak Boxes (no larger than 60" w x 30" d)	Will roll infield edges in the Spring and spray for weeds, weekly mowing. Daily maintenance will be provided by AAYO	Used for practice only per AAYO
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**Location may experience closure during timeframe of this agreement. The Village will notify AAYO regarding timeframes for closures.*

***AAYO will be responsible for providing and maintaining Knaak Boxes*

User Fees For 2025 Spring and Fall Seasons

The following are the User Fees that will be assessed annually for both spring and fall by the Village for use of the facilities as indicated in submitted schedule:

<i>Cost per Participant per season (roster of all players including addresses must be submitted by 5/15/25 for Spring and 9/15/25 for Fall)</i>	<i>Fees for 2025- Spring- \$18/player Fall- \$20/player</i>
<i>Tournament Charge (Per site, per day at Kelliher or Algonquin Lakes)</i>	<i>\$200.00</i>
<i>Tournament Charge Presidential Fields (Per day)</i>	<i>\$350.00 Available starting in August</i>
<i>Kelliher/Presidential Light Charge per hour (based on schedule submitted by 4/1/25)</i>	<i>\$25.00 per hour</i>

LIASON CONTACT INFORMATION

VILLAGE OF ALGONQUIN

Stacey VanEnkevort

2200 Harnish Drive

Algonquin, IL 60102

w: (847) 658-6252

e: staceyvanenkevort@algonquin.org

ALGONQUIN AREA YOUTH ORGANIZATION

Name: _____

Address: _____

City, State, Zip: _____

Work/Home: _____

Emergency: _____

Email: _____

EMERGENCY AND/OR INCLEMENT WEATHER CANCELLATION CONTACTS

In the event of inclement weather cancellations/closure and/or emergency situations, the following are the additional contacts for:

VILLAGE OF ALGONQUIN

Vince Kilcullen

847-456-5307

ALGONQUIN AREA YOUTH ORGANIZATION

Name: _____

Telephone: _____

Name: _____

Telephone: _____

Name: _____

Telephone: _____

NOTICES

All notices under this Supplemental Contract to the 2025 Affiliate Agreement shall be sent to the following parties at the following addresses:

VILLAGE:

Village of Algonquin
Tim Schloneger, Village Manager
2200 Harnish Drive
Algonquin, IL 60102

FACILITY:

Algonquin Ballfields
Stacey VanEnkevort, Recreation Director
2200 Harnish Drive
Algonquin, IL 60102

LESSEE:

Algonquin Area Youth Organization

Village of Algonquin

AAYO

Signature

Tim Schloneger, Village Manager

Date

Signature

Date

Attest:

Signature

Fred Martin, Village Clerk

Date

Signature

Date



VILLAGE OF ALGONQUIN
GENERAL SERVICES ADMINISTRATION

– M E M O R A N D U M –

DATE: May 6, 2024

TO: President Sosine and Village Board of Trustees

FROM: Tim Schloneger

SUBJECT: MD Health Pathways presentation

MD Health Pathways (MDHP) is a healthcare company that partners with municipalities to serve communities. They provide residents unlimited access to high-quality healthcare, regardless of their insurance coverage, through Text-Based Care. Their ‘Access for All’ Program makes their service available by placing a charge on resident’s water bill.

Their mission is to improve healthcare access and health outcomes at an individual level while creating positive, transformative impacts for entire communities, while also generating non-tax revenue streams for municipalities to assist residents.

HOW IT WORKS - HEALTHCARE WITH A SIMPLE TAP

- Text-Based Care: Just send a text, and immediate care flows to you, no internet required.
- No Travel or Appointments: Healthcare comes to your doorstep, without leaving home.
- Immediate Connection: Reach a provider instantly, anywhere by phone.
- Comprehensive Services: Follow-up care, referrals, prescriptions – it’s all at your tap.

MD Health Pathways provides healthcare that’s as immediate as a tap and as personal as a doctor’s home visit.

Dear Mr. Schloneger,

Thank you for visiting with me the other day to discuss MD Health Pathways and for the invitation to visit with your Village Board. I wanted to provide you with high-level information about our program and how we can add a very valuable (and essential) service to the Village residents (at no cost to the Village).

We firmly believe our program will help Algonquin create a healthier community while saving the village, its residents, and local businesses a considerable amount of money.

MD Health Pathways: Affordable, Accessible Healthcare for All

MD Health Pathways works with cities to provide reliable healthcare for every citizen at an affordable cost. For just \$9 per month / per household, residents can access unlimited healthcare services 7 days a week, without additional charges.

Key Points:

- **Affordable:** For less than the cost of one doctor's visit, up to 10 people per family will receive full access to a physician (within minutes) for the entire year.
- **Risk-Free:** There's a 90-day refundable trial, so residents can try the service with no commitment.
- **Reduced Prescription Costs:** Through a partnership with Mark Cuban's Cost Plus Drug Company, citizens can fill prescriptions at significantly lower prices.
- **Reduced ER and Urgent Care Visits:** 97% of patients will not need to go to the emergency room, thanks to the healthcare services available. When extra tests are needed, there are low-cost options that provide citizens with \$75 X-rays, \$200 CT scans, and \$450 MRIs with no insurance required.

Local News Coverage, Videos, Community Impact:

- Community Impact Video:
[https://mdhealthpathways.com/wp-content/uploads/2023/01/MDHealthPathways-
_TOPVIDEOBANNER- v03.mp4](https://mdhealthpathways.com/wp-content/uploads/2023/01/MDHealthPathways-
_TOPVIDEOBANNER- v03.mp4)
- City of Ferris:
<https://youtu.be/uvM6CfnsKIE>
- Key Highlights:
<https://mdhealthpathways.com/telehealth/>

Additional Benefits:

- **Free Coverage for All Village Employees:** City employees will receive this coverage at no cost, potentially reducing healthcare expenses for the village.

- **Increased Usage:** Cities that have partnered with MD Health Pathways report that it's the most used city service with an average of 88% of the population choosing to participate.
- **Emergency Services Relief:** The program has helped reduce emergency medical service calls by 25%, easing the burden on local emergency services.

Easy to Implement:

- Cities collect the **\$9 monthly payment** from residents through the monthly water bill which is then forwarded to MD Health Pathways.
- Residents are automatically enrolled, but they can opt out at any time.
- The program is available in numerous languages to serve all citizens.

Why It Works:

- **Low-Cost:** Healthcare that's affordable for everyone.
- **Convenient:** Available 7 Days a week.
- **Comprehensive:** Unlimited healthcare with no extra charges.
- **No Risk:** 90-day trial and easy opt-out.

MD Health Pathways is a simple, effective way to ensure that everyone in the city has access to quality healthcare while also supporting the community.

Sincerely,

Brian Davis
Vice President, Business Development
MD Health Pathways

214-476-3430

bdavis@bdaconsultinggroup.com



STRENGTHENING HEALTHCARE CONNECTIONS

Chesterfield County benefits from a robust network of healthcare providers who are dedicated to serving the community. Despite their efforts, some residents may encounter difficulties accessing timely and affordable care. Additionally, it can sometimes be challenging for healthcare partners to reach the uninsured who need their services. MD Health Pathways is here to bridge these gaps and strengthen the local healthcare ecosystem.

CONNECTING PATIENTS TO CARE

MD Health Pathways provides immediate access to healthcare through simple text messaging, offering a convenient and affordable solution for individuals who:

- Lack health insurance or face high deductibles
- Struggle with transportation or work schedules
- Need after-hours care
- Are unaware of available healthcare options within the community

GUIDING PATIENTS TO A MEDICAL HOME

We understand that a one-time telehealth visit isn't a substitute for a medical home. We act as a bridge to connect patients with appropriate local resources, such as:

- FQHCs and community health clinics
- Primary care physicians and specialists
- Mental health providers
- Medicaid and other healthcare assistance programs

EMPOWERING COMMUNITY HEALTH PARTNERS

MD Health Pathways supports community health partners by:

- Raising awareness of their services among residents who might not know where to turn for care.
- Driving patient volume by connecting individuals to providers who meet their specific needs and insurance status.
- Reducing the burden of uncompensated care by helping patients access appropriate resources and insurance coverage.

BUILDING A STRONGER HEALTHCARE SYSTEM

Facilitating connections between patients and providers:

- Improves access to care for all residents, regardless of their circumstances.
- Strengthens the financial health of community health partners.
- Reduces the strain on emergency departments and hospitals.
- Promotes continuity of care and better health outcomes.

text, call, or facetime
our providers in seconds!



SIMPLE STEPS TO CARE

1. Patients start with a simple text to receive care
2. Providers diagnose, treat, advise and if additional information is needed, patients can text photos, Facetime, or place a call with providers
3. Providers follow-up within 48 hours, give referrals, and provide prescriptions as necessary



CITY MANAGER'S OFFICE

MAYOR

Fred C. Pontley

October 8, 2024

CITY COUNCIL**Mayor Pro Tem**

Tommy W. Scott

Place 1

Clayton Hunter

Place 2

Norman M. Heckathorn

Place 4

Jay Walsh

Place 5

Norris Elverton

CITY MANAGER

Brooks Williams

The City of Ferris has made remarkable progress in transforming its emergency healthcare system through the MD Health Pathways Tap Telehealth program. This initiative was designed to provide residents with easy access to their everyday healthcare needs, reducing the burden on emergency medical services (EMS) and lowering healthcare costs for residents. Since its introduction, the program has consistently delivered results, leading to fewer EMS calls, significant financial savings, reduced school absences, and a healthier, more empowered community.

While Ferris has experienced a steady decline in EMS call volumes from 2022 to 2024, this stands in stark contrast to both state and national trends, where EMS call volumes have risen sharply. Across Texas, EMS call volumes have increased by 8-10% annually in recent years, with similar trends observed nationwide. This growth is driven by factors such as an aging population, which has led to more emergency calls for age-related conditions like falls and chronic illnesses. Additionally, in many areas—particularly rural and suburban regions of Texas—limited access to primary care has forced residents to rely on EMS for non-emergency needs. The aftermath of the COVID-19 pandemic has only exacerbated these challenges, with delayed care for chronic conditions and mental health crises putting even more pressure on EMS systems.

In contrast, Ferris has reduced EMS call volume by 19%, representing an annual decrease between 2022 and 2024. This inverse relationship—where Ferris' EMS call volume has decreased while both state and national averages continue to rise—demonstrates the success of the Tap Telehealth program in diverting non-emergency healthcare needs away from EMS, resulting in more appropriate and cost-effective care. As other cities face increasing pressure on their EMS systems, Ferris' proactive approach has allowed the city to reallocate resources and improve the efficiency of its emergency response operations, positioning itself as a model of healthcare innovation.

Financial Savings for the City

The reduction in EMS calls has had a profound financial impact on the City of Ferris. Each avoided EMS call saves the City an estimated \$1,200. Freeing up valuable resources to be allocated to other important city projects.

Beyond cost savings, this reduction in EMS demand has improved operational efficiency for emergency services, allowing Ferris to reallocate resources and prioritize critical emergency responses. This realignment of EMS capacity aligns with national trends in community paramedicine, which focus on diverting non-emergency calls to appropriate healthcare services.



CITY MANAGER'S OFFICE

MAYOR
Fred C. Pontley

By adopting such innovative approaches, cities like Ferris are able to stretch their emergency response resources further and provide better care for those in urgent need.

CITY COUNCIL

Mayor Pro Tem
Tommy W. Scott

Empowering Residents with Affordable Healthcare

The success of the MD Health Pathways Tap Telehealth program extends beyond EMS call reduction. The program has also empowered Ferris residents by providing affordable healthcare options that reduce out-of-pocket expenses for medical care.

Place 1
Clayton Hunter

- 67% of households in Ferris have registered for the program, reflecting broad community engagement.
- 61% of those households have used the service at least once, with many utilizing it as a primary means of addressing non-emergency healthcare needs.

Place 2
Norman M. Heckathorn

Without the Tap Telehealth program, residents would have been forced to seek care through more expensive, traditional healthcare channels:

Place 4
Jay Walsh

- 21% would have visited a primary care physician (PCP), where national appointment wait times exceed 20 days
- 39% would have gone to an emergency room (ER), where the average visit costs \$1,600.93.
- 40% would have sought urgent care outside of the city limits, which costs an average of \$258 per visit for uninsured individuals.

Place 5
Norris Elverton

Collectively, Ferris residents not only experienced a significant cost savings using the Tap Telehealth program but also were able to avoid both work and school absences. These savings reflect the program's ability to deliver care in a way that is not only affordable but also accessible and responsive to the community's needs.

CITY MANAGER
Brooks Williams

This model of healthcare delivery mirrors trends seen in larger metropolitan areas where innovative, community-based healthcare solutions are helping reduce dependency on emergency services. Ferris, as a smaller city, is demonstrating that it is possible to apply these solutions in a way that works for both rural and suburban populations.

Transforming Education Through Health

One of the most significant impacts of Tap Telehealth has been on the community's youngest members, with far-reaching educational and financial implications:

- 58% of all Tap Telehealth encounters were for school-age children.
- This focus on youth health has led to a 20% reduction in school absence days for those who utilized this convenient service
- The reduction in school absences has a direct financial impact on the school district. In Texas, schools are funded based on weighted daily average attendance, meaning fewer absences translate to increased funding for education.



CITY MANAGER'S OFFICE

MAYOR

Fred C. Pontley

CITY COUNCIL**Mayor Pro Tem**

Tommy W. Scott

Place 1

Clayton Hunter

Place 2

Norman M. Heckathorn

Place 4

Jay Walsh

Place 5

Norris Elverton

CITY MANAGER

Brooks Williams

By keeping children healthier and in school, Tap Telehealth is not only improving individual health outcomes but also enhancing educational opportunities, community well-being, and the financial stability of local school systems.

Adoption of Tap Telehealth

The program's adoption has grown steadily since its inception. In 2021, only 21% of households were registered. By 2024, adoption had increased to 67%, reflecting strong community trust in the program's effectiveness. This rise in adoption is directly correlated with the decrease in EMS call volume, as more residents turn to the program for their non-emergency healthcare needs.

The Tap Telehealth program has been one of the city's most utilized benefits and is a critical component of Ferris's broader healthcare strategy, which seeks to provide high-quality care without overburdening emergency services. Its success is built on the principles of convenience, affordability, and accessibility — all of which contribute to its growing popularity among residents.

Additionally, the program's high satisfaction rate (with 97% of users expressing satisfaction and 98% recommending it to others) highlights its acceptance and the value it brings to the community. These figures align with national satisfaction rates for similar community paramedicine and healthcare diversion programs, which have been shown to reduce hospital admissions, lower healthcare costs, and improve overall patient outcomes.

Sincerely,

Brooks Williams
City Manager
City of Ferris, TX

HORTON

A Marsh & McLennan Agency LLC Company

The Future of Healthcare:

Have We Reached The Tipping Point?

Presented by:

Mike Wojcik, Senior Vice President, MBA, CLU, CFP®, GBA

Growing what's good.

THE HORTON GROUP

Agenda

- State of the Healthcare Market
- Stakeholder Landscape
- Game Changers
- Employers Want More Control
- Compliance – Law Changes: Federal & State

The Elephant In The Room

The Patient Experience Is Not Good.*

73% of U.S. Adults say that the healthcare system is not meeting their needs. The biggest pain points didn't have much to do with quality of care but *the experience* they feel. Perception is reality.

- 61% say healthcare is not affordable
- 40% feel healthcare is ***too focused on profit***
- 28% difficulty understanding what is covered
- 19% the healthcare system is only focused on treating illness and injury, not preventative care or wellness

America's rating of the healthcare system has fallen to its lowest in 24 years and views nationally remain negative, however, they rate their own healthcare quality and coverage positively.** More Education is Needed!

* American Academy of Physician Associates

** Gallup Poll

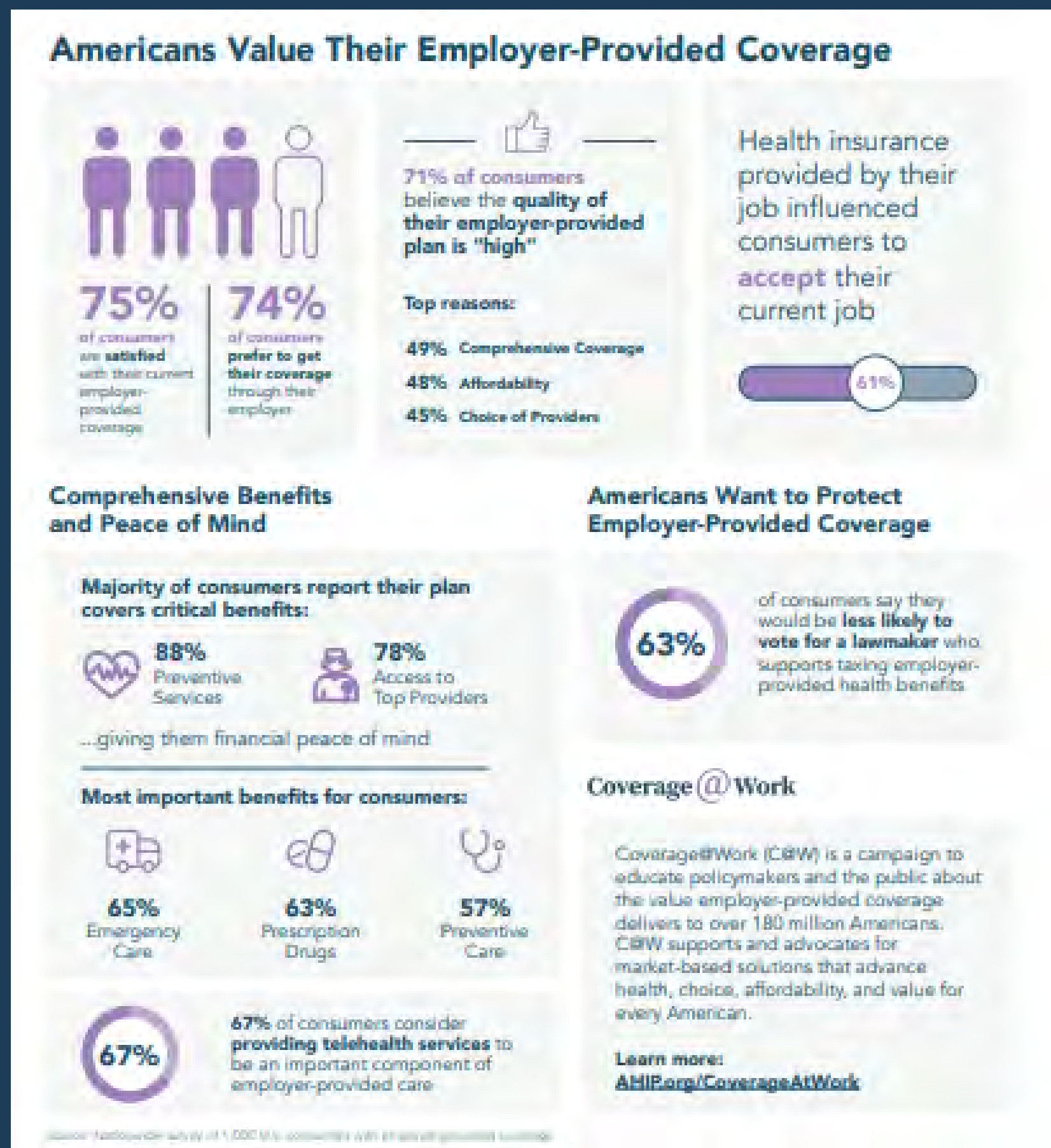
However, There Is High Satisfaction with Employer-Provided Health Coverage *

More than half of Americans (180M) people receive health care coverage through their employer.

75% of employees are satisfied with their current employer-provided plans.

74% prefer to get their coverage through an employer rather than through the federal or state government.

63% chose their employer due to their benefit plan.



*AHIP survey - Association of Health Insurance Plans

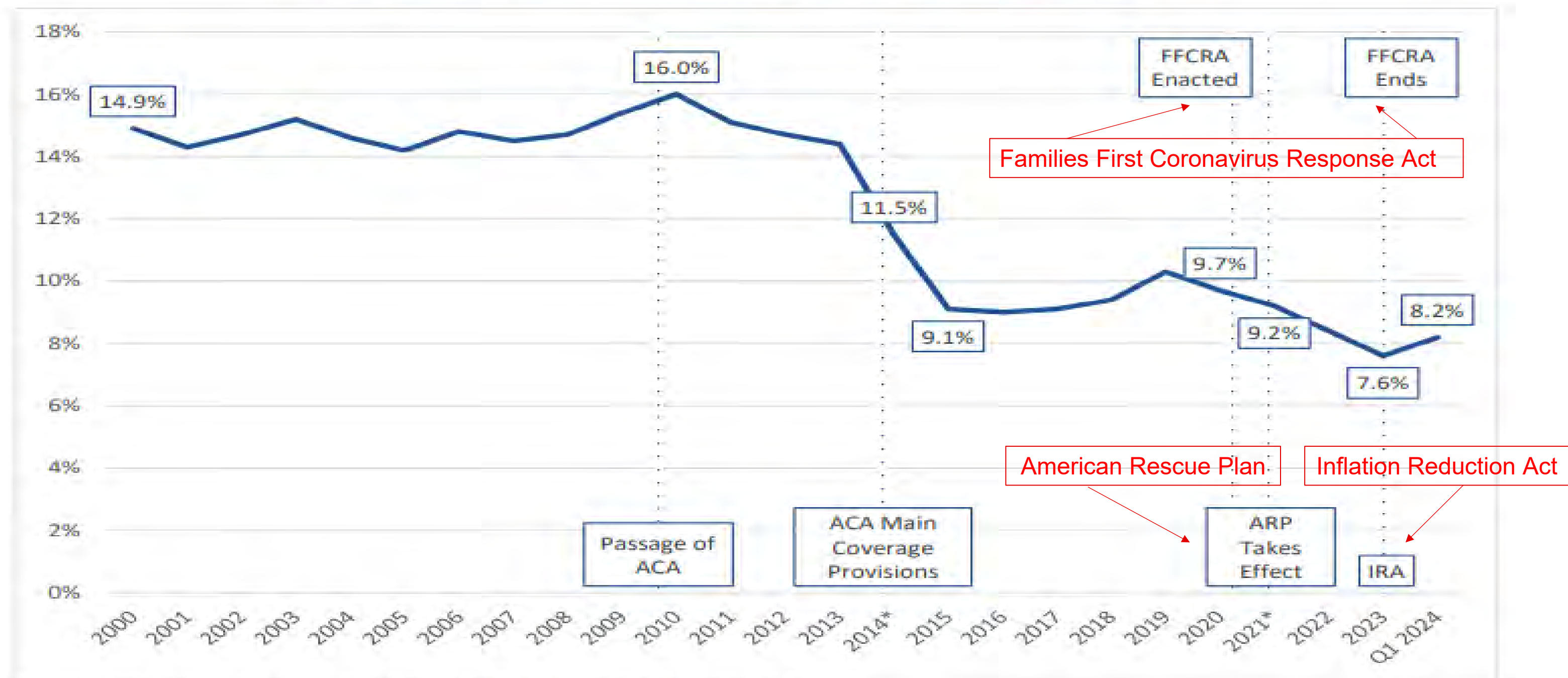
HEALTHCARE

The State Of The Healthcare Market



Uninsured Rate for Adults 18-64 = 8.2%*

Figure 1. National Uninsured Rate, All Ages (2000 – Q1 2024)



Source: National Health Interview Survey's Health Insurance Coverage Reports.

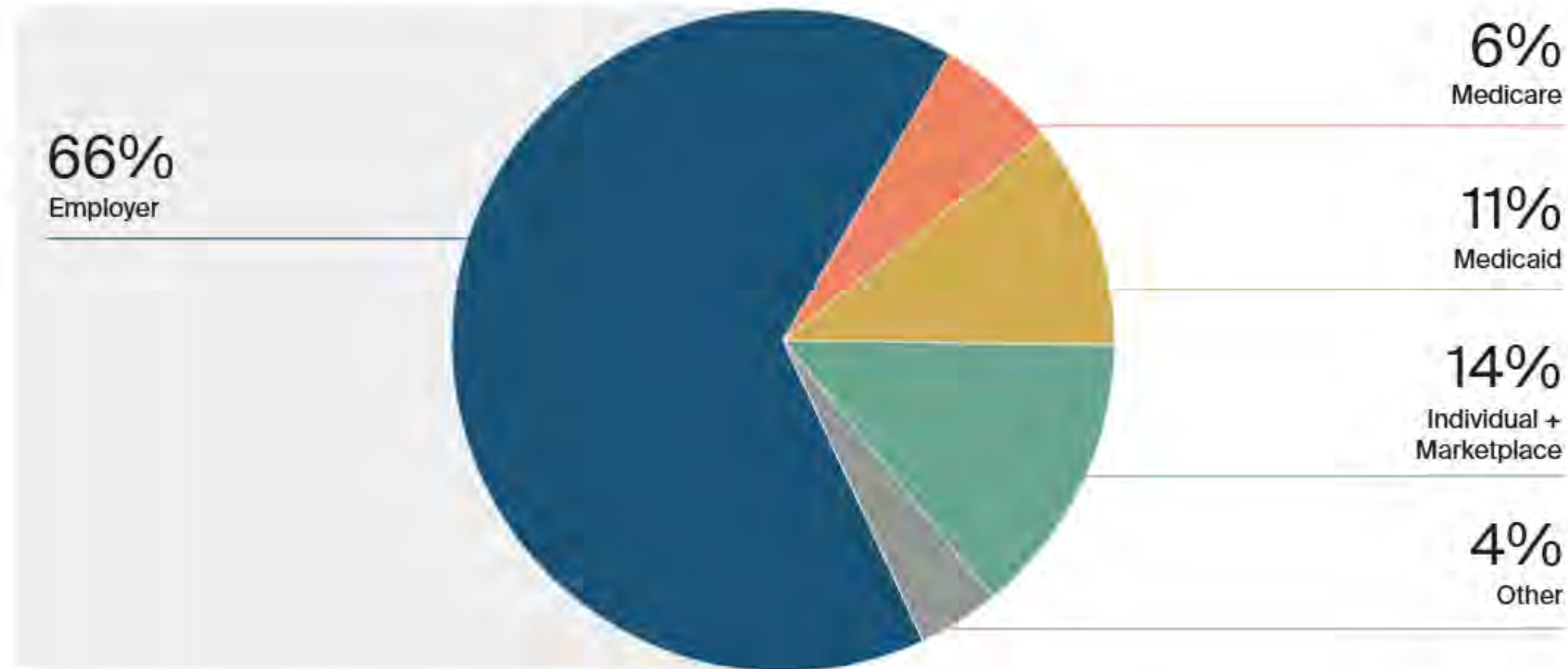
<https://www.cdc.gov/nchs/nhis/healthinsurancecoverage.htm>; Health Insurance Coverage: Early Release of Quarterly Estimates From the National Health Interview Survey, January 2023 – March 2024.

- The Marketplace continues to attract Membership (24M) due to stimulus plans, most recently Inflation Reduction Act, bringing cost to \$10 per plan many.
- Without these credits, approximately 2.2M can lose coverage in 2026 and up to 3.7M by 2027.**What impact will that have on the healthcare ecosystem?

*HHS, ** CBO

Employers Are Plan of Choice, if Available!

Percentage of adults ages 19–64 who were “insured all year, underinsured,” by coverage type



Notes: “Insured all year, underinsured” refers to adults who were insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equaled 10% or more of household income; out-of-pocket costs, excluding premiums, equaled 5% or more of household income if low income (<200% of poverty); or deductibles equaled 5% or more of household income. Coverage type shows coverage at the time of the survey. Segments may not sum to 100% because of rounding.

Data: Commonwealth Fund 2024 Biennial Health Insurance Survey.

Source: Sara R. Collins and Avni Gupta, *The State of Health Insurance Coverage in the U.S.: Findings from the Commonwealth Fund 2024 Biennial Health Insurance Survey* (Commonwealth Fund, Nov. 2024). <https://doi.org/10.26099/byce-qc28>

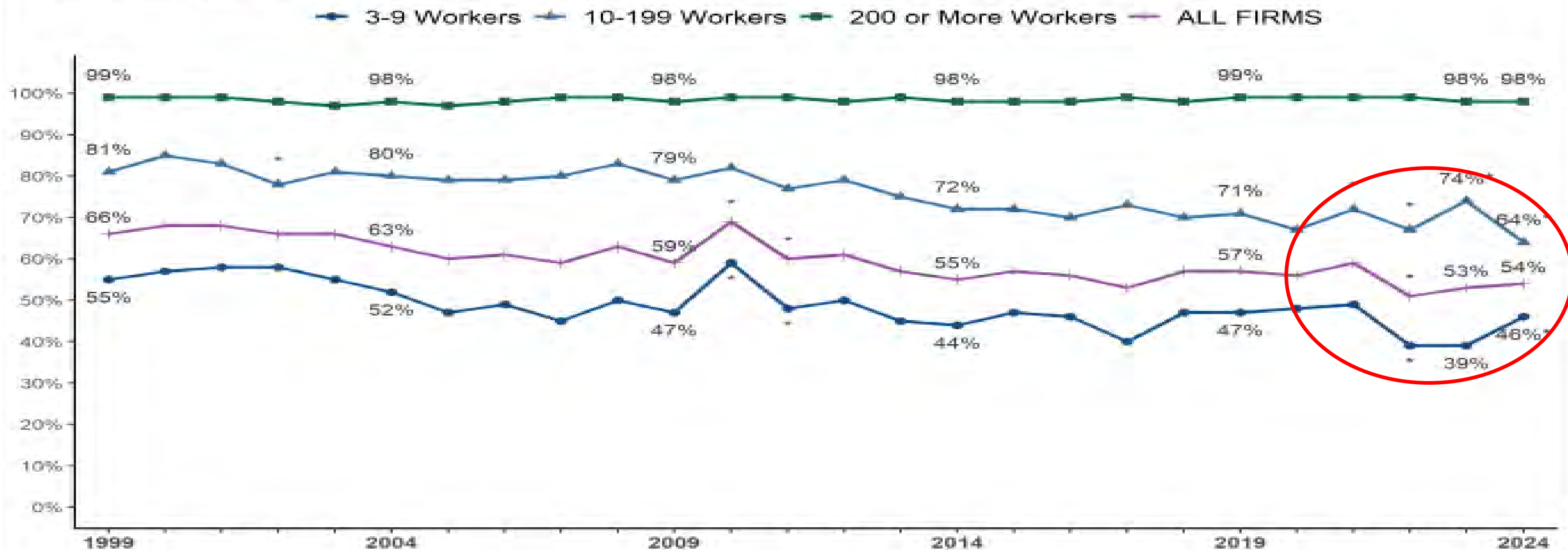
- Employers are frustrated at paying 254% of Medicare rates for Hospital services.*
- They are ready to explore new cost containment options.

*Rand Study

Small Employers <50 Test Dropping Coverage

Figure 2.2

Percentage of Firms Offering Health Benefits, by Firm Size, 1999-2024



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

NOTE: Estimates are based on both the sample of firms that completed the entire survey and those that answered just one question about whether they offer health benefits (See Methods). Firm size categories are determined by the number of workers at a firm, which may include full-time and part-time workers.

SOURCE: KFF Employer Health Benefits Survey, 2018-2024; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

- Due to ACA Options smaller employers tested dropping healthcare coverage, however they're finding attraction, retention and productivity is better when offering it.

**Gusto Administrative Services*

Premiums Increase at Record Pace

Higher premium increases than in the past 13 years!

Figure 2

Average Annual Increases in Premiums for Family Coverage Compared to Other Indicators, 2000-2024



* Family Premiums Estimate is statistically different from estimate for the previous year shown ($p < .05$).

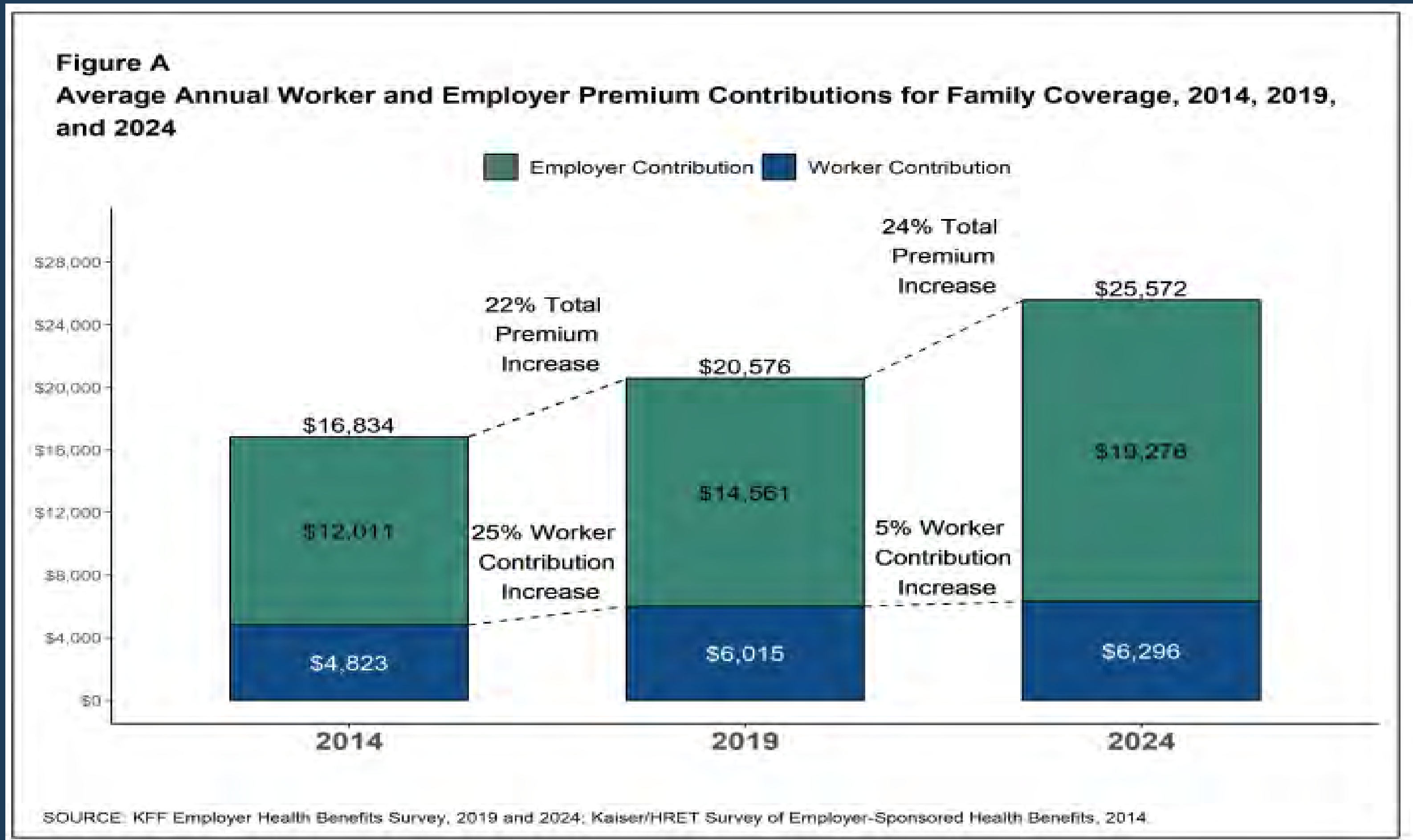
SOURCE: KFF Employer Health Benefits Survey, 2018-2024; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation, 1999-2024; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2024.

KFF 2

*2024 KFF Survey

Cost Share Has Not Kept Pace with Premiums

Premiums have increased considerably since 2014; however, Worker Contribution has not kept pace in comparison, especially since 2019.



*2024 KFF

Trend Effects Cost

Consultant Trend Projections for 2025

Consultant	Overall Trend No cost cutting measures applied All size groups. Medical & Pharmacy combined.
AON	9.2%*
Business Group on Health	8%
International Foundation of Employee Benefit Plans	8%
McKinsey & Company	9% to 10%
Mercer	7%
PWC	8%
Kaiser	7%
Segal	8%
Pharmacy Markets	10%-14%

- In some cases, 1% of trend is attributable to GLP-1 weight loss drugs alone.

Influencers - Follow The Money

Health Lobbying through September 30, 2024: \$562,332,190*

Top Influencers in Healthcare*	Total Spend on Lobbying	Total Number of Lobbyists
Pharmaceuticals/Health Products	\$293,701,614	1,736
Hospitals / Nursing Homes	\$95,671,798	896
Health Services / HMOs	\$89,401,024	980
Health Professionals	\$75,056,387	734
Miscellaneous Health	\$8,501,367	288

* Open Secrets

100 Most Influential Individuals in Healthcare

What Industries or Entities are Represented Most.*

Health Services / Hospital	47
Health Insurance	5
Health Administrative Resources	15
Government	5
Pharmacy	8
Physician	3
Venture Capital	3
Nurses	3
Health Foundation	2
AARP	1
Union	1

Most Notable -
Nominations closed October 7,
Published December 9th.

#1	United Health Group	Andrew Witty, CEO
#2	EPIC	Judy Faulkner, CEO
#3	Federal Trade Commission	Linda Kahn, Chair
#10	Cost Plus RX	Mark Cuban, Co-Founder

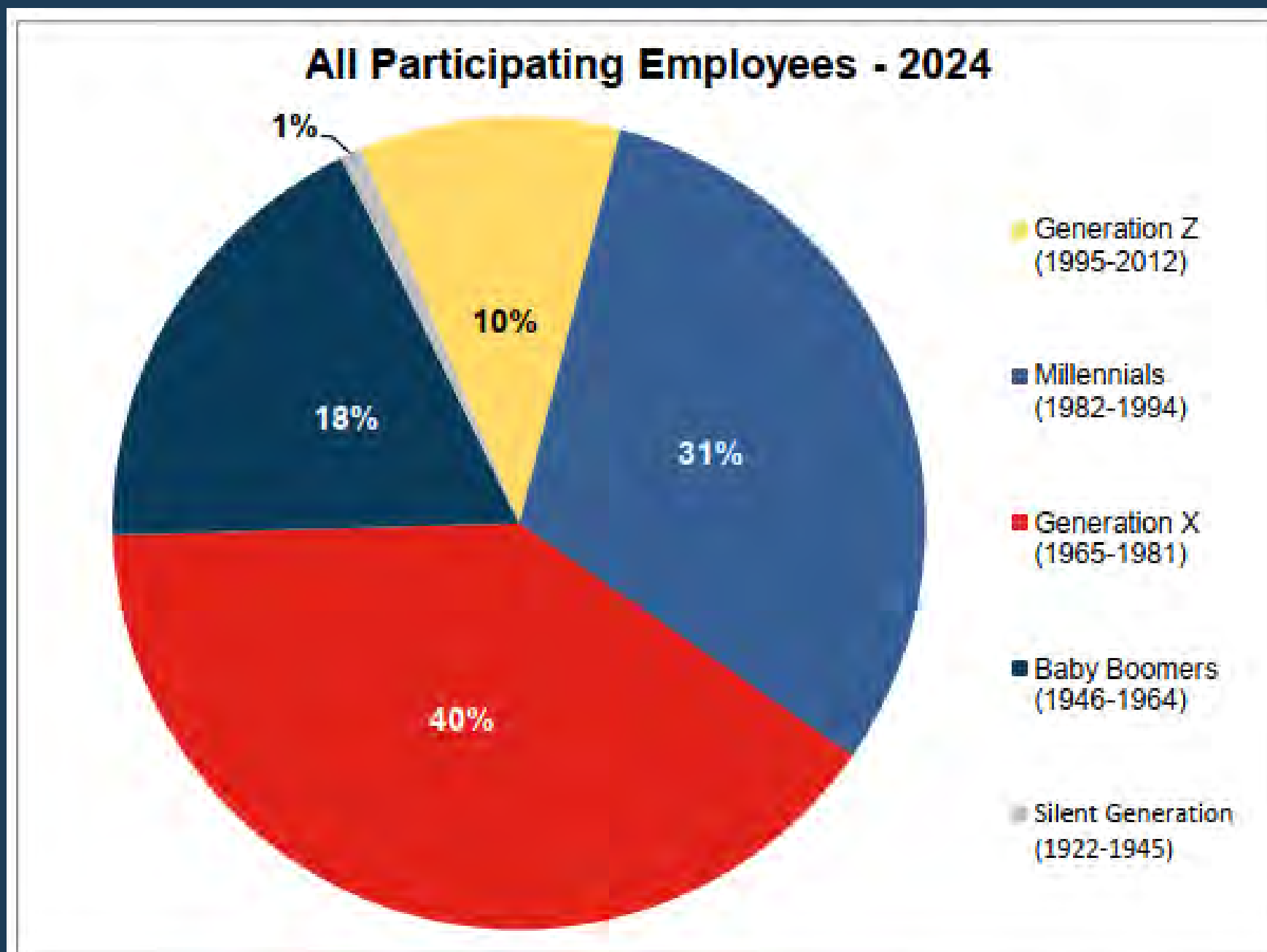
Mark Cuban's focus is disrupting healthcare through pharmacy.

- Fastest Growing C-Suite Roles in Healthcare: Chief Data Officer, Legal , HR, Product, CEO, Technology, Commercial, Information Security, People, Marketing.**

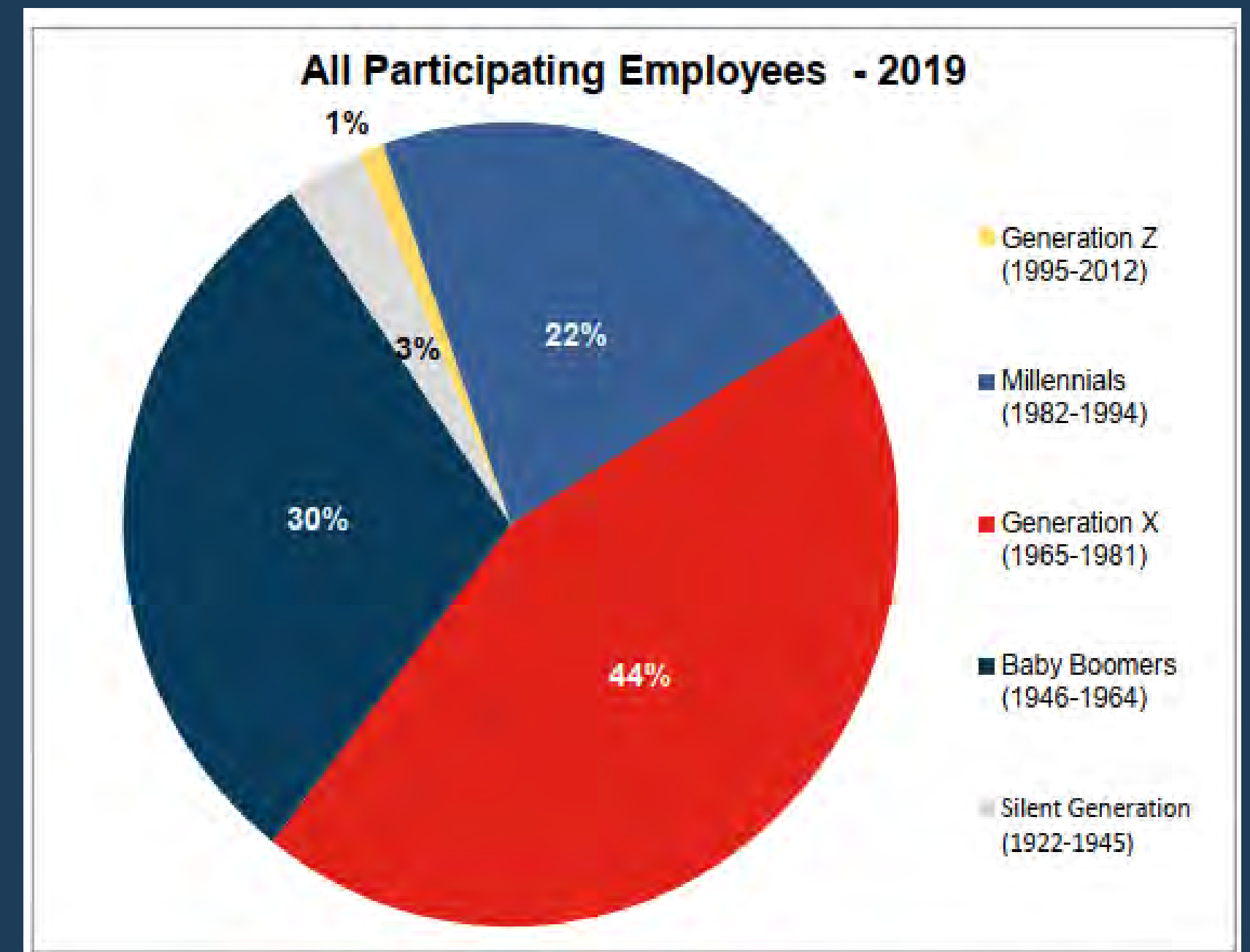
* Modern
** Beckers Hospital Review

Demographics Effect Cost Horton Demographic Shift Over 5 Years*

Active EE's - 2024



Active EE's - 2019

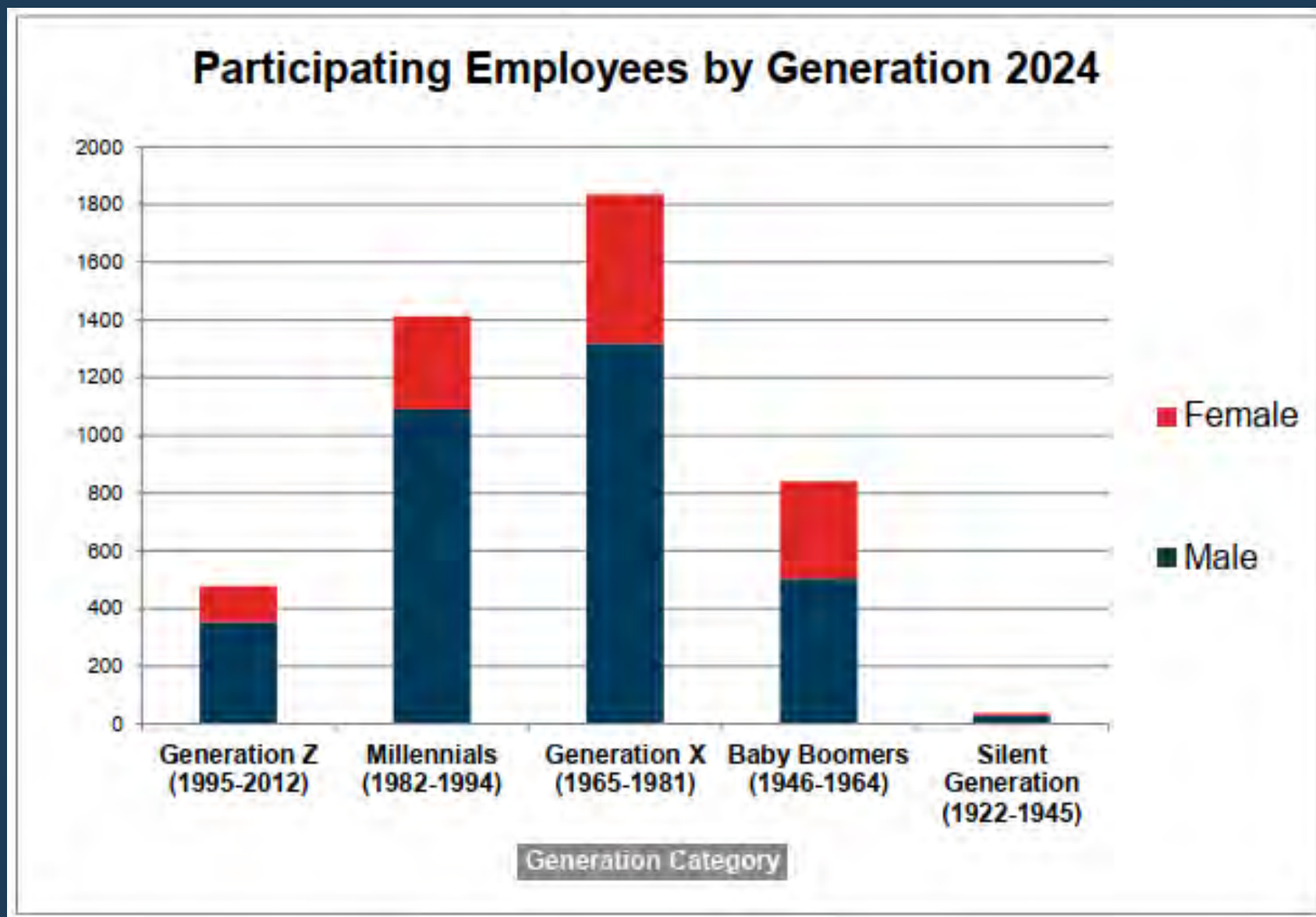


- Millennial population increased from 22% to 31%; Gen Z from 1% to 10%.
- Baby Boomers continue large decrease from 30% to 18%.
- Gen X Decrease to 40% from 44%. Silent Generation cut to 1% from 3%.

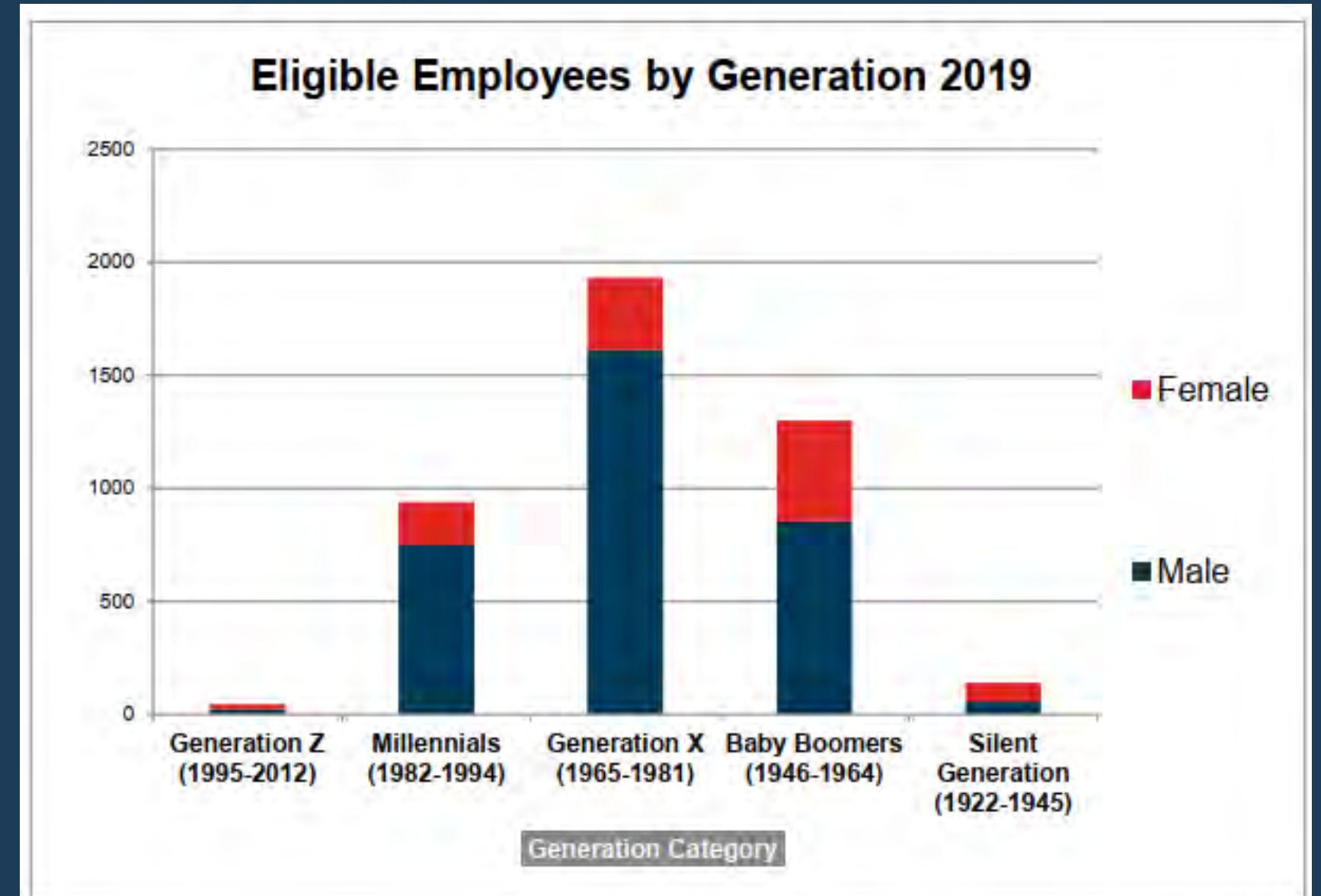
**Horton Public Sector Block*

Horton Gender Shift Over 5 Years*

Eligible EE's By Generation - 2024



Eligible EE's By Generation - 2019



- Female participation has grown considerably over the last 5 years, particularly in Gen X, Millennial and Gen Z groupings.

*Horton Public Sector Block

Risk Effects Cost

2024 BCBSIL Generational Medical Profiles

Generation Alpha	Generation Z	Millennials	Generation X	Baby Boomers +
<i>Date of Birth Between January 1, 2011 and December 31, 2025 "Glass Generation"</i>	<i>Date of Birth Between January 1, 1995 and December 31, 2010 "Digital Natives"</i>	<i>Date of Birth Between January 1, 1981 and December 31, 1994 "Work my Way"</i>	<i>Date of Birth Between January 1, 1965 and December 31, 1980 "Work to Work"</i>	<i>Date of Birth Before January 1, 1965 "Love to Work"</i>
14.3% of Members	24.7% of Members	24.1% of Members	25.3% of Members	11.6% of Members
Prior Period: 13.0%	Prior Period: 25.1%	Prior Period: 23.3%	Prior Period: 25.4%	Prior Period: 13.2%
\$360.91 Allowed PMPM	\$280.73 Allowed PMPM	\$435.27 Allowed PMPM	\$657.71 Allowed PMPM	\$1,045.95 Allowed PMPM
\$349.77 Prior Allowed PMPM	\$257.97 Prior Allowed PMPM	\$397.60 Prior Allowed PMPM	\$602.32 Prior Allowed PMPM	\$959.17 Prior Allowed PMPM
Top Diagnostic Conditions	Top Diagnostic Conditions	Top Diagnostic Conditions	Top Diagnostic Conditions	Top Diagnostic Conditions
Perinatal	Mental Health	Pregnancy	Neoplasms	Neoplasms
Mental Health	Injury and Poisoning	Musculoskeletal	Musculoskeletal	Musculoskeletal
Health Status	Musculoskeletal	Mental Health	Circulatory	Circulatory
Top Chronic Conditions	Top Chronic Conditions	Top Chronic Conditions	Top Chronic Conditions	Top Chronic Conditions
Asthma 5.0%	Anxiety 15.5%	Low Back Pain 19.5%	Low Back Pain 33.5%	Hypertension 44.5%
ADHD 4.5%	Low Back Pain 10.6%	Anxiety 16.3%	Hypertension 26.8%	Low Back Pain 39.5%
Anxiety 3.1%	ADHD 86%	Hypertension 7.6%	Anxiety 17.0%	Diabetes 176%

- Top conditions: Mental Health, Musculoskeletal, Cancer, Circulatory
- Average per capita cost increased 9% per generation profile.

HEALTHCARE

The Stakeholder Landscape



Employer Concerns

- At 10% money / premium costs double in 7 years. That is not sustainable for the #2 or #3 business expense!
- Employers are concerned with growing risk:
 - The growth of Cancer cases, especially those under age 50
 - Rise in Obesity
 - Pharmacy Costs, GLP-1s, Specialty and Gene Therapy
 - Mental Health causing higher health costs, impacting productivity
 - Diminishing Access to Care
- Employers are looking to take more control and hold their vendors more accountable to control costs and provide a better experience for their employees.

Physician Practice

- A study commissioned by The Physician Advocacy Institute (PAI) found that employment of Physicians by hospitals and corporate entities is now nearing 80%*. This is up from 62% in 2019.
- The study found:
 - Quality of patient care was reduced, there was a greater focus on financial incentives.
 - Almost half the physicians reported a deterioration in relationship with patients, seen mainly in decreased visit time and communication.
- Kelly Kenney, CEO of PAI quoted in an APRIL 11th news release shared with Becker's Hospital Review, "*Physicians have an ethical responsibility to their patients' health. By contrast, corporate entities have a fiduciary responsibility to their shareholders and are motivated to put profits first. In some arrangements, these interests can conflict with providing the best medical care to patients.*"
- The U.S. faces a projected shortage of 124,000 physicians by 2034.**

* Avalere

** Association of American Medical Colleges

The Nursing Shortage Continues

- The Bureau of Labor Statistics projects by 2031, the U.S. is expected to face a shortage of 195,400 nurses.
- The nursing shortage is due to a number of factors, including*:
 - An aging care population that requires more healthcare services
 - More nurses retiring
 - Nursing school enrollment is low
 - A shortage of nursing school faculty
 - Burnout and stress from high patient-to-nurse ratios, low pay, and workplace safety concerns
- Look for doing more with less or adjusting job requirements to utilize lower trained personnel.

* American Association of Colleges of Nursing

Hospitals

- The Silver Tsunami, according to the U.S. Census Bureau, all Baby Boomers will be Medicare-eligible by the year 2030. This means Medicare reimbursement rather than higher pay through commercial plans, changing the payer mix.
- Operating margins are still below pre-pandemic.*
 - Overall labor costs are higher than past.**
 - Other challenges include expense growth, drug cost, payer mix and strong competition.
 - A major shift from inpatient to outpatient care is growing.
- Greater capital spending focusing on IT for cybersecurity, artificial intelligence, IT infrastructure and ambulatory networks for access.
- Mergers and acquisitions continue vertically, horizontally and cross-market.

* Kaufman Hall

** Fitch

Hospital At Home

- The concept started during the COVID-19 pandemic with CMS allowing Acute Hospital Care through an At-Home waiver program through December 31, 2024. Hospitals were reimbursed the same rate for home-based care as it does for in-facility care to help free up beds. 366 waivers were given as of October, but not all are participating.
- The waiver was to be extended but awaits further action.
- A recent CMS report gave the program a mostly positive review however, the program is stalled. Why invest in a program that may not be renewed?
- Colleen Hole, Advocate Health innovation strategic advisor is in favor of Hospital at Home stating “ to continue to build beds, which costs between \$2M and \$5M dollars per bed, is not cost-effective. This model has proven that it will deliver excellent care without the time and expense of building brick and mortar facilities.”

Will Telehealth Be The Answer to Access?

- **Telehealth:** 24/7 services to treat urgent care needs. The service has proven to be helpful to members in times when doctors aren't available and filling the gap of provider shortages such as for behavioral health*.
- Many employers offer this service at a low to \$0 copay. Congress provided a waiver until December 31, 2024, allowing HDHP-HSA plans to offer this model. We anxiously await an extension.
- The stakeholders are pushing change. The one-time cough, cold and flu services are not enough to sustain the telehealth and quick clinic business models. As a result, major providers such as Walmart, Walgreen's and UHC –Optum have or are pulling out. The survivors: Teladoc, CVS-Minute Clinic, Amazon – One Medical, are finding ways to connect to a expanded continual care model, such as Primary Care and other services to improve financial needs**.

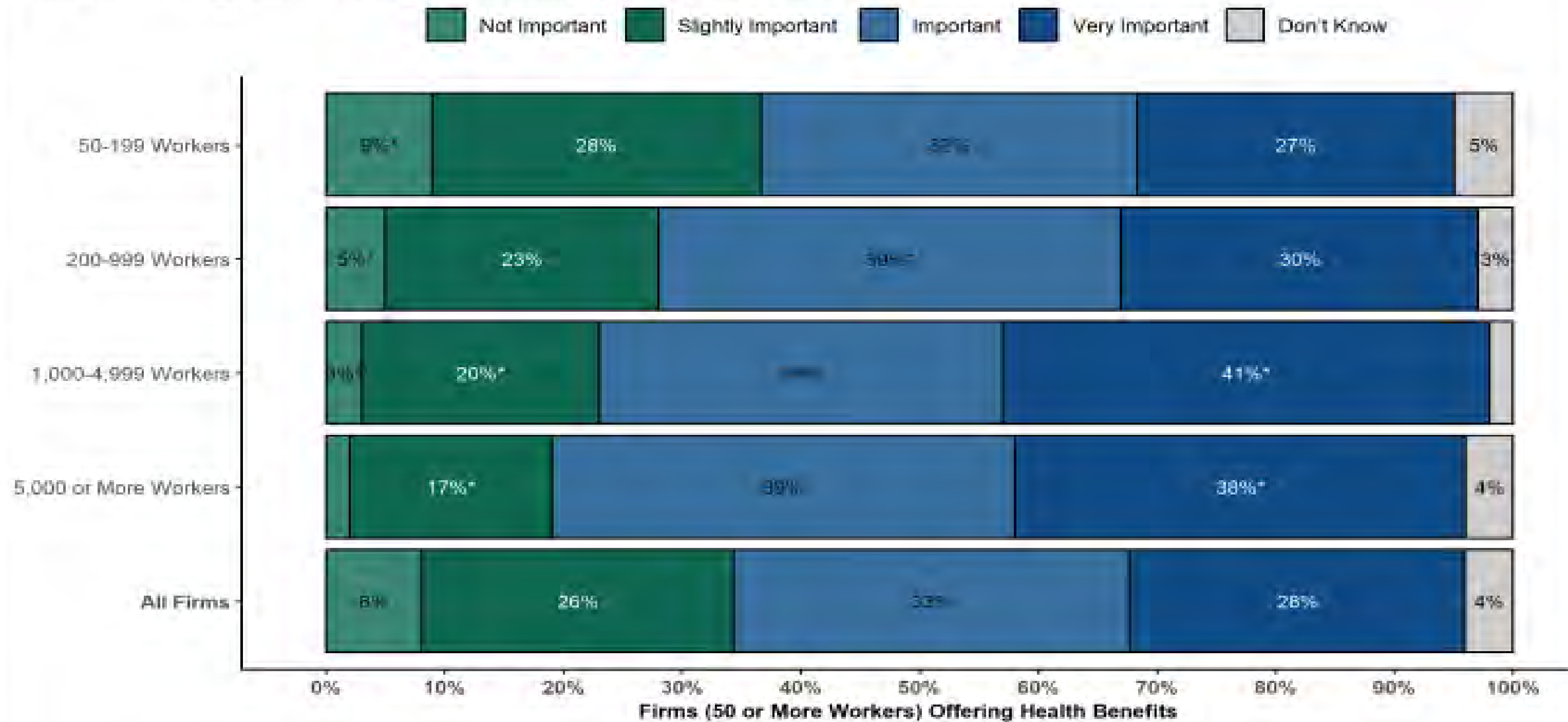
* *Fitch*

** *Modern Healthcare*

Employers Value Telehealth

Figure 13.5

Among Firms Offering Health Benefits, How Important The Firm Believes Telehealth Will Be In Delivering Care Going Forward, by Firm Size, 2024



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).

NOTE: Firms were asked to consider the importance of telehealth for enrollees going forward in the context of many services returning to in-person care

SOURCE: KFF Employer Health Benefits Survey, 2024

Behavioral Health

- Lyra, a leader in behavioral health, showed in their 2024 survey 94% of employers found it very important to offer mental health benefits compared to 36% the prior year. There is more awareness and declining stigma, especially at the executive level.
- The Lyra survey also showed - 29% of respondents say employees are taking more sick days due to mental health challenges, and 32% see more mistakes.
- There are not enough behavioral health providers to meet the demand. By 2036, a shortage of roughly 500,000 behavioral health providers is expected.*
- Reflecting rising suicide rates, 9 in 10 adults believe the United States is amid a mental health crisis.** Two years after its launch, the Suicide & Crisis Lifeline's 988 hotline received close to 10.8M calls, chats, and texts up from a total of 4M in 2023. National answer rate improved and wait times decreased. Only 2 in 10 adults are aware of this service.

** Health Resources and Services*

*** KFF Mental-Health issue*

The Role of Private Equity

- Private Equity is playing a larger role in Healthcare, What's the impact?
- A study of 300 hospitals between 2009 and 2019, conducted by researchers from Harvard Medical School and the University of Chicago and published in JAMA found Hospitals purchased by private equity firms have higher rates of adverse patient safety events than other facilities.
 - Falls increased by 27% within three years of being acquired.
 - Central-line associated bloodstream infections grew by nearly 38%, despite fewer lines being placed.
- The increased number of patient complications were attributed to the reduction and changes in staffing that private equity firms have brought to medicine.
- A recent Senate Budget Committee investigation revealed *“these financial entities are putting their own profits over patients, leading to health and safety violations, chronic understaffing and hospital closures.”**

**Modern Healthcare*

Pharmacy

- A 2024 Rand study, across all drugs, and after adjustments for rebates, found U.S. prices were more than triple those in other advanced countries.
- A key factor, cost and time to market remains excessive at \$2.3B* and 10 – 15 years from discovery to regulatory approval. AI will change that with projected launch times brought to 4 – 6 years.
- Gene therapy can take up to 30 years to develop.
- Retail and Specialty Pharmacy median employer spend increased from 21% to 27% between 2021 and 2023,** partially due to explosive growth of weight loss category (GLP-1s) drugs, typically costing \$1,000 pmpm.
- The most common GLP-1 drugs: Ozempic, Wegovy, Mounjaro and Zepbound are typically for type 2 diabetes. Large, self-funded groups are considering expanding use based on strong member requests.
- Gaining even more interest is Eli Lilly oral option being released soon.

* Deloitte

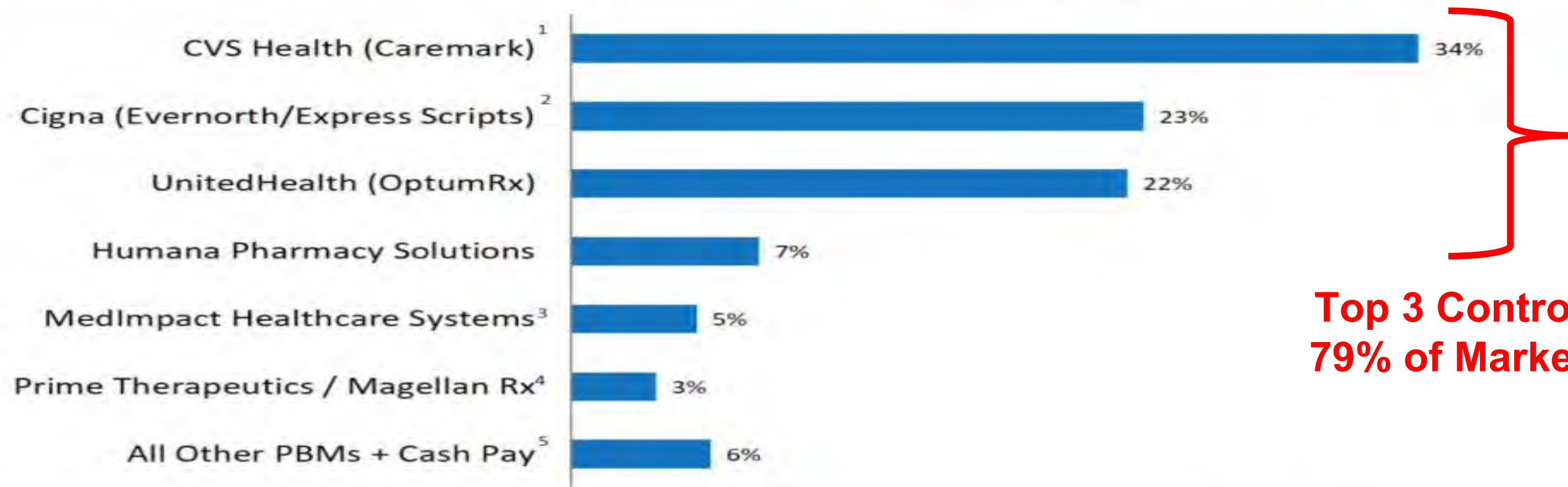
** Business Group on Health Survey

PBM Market Share

- Pharmacy Benefit Managers (PBMs), often called the middleman, act as intermediaries between pharmacies, health plan sponsors, pharmaceutical manufacturers, and wholesalers. They influence access and price.

PBM Market Share

PBM Market Share, By Total Equivalent Prescription Claims Managed, 2023



1. Includes claims from Centene and Elevance Health that are managed by Caremark. In 2024, Centene's business transitioned to Express Scripts.
2. Includes the portion of Prime Therapeutics network claims volume for which Express Scripts handles pharmacy network contracting.
3. Excludes claims from Rite Aid's Elixir business, which MedImpact acquired in February 2024.
4. Includes 2023 claims from Magellan Rx, which Prime acquired in December 2022. Figures include full service PBM services only. Excludes Drug Channels Institute estimates of 2023 claims for which Express Scripts handles pharmacy network contracting as well as claims from medical specialty and state government solutions.
5. Figure patient-paid prescriptions without a third-party payers, smaller PBMs that perform internal claims and pharmacy network management, and a small number of patient-paid prescriptions that use a discount card processed by one of the PBMs shown on the chart.
Source: 2024 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers, Drug Channels Institute, Exhibit 104. Total equivalent prescription claims include claims at a PBM's network pharmacies plus prescriptions filled by a PBM's mail and specialty pharmacies. PBM figures include most discount card claims. Includes claims for COVID-19 vaccines administered by retail pharmacies. Note that figures do not correspond to the number of covered lives handled via rebate negotiations. Figures may not be comparable with those of previous reports due to changes in publicly reported figures of equivalent prescription claims. Total may not sum due to rounding.



Vertical Consolidation Conflict?

Vertical Business Relationships Among Insurers, PBMs, Specialty Pharmacies, and Providers, 2024



- Senators are demanding the Federal Trade Commission to conduct antitrust investigation into pharmacy middlemen.

Insurance Carriers- Rising Cost of Risk

- 82% of insurers report an increase in the incidence of cancer treatment claims over the last five years for individuals under the age of 50.*
- Rx: Specialty for chronic conditions, GLP-1 weight loss tied to diabetes and other comorbidities, and gene therapy drugs with hundreds in the pipeline.
- Mental Health claims fall in the top three diagnosed categories.
- Provider contract costs are increasing.

** Marsh Insights*

HEALTHCARE

Game Changers!



AI in Healthcare

- Congressman Mike Waltz, soon to be National Security Advisory, called maintaining the U.S. lead in Artificial Intelligence is *“the race of the 21st century that will affect everything we do”*.
- Healthcare AI is receiving venture capital investment in the following areas:
 1. Technology needs
 2. Clinical care startups receive most
 3. Financial focused
 4. Care management – tasks such as utilization management and prior authorization dominate
 5. Claims processing which lags behind.*
- 46% of Insurers believe that artificial intelligence for first-line diagnosis, imaging and /or navigation will decrease health plan costs within the next five years.

**Modern Healthcare*

AI Needs Guardrails

- The American Hospital Association said in a September report the automation by insurers contributed to an increase in Commercial and Medicare Advantage claim denials between 2022 and 2023. There are lawsuits pending.
- AI regulation has largely been left in the hands of state legislators, although it is suggested by industry stakeholders that federal legislation is necessary. California, Colorado and Utah brought several AI bills into law recently.
- Health systems, tech companies and other third-party groups are also coming together to publish industry guidelines.

Game Changer

The AI Engaged Hospital

- There is a shortage of Healthcare workers globally, in particular, the problem is acute in Taiwan. They have an aging population and low birth rate. After the pandemic, fewer and fewer wanted to enter the medical profession.
- In 2022 Chi Mei Medical Center started using Microsoft AI for administration and analyzing hospital data, including benchmarking quality. It then integrated the hospital's various data bases with the generative AI platform and the hospital rolled out a series of copilots starting in November 2023.*
- There were AI copilots added to Doctors, Nurses, Pharmacists and Nutritionists.
- The doctor's copilots help cut report writing from an hour to 15 minutes. The hospital found the copilot not only reduced workload but also helped ensure patient safety. Burnout scores have been falling since introducing the copilot.

**Microsoft Asia*

Game Changer

Replacing a 115-Year-Old Hospital

The NEW MODEL OF CARE Based Off Our CO-CREATION

Together we can build a transformative, national example that drives health equity, and is focused on disease prevention and connection.



Game Changer - A New Care Model!



Over \$500 million is devoted to expanding outpatient care, embedded in the community

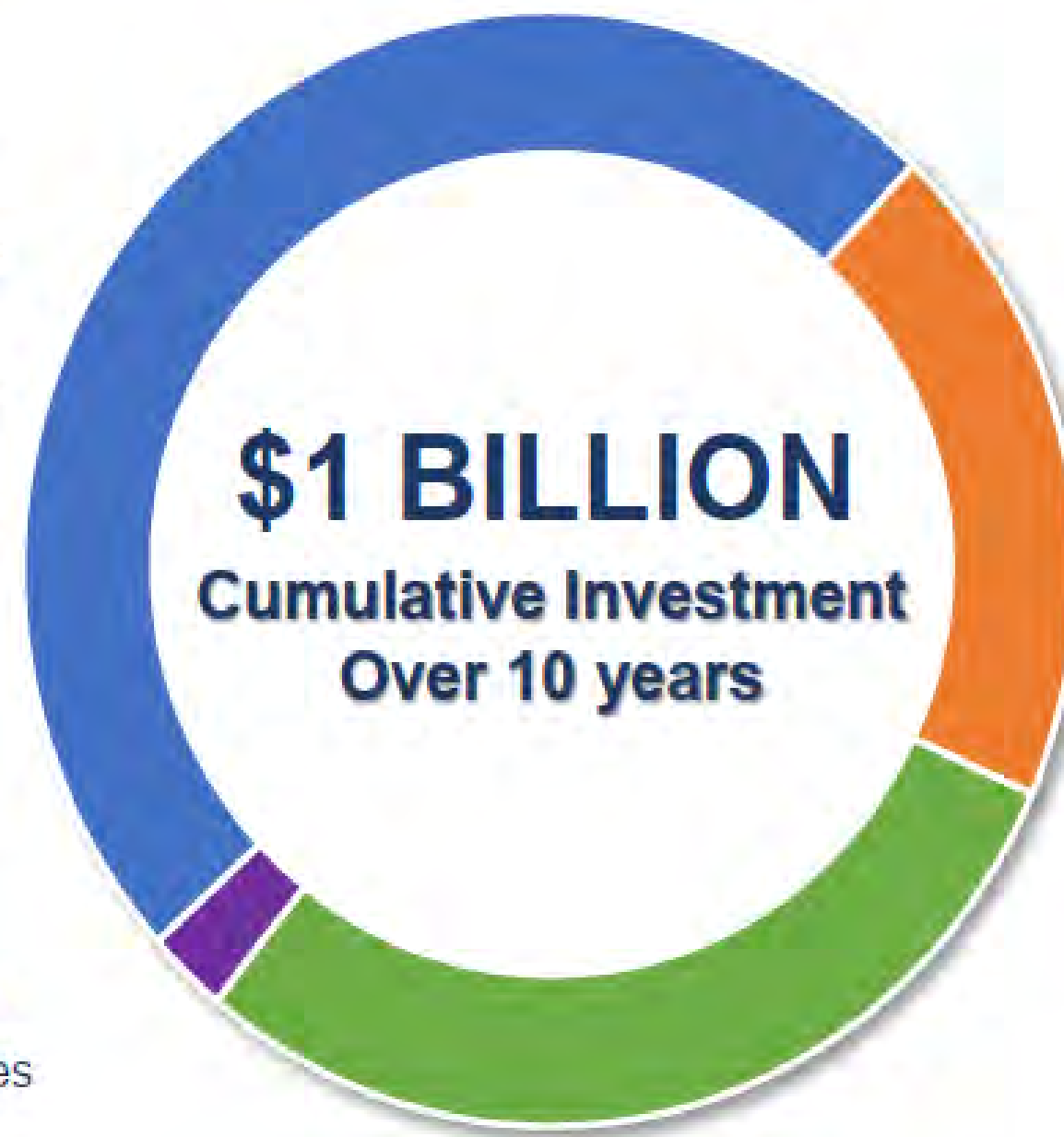
- Adding 85,000 new appointments annually, making it easier to access both primary care and specialists.
- Establishing Advocate Health Care Neighborhood Care locations –10+ new locations to serve the whole family. These care sites will virtually connect patients to Advocate providers and be in churches, community centers and more.
- Expanding our Imani Village outpatient clinic to add Immediate Care with more doctors, more services, more appointments and shorter waiting times.
- Adding a mobile medicine vehicle that will provide primary care access at sites across the community



\$25 Million Investment in Workforce Development

- Advocate plans to keep every one of its teammates currently working in the South Side
- Hiring more than 1,000 new teammates within the next three years
- Hosting job forums and deploying a new state-of-the-art recruitment on wheels van, and offering new career pathway development programs

ADVOCATE'S COMMITMENT TO CHICAGO'S SOUTH SIDE



More than \$200 million will be invested in hospital and ambulatory programs and services

- Expanding management of chronic disease and address social factors that affect health like access to healthy food, housing, transportation and prescriptions.
- Creating new access points such as home delivery, meds to beds, kiosks for free to low-cost prescriptions
- Expanding access to pre- and post- natal care by adding 5,000 annual OB-GYN visits plus a robust set of new programs and wrap-around services that address the entire pregnancy journey
- Growing our Food Farmacy program that distributes fresh produce and healthy staples to patients with metabolic conditions such as heart disease and diabetes, by doctors' orders.



Nearly \$300 million to build a new state-of-the-art hospital

- Enhancing services for emergency care, inpatient care and leading-edge diagnostic testing and imaging.
- Offering new services like robotic surgical procedures
- Leveraging latest medical technology to assess, triage and connect with specialty physicians quicker and more efficiently.

Pharmacy Game Changers

- Specialty drugs account for 50% to 60% of pharmacy spend and are increasing at double digit rates per year. Biosimilar alternatives (an agent with no meaningful clinical difference from an existing FDA approved biologic drug),* are one-third the cost. They will be added to plan formularies this year.
- Plan designs have moved to 6-tier Rx cost-share models, creating incentives in each category of drug, generic, brand, specialty with preferred and non preferred choice.
- Due to several ongoing lawsuits regarding best pharmacy benefit practices, (Johnson and Johnson and Wells Fargo), employers have become more aware of their fiduciary responsibilities for self-funded plans. Consultants are also shopping PBMs more frequently to provide best practice defense for employers.

* Optum Rx

Pharmacy Disruption

- Last year the FDA approved the State of Florida to purchase drugs from Canada at much lower costs. This has been stalled.
- Due to the Inflation Reduction Act, Medicare started their Rx negotiation program with 10 often used drugs having their price lowered by 50% to 75% for 2026, an overall plan savings of \$6B with \$1.5B going to 8.8M members. The largest saving was Januvia, for diabetes, from \$527 to \$113. The negotiations continue with 15 more in 2027 and 2028 and then 20 each year thereafter. Ozempic may hit the 2027 list.
- Reuters review found even after negotiations the U.S. will still pay double what four other high-income countries pay. The question is 'how will these discounts impact commercial plans'?

*Reuters

Rewriting Our Genetic Code

- Gene Therapy and Genetically modified Cellular Therapies involve new technology designed to focus on cures for conditions that were once untreatable.
- To date there are 19 cellular treatments and 13 gene therapy treatments. There are 4,000 in the FDA pipeline with 200 in late phase development.*
- Treatments range in price from \$915,000 - \$4.25M**.
- Self-Funded markets are offering a second layer of reinsurance to protect against this category of drugs. Stop loss plans are also offering No New Laser Contracts to protect renewals from this catastrophic claim.
- Fully insured plans are also increasing their pooling protection to accomplish the same .

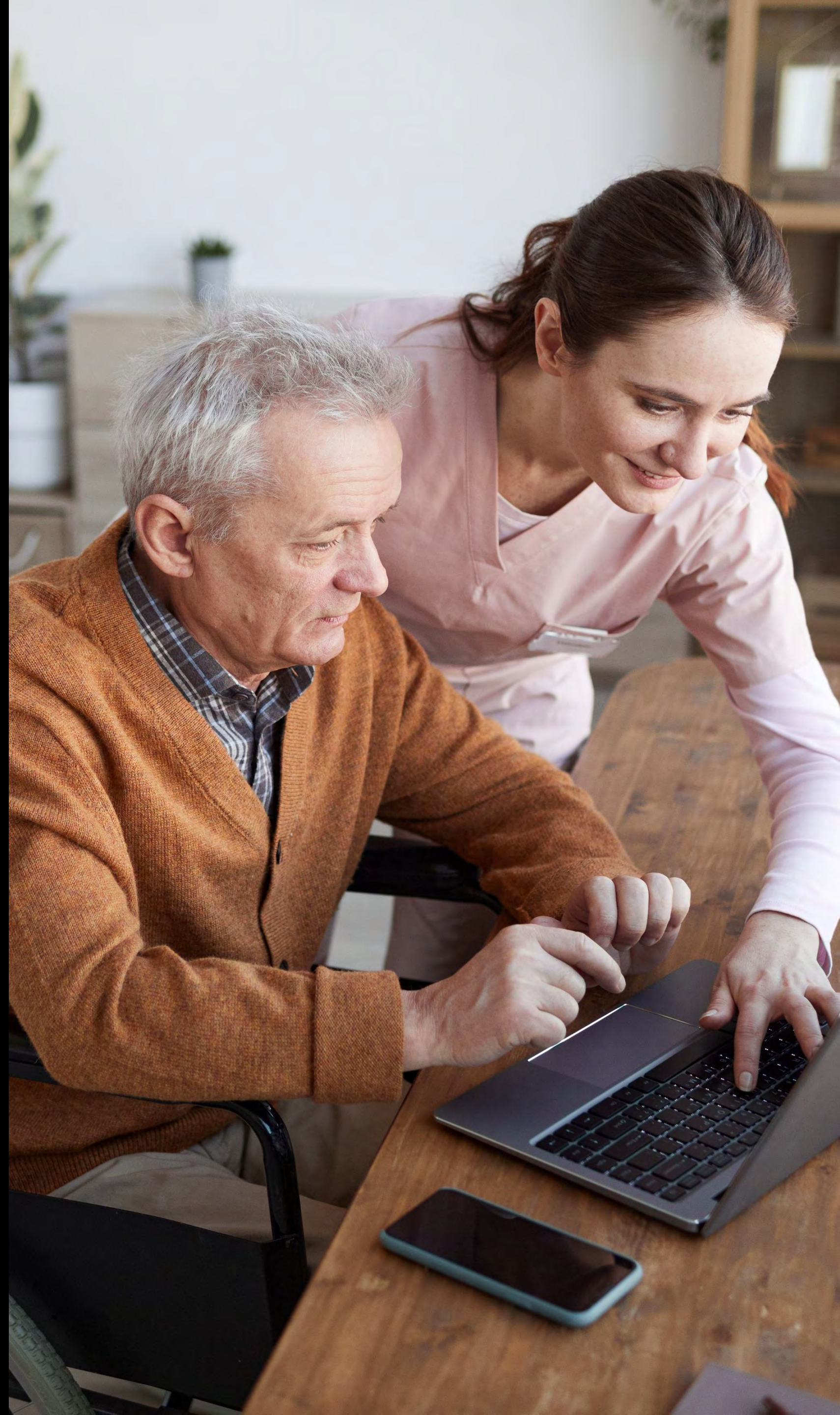
** American Society of Gene + Cell Therapy*

*** Amwins Solutions*

HEALTHCARE

**Employers Want
More Control**

**Adopting New and
Old Cost Control
Models**



Innovative Healthcare Approaches

- It is projected that 24% of healthcare spend is highly shoppable. Of that group there is 6% to 8% savings potential.* Steerage to lower cost care is developing through concierge programs and plan designs.
- Value based contracts continue, often another name for Accountable Care Organizations – based on pay for performance!
- AHPs –Alternative Health Plans: Coupe (BCBS) & Surest (UHC) enter the market as a game changer. These models are total replacement for PPO and HDHP options:

The \$0 deductible, copay only plan, is meant to drive care to more efficient and better outcome providers.

Early adoption shows employers reducing claims cost by 12% on average. Providers have also reduced administrative burden for billing, collection and bad debt.**

** McKinsey & Company*

*** Leaders Edge Council*

Data Driven Cost Control Models

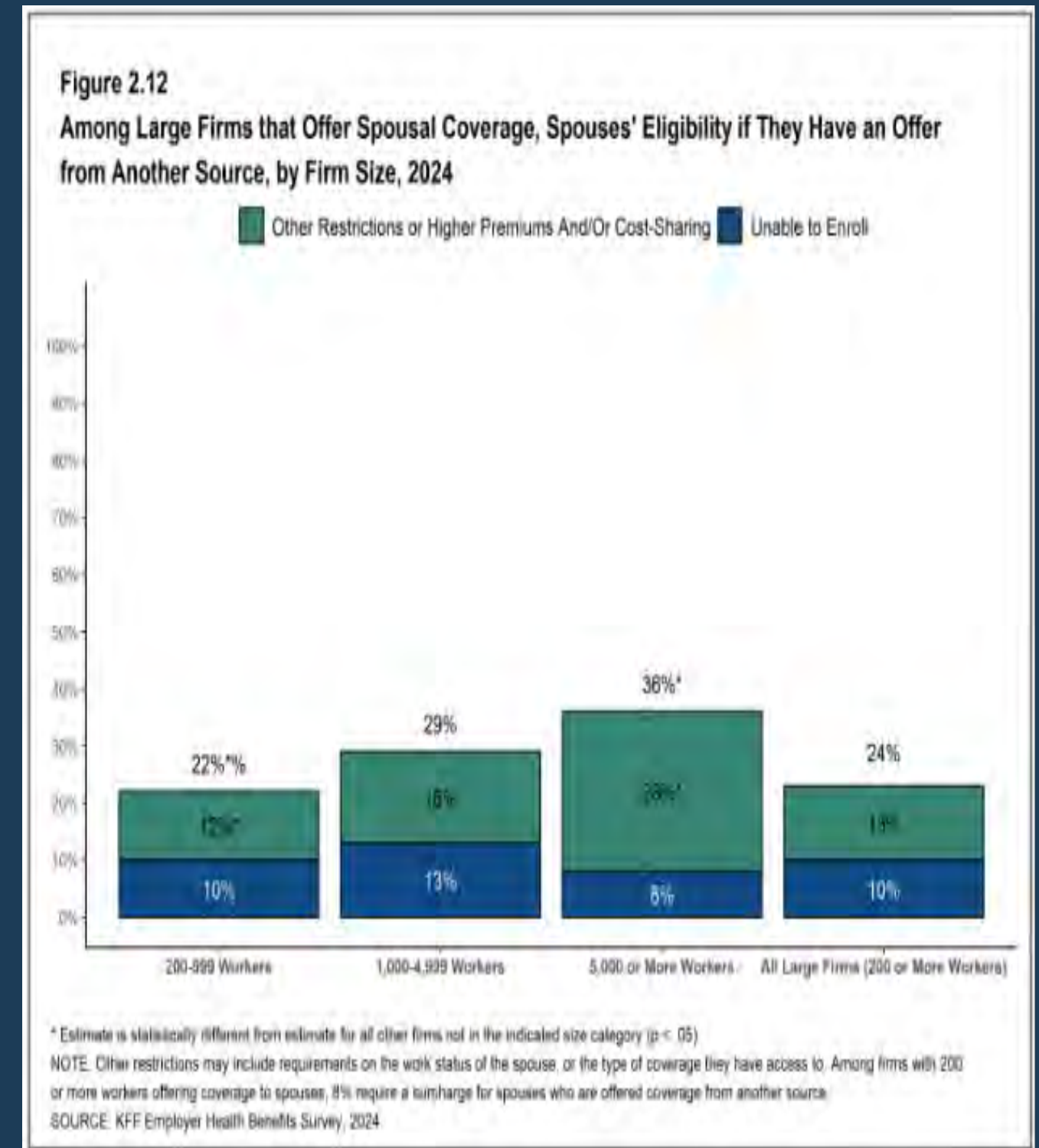
- **Employers will use Analytics to develop actionable strategies:**
 - Participation Management
 - Network Decisions
 - Self-Funded and Level-Funded Finance Models
 - High Deductible Health Plans (HDHP) paired with Health Reimbursement Accounts (HRA) , or Health Savings Accounts (HSA) combination
 - Employer Wellness Returns - Make America Healthy Again (MAHA)
 - Better Communications

Participation Management

Public Sector on average has 2.5 :1 members, participating vs. all Industries average 2:1. As a result, higher cost per-cap.

Most common strategies to control member participation:

- 4-Tier rate structures
- Post – 65 Retiree Carve-Out Plans
- Spousal Health Reimbursement opt-out incentive
- Pre-65 Retiree Health Reimbursement opt-out Incentive



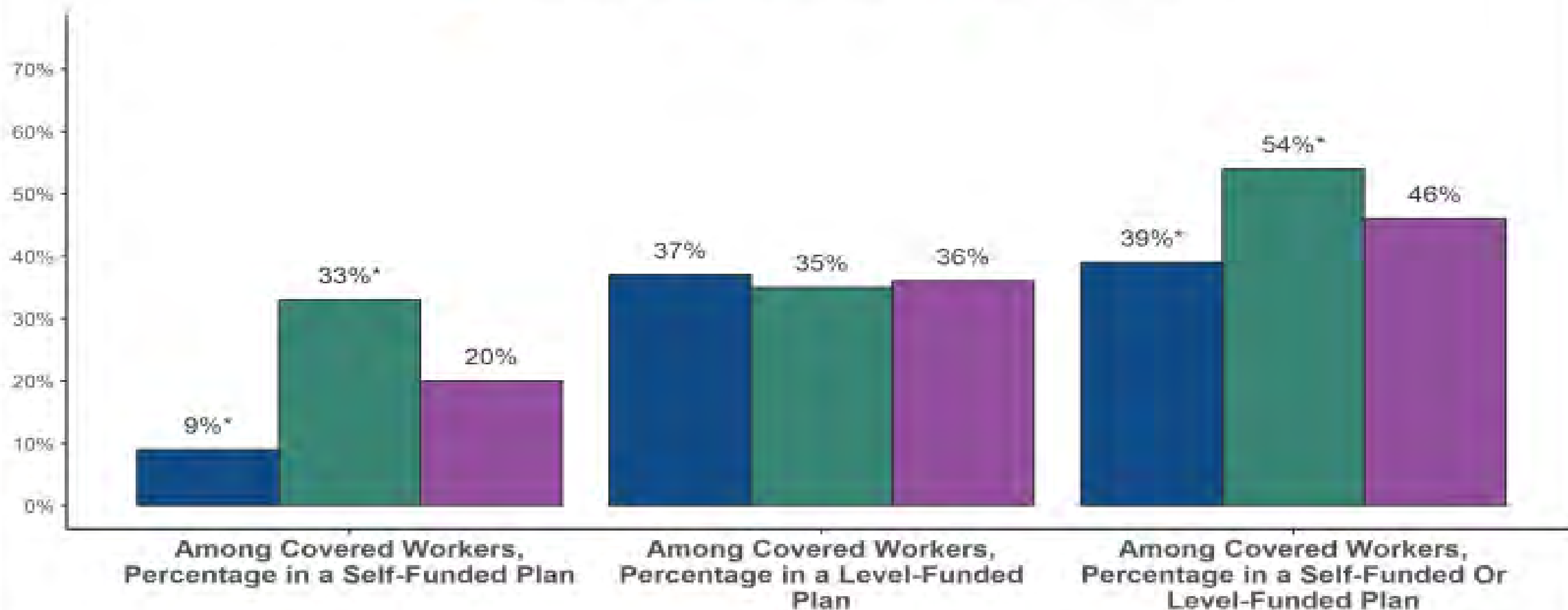
Level-Funded Finance Models Expand

Small and Mid-Market Niche- Avoids State insurance premiums and mandates and Provides more data than Fully Insured market.

Figure 10.6

Among Covered Workers at Small Firms, Percentage Enrolled in a Level-Funded or Self-Funded Plan, by Firm Size, 2024

■ 3-49 Workers ■ 50-199 Workers ■ All Small Firms



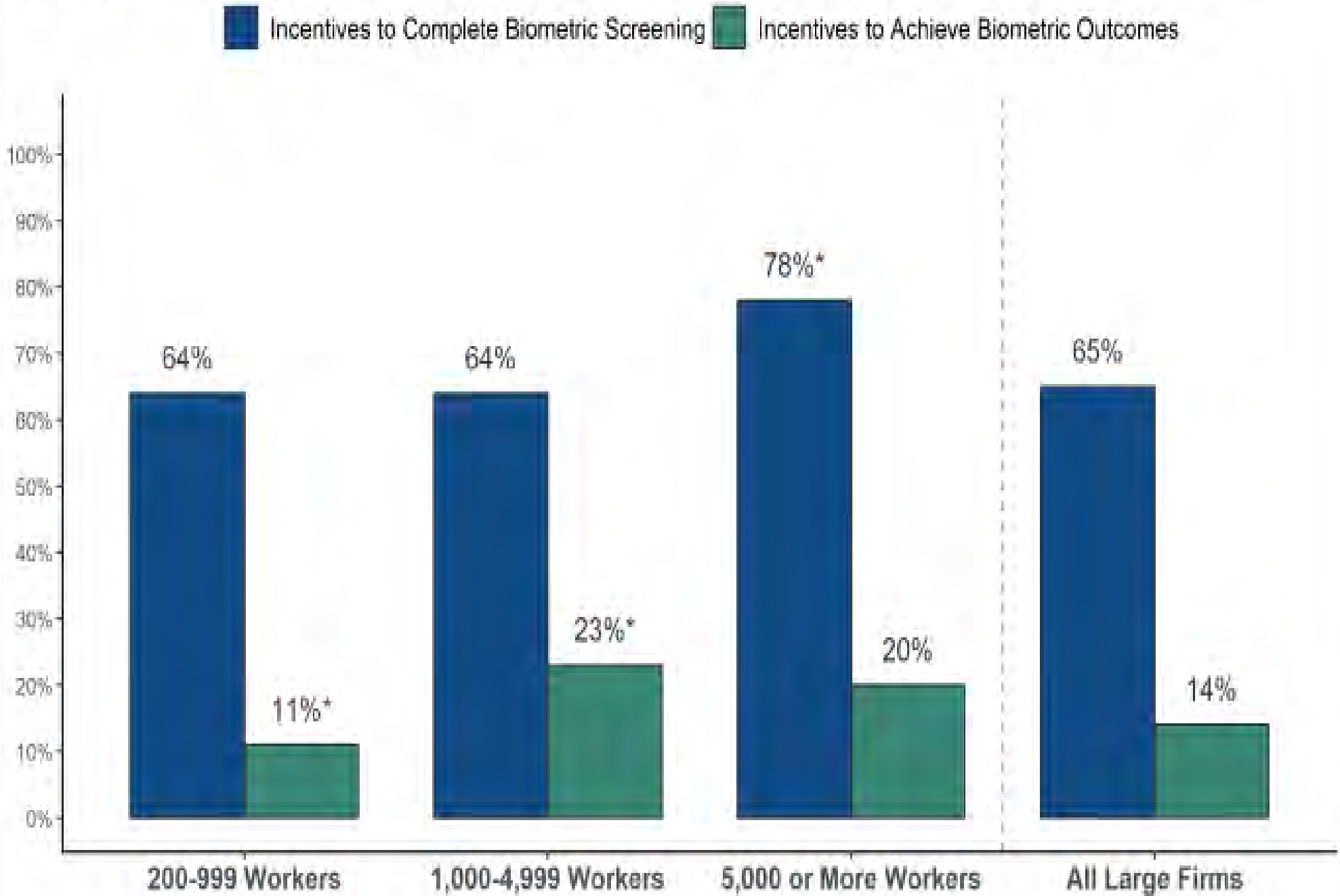
* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).

NOTE: See end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans. Small Firms have 3-199 workers. This figure shows the percentage of covered workers; In 2024, 42% of small firms reported that they had a level-funded plan. This includes respondents who indicated both that their plan was level-funded and fully insured.

SOURCE: KFF Employer Health Benefits Survey, 2024

Employers Engage Wellness

Figure 12.6
Among Large Firms Offering Health Benefits and Providing an Opportunity to Complete a Biometric Screening, Percentage of Firms with Incentives to Complete the Screening or Achieve Biometric Outcomes, by Firm Size, 2024



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).

NOTE: Large Firms have 200 or more workers.

SOURCE: KFF Employer Health Benefits Survey, 2024

- Will Make America Healthy Again Catch On?
- In a report done by Guardian Mind, Body and Wallet, only one-third of workers said they are doing well. Key inputs included 36% very good or excellent mental health, 37% very good or excellent physical health and 32% very good or excellent financial health*
- Wellness plans being offered today pick up with incentive programs to promote participation.

Engaging Employees

Employers need more data to customize their benefit plans, and communications for better outcomes:

- 73% of employees want more education on Company Benefits*
- More than half of U.S. employees regret their last open enrollment decisions.**
- Gen Z feels overwhelmed / anxious about insurance per NAIC survey.
- Younger workers are shifting to High Deductible Health Plans which opens the need for Voluntary plans.*** Voluntary plan participation is typically Life 48%; Accident, Cancer, Critical Illness and Hospital Indemnity at 36%; Dental and Vision at 15%.

* CPA Practice Advisor

** Equitable

*** Eastbridge Voluntary Marketing Industry Snapshot

HEALTHCARE

2025 Compliance Updates

2025 New Illinois Laws



Compliance Requirements

- Look for continued transparency & reporting requirements.
 - Hospital Pricing Transparency
 - Rx Reporting (RxDC)
 - Gag Clause Attestation
 - Mental Health Parity and Addiction Equity Act
 - Less complicated ACA reporting requirements
- Affordability Test moves to 9.02% for 2025
- HSAs contribution limits: \$4,300 single and \$8,550 family plus \$1,000 catch up
- FSA limits: \$3,300
- PICORI fee: \$3.47 from \$3.22
- Dozens of New Illinois Health Laws in 2025 and 2026:
 - **HB 4460** requires insurance programs to provide coverage for mental health therapy services for police officers, members of self-insured fire protection districts and any spouse or partner of members of those fields.
 - **HB 5395** – reform bill that prohibits step therapy where patients have to use cheaper drugs before being approved for more expensive ones.

Have We Reached The Tipping Point?

- The public doesn't trust Healthcare. They feel it's more concerned about profits than patient care. How will we improve the patient experience?
- Employer plans still control half the market; they will play a larger role in the process and hold vendor partners to higher standards to help make a difference. They will identify employee needs, more critical thinking in what to offer and how to better communicate and educate.
- Federal and State Government will insure a growing share of the U.S. population. The Silver Tsunami is coming. Will commercial plans tolerate the cost shift to subsidize the other half of the Medical market?
- Will Pharmacy play a more responsible role? More Transparency?
- Will AI find its place in Healthcare without causing suspicion of purpose?
- Will the New Administration force transparency for Food, Drug and Medical to correct years of suspected steerage for financial gain!

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Questions?

For more information contact:

Mike Wojcik, Senior Vice President, MBA, CLU, CFP®, GBA

Mike.Wojcik@TheHortonGroup.com

Office: 708-845-3126 Cell: 708-650-1557