City of Lake Geneva, 626 Geneva St, Lake Geneva, Wisconsin- 262.248.3673- www.cityoflakegeneva.com

PERSONNEL COMMITTEE
WEDNESDAY, SEPTEMBER 8, 2021- 4:00 P.M.
CITY HALL, COUNCIL CHAMBERS

Members: Chairperson Rich Hedlund, John Halverson, Ken Howell, Cindy Flower, and Shari Straube

AGENDA

1. Meeting called to order by Chairperson Hedlund

2. Roll Call

3. Comments from the public limited to 5 minutes, limited to items on this agenda

4. Approval of the Personnel Committee minutes of August 2, 2021 as prepared and distributed

5. Discussion/Recommendation regarding City of Lake Geneva 2022 Health Insurance Plan

6. Adjourn

This is a meeting of the Personnel Committee.
No official Council action will be taken; however, a quorum of the Council may be present.

cc: Aldermen, Mayor, Administrator, Attorney, Media

PERSONNEL COMMITTEE MINUTES
MONDAY, AUGUST 2, 2021- 4:00 P.M.
CITY HALL, COUNCIL CHAMBERS

Members: Chairperson Rich Hedlund, John Halverson, Ken Howell, Cindy Flower, and Shari Straube

Chairperson Hedlund called the meeting to order at 4:00 p.m.

Roll Call
Present: Howell, Halverson, Flower, and Hedlund
Absent: Straube

Comments from the public limited to 5 minutes, limited to items on this agenda
Mary Jo Fesenmaier; 1085 S Lake Shore Dr; Spoke in favor of a City Assessor as a fulltime position and spoke in opposition of the compensation study being completed.

Approval of the July 1, 2021 Special Personnel Committee minutes as prepared and distributed
Motion by Halverson to approve, second by Flower. No discussion. Motion carried 4-0.

Discussion/Recommendation identifying specific staff as city's direct contact for I.T. services and Assessor Services
Flower stated that she any contracted services should be managed by City staff.

Straube joined at 4:03 p.m.

They should also be in charge of the RFP and the budget for those services. She added there should be some kind of structure in place for monitoring these contracted positions. Hedlund stated the City Administrator could appoint point people to manage these contracts. Hedlund would like to see this continued to the September meetings for the City Administrator to weigh in. Flower would like to see solutions at the next meeting for further discussion; including how contracts are reviewed. No action taken.

Discussion/Recommendation concerning hiring of full time employee to serve as City Assessor
Hedlund stated that he is very in favor of this idea; he added he is not very happy with the performance of the current assessor. Clerk Kropf noted that most cities have a contracted firm, not a full-time staff member. Kropf also added the request for proposals had been sent to qualified firms and posted.
Motion by Howell to continue to September, second by Halverson. Motion failed 0-5.

No action taken.

Discussion/Recommendation concerning a proposed four percent (4%) cost of living increase for all non-represented city employees as part of the 2022 budget
Motion by Flower to approve, second by Hedlund. Hedlund noted that the suspected COLA increase estimate is 5.3% to 6.1%. Hedlund added that the employees haven't had a COLA only increase in at least four years. He added that when the percentage increase is identified, employees do not receive the whole amount as it is based on performance/evaluation. Committee discussion included giving a COLA increase to employees and then to allocate a percentage for merit/evaluation as well. Motion carried 5-0.

Discussion/Recommendation regarding the current job evaluation process and forms
Howell would like to see this continued to the next meeting when the Administrator can be present for discussion. No action taken.

Discussion/Recommendation concerning amended contract for Sergeants within the Lake Geneva Police Department

Hedlund noted that this has been discussed for a while now. He added they would like to be taken off the City scale, but be given a new scale with steps. With this change, all sergeants would all have the same contract that shows the benefits for the job.
Motion by Howell to approve, second by Halverson. Hedlund added this would only apply to the sergeants, the other employees with remain on the City wage scale. Motion carried 5-0.

<u>Discussion/Recommendation regarding Request for Proposals for City Employee Compensation Study</u>
Motion by Flower to move forward with the City of Lake Geneva Request for Proposals for Compensation Study, second by Halverson. Flower expressed that this will help to determine not only wages but benefits from comparable communities. Hedlund noted that he would like to see a new study completed as the previous one was not executed well and is antiquated. Motion carried 5-0.

<u>Discussion/Recommendation regarding possible creation of an ADA Compliance Officer</u>
Flower stated this would not necessary be a new position, but could be added to an existing job. These requirements have been in place for decades and there should be accountability for them being followed. Flower would like to see it is the City Administrator or that the administrator designates someone to this position. Hedlund stated the first department that came to mind was Building and Zoning or possibly the Department of Public Works.
Motion by Flower to continue to next month for further discussion, second by Straube. Motion carried 5-0.

<u>Discussion regarding usage of City Employee clinic</u>
Hedlund stated that the clinic usage has been down as of late. Hedlund explained the employee clinic physician will be giving a presentation to the employees that should help boost attendance. He would like to see this continue to be offered to the employees. No action.

<u>Adjourn</u>
Motion by Halverson to adjourn the meeting, second by Flower. Motion carried 5-0. The meeting adjourned at 5:14 p.m.

City of Lake Geneva

2021 Pre-Renewal Meeting

Presented By | **Matt Chadwick**, Vice President
Jerry Bouska, Senior Client Consultant

Cottingham & Butler

AGENDA

- Coverage Summary
- Historical Cost
- Benchmarking
- 2022 Planning and Market Trends
- Family Advantage Plan

BENEFIT COVERAGES OVERVIEW

Type of Coverage	Vendor	Renewal Date
Medical	WPS	01/01/22
HRA Administration	Difference Card	01/01/22
Dental	Delta Dental	07/01/23
Vision	Delta Vision	01/01/24
Short Term Disability	Mutual of Omaha	01/01/22
Long Term Disability	Mutual of Omaha	01/01/22
Accident	Mutual of Omaha	01/01/22

EXECUTIVE SUMMARY

Through July of the current plan year, the gross cost (includes HRA fixed costs and reimbursements) per employee is annualizing to $23,540, which is 4% higher when compared to the prior plan year. On a net cost per employee, the plan is annualizing to finish at $21,891. This is also a 4% increase when compared to the prior year.

- Through July, there have been $102,143 in HRA reimbursements. Annualizing this figure we are projected to end the year with $175,102 in reimbursements. In 2020, we reimbursed $121,383 through the HRA.

- Annualized 2021 HRA reimbursements are projected to end the year at 81.6% of the estimated attachment point of $214,513. For 2020, we ended the year 68% of the attachment point. Delay of care due to COVID likely impacted the lower reimbursements in 2020.

- Overall average enrollment has increased 1% (4% single/0% family) compared to prior year.

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HISTORICAL PLAN COSTS

		Current Plan Year		
Plan Year	2020	2021	2021	% Change
Carrier	WPS	YTD Through July	Annualized	
Medical Premium	$1,494,414	$889,172	$1,524,295	2%
Difference Card Fees	$66,096	$38,556	$66,096	0%
Total Fixed Costs	**$1,560,510**	**$927,728**	**$1,590,391**	2%
Estimated DC Attachment Point	$178,250	$125,133	$214,514	20%
HRA Reimbursements	$121,383	$102,143	$175,102	44%
Total Plan Costs	**$1,681,893**	**$1,029,871**	**$1,765,493**	5%
Employee Contributions (estimated)	$119,052	$72,131	$123,654	4%
Net Employer cost	**$1,562,841**	**$957,740**	**$1,641,840**	5%
Average Single Enrollment	28	*29*	29	4%
Average Family Enrollment	46	*46*	46	0%
Total Average Enrollment	**74**	**75**	**75**	**1%**
Total Gross Cost Per Employee	**$22,728**	***$13,732***	**$23,540**	**4%**
Employee Contributions Per Employe	$1,609	*$962*	$1,649	2%
Net Employer Cost Per Employee	**$21,119**	***$12,770***	**$21,891**	**4%**

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Benchmarking – Mercer and C&B

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HEALTH PLAN BENCHMARK

PLAN BENCHMARKING	WPS Plan		WPS Plan With HRA		Mercer PPO Small Employer		Mercer PPO State/Local Gov		C&B PPO State/Local Gov	
Design Element	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible										
Single	$5,000	$10,000	$1,000	$10,000	$1,000	$2,000	$600	$1,000	$700	$1,900
Family	$10,000	$20,000	$2,000	$20,000	$2,000	$4,500	$1,500	$2,000	$1,750	$4,700
Coinsurance										
Employer	80%	60%	100%	60%	80%	60%	80%	60%	85%	65%
Employee	20%	40%	0%	40%	20%	40%	20%	40%	15%	35%
Maximum Out-of-Pocket										
Single	$7,350	$16,000	$3,350	$16,000	$4,000	$6,000	$3,000	$5,000	$2,750	$4,900
Family	$14,700	$32,000	$6,700	$32,000	$8,000	$13,500	$6,600	$10,000	$6,000	$9,500
Office Visits										
Primary Care	$35	Coinsurance & Deductible	$15	Coinsurance & Deductible	$25	Coinsurance & Deductible	$25	Coinsurance & Deductible	$10	Coinsurance & Deductible
Specialist	$70	Coinsurance & Deductible	$50	Coinsurance & Deductible	$50	Coinsurance & Deductible	$40	Coinsurance & Deductible	$10	Coinsurance & Deductible
Emergency Care										
Emergency Room	$300		$150		$200		$150		$150	
RX | Retail										
Generic	$10		$0		$10		$10		$5	
Brand	$35		$20		$35		$30		$25	
Non-Preferred Brand	$60		$45		$60		$50		$50	
Specialty	25%, max $250		25%, max $235		$100		$90		25%, max $175	
Actuarial Value	**75.7%**		**97.4%**		**84.6%**		**87.5%**		**87.8%**	
Total Enrollment	75				-		-			
Monthly Employee Contributions										
EE	$73.17				$155.00	$155.00	$133.00	$133.00	$102.25	$102.25
EE+1	$146.01				-	-	-	-	-	-
EE+FAM	$198.37				$646.00	$646.00	$514.00	$514.00	$457.24	$457.24
Medical & RX Gross Cost PEPY	**$20,323 (Does Not Include HRA Costs)**		**$23,553 (Includes HRA Costs)**		**$13,717**		**$14,000**		**$14,175**	

All 2020 Plan Design Benchmarks (Mercer + C&B) based on median value of plan design element

Regional benchmarks are based on large employers and have a small sample size

Mercer Large/Small employer benchmarks based on Total employees, vs. C&B based on Enrolled employees

C&B Book of Business Gross Cost benchmarks are NOT broken out between PPO and HSA plans. These benchmarks are representative of a mix of PPO, HSA, and HMO plans.

The City of Lake Geneva's average cost per employee is higher than survey data. This is partially due to much lower employee contributions to the plan and geographic location.

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2022 Planning and Market Trends

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RENEWAL TIMELINE

Item	Timeline
Planning Meeting	08/26/2021
Receive WPS Renewal	Late September
Renewal Discussion	October
Employee Communications	November
Open Enrollment Period	December
Benefits Effective	01/01/2022

2022 PLANNING

Potential Plan Changes
- Deductible & Copays
- Prescription Drug Changes
- Employee Contribution Changes

Market Search
- Requesting proposals from alternative carriers
    - Quartz & Dean (as long as 50% of membership is in the HMO service area)
    - UHC
    - Mercy
    - Anthem of WI
    - Review ETF options
- Look at alternative HRA administrators

Communication
- Open enrollment

2021/2022 BENEFITS TRENDS


Telemedicine


Diversity, Equity & Inclusion

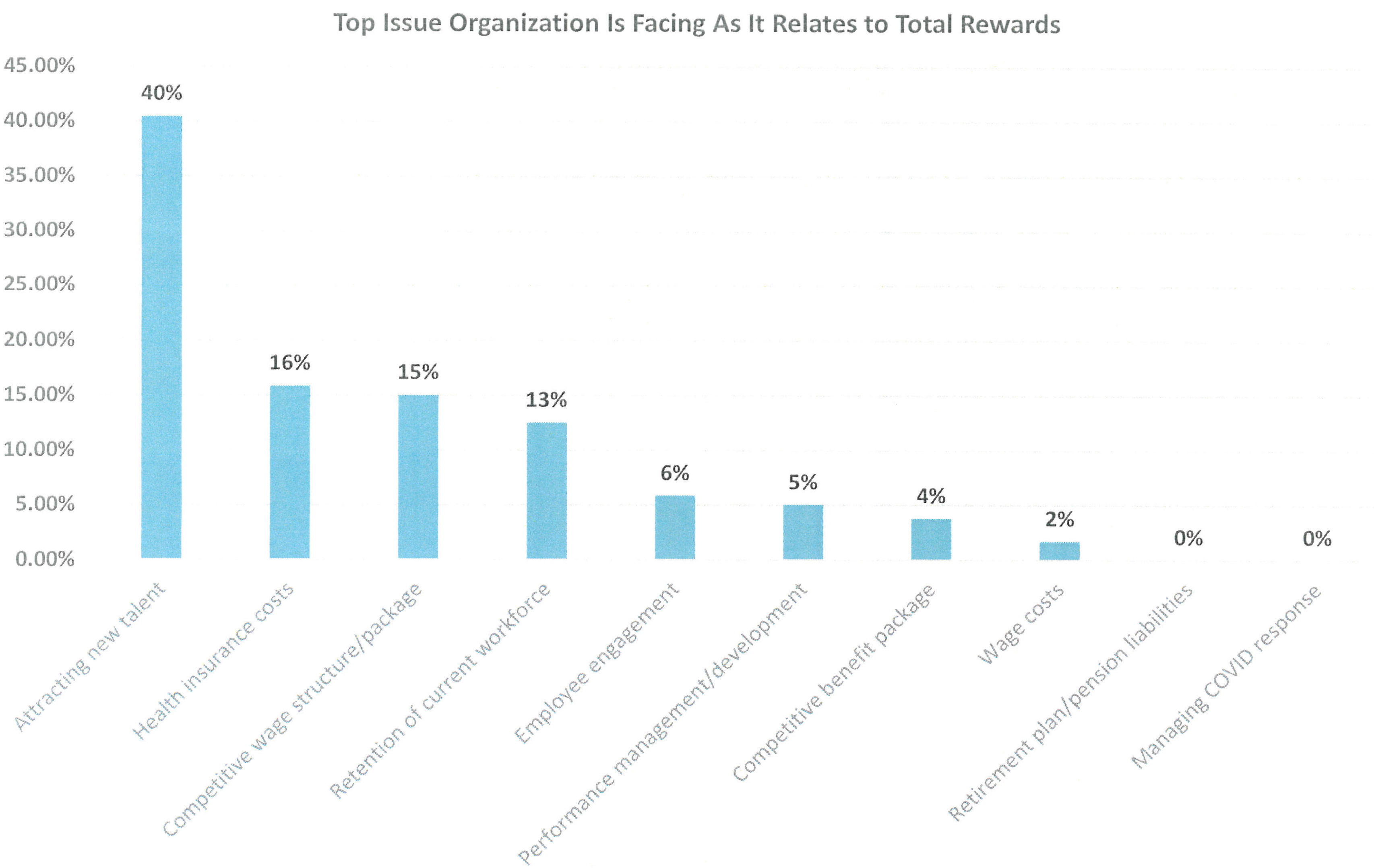

Mental Health


Financial Wellness


Workplace Flexibility


Healthcare

TOP LABOR MARKET CHALLENGES FOR EMPLOYERS – A FOCUS ON TALENT



Multiple Plan Options and HDHPs Are the New Norm

- 65% of participants offer an H.S.A. plan as an option to employees, still growing
- 61% of participants with more than one plan have just two plans (Trad & HSA)

Traditional EAP Is Not Doing the Job It Is Intended To Do for Mental Health

- 50% of participants with EAP noted their usage of benefit is Poor
- 42% of participants have a focus on mental health as key initiative

Wellness Has A Renewed Focus From Employers

- ½ of all employers have a formal wellness program in place, with 48% having internal admin
- 20% of employers without program will add one, existing programs to outsource admin
- Key areas of focus includes: chronic conditions and expansion to mental/financial health

Telework and Flexible Work Life is Here to Stay

- 61% of companies say their new telework policies will stay post-pandemic
- 81% of companies say their new flexible schedule policies will stay post-pandemic

Financial Assistance Programs & Education Falling on Employers

- 1/6 companies are looking to expand education on finance
- Student loan assistance up and coming, focused on matching & annual $ limits

What Is The Family Advantage Health Plan?

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THE REALITY: WE BUILT A SMARTER OPT-OUT INCENTIVE PROGRAM

A Smarter Opt Out Incentive

ALIGNED RISK & INCENTIVES

Members electing the Family Advantage Health Plan get both:

A.) Health Reimbursement Account that reimburses 100% of deductibles, copays, and coinsurance of another employer sponsored group plan.

B.) Flat $ amount per month distributed by payroll to offset for added premium costs ($50/member standard).

INCENTIVES BUILT TO ATTRACT LARGER CLAIMANTS & HIGHER RISKS

OPTIMIZED ELIGIBILITY CRITERIA

Any member (employee, spouse, child) that has:

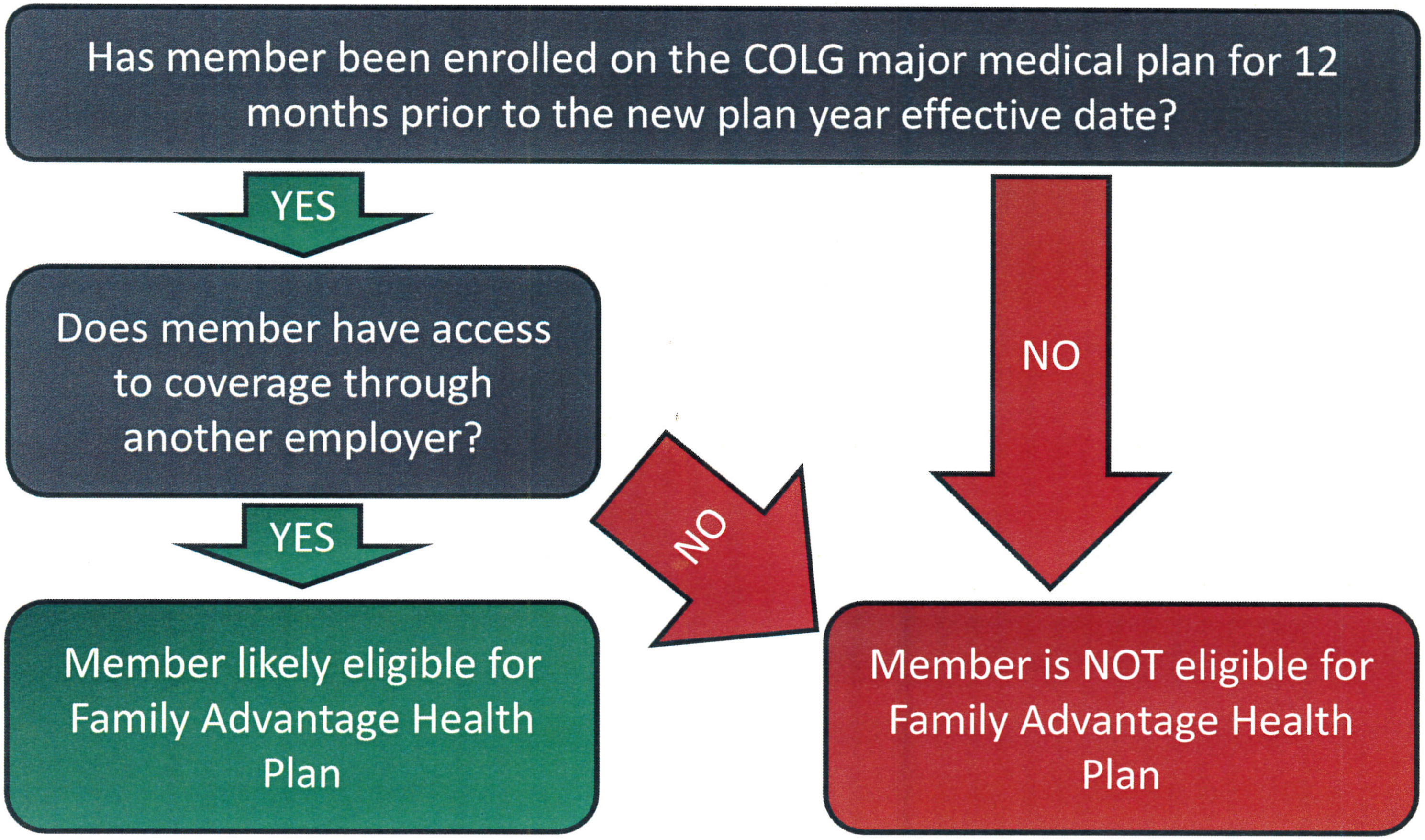
A.) been enrolled on the COLG major medical plan for at least 12 months as of the plan's effective date

B.) access to & enrolls in another employer sponsored group health plan

NO SUNK COSTS FROM PEOPLE WHO WAIVE THE PLAN w/o INCENTIVES

UNDERSTANDING ELIGIBILITY: TWO MAIN CRITERIA

All members, including employee, spouse, and children may be eligible based on the following criteria:



DON'T OVERCOMPLICATE IT – IT IS ACTUALLY QUITE SIMPLE

Member is enrolled on the COLG plan today for last 12 months and has other employer coverage available through parent or spouse

Member drops the COLG plan and elects other employer plan as new primary coverage

Member enrolls in $0 Family Advantage Plan through COLG as incentive for switching, effectively having two plans now protecting their family

Member gets reimbursed for all deductibles, copays, and coinsurance of other employer plan by Family Advantage Plan + Payroll bonus each month to help cover premium variances (standard is $50 PMPM)

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WHY EMPLOYEES WILL LOVE IT - BETTER BENEFITS, SAVING THEM MONEY

Family of 4 – All Migrate	Current Plan	Other Plan + FAHP
Premiums		
Annual Premium Deductions	$7,728	$7,680
FAHP Premium Bonus ($50 PMPM)	N/A	($2,400)
Net Premium Cost	**$7,728**	**$5,280**
Medical Plan Costs		
Family Out of Pocket Expenses	$3,756	$3,756
FAHP Health Reimbursements 100%	N/A	($3,756)
Net Out of Pocket Costs	**$3,756**	**$0**
Total Net Costs to Employee		
Total Employee Costs	$11,484	$5,280
Total Employee Savings		**$6,204**

Step #1 -
Add Up Your Current Premiums + Out of Pocket Expenses to Calculate Total Current Spend

Step #2 -
Add Up Your Spouse/Parent Plan Premiums & Out of Pocket, Then Subtract 100% of Out of Pocket and Flat Monthly Premium Bonuses

Step #3 -
Calculate Difference in Net Expenses and See What You Would Save By Moving to Other Plan + FAHP

WHY WOULDN'T EVERYONE TAKE THIS IF THEY ARE ELIGIBLE?

First off, the Family Advantage Health Plan is 100% voluntary for COLG employees and is merely an option. That said, we want members informed about their decisions, and there are a few scenarios where you might not want to enroll in this plan because of the other employer coverage you are required to enroll in:

1. **NETWORK CONSIDERATIONS -** Other employer plan available utilizes a network of providers that does not include their current primary care physician and they are unwilling to switch to an in-network provider.

2. **EXCLUSION CONSIDERATIONS -** Other employer plan available does not cover a certain medical procedure, condition, or prescription that they need covered or are on today.

3. **SPOUSAL CARVEOUT –** Employees that have a spouse that has an employer with spousal carve-out will not be able to move over, however, the spouse and children will still be eligible for FAHP.

4. **HSA ELIGIBILITY** – If they are low claim utilizer/risk and their employer gives a sizable H.S.A. seeding amount into their account OR their tax savings on your own contributions is greater than their claims. Being enrolled on Family Advantage Health Plan removes H.S.A. eligibility.

5. **PREMIUM COSTS TOO HIGH** – Employees should calculate their current premiums + expected out of pocket expenses to determine a baseline cost of today. If the spouse's employee premiums on their employer plan less the monthly premium payroll bonus is still higher than current spend, they may not wish to move if they don't think they will have claims. Remember that the greatest incentive is for people hitting out of pocket limits.

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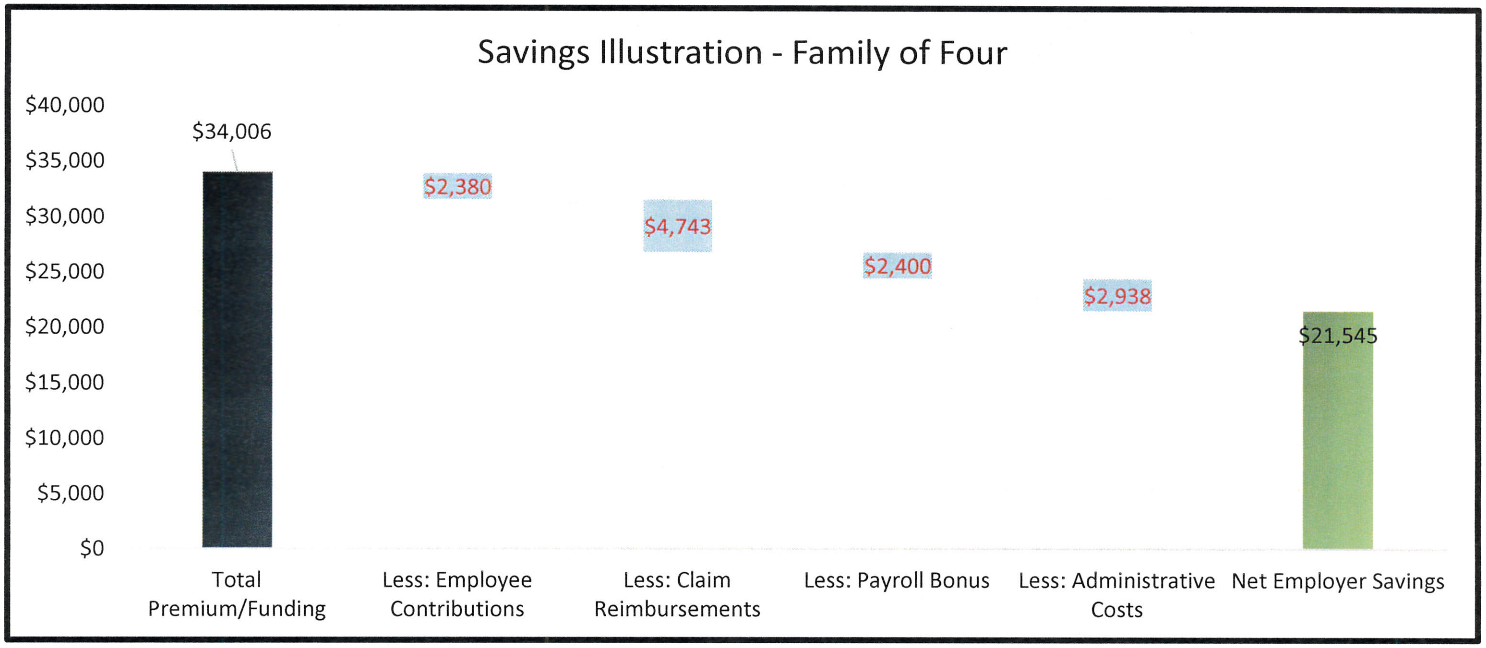
WHY EMPLOYERS LOVE IT – IT SAVES MONEY IN A MEASURABLE WAY

Enter Monthly Premium Information for Most Populated Health Plan				
Tier	Total Cost	Employee Cost	Employer Cost	Assumed Enrollment Break-Out
Single	$1,045	$73	$972	29.025
Employee + Spouse	$2,086	$146	$1,940	13.7925
Employee + Child	$2,086	$146	$1,940	9.195
Employee + Family	$2,834	$198	$2,635	22.9875



No adjustment made for assumption that higher risk members will participate at greater rates, so estimate is conservative

UNDERSTANDING EMPLOYER SAVINGS

For the City of Lake Geneva, using our standard Family Advantage Health Plan framework, the expected results are:

- An estimated 9 **families taking advantage of 100% coverage**.
- **Nearly $72,000 in added benefits to families** that otherwise would have been out of pocket expense
- **$162,679 in net savings** to the City of Lake Geneva or 10.2% of current net costs

City of Lake Geneva

EXPECTED FINANCIAL PROJECTION BASED ON:	30% Migration of Eligibles
CURRENT ESTIMATED NET SPEND	**$1,600,684**
Projected Gross Cost Savings	($251,966)
Projected Lost Contributions	$17,638
Projected Family Advantage Plan Costs	$71,649
PROJECTED NET SPEND	**$1,438,005**
PROJECTED NET SAVINGS $	**$162,679**
PROJECTED NET SAVINGS %	**10.2%**

FAMILY ADVANTAGE PLAN - NET SAVINGS SPECTRUM

% of Eligible Members Migrating	# of Families Benefitting	$ Net Savings	% of Company Spend
0%	0	$0	0.0%
10%	3	$54,226	3.4%
20%	6	$108,453	6.8%
30%	9	$162,679	10.2%
40%	12	$216,906	13.6%
50%	15	$271,132	16.9%
60%	18	$325,359	20.3%
70%	21	$379,585	23.7%
80%	24	$433,812	27.1%
90%	27	$488,038	30.5%
100%	30	$542,265	33.9%

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