

CITY OF GREEN RIVER
CITY COUNCIL SPECIAL WORKSHOP PROCEEDINGS
April 26, 2011

The Governing Body of the City of Green River met in special workshop session at 6:30 pm in the City Hall Council Chambers. Mayor Castillon called the meeting to order. The following Council Members were present: Tom McCullough, Jim Boan, Lisa Maes, Adam Coppolo, Gene Smith, and Gary Killpack. The following were present representing the City: City Administrator Barry Cook, Director of Finance Jeff Nieters, Director of Human Resources Debbie Klein Robertson, Interim Parks and Recreation Supervisor Allan Wilson, Recreation Supervisor Brenda Roosa, Fleet Maintenance Supervisor Eddie Miller, Recreation Supervisors Sherry Schumacher and Kevin Sadler, and Public Affairs Specialist Stephen Pyles.

The City of Green River Health Insurance

Ms. Robertson said the city is part of an insurance program through the Wyoming Educators Benefit Trust (WEBT). There will be an increase in premiums for the health insurance this fiscal year. In the past the city paid one hundred percent of the insurance cost but now the employee pays a part. WEBT tiered its pool into groups from numbered one through seven. Tier one received a 7.5% increase overall. Tier seven received a 31.5% increase overall. The city was placed in Tier three with an overall increase of 12.5%.

There are significant changes due to healthcare reform:

- Elimination of all annual lifetime dollar limitations on essential benefits. The city plan currently has a \$2 million lifetime maximum on health insurance. As of July 1, 2011 there will be no maximum.
- Dependant coverage up to age 26 will be instituted effective July 1, 2011. Currently the city plan requires dependants to be in school to receive coverage between 19 and 26 years of age. The dependant coverage must be offered by employers. The parents do not have to enroll the child if they do not wish to.
- Unlimited first dollar coverage on preventative services will become effective July 1, 2011. Currently there is a limit of \$300 per person. The change could result in significant costs to the plan.

Plan changes initiated by WEBT to reduce costs were: dropping the lowest deductible plan (\$250/single and \$500/family), increasing the maximum out of pocket by \$500, and changing the prescription card program.

Ms. Robertson asked for council's approval to move forward with submitting the employer plan collection form to WEBT. This does not commit the city to any plan it just tells WEBT that the city will take part in the plans they offer.

Council Member McCullough said the personnel costs that are paid by the city is \$13 million which comes out of an operating budget of \$16 million.

Mr. Cook said the salaries are 52.8% and the benefits are 22.5% which totals 75.3% of the budget.

Council Member McCullough said 75% of the budget is spent on personnel. He asked if city staff has been notified of the stipends.

Mr. Cook said he notified the Employee Relation Committee and the Emergency Management Team.

Council Member Killpack said there is a 12.5 % increase. He said this is a very reasonable increase. There are some companies that are increasing more than that. He asked about the goal of 10% cost share for the employees.

Ms. Robertson said the employees started sharing the cost several years back. The city intended to keep the cost to the employees at 10%.

Council Member Killpack asked if they had gone above the 10%.

Ms. Robertson said yes. They offered more than one plan to help offset the cost to the employees. WEBT does allow the city to offer up to three plans.

Council Member Killpack asked why the employees share is not at 10% across the board.

Ms. Robertson said the different tiers of benefits offered are different in cost so the premiums are different.

Council Member Killpack asked who comes up with the costs of the plan.

Ms. Robertson said WEBT tells the city what the premium is, they take the employers share out of it, and the difference is what the employee will have to pay.

Council Member Killpack asked if the employee's will have to pay more this year.

Ms. Robertson said yes.

Council Member Killpack asked if there was any way they could leave the employee's share at 10%.

Mr. Cook said yes they could, but the city would have to pay the difference. Mr. Cook said he was directed to freeze the city's share, and with the premiums rising the costs are higher for the employee's.

Council Member Killpack said if they give the employees a 3% raise, it would go to health care.

Mr. Cook said a \$1350 stipend (full-time employees) is in the budget to be given in July and December. The employees may have all or some of the stipends go towards the health care premiums.

Council Member McCullough noted the employees share is all going to depend on what coverage the employee chooses to have.

Council Member Killpack said his problem is that a person that is single will be paying a higher premium than a family.

Council Member Coppolo said the cost is higher because of family coverage.

Council Member Killpack asked if a married couple is working for the city, who has the plan.

Ms. Robertson said one person carries the insurance.

Council Member Coppolo said most of the time, in corporations, they offer the married couples the insurance but only one of them carries it for both.

Council Member Maes said the federal health care bill has affected the costs. Employees are going to have to check to see what their personal needs are.

She said previously the city had gone out for bid for the insurance and it helped with the costs. She asked if this could be looked into for next year.

Ms. Robertson said typically it is beneficial to go out for bid every three to five years.

Mr. Cook said he would recommend going out for bid this year or next year since the city would be in the fourth or fifth year on this plan.

Council Member Killpack said to be cautious on how many times they go out for bid. If they go out too often, they will not get the good companies to bid.

Council Member Coppolo asked if the city offers health savings account for employees. This is a good option because it does not cost anything and if they take a lower deductible they can save money to help pay for the costs.

Ms. Robertson said no, not at the moment, but WEBT has a plan with the health saving account eligibility. She does not know what the reform is going to do with the health saving account later, but it is an option.

Council Member Smith asked how much of the increase is due to the reform.

Ms. Robertson said about half is what they anticipated.

Council Member Killpack asked what the total claims paid by the city was.

Ms. Robertson said the premium paid was \$1.7 million and the claims paid were \$3.1 million.

Council Member Killpack asked if this was for this year or all participating years combined.

Ms. Robertson said this year only.

Council Member Killpack suggested the city keep their plan then. It's a deal.

The Mayor asked how many employees are covered in the plan and have we considered buying back alternative insurance sources. Some corporations and organizations look at offering incentives to be covered under the spouse's insurance.

Ms. Robertson said they have the full-time employees and some of the contract employees covered, so around 126. She believes there are entities in the county that do offer something like that but they have not looked into it.

The Mayor said there could be a significant savings if this was offered.

Council Member Coppolo asked if he was referring to getting extra money on your paycheck if you do not take the insurance.

Ms. Robertson said she has heard of agencies offering a benefit bank, which is a flat rate given to the employees and they can put it into something else.

Council Member Killpack said that is how the college does it. They set up a cafeteria plan and if they do not want the insurance they take the money and put it into the cafeteria plan instead of paying for insurance.

The Mayor said this could save money for both. He would like to have staff check into it. He said this was an issue last year and the employees picked up the cost of the change. With the change this year it would be a total cost increase of 18% to employees in two years.

Council Member McCullough asked if there was any way for the city to help cover the increase. The city could pay an additional \$100,000 towards the health care cost. He asked Ms. Robertson to run the numbers with this option to see where they are at.

Council Member Smith said he agrees with Council Member McCullough. He asked if Mr. Cook would get information from other areas within the state on their personnel cost to compare.

Council Member Killpack said he supports what has been said, and he would like to see if the city could absorb some of the increase. At best absorb the whole 12%, but at the least 6%. He thinks it is a large amount for the employees to cover. It should be straight across the board on what the employees have to pay.

Ms. Robertson said at the next council meeting she will bring the employer selection plan and the information on the health saving accounts.

City employee Rick Owens said he has been with the city for fifteen years and he came to work for the city because of the benefits and they are disappearing more every year. He remembers when the city paid 100 % for insurance.

He said not everyone in the city gets overtime or makes \$100,000 a year. It makes it hard for employees. They cannot make their check go any higher. The wages and benefits are decided by the council. He asked council to help out as much they can.

He said the stipends are a great idea, but even if they get a raise of 3% it will be used for insurance. He thanked council for trying to come up with other ideas to help. He said there is quite a cost difference in comparing the wages in other areas. He said if there is anything the employees can do to help to let them know. He feels the employee's need to quit taking the hit, and council is in control of that.

The Mayor said council is kind of in control it all depends on the revenue the city receives. He said the employees need to understand they are trying to do whatever they can. He said everyone needs to step up to the plate and tell the legislators how they feel. Be more proactive.

Mr. Owens said the employees know what is going on and what is needed. However, at the end of the day, the employees are the ones who provide the services. The employees are mindful of costs and they are trying to do their part to help contain costs.

Council Member Killpack said the employees of the city have done a good job and have sacrificed a lot. The city employees need to understand that the city does not sell a product. We are not like other companies our hands are tied. The city is getting a cut in tax revenue and that will make it hard. The council does not want to do anything to hurt the employees.

Mr. Owens said the employees appreciate everything the council does to help them.

Council Member McCullough said the city should look into putting \$100,000 into the health care costs. He asked if staff was aware of the promotion adjustments being put back into the budget.

Mr. Cook said yes.

Council Member Killpack said based on the information received tonight \$107,000 would split the 12.5 % cost increase with the employees.

Adjournment

The meeting adjourned at 7:42 pm

H. Castillon, Mayor

ATTEST:

Jeffrey V. Nieters, City Clerk