

JOINT MEETING
Greenville City Council/Greenville Utilities Commission

Monday, February 19, 2018

6:00 p.m.

Water Treatment Plant

1721 Waterway Road

Greenville, NC

1. Call Meeting to Order and ascertain quorum:
Mayor Connelly
Chair Mills
2. Acceptance of Agenda: City Council
Greenville Utilities Commission
3. Public Comment Period - For issues that are germane to both the City Council and Greenville Utilities Commission.

The Public Comment Period is a period reserved for comments by the public. Items that were or are scheduled to be the subject of public hearings conducted at the same meeting or another meeting during the same week shall not be discussed. A total of 30 minutes is allocated with each individual being allowed no more than 3 minutes. Individuals who registered with the City Clerk to speak will speak in the order registered until the allocated 30 minutes expires. If time remains after all persons who registered have spoken, individuals who did not register will have an opportunity to speak until the allocated 30 minutes expires.

4. Approval of Proposed Minutes –September 25, 2017
5. Review of Wastewater Treatment Plant Conservation Initiatives and Associated Budget Impacts
6. Review of Water Treatment Plant Preliminary Engineering Report Findings, Implementation Options, and Associated Budget Impacts
7. Adjournment: City Council
Greenville Utilities Commission

PROPOSED MINUTES OF JOINT MEETING OF THE
GREENVILLE CITY COUNCIL
AND THE GREENVILLE UTILITIES COMMISSION
BOARD OF COMMISSIONERS
MONDAY, SEPTEMBER 25, 2017

Having been properly advertised, a joint session of the Greenville City Council and the Greenville Utilities Commission Board of Commissioners (GUC Board) was held on Monday, September 25, 2017, at 6:00 p.m. in the GUC Board Room, located on the second floor of the Greenville Utilities Main Office Building at 401 S. Greene Street in Greenville.

Mayor Smith called the meeting to order for the City Council.

GUC Chair Mills called the meeting to order for the GUC Board.

Those present from the City Council:

Mayor Kandie Smith, Mayor Pro-Tem Rose Glover, Council Members Calvin Mercer, Rick Smiley, PJ Connelly, and Shawan Barr

Also present from the City of Greenville:

Ann Wall, City Manager; Michael Cowin, Assistant City Manager; Leah Futrell, Human Resources Director; Dave Holec, City Attorney; Frank Salvato, Human Resources Generalist and Carol L. Barwick, City Clerk

Those present from the Greenville Utilities Commission Board of Commissioners:

Chair Don Mills, Chair-Elect Rebecca Blount, Secretary Joel Butler, and Commissioners, Tommy Stoughton, Minnie Anderson and Ann Wall

Also present from the Greenville Utilities Commission:

Tony Cannon, General Manager/CEO; Chris Padgett, Chief Administrative Officer; Phillip R. Dixon, General Counsel; Steve Hawley, Public Information Officer/Communications Manager; Richie Shreves, Director of Human Resources; Amy Wade, Executive Assistant to the General Manager/CEO; Debbie Jones and Leah Herring, Benefits Administrators and Lou Norris, Secretary to the General Manager/CEO

Others present:

Seth Gullledge, The Daily Reflector; Eric Griffin, Greenville Fire and Rescue; Julie Jones; Jason Wong, Mercer Consulting; and Steve Graybill, Mercer Consulting (via telephone)

Those absent:

Council Member McLean Godley was absent from the City Council.

Commissioners Toya Jacobs and Parker Overton were absent from the Greenville Utilities Commission.

APPROVAL OF THE AGENDA

Upon motion by Council Member Smiley and seconded by Council Member Barr, the Greenville City Council unanimously approved the agenda.

Upon motion by Commissioner Joel Butler and seconded by Commissioner Stoughton, the GUC Board unanimously approved the agenda.

PUBLIC COMMENT PERIOD

Mayor Smith opened the public comment period at 6:04 p.m. and explained the procedures to be followed by anyone who wished to speak.

There being no one present who wished to speak, Mayor Kandie Smith closed the public comment period at 6:05 p.m.

APPROVAL OF PROPOSED MINUTES- APRIL 24, 2017

Upon motion by Council Member Smiley and seconded by Mayor Pro-Tem Glover, the Greenville City Council unanimously approved the April 24, 2017 Joint Minutes as presented.

Upon motion by Commissioner Stoughton and seconded by Commissioner Butler, the GUC Board unanimously approved the April 24, 2017 Joint Minutes as presented.

CONSIDERATION OF JOINT PAY AND BENEFITS COMMITTEE RECOMMENDATIONS
ON PLAN YEAR 2018 MEDICAL AND DENTAL BENEFITS

Chris Padgett, Chief Administrative Officer for GUC, along with Michael Cowin, Assistant City Manager, reminded the Board and Council that the City and GUC are jointly meeting today to review the recommendation of the Joint Pay and Benefits Committee. Mr. Padgett stated that the staffs worked together with Mercer Consulting on the health plan strategies. He added that the Joint Pay and Benefits Committee met on August 24, 2017, and finalized the recommendations related to health benefit offerings for 2018.

Medical:

Mr. Padgett began by stating that the original 2017 health plan strategy has been modified due to the Excise Tax being postponed. Originally the strategy was to eliminate the Enhanced Plan in 2017 and to offer the Core Plan as the "PPO" option along with the high deductible Health Savings Account (HSA). Also, the original target employer subsidy for 2018 cost share was 83.4%.

The modified health plan strategy for 2018 includes revising the current health plan offerings, and continuing the HSA seed bonus for new enrollees into the HSA Plan. The 2018 strategy related to cost includes a target employer subsidy of 82.0%.

Current data projections are indicating that if there are no plan design changes for 2018 the cost share will increase to 83.9%. In order to meet the target employer subsidy of 82.0%, the following changes have been reviewed and are recommended by the Joint Pay and Benefits Committee.

- Implement proposed plan design changes (see following chart).
- Implement a 12.5% increase to all contributions across the board.
- Continue first-year incentive seed money (\$250 individual, \$500 family) for new HSA enrollees.
- Maintain retiree buy-up strategy for retirees based on 2018 rates.

Medical Plan Design: Proposed Changes to Core and Enhanced

	HSA	Core	Enhanced
Deductible (Individual / Family)	\$1,500 / \$3,000	\$750 / \$1,500	\$500 / \$1,000 \$600 / \$1,200
Out of Pocket Maximum (Individual / Family)	\$3,000 / \$6,000	\$3,000 / \$6,000 \$3,500 / \$7,000	\$2,000 / \$4,000 \$2,500 / \$5,000
Coinsurance	20%	20%	15% 20%
Office Visit/Specialty Copay	Deductible & Coinsurance	\$20 / \$40	\$20 / \$40
ER Visit Copay	Deductible & Coinsurance	\$100 \$150	\$100 \$150
Prescription Drug – Retail	Deductible & Coinsurance	\$10 / \$20 / \$40 \$10 / \$30 / \$50	\$10 / \$20 / \$40 \$10 / \$30 / \$50
Prescription Drug – Mail Order	Deductible & Coinsurance	Free / \$40 / \$80 Free / \$60 / \$100	Free / \$40 / \$80 Free / \$60 / \$100
Specialty Rx	Deductible & Coinsurance	N/A \$100	N/A \$100

Mr. Cowin explained the cost portion for employees, elaborating on how the proposed 12.5% increase would impact 2018 rates in comparison to 2017 rates based on an employee’s salary tier and the health plan selected. Employees are grouped into four tiers based on annual salary.

Medical Active Employee Contributions: 2017 vs. 2018 Increase - Proposed

	Bi-Weekly Active Contributions											
	2017	2018	Change	2017	2018	Change	2017	2018	Change	2017	2018	Change
Salary Bands	< \$32,278			\$32,278 - \$46,951			\$46,952 - \$61,623			> \$61,623		
HSA												
EE	\$5.24	\$5.90	\$0.66	\$6.22	\$7.00	\$0.78	\$7.20	\$8.11	\$0.90	\$8.19	\$9.21	\$1.02
EE+SP	\$44.02	\$49.52	\$5.50	\$52.26	\$58.79	\$6.53	\$60.52	\$68.08	\$7.56	\$68.78	\$77.38	\$8.60
EE+CHILD(REN)	\$42.97	\$48.34	\$5.37	\$51.02	\$57.40	\$6.38	\$59.08	\$66.47	\$7.39	\$67.13	\$75.52	\$8.39
FAMILY	\$62.84	\$70.69	\$7.85	\$74.63	\$83.96	\$9.33	\$86.40	\$97.21	\$10.80	\$98.19	\$110.47	\$12.27
CORE												
EE	\$16.20	\$18.23	\$2.03	\$17.78	\$20.01	\$2.22	\$21.05	\$23.68	\$2.63	\$24.30	\$27.34	\$3.04
EE+SP	\$68.04	\$76.55	\$8.51	\$74.70	\$84.03	\$9.34	\$88.39	\$99.44	\$11.05	\$102.07	\$114.83	\$12.76
EE+CHILD(REN)	\$66.43	\$74.74	\$8.30	\$72.91	\$82.03	\$9.11	\$86.29	\$97.08	\$10.79	\$99.65	\$112.11	\$12.46
FAMILY	\$97.15	\$109.30	\$12.14	\$106.64	\$119.97	\$13.33	\$126.19	\$141.96	\$15.77	\$145.73	\$163.94	\$18.22
ENHANCED												
EE	\$29.48	\$33.16	\$3.68	\$31.43	\$35.36	\$3.93	\$35.45	\$39.88	\$4.43	\$39.46	\$44.39	\$4.93
EE+SP	\$123.80	\$139.28	\$15.48	\$131.99	\$148.49	\$16.50	\$148.86	\$167.47	\$18.61	\$165.72	\$186.44	\$20.72
EE+CHILD(REN)	\$120.85	\$135.96	\$15.11	\$128.82	\$144.93	\$16.10	\$145.32	\$163.49	\$18.17	\$161.79	\$182.01	\$20.22
FAMILY	\$176.78	\$198.88	\$22.10	\$188.46	\$212.01	\$23.56	\$212.54	\$239.11	\$26.57	\$236.63	\$266.20	\$29.58

Proposed:
12.5% increase to all contributions across the board.
82% cost share (meet target)

Mr. Cowin stated that employee contributions for medical would increase from a low of \$.66 to a high of \$29.58 per pay period. The proposed adjustments would result in an employer net cost of approximately \$15 million, compared to \$16.542 million if changes are not made.

Tony Cannon, GUC General Manager/CEO, added that maintaining the employee contributions based on the salary band was at request of City Council and the GUC Board. He shared that the market typically provides medical benefits at a one price for all. Steve Graybill, of Mercer Consulting, added that less than 5% of employers nationwide still use salary bands.

Council Member Connelly asked how many employees fall into the highest pay band. Mr. Cowin estimated about 30%. He stated that employees will be offered guidance, if needed,

during the enrollment phase to evaluate how each plan would benefit them in order to choose the best option.

Dental:

Mr. Cowin stated that the recommendation for the dental plans is to increase dental rates 6.3% for 2018 and continue to monitor the dental plan and adjust contributions as needed once more data is available. The dental plan is already a more equitable cost share with 55% being employer paid and 45% employee paid. The increase for employees would range from \$0.18 cents to \$1.99.

Mayor Pro-Tem Glover asked about the underwriter for the dental plan. Mr. Graybill explained that the dental plan is self-insured. The carrier is Cigna and the underwriter is Mercer.

The Committee recommendations for the 2018 Health and Dental plans are:

2018 Health Plan:

- Maintain current plans offered (i.e. HSA, Core, Enhanced);
- Implement the proposed plan design changes (i.e. presented increases in deductibles, co-pays, and out of pocket maximums);
- Implement a 12.5% rate increase to employee contributions across the board; and
- Maintain retiree buy-up strategy for retirees based on 2018 rates.

2018 Dental Plan:

- Maintain current plans offered (i.e. Dental and Dental Plus); and
- Implement a 6.3% increase to employee contributions for both plans.

Council Member Barr made a motion for the City of Greenville to accept the Joint Pay and Benefits Committee recommendations of the proposed medical and dental benefits for plan year 2018. Mayor Pro-Tem Glover seconded the motion, which passed by unanimous vote.

Commissioner Butler made a motion for the GUC Board to accept the Joint Pay and Benefits Committee recommendations of the proposed medical and dental benefits for plan year 2018. Commissioner Blount seconded the motion, which passed by unanimous vote.

ADJOURNMENT

There being no further discussion, Council Member Barr motioned to adjourn the meeting at 6:34 p.m. Mayor Pro-Tem Glover seconded the motion, which passed by unanimous vote. Mayor Smith adjourned the meeting for the City Council at 6:34 p.m.

There being no further discussion, Commissioner Butler motioned to adjourn the meeting at 6:34 p.m. Commissioner Stoughton seconded the motion, which passed by unanimous vote. Chair Mills adjourned the meeting for the GUC Board at 6:34 p.m.

Respectfully submitted,

Amy Carson Wade
Executive Secretary

APPROVED:

Joel Butler
Secretary