

# City Council Meeting

## October 5, 2020



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# Item 4

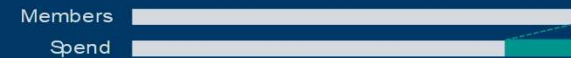
Recommendations from the Joint  
COG/GUC Pay and Benefits  
Committee for Plan Year 2021



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# Total medical & pharmacy Year-to-date (YTD) July 2020

0.4% of Members produced 15.7% of claims (HCC)  
HCC threshold of \$100K



## Cost & budget summary

Gross paid claims  
**\$9.6m**

1.6% Prior YTD differential  
0.9% Rolling 12 month differential

Adjusted paid claims  
**\$9.0m**

-4.7% Prior YTD differential  
-2.6% Rolling 12 month differential

Fixed costs  
**\$1.1m**

11.8% Prior YTD differential  
11.2% Rolling 12 month differential

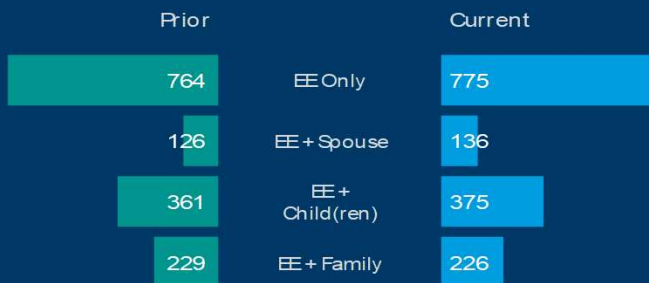
Gross plan cost  
**\$10.2m**

-3.1% Prior YTD differential  
-1.3% Rolling 12 month differential

Gross budget  
**\$11.8m**

1.6% Prior YTD differential  
3.0% Rolling 12 month differential

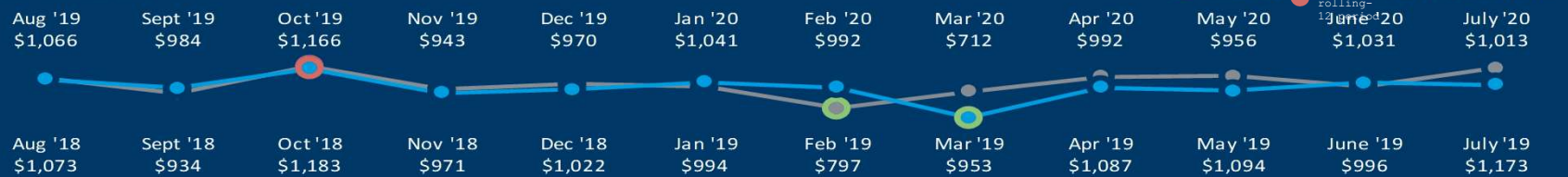
## Average enrollment



## Gross plan cost vs gross budget



## PEPM claims by month



## 2021 Recommended Rx Program Enhancements

- **Best Start @ Accredo:** requires members newly prescribed specialty medication(SRx) to use Accredo on their first fill. Current SRx members are already filling medications at Accredo.
  - Members newly prescribed SRx currently have one grace fill allowed
  - No disruption to members
  - Promotes better specialty drug management and engagement which results in lower condition costs
- **SaveonSP:** maximizes drug manufacturer assistance to reduce members out of pocket costs for medications.
  - No disruption to members
  - Members have a choice to opt-in to the program
  - Aims to achieve a zero dollar cost share for the member
  - Would only apply to the Enhanced and Core PPO Plans due to first-dollar coverage restrictions on HDHPs
  - Up to \$193,000 in annual savings for both members and COG/GUC

## Continued Rx Program Enhancements

- **Patient Assurance Program:** makes diabetes medications more affordable for members to increase medication adherence funded by the manufacturers
  - Caps customer cost share for eligible drugs at point-of-service
    - \$25 for 30 days supply, pre-deductible (savings of \$5 per script)
  - Only for the Enhanced and Core PPO plans as HSA members receive these preventive drugs at no cost
  - No member disruption
  - Estimated member savings of \$3,000 annually for employees



## 2021 Recommended Approach Medical/Rx/Vision

- The scenario below represents 4.875%/8.035% medical/Rx trend and includes the impact of SaveOnSP (~\$193K in savings)
  - Mercer’s market trend guidance suggests 2021 trend estimates of 4.0-7.5% for medical and 6.5-9.0% for Rx
  - COG/GUC recent trends have been lower than market, but consideration should be given to potential claims volatility (utilization and HCCs vary year-to-year) and the uncertain impacts of COVID when setting 2021 budgets
- 2021 projections include an explicit 2.0% claims fluctuation margin
- 2021 employee contributions are assumed to remain flat over 2020

2020 Budget		2021 Status Quo Projection		
PE Rates x April 2020 Enrollment		Data thru 03.2020		
		Trends: Medical: 4.875%; Rx: 8.035%		
		vs. 2020 Budget		
		\$	%	
<b>AGGREGATE</b>				
<b>Gross Cost</b>				
Paid Claims		\$19.3M		
Rx Rebates		(\$0.9M)		
Fixed Cost (ASO & SL)		\$2.1M		
Projected HSA Funding		\$0.1M		
<b>Total Gross Cost</b>	<b>\$20.3M</b>	<b>\$20.6M</b>	<b>\$0.3M</b>	<b>1.5%</b>
<b>Employee Cost</b>				
Employee Contributions <sup>1</sup>	\$3.2M	\$3.2M	\$0.0M	0.0%
Tobacco Surcharge	\$0.1M	\$0.1M	\$0.0M	0.0%
Spousal Surcharge	\$0.1M	\$0.1M	\$0.0M	0.0%
<b>Total Employee Cost</b>	<b>\$3.4M</b>	<b>\$3.4M</b>	<b>\$0.0M</b>	<b>0.0%</b>
<b>COG/GUC Net Cost</b>	<b>\$16.9M</b>	<b>\$17.2M</b>	<b>\$0.3M</b>	<b>1.8%</b>
COG/GUC Cost Share	83.4%	83.6%		
<hr/>				
<b>PEPY</b>				
Gross Cost	\$13,437	\$13,644	\$207	1.5%
Contribs & Surcharges	(\$2,235)	(\$2,235)	\$0	0.0%
COG/GUC Net Cost	\$11,203	\$11,409	\$207	1.8%
04.2020 Enrollment	1,511	1,511	0	0.0%
<hr/>				
vs. 2020 Budget				
\$				
%				

<sup>1</sup>2021 employee contributions are assumed to remain flat over 2020 *Find yourself in good company*

## Recommended Action

### Recommendations from the Joint COG/GUC Pay and Benefits Committee

- Recommend a 1.5% increase in medical plan premiums and no change in employee contributions.
- Continue HSA year-one funding of \$250 individual and \$500 family to incentivize movement into the HDHP plan
  - This is in addition to the regular, annual funding of \$500 individual and \$1,000 family.
- Adopt recommended Rx plan changes.
- Recommend a 2.0% increase in dental plan premiums and no change in employee contributions.

# Item 7

## Ordinance Approving Fiscal Year 2020-21 Capital Reserve Fund Designations



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# City of Greenville

## 2020-2021 CAPITAL RESERVE FUND DESIGNATION

# Capital Reserve Fund

*Any local government or public authority may establish and maintain a capital reserve fund for any purposes for which it may issue bonds. A capital reserve fund shall be established by resolution or ordinance of the governing board which shall state (i) the purposes for which the fund is created, (ii) the approximate periods of time during which the moneys are to be accumulated for each purpose, (iii) the approximate amounts to be accumulated for each purpose, and (iv) the sources from which moneys for each purpose will be derived. (1943, c. 593, ss. 3, 5; 1957, c. 863, s. 1; 1967, c. 1189; 1971, c. 780, s. 1.)*

**--North Carolina G.S. 159-18**

# Recommended for Transfer

Description	Amount
To transfer BUILD Grant capital reserve funding from the Capital Reserve Fund to the BUILD Grant Project	\$ 2,016,882

## Detail of Designations – Oct 2020

Purpose	Approved Designations May 11, 2020	Inc/(Dec)	Proposed Designations October 5, 2020
Dickinson Avenue Streetscape	1,187,273		1,187,273
Transportation			
DOT Project - Firetower 14th Street to NC33	93,869	-	93,869
BUILD Grant	2,016,882 <sup>A</sup>	(2,016,882)	-
Subtotal Transportation	2,110,751	(2,016,882)	93,869
Industrial Site	1,000,000	-	1,000,000
<b>Total</b>	\$ 4,298,024	\$ (2,016,882)	\$ 2,281,142

# RECOMMENDATION

**Approve 2020-2021 Capital Reserve Fund designations and adopt the Capital Reserve Fund Ordinance.**

# Questions



# Item 8

Budget Ordinance Amendment #3 to the Fiscal Year 2020-21 City of Greenville Budget (Ordinance #20-025), the Capital Projects Funds (Ordinance #17-024), and the Special Revenue Grants Fund (Ordinance #11-003)



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**CITY OF GREENVILLE**  
**FY 2021 BUDGET ORDINANCE AMENDMENT #3**



# **CITY OF GREENVILLE**

## **BUDGET ORDINANCE AMENDMENT #3**

### **Budget Ordinance Amendment #3 Includes Adjustments to the Following Funds:**

**General Fund**

**Public Transportation Fund**

**Fleet Maintenance Fund**

**Sanitation Fund**

**Stormwater Fund**

**Housing Fund**

**Vehicle Replacement Fund**

**Facilities Improvement Fund**

**Capital Reserve Fund**

**Special Revenue Grant Fund**

**CD Capital Projects Fund**

**PW Capital Projects Fund**

# CITY OF GREENVILLE

## BUDGET ORDINANCE AMENDMENT #3

	Description	Funds	Budget Impact	Amount
A	To carry over encumbrances that were outstanding at the close of FY 2019-20.	General Fund	Increase	\$ 880,889
		VRF	Increase	514,608
		Transit	Increase	13,242
		Fleet	Increase	41,395
		Stormwater	Increase	912,856
		Sanitation	Increase	2,113
		FIP	Increase	550,391
B	To recognize funds within the Street Improvement Bond Capital Projects and Capital Reserve funds earmarked for the BUILD Grant within the Engineering Capital Projects fund.	Capital Reserve	Increase	\$ 2,016,882
		Street Bond Fund	Neutral	\$ 2,016,882
C	To recognize an additional \$15,000 received from Community Development Block Grant	Housing	Increase	\$ 15,000

# CITY OF GREENVILLE

## BUDGET ORDINANCE AMENDMENT #3

Description	Funds	Budget Impact	Amount
To recognize grant funds received for the Rural Housing Recovery Infrastructure.	Spec Rev Grant	Increase	\$ 350,000
To recognize funding received annually from GUC for the Energy Assistance Program.	CD Cap Proj.	Increase	\$ 150,000
To move contingency funds to the Public Works Capital Project fund and Planning & Development Services for additional Capital & Neighborhood Improvement projects.	General Fund PW Cap Proj	Neutral Increase	\$ 11,086 9,286

**CITY OF GREENVILLE**  
**BUDGET ORDINANCE AMENDMENT #3 SUMMARY**

**City of Greenville Operating Fund Budget per Amendment #3:**

<b>Fund</b>	<b>Budget</b>	<b>%</b>
<b>General</b>	<b>\$ 82,613,816</b>	<b>60.6%</b>
<b>Debt Service</b>	<b>5,943,531</b>	<b>4.4%</b>
<b>Public Transportation (Transit)</b>	<b>3,243,918</b>	<b>2.4%</b>
<b>Fleet Maintenance</b>	<b>4,964,629</b>	<b>3.6%</b>
<b>Sanitation</b>	<b>7,865,966</b>	<b>5.8%</b>
<b>Stormwater</b>	<b>8,472,676</b>	<b>6.2%</b>
<b>Housing</b>	<b>1,867,166</b>	<b>1.4%</b>
<b>Health Insurance</b>	<b>13,757,908</b>	<b>10.1%</b>
<b>Vehicle Replacement</b>	<b>2,566,251</b>	<b>1.9%</b>
<b>Capital Reserve</b>	<b>2,016,882</b>	<b>1.5%</b>
<b>Facilities Improvement</b>	<b>2,965,725</b>	<b>2.2%</b>
<b>Total</b>	<b>\$ 136,278,468</b>	<b>100%</b>

**CITY OF GREENVILLE**  
**BUDGET ORDINANCE AMENDMENT #3**  
**SUMMARY**

**RECOMMENDATION**

**Approve budget ordinance amendment #3 to the 2020-2021 City of Greenville budget (Ordinance #20-025), Capital Projects Fund (Ordinance #17-024), and Special Revenue Grant Fund Ordinance (Ordinance #11-003)**

# Item 9

## Discussion of Public Art Procedure



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# Discussion of Public Art Procedure

- Council approved contract with Arts Council on 8/13/20 that includes provision that Council review and approve art placed on public property.
- Proposed Procedure:
  - Requester forward project to CM;
  - CM transmit to Council & place on Workshop agenda
  - Workshop:
    - Council review request
    - Council decide whether to place on Council regular meeting agenda.
  - Council regular meeting: Take Action on request



# City Council Meeting

## October 5, 2020



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