



CITY OF GRAIN VALLEY
BOARD OF ALDERMEN MEETING MINUTES
 Regular Session

05/22/2017
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ITEM I: CALL TO ORDER

- The Board of Aldermen of the City of Grain Valley, Missouri, met in Regular Session on May 22, 2017 at 7:02 p.m. in the Council Chambers located at Grain Valley City Hall
- The meeting was called to order by Mayor Mike Todd

ITEM II: ROLL CALL

- City Clerk Theresa Osenbaugh called roll
- *Present: Arnold, Bamman, Coleman, Headley, Totton, West*
- *Absent: None*

-QUORUM PRESENT-

ITEM III: CONSENT AGENDA

- April 18, 2017 – Park Board Meeting Minutes
- May 08, 2017 – Board of Aldermen Regular Meeting Minutes
- May 22, 2017 – Accounts Payable
- *Alderman West made a Motion to Approve Consent Agenda*
- *The Motion was Seconded by Alderman Coleman*
 - No Discussion
- *Motion to Approve Consent Agenda was voted on with the following voice vote:*
 - *Aye: Arnold, Bamman, Coleman, Headley, Totton, West*
 - *Nay: None*
 - *Abstain: None*

-MOTION APPROVED: 6-0-

ITEM IV: DISCUSSION

- 2017-2018 City of Grain Valley Employee Benefits
 - Mr. Hunt presented information regarding the employee benefit renewal process to the Board; City of Grain Valley currently works with CBIZ, a broker who annually assists with the renewal process; brokerage services will be coming up for bid this summer and a local broker has expressed interest in working with the city
 - Mr. Hunt reviewed the current benefit package with Blue Cross Blue Shield of Kansas City for employee benefits and discussed the rates for this package in the upcoming year; this plan has been in place for several years allowing consistency for employees accessing the benefits; the majority of employees utilize the HSA plan; rates have seen sizable increases over the past four years with no solid reason to explain the increases

ELECTED OFFICIALS PRESENT
 Mayor Mike Todd
 Alderman Dale Arnold
 Alderman Chris Bamman
 Alderman Jeff Coleman
 Alderman Bob Headley
 Alderman Nancy Totton
 Alderman Yolanda West

ELECTED OFFICIALS ABSENT

STAFF OFFICIALS PRESENT
 City Administrator Ryan Hunt
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- Mr. Hunt reminded the Board of the need to stay competitive with employee benefits; several employees have left employment primarily because other cities are offering richer benefits; it is important to keep employees and not let benefits become an issue
- Mr. Hunt reviewed additional plans and rates for United Healthcare, Humana, and Cigna; these plans tend to bid low the first year and then have high increases at renewal time; the city does not qualify for a large group plan and although the city is pooled with others, rate increases are applied based on the individual organization's use
- Mr. Hunt recommends the Board consider an alternative plan with Midwest Public Risk (MPR); MPR is a pool of approximately 160 entities in Kansas and Missouri; entities include municipalities, fire districts, schools, etc.; all other lines of the city's insurance (property, liability, workman's compensation) are currently with MPR
- Mr. Hunt reviewed the MPR plan options; MPR options are similar to current plans; Mr. Hunt recommends that the city provide two options to employees: Open Access 1500 or Choice Fund 1500; rates are less expensive for these plans than the renewal rates are for the current plan
- Alderman Headley asked if MPR has a history of rate increases; Mr. Hunt shared that rate increases for the past three years have been between three and six percent; MPR is a true pool and therefore rate increases are shared across the organizations; MPR is insured for major losses so enrollees in the plan are protected; Alderman Headley stated that ideally other insurance companies should operate similar instead of putting rate increases on organizations individually
- MPR is designed to work directly with a municipality and eliminate the need for broker services; the city asked for rates from MPR and other agencies but CBIZ did not provide rates for MPR's dental plan until they were specifically asked for
- Mr. Hunt reviewed CBIZ dental renewal options and rates; dental benefits with MPR are better; one downside to MPR dental is they do not have separate structures for employee only, employee and children, and family; MPR only provides coverage for employee only or family; MPR dental rates provide an annual maximum that is higher and there are things that are excluded from the maximum benefit allowed with MPR that would count in other plans
- Brokers add commission on plans, typically around 3%; CBIZ is adding a 10% fee on MPR's dental and vision rates for this renewal period; rates are still lower than current plan

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- Vision is not a benefit that many employees utilize; vision is voluntarily and employees pay the full premium; plans are comparable but with MPR the plan is 16% less expensive than the current plan
- Short Term Disability & Long Term Disability options have been requested by several on the Board in the past; rates are being obtained at this time and it is expected that more will come in later this week; if agreed upon, the city would pay for the short term disability for all employees; long term disability would be optional
- Mr. Hunt reviewed the summation of renewal rates with the Board of Alderman and reminded the Board that the city currently pays 100% of the employee's premium on the high deductible plan and 50% of the family/spouse premium; if an employee chooses the PPO then they are responsible for paying the difference between the plans; individuals are responsible for the entire premium if they enroll in vision care
- Mr. Hunt reviewed the Health Savings Account (HSA) contributions; the Board needs to decide on two items related to the HSA: 2017 Special Contribution and 2018 Contribution Rates
- 2017 Special HSA Contribution: Employee deductibles currently reset in January and plans renew in July; if insurance is switched to the recommended MPR plan, deductibles that recently reset in January will again reset in July; although this is difficult for those who have already paid towards their deductible this year, MPR is still the recommend option when looking at the big picture; one way the city can help offset this cost would be to preload the HSA with a set amount to offset the deductible timing structure; a special contribution of \$3,000 for those with dependents on care and \$1,500 for those who have individual health insurance was recommended
- 2018 HSA Contribution Rates: Currently \$1,200 is provided to the HSA for employees each year; Board is asked to consider raising this contribution to \$150/month for employee only and \$200/month for family in order to be competitive; Mayor Todd shared that he wanted to ensure the options are fair to individuals as well as those with families
- Members of the Board discussed Short and Long Term Disability; Mr. Hunt reminded the Board that currently employees are allowed to donate sick time to others but it sometimes isn't enough; short term disability would allow for a more discreet, consistent option if illness occurs
- Mr. Hunt asked the Board to also discuss an increase in the dependent coverage amount paid by the city; currently 50% of the premium is being paid by the city but this could be increased

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- Mayor Todd directed the Board that the first decision to be made was whether or not to move care to Midwest Public Risk while keeping in mind if this is done the Board will need to discuss the special contribution option to make up for the deductible reset
- Alderman Bamman asked if the city is required to bid for insurance; Mr. Hunt shared that the broker currently gathers the bids; this broker was selected through a bid process four years ago; it is recommended that in the future the city bypass the broker; concerns have been made that transparency was lacking; Alderman Bamman asked if in the future, without a broker, would the city have to go out to bid again to work with MPR; Mr. Hunt shared in the future it is suggested that the Board consider having a broker on contract with the city who is paid a set amount per year to review benefits and how they compare as well as solicit bids instead of a broker who works on commission
- Alderman Headley asked for information on MPR's selection of care/providers; Mr. Hunt shared that Cigna is the comparable plan and has all of the major providers including St. Mary's hospital which is not included in the Blue Cross Blue Shield of KC plan; Alderman Totton asked what someone would do if they didn't like St. Mary's; Mr. Hunt clarified that the other major facilities are included in the plan as well; Alderman Headley reminded the Board that often a hospital is covered but a specific physician is not in network with many plans
- Alderman Headley asked if the renewal timeframe could be switched to match the deductible; Mr. Hunt noted that this was tried with Blue Cross Blue Shield of KC but they could not come to an 18 month rate agreement; MPR only renews in July; these timeframes are typical for municipal insurance renewals
- Alderman Coleman asked if comparative information for other municipalities is available; Mr. Hunt shared that several years of data show that Grain Valley benefits are much lower than surrounding communities and more specific information can be provided at the next meeting
- Mr. Hunt shared that it has been asked in the past by Alderman West how much of the Grain Valley employee's pay is in benefits; industry standard is 37% of pay is found in benefits; Grain Valley averages 27% of employees pay is in benefits
- Alderman Bamman asked for confirmation that normal wellness is included in the plans; Mr. Hunt confirmed; Alderman Bamman asked if MPR has incentives for health; MPR has health fairs, webinars, contests etc. but it is not directly related to a premium reduction; Mr. Hunt shared that on the property liability insurance with MPR there are safety standards that are followed that provide a 3% reduction annually

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- Alderman Bamman asked if all employees participate in the health insurance offered; the city employees 62 FTE and 53 of those employees have health insurance
- Alderman Headley asked for clarification on the options given to employees with the Cigna Open Access 1500 and Choice 1500; Mr. Hunt confirmed that it would be similar to the current structure; employees could pick the PPO or HSA plans; a driving force for employees to pick the HSA plan is the city contribution to the savings account; many like the PPO plan but the city doesn't pay the difference and it is more out of pocket for the employee; Mr. Hunt offered for the Board's consideration that moving forward, the city increase the HSA contribution per month and also consider paying 100% of the PPO premium for individuals as they do not have access the HSA funds
- Alderman Headley asked if the employees are allowed to contribute additional funds to the HSA; employees can add additional funds up to a total maximum annual contribution of \$3,400 for an individual and \$6,400 for a family plan; Alderman Headley asked if employees are educated on the long-term benefits of contribution; Mr. Hunt said it is the city's responsibility to educate employees now; MPR has webinars, lunch and learns and other employee engagement efforts to educate; Mr. Murphy shared that Cigna also has an employee on MPR's campus; Mr. Hunt shared this employee will come sit at City Hall if asked and provide coaching, wellness, tips to employees; MPR's customer service is excellent
- Alderman Headley asked how issues regarding claims are handled; MPR provides an option to work with them or through Cigna directly for claims questions
- Alderman Arnold asked if all employees would get the special HSA contribution; the original thought was all would get this; alternative options could be considered but it may be problematic to have employees come and ask for disbursements
- Alderman Headley asked for confirmation that if a special contribution is made it is proposed that family get one dollar amount and individuals get a different dollar amount; Mr. Hunt confirmed and stated the purpose of this meeting is to share information, provide alternatives and give the Board time to think of how to proceed
- Mayor Todd asked if there was a spreadsheet available to show where deductibles currently are; this has been requested but not received yet; Alderman Coleman asked for clarification that the special contribution is a one time contribution based on the 6 month deductible issue; Mr. Hunt confirmed; Alderman Headley asked for confirmation that the city would still be contributing to the HSA

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monthly thereafter; Mayor Todd confirmed and noted that the Board is asked to consider increasing this amount as well; the special contribution discussed would be completely separate from the monthly contribution which is currently \$1,200 per year

- Alderman Headley asked if anything additional is provided for the PPO plan employees; there is no special contribution for these plans
- Alderman Arnold asked for a total amount of the special contribution; Mr. Hunt shared it would be approximately \$75,000; Alderman Arnold shared concern about the various situations employees experience based on the maximum HSA contributions allowed per year; not everyone would receive the same amount; Mr. Hunt shared that the idea behind the amounts was based on the deductible ratios
- Alderman Coleman reviewed the benefits and costs for each plan presented as well as the HSA contributions; Alderman Coleman noted that when plans are compared, the city is essentially encouraging employees to choose the high deductible plan; Mr. Hunt shared that the HSA is a benefit to the employee and drives people to that plan; consumer driven health plans encourage people to watch what they spend and make fiscally responsible choices; Alderman Coleman asked if this was costing the city more money; Mr. Hunt shared the original commitment was that the consumer take responsibility and rates would slow down but this did not happen; consumer driven health plans are still considered the best way to get employees to take responsibility of their care; for the current year, the special \$3,000 allocation does make it much more attractive but this is an unusual amount that would be contributed once and wouldn't occur annually
- Mr. Hunt reminded the Board that those who chose the PPO are penalized by not receiving the funds; this is where the suggestion to have the city provide the full deductible for the employee on the PPO comes into thought
- Alderman Coleman shared the ultimate goal is to find a better benefits package which brings employees to the city and encourages them to stay; if something additional is done for the employees with the HSA, additional benefits should be considered for those with the PPO; adding money to the HSA takes off additional responsibility from the employee and therefore Alderman Coleman would also like to do something to benefit those with the PPO
- Alderman Headley asked if, to fill the gap when switching models, everyone on the HSA plan could receive \$1,000 in their HSA and the city reduce the premiums on the PPO; Mr. Hunt asked for clarification; Alderman Arnold shared that those who are on the family plan are receiving additional benefit by having the city cover 50% of the premium which makes it more comparable ; Alderman Headley

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suggested the gap to get to the new model be thought about and discussed at the next meeting

- Mayor Todd asked for confirmation that all were ok going to MPR; no dissent given
- Mr. Hunt brought the discussion back to Short Term Disability; this would cost the city \$11,000/year; it is a great benefit to add to the package; all employees would be enrolled in this; Long Term Disability would be optional but does require a minimum of 25% participation; Mayor Todd asked that this be brought to the Board for consideration
- Mayor Todd asked if the Board wants to discuss the percentage of premium paid by the city; Mr. Hunt shared that based off of current enrollment, the difference between 50% and 60% is \$19,000; Mayor Todd confirmed the consensus to move to a plan with MPR and would personally like to see the city cover 60% of premiums for dependents; Mayor Todd shared concerns about losing employees to other cities and the cost of hiring/training that goes into replacing positions
- Alderman Headley asked that the options be broken down by the percentage increases and also a bottom line cost be provided
- Alderman Coleman requested information on how Grain Valley's benefits compare to other municipalities; Mayor Todd shared that Oak Grove, for example, has better insurance; Mr. Hunt shared that an employee in Oak Grove has \$2.75 per hour more of disposable income when benefits are considered; Alderman Headley also asked if information could be gathered on HSA contributions in other cities
- Alderman Arnold asked if exit interviews are conducted; Mr. Hunt shared that exit interviews are part of city policy but without an HR Director, it has not been done; exit interviews will be started; Alderman Arnold thought if they were completed it would give a good idea on why people leave; Mr. Murphy shared that benefits were a driving factor for two employees who have recently left; Mr. Hunt shared a formal exit interview would be favorable to wrap up the personnel file; Alderman Totton asked how long the above referenced employees had been with the city; Mr. Murphy shared they had been here 4-5 years
- Discussion and decisions will be continued on the June 5th special meeting

ITEM V: EXECUTIVE SESSION

- Mayor Todd stated a need to hold an Executive Session for Legal Actions, Causes of Action of Litigation Pursuant to Section 610.021(1), RSMo. 1998, as Amended and Individually Identifiable Personnel Records, Personnel Records, Performance Ratings or

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Records Pertaining to Employees or Applicants for Employment, Pursuant to Section 610.021(13), RSMo 1998, as Amended

- *Alderman Arnold moved to close the Regular Meeting for items related to Section 610.021(1) and 610.021 (13), RSMo 1998, As Amended*
- *The motion was seconded by Alderman Totton*
 - No Discussion
- *The motion was voted on with the following roll call vote:*
 - *Aye: Arnold, Bamman, Coleman, Headley, Totton, West*
 - *Nay: None*
 - *Abstain: None*

-MOTION CARRIED: 6-0-

-THE REGULAR MEETING CLOSED AT 8:35 PM

- *Alderman West moved to open the Regular Meeting*
- *The motion was seconded by Alderman Totton*
 - No Discussion
- *The motion was voted on with the following roll call vote:*
 - *Aye: Arnold, Bamman, Coleman, Headley, Totton, West*
 - *Nay: None*
 - *Abstain: None*

-MOTION CARRIED: 6-0-

-THE REGULAR MEETING OPENED AT 8:50 PM

- Alderman Headley asked for an update on Price Chopper; Mr. Hunt shared the development is moving forward but no timeframe benchmarks have been given yet; Alderman Coleman asked if power would be above ground or below; power will be below ground

ITEM XX: ADJOURNMENT

- The meeting adjourned at 8:55 p.m.

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Minutes submitted by:

 Theresa Osenbaugh
City Clerk

 Date

Minutes approved by:

 Mike Todd
Mayor

 Date

Non-Official

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