



CITY OF WASHINGTON, ILLINOIS

Committee of the Whole Agenda Communication

Meeting Date: June 5, 2020

Prepared By: Joanie Baxter, Finance Director *JFB*

Agenda Item: Health and Dental Insurance Renewals

Explanation: In 2012, a Health Insurance Committee was created. This committee was created to review trends with claims, create wellness programs and take steps to contain costs. In 2013, the Committee became part of a stipulation in all the union contracts that any changes made to Health Insurance benefits and/or employee contributions would come before the Health Insurance Committee first. The Committee is comprised of an employee representing each of the employee groups – Police, Laborers, and Non-Union, along with the City Administrator and Treasurer representing management/City Council. I serve as facilitator to the Committee and am not a member. The Committee reviews the renewal each year and makes recommendations for approval by the City Council along with any changes in employee contributions, benefits, etc. that may be warranted.

The Health Insurance Committee began a comprehensive wellness program, including providing a Health Fair each year since 2014. In 2019, this responsibility was delegated to a newly formed Wellness Committee made up of employees from all departments. This Committee has been successful in providing a variety of wellness programs and opportunities for employees which has put the emphasis on preventative measures and education. Last year a variety of educational workshops and physical activities were offered along with a Health Fair where blood screenings and other health metrics are provided. We have a variety of wellness opportunities also offered for our 2020 program; however, we have been partially derailed because of COVID which forced the cancellation of our April and May programs. City staff are confident that the wellness programs and initiatives we have provided since 2014 have resulted in a significant impact to claims and thus cost savings for the City.

The Health Insurance Committee intends to review the benefits of the Plan over this next year and make recommendations for changes to benefits as deemed necessary for the Plan Year beginning July 1, 2021. As a part of this process, it is necessary to make comparisons with communities that are considered to be comparables to Washington in order to assure that our benefits package is competitive so that we may continue to attract and retain a high caliber of employees. This would be done in conjunction with the Personnel and Benefits study proposed by City Administrator Forsythe. The budgeted position of P-T HR generalist would be invaluable in taking the initiative in such an endeavor and this task will be one of the responsibilities of the newly-created position.

Effective with the Plan year, the insurance plan will cover a total of 58 employees and 9 retirees, including 13 with single coverage and 54 with family coverage. The City has enjoyed premium decreases in three of the last four years since joining the Intergovernmental Personnel Benefit Cooperative (IPBC). Prior to joining, the City was experiencing significant increases each year, including having lasers (higher deductibles) on individual claims. Being a member of a cooperative, has allowed an overall 7.4% decrease in premiums since FY16-17.

Fiscal Impact: A potential increase of 10% was indicated in the Budget Review Summary provided for the City Council meeting of 2/17/20 and was discussed as part of the overall personnel increase. Following notification of the 5.7% increase approval by the IPBC Board for the Quad City sub-pool in mid-March, I did change the budget to reflect a 6% increase (for 10 months since the plan year begins July 1 and thus the increase is only for 10 months of the fiscal year) rather than the original 10% increase. As such, the budget fully reflects the amount of the increase and has sufficient funds for the renewal.

Recommendation/

Committee Discussion Summary: Recommendation for approval on the Consent Agenda of the City Council meeting of June 15, 2020, with direction to Staff and the Health Insurance Committee to continue with a comprehensive review of benefits, pending hiring of a P-T HR Generalist to assist with the process.

Action Requested: Recommend approval to City Council for renewal of the Health and Dental insurance plans for the Plan Year July 1, 2020 through June 30, 2021.