

Amberley Village Council – Compensation & Benefits Committee
Meeting Minutes
Dec. 2, 2010

In attendance: Peg Conway, Fran Cohen, Ed Hattenbach, Louis Katz, Jack Monahan, Bernie Boraten, Margie Crowley, Merrie Stillpass, Brian Thiel, Dave Rinderle, many members of Village staff

Approval of Minutes

Minutes of the meeting of Nov. 16 were approved as distributed.

Health Care Benefits

Dave Rinderle, the Village's broker, presented an overview of the AV employee health care and the Center for Local Government benefits pool. Results have been favorable compared to the market place. The pool has grown from 12 to 17 members and includes 750 lives to date. Not everyone who applies is accepted. Eight municipalities were declined.

Compared to Amberley's plan, among the other members there are two levels that would be less expensive and four PPO plans that are more expensive. In response to questions, he noted the difficulty of comparing plans from one employer to the other. Costs are based on age, utilization, the size of the pool, mix of male and female and the extent of medical conditions. In particular, compared to private industry, local government plans tend to include spouses and children in addition to the employee to a great extent, which affects rating.

The pool's experience is viewed collectively for rating purposes; it's not based on individual municipalities. Insufficient data is available at this time to project ahead for next year. For Aug. and Sept., claims were running \$1,028,141 against premium of \$1,592,000. A task force of pool members is meeting to strategize about how to achieve cost savings.

Dave provided other information on how Amberley's health care benefits compare to others in the pool. He noted that local government plans tend to be better than those in private industry. The most predominant plan is the High Deductible platinum plan that Amberley provides to employees. Eight of 17 employers in the pool (including AV) do not require employee premium contributions. Of those that do, contribution rates range from 5 to 20%. On the Health Savings Account, all fund at least half of the deductible except for one. Four fund at a higher level than Amberley, and the rest fund lower.

Looking ahead, it would be possible to offer up to three plan options next year. They vary primarily in the deductible amounts and in co-pays for prescription drugs.

Pay/benefits 2011 – budget recommendations

The possibility of implementing a 5% employee premium contribution for health care as proposed by the Village Manager, to be effective 1/1/2011, was discussed. Other cost

saving measures, such as requiring spouses who are employed to enroll for insurance at their workplace or offering cash incentive to enroll in other available coverage were also mentioned. These changes could not be made until the Aug. 1 renewal. Employees expressed the importance of the benefits to them and their families. Several expressed desire to participate in more discussions of options for cost saving in the future.

Motion: Louis moved that a 5% employee premium contribution for health care be removed from the current budget draft. Seconded by Fran and the motion passed unanimously.

There being no further business, the meeting was adjourned.

Chair: _____
Peg Conway