

**In Attendance:** Scot Lahrmer, Ray Warren, Bill Doering, Tom Muething, Ed Hattenbach, JK Byar, Natalie Wolf, Chief Rich Wallace, Kathy Harcourt, Lieutenant Brian Blum, Jon Chaiken, Ron Regula, and Lisa Murtha

Ray Warren opened the meeting with review of the last meeting and approval of the meeting minutes.

**Health Insurance.** There was continued review and discussion of the health care plan that the Village is part of. Amberley is part of the **Center For Local Government Benefit Pool**. In 2009 the Village entered into a self-insured health insurance pool with ~17 other jurisdictions and signed a 3 year commitment (Comp Benef Mtg Notes 111610, 120210, and 030311). Mr. Lahrmer reported that the pool was currently running a \$3million deficit. A number of questions were raised with respect to the nature of the pool, i.e., how liabilities are spread across member jurisdictions, how insurance rates are set, if reinsurance was purchased, consequences of leaving the pool, and others. It was agreed that to best meet our needs it would be appropriate to meet with the insurance underwriter (USI Insurance, David Rinderle, Benefits Consultant) and a representative of the Center. Mr. Lahrmer had already scheduled this meeting for January 19 at 4PM. Questions were to be solicited from those present over the next several days, compiled, and sent to Mr. Rinderle and the CLG . In this way they would have an opportunity to prepare for this upcoming review (see addendum at end). Given the timing for establishing a new health care plan, and at Mr. Byar's suggestion, the Committee together with Mr. Lahrmer will begin engaging with a health care consultant(s) to review the Village needs and identify options for moving forward..

**Compensation Schedules:** Mr. Warren started to review the salaries of Village employees. Village employee salary can be a composite of 'Base Pay', additional Holiday overtime, Longevity Pay, Fire Service Pay, and overtime. Holiday overtime which generally applies to our police service, recognizes that all Village employees receive 10.5 holidays per year. As a 24/7 service, our police are required to work on these holidays and are for these times at 1.5X normal salary. Longevity Pay, last set by Ord. 2001-13, sets the longevity pay rate at \$500 per year after completing 5 years of service, \$750 per year after completing 10 years of service, \$1000 per year after completing 15 years of service, and \$1250 per year after completing 20 years of service.

Fire Service Pay has several elements that can be generally broken down into 2 categories, Base Pay and Service Pay. Base Pay provides an equal amount of compensation (\$3109.29) to all fire servicemen (with the exception of the Drill Master and the Assistant Drill Master). Fire Service Pay provides compensation for Drills and Alarms at a rate according to whether the service is performed on-duty (i.e., during the person's normal work shift) or off-duty (before or after work shift, or called back to work). While on-duty compensation is the same for all fire servicemen (police or maintenance), off-duty compensation is not the same. Compensation for off-duty service is set at \$60 or 1.5X pay and a minimum of 2 hours. When examining the fire compensation for 2011 it becomes apparent that the fire service compensation of maintenance employees is generally less than police officers (see attached compensation schedule for 2011). Furthermore the sum compensation associated with off-duty fire assignments is generally 16X that of on-duty compensation. This will require additional review and understanding (i.e., how many 'events' are associated with on-duty vs. off-duty).

Mr. Warren prepared and distributed a draft of the compensation and benefits schedule for all employees. Mr. Lahrmer recognized some errors. There was no further discussion pending corrections.

There be being no further business, the meeting was adjourned.

Chair: \_\_\_\_\_  
Ray Warren

## **Addendum 1: Questions Prepared for the Center and Mr. Rinderle**

**35.12 PROCESS FOR ACQUIRING INSURANCE COVERAGE** Until otherwise determined by the Village Council, the village will not, in seeking insurance coverage for the village, utilize the process of advertisement and receipt of bids, but will utilize insurance brokerage/risk management services to recommend to Council for its consideration the types, terms and cost of insurance coverage to be furnished to the village, as well as recommending the providers for such insurance coverage. (Ord. 2006-17, passed 11-13-06)

**While we have prepared a set of questions for the Representative from the Center for Local Government and Mr. Rinderle, each person may reply to the other's questions.**

### **To CLG:**

- 1) Do you work for the Village (or member jurisdictions) or do you work for the health plan (or insurer)?
- 2) Was there a legal review done of the contract back in 2009?  
Is the "consortium" the Village joined a self-insurance pool or a buying pool?
- 3) Who is the regulator for this plan?
  - a. What State agency is the regulator for this consortium?
  - b. Is it Ohio's Department of Insurance? Or, is the consortium unregulated (possibly because it is composed of other municipalities)?
- 4) Did the regulator require reinsurance (or what we have described is coinsurance)?
  - a. Was the Village made aware that the plan didn't have reinsurance?
  - b. How are catastrophic events handled?
- 5) What vetting process was determined to:
  - a. Set initial insurance rates
  - b. Determine what communities were allowed in the pool and what communities were not
- 6) How many current municipalities are in the pool? How many individuals.
- 7) Of the 2 municipalities that are leaving (left) the pool, how many employees are involved?
- 8) What was the balance (positive or negative) in the Health Care Fund when Amberley was included in the plan?
- 9) What is the current deficit in the pool?
- 10) As municipalities enter and leave the pool, is the liability apportioned each time an event occurs?
  - a. How often does this occur?
  - b. How is liability apportioned?
  - c. What is the current liability of each jurisdiction? Specifically, what is the liability for AV?
    1. What is the ACTUAL liability that the Village will pay if it leaves now or at the end of its contract (Aug 2012).
    2. What is the POTENTIAL MAXIMUM LIABILITY if the Village remains in the consortium?
  - d. When calculating liability for each entity how are the different plan options factored into the formula.
  - e. What are the stop loss ranges for the plan?
- 11) Does the existence and size of a HSA account for each employee (funded by either the employer or employee) have any impact on the rates?
- 12) What is the CLG doing to reduce the pool deficit?

### **To Mr. Rinderle:**

- 1) Do you have a LEGAL obligation to represent our best interests, i.e., as a consultant or fiduciary? Or, do you represent another interested party?
- 2) What is age distribution and healthcare usage for AV relative to the rest of the municipal pool members?
- 3) How are premiums determined to ensure the lowest rate increase? Can CLG mandate policy provisions, i.e., maximum employer healthcare contributions?
- 4) Were there ever any guarantees made for premium increases or keeping rates constant?

5) What was basis for premium increases in 2010 and 2011? At first premium was down considerably (2009 was ~30% less vs. 2008), then increased considerably.

**Addendum 2: 2011 Fire Compensation (maintenance staff are shaded).**

Name	Base Pay	Fire Drills Off-Duty \$40 or 1.5 X hrly	Fire Drills On-Duty \$15	General Alarm Off-Duty \$60 or 1.5 x hrly	General Alarm On-Duty \$15	General Alarm Overtime 1.5 Rate Per Hour	Non-General Alarm from Home \$60 or 1.5 x hrly	Non-General On-Duty \$10	Total Pay
Alt	\$ 3,109.29	\$ 975.52	\$ 210.00	\$ 659.84	\$ 135.00	\$ -	\$ 164.96	\$ 490.00	\$ 5,744.61
Blum	\$ 3,109.29	\$ 2,646.16	\$ 30.00	\$ 2,165.04	\$ 30.00	\$ 3.75	\$ -	\$ 380.00	\$ 8,364.24
Brown	\$ 3,109.29	\$ 1,146.20	\$ 165.00	\$ 208.40	\$ 30.00	\$ 3.75	\$ -	\$ 460.00	\$ 5,122.64
Caudill,J	\$ 3,109.29	\$ 613.26	\$ 225.00	\$ 681.40	\$ 45.00	\$ 3.75	\$ 68.14	\$ 490.00	\$ 5,235.84
Caudill,R	\$ 4,740.04	\$ 3,007.00	\$ 45.00	\$ 2,044.76	\$ 75.00	\$ 451.05	\$ 120.28	\$ 390.00	\$ 10,873.13
Chesney	\$ 3,109.29	\$ 1,044.43	\$ 210.00	\$ 363.28	\$ 45.00	\$ 272.46	\$ 181.64	\$ 490.00	\$ 5,716.10
Davis	\$ 3,109.29	\$ 571.14	\$ 225.00	\$ 698.06	\$ 30.00	\$ 3.75	\$ 63.46	\$ 490.00	\$ 5,190.70
Drake	\$ 3,109.29	\$ 1,891.26	\$ 60.00	\$ 1,094.94	\$ 120.00	\$ 24.89	\$ -	\$ 310.00	\$ 6,610.38
Fritsch	\$ 3,516.98	\$ 2,090.34	\$ 75.00	\$ 995.40	\$ 90.00	\$ 302.37	\$ -	\$ 530.00	\$ 7,600.09
Fryman	\$ 3,109.29	\$ 2,405.60	\$ -	\$ 962.24	\$ 60.00	\$ 30.07	\$ -	\$ 290.00	\$ 6,857.20
Karr	\$ 3,109.29	\$ 815.48	\$ 202.50	\$ 1,545.12	\$ 45.00	\$ 89.59	\$ -	\$ 530.00	\$ 6,336.98
Koenig	\$ 3,109.29	\$ 1,891.26	\$ 45.00	\$ 1,493.10	\$ 30.00	\$ 3.75	\$ -	\$ 400.00	\$ 6,972.40
Langdon	\$ 3,109.29	\$ 726.39	\$ 217.50	\$ 830.16	\$ 45.00	\$ 72.93	\$ 69.18	\$ 520.00	\$ 5,590.45
Monahan,M	\$ 3,109.29	\$ 2,289.42	\$ 30.00	\$ 1,592.64	\$ 75.00	\$ 74.66	\$ -	\$ 180.00	\$ 7,351.01
Monahan,R	\$ 3,109.29	\$ 778.43	\$ 217.50	\$ 819.40	\$ 45.00	\$ 3.75	\$ 81.94	\$ 540.00	\$ 5,595.31
Norton	\$ 3,109.29	\$ 1,883.94	\$ 15.00	\$ 1,329.84	\$ 60.00	\$ 3.75	\$ -	\$ 380.00	\$ 6,781.82
Phillips	\$ 3,109.29	\$ 1,692.18	\$ 120.00	\$ 895.86	\$ 135.00	\$ 74.66	\$ 199.08	\$ 440.00	\$ 6,666.07
Powers	\$ 3,109.29	\$ 2,388.96	\$ 15.00	\$ 1,094.94	\$ 90.00	\$ 24.89	\$ -	\$ 260.00	\$ 6,983.08
Robbins	\$ 3,109.29	\$ 2,189.88	\$ 30.00	\$ 1,791.72	\$ 60.00	\$ 74.66	\$ 99.54	\$ 420.00	\$ 7,775.09
Roeseler	\$ 3,109.29	\$ 2,090.34	\$ 45.00	\$ 1,393.56	\$ 60.00	\$ 3.75	\$ 99.54	\$ 490.00	\$ 7,291.48
Schmidtg	\$ 3,109.29	\$ 2,216.40	\$ 75.00	\$ 997.38	\$ 90.00	\$ 83.12	\$ 221.64	\$ 450.00	\$ 7,242.83
Shaw	\$ 3,109.29	\$ 1,194.48	\$ 150.00	\$ 1,094.94	\$ 90.00	\$ 74.66	\$ 99.54	\$ 510.00	\$ 6,322.91
Sowder	\$ 3,109.29	\$ 2,289.42	\$ -	\$ 696.78	\$ 75.00	\$ 24.89	\$ -	\$ 210.00	\$ 6,405.38
Wallace	\$ 2,622.79	\$ 1,443.36	\$ 60.00	\$ 1,924.48	\$ 75.00	\$ 210.49	\$ 360.84	\$ 320.00	\$ 7,016.96
<b>Total</b>	<b>\$ 76,174.90</b>	<b>\$ 40,280.85</b>	<b>\$ 2,467.50</b>	<b>\$ 27,373.28</b>	<b>\$ 1,635.00</b>	<b>\$ 1,915.39</b>	<b>\$ 1,829.78</b>	<b>\$ 9,970.00</b>	<b>\$ 161,646.70</b>