



CITY OF MERRILL
COMMITTEE OF THE WHOLE
AGENDA • THURSDAY SEPTEMBER 21, 2017

Regular Meeting

City Hall Council Chambers

5:00 PM

- I. Call to Order
- II. Public Comment Period
- III. Agenda items for consideration:
 1. Options for 2018 City employee group health insurance
 2. Potential date(s) for 2018 budget Committee of the Whole meeting(s)
- IV. Adjournment



City of Merrill

Kathy Unertl, Finance Director

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e-mail: Kathy.Unertl@ci.merrill.wi.us

Date: September 14th, 2017

To: Mayor Bill Bialecki
Alderpersons

From: Kathy Unertl, Finance Director *Kathy Unertl*

RE: City Group Health Insurance - Overview

State Levy Limit:

Beginning with the 2012 budget, State Levy Limit has been Net New Growth. The City's 2018 tax levy increase is limited to \$80,646 (plus any potential debt service increase).

With the major developments under way this year, Net New Growth should continue to increase for 2019 and future years.

City Group Health Insurance:

As the following spreadsheets show, there was lower 2017 City cost compared to 2012. The City implemented a High Deductible Health Plan (eligible for HSA - Health Savings Accounts) in 2014.

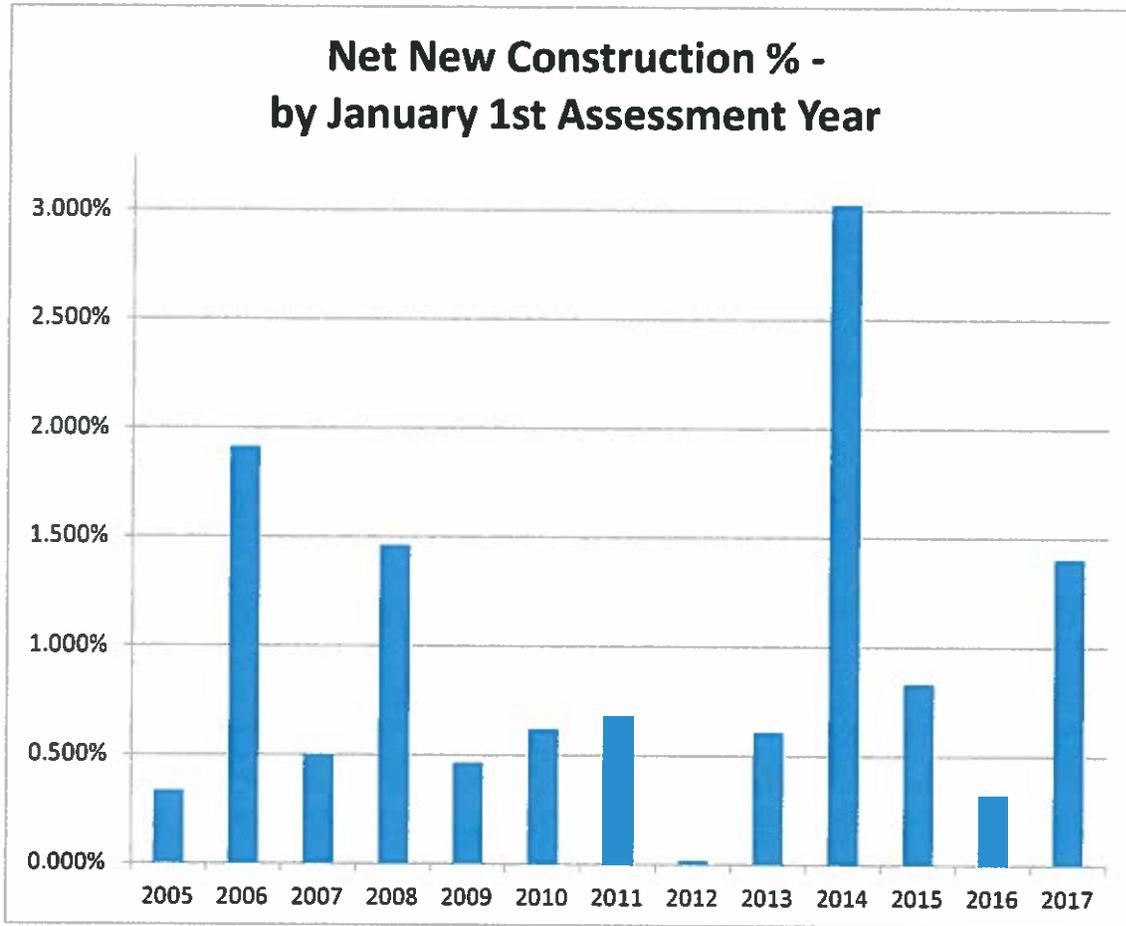
There are about 110 City employees eligible for group health insurance (see breakdown by coverage type and by City department). With increasing costs for employees, there also has been increasing number of employees waiving City coverage if covered elsewhere.

Claims experience is a major factor in health insurance renewal. Unfortunately, the City's medical claims experience has been challenging the past couple years (i.e. more paid out to medical providers by Security Health Plan than the City of Merrill paid for health insurance).

John Preuss from M-3 (the City's health insurance consultant) will be at the Committee of Whole meeting to discuss potential options.

City of Merrill

Net New Construction - Historical

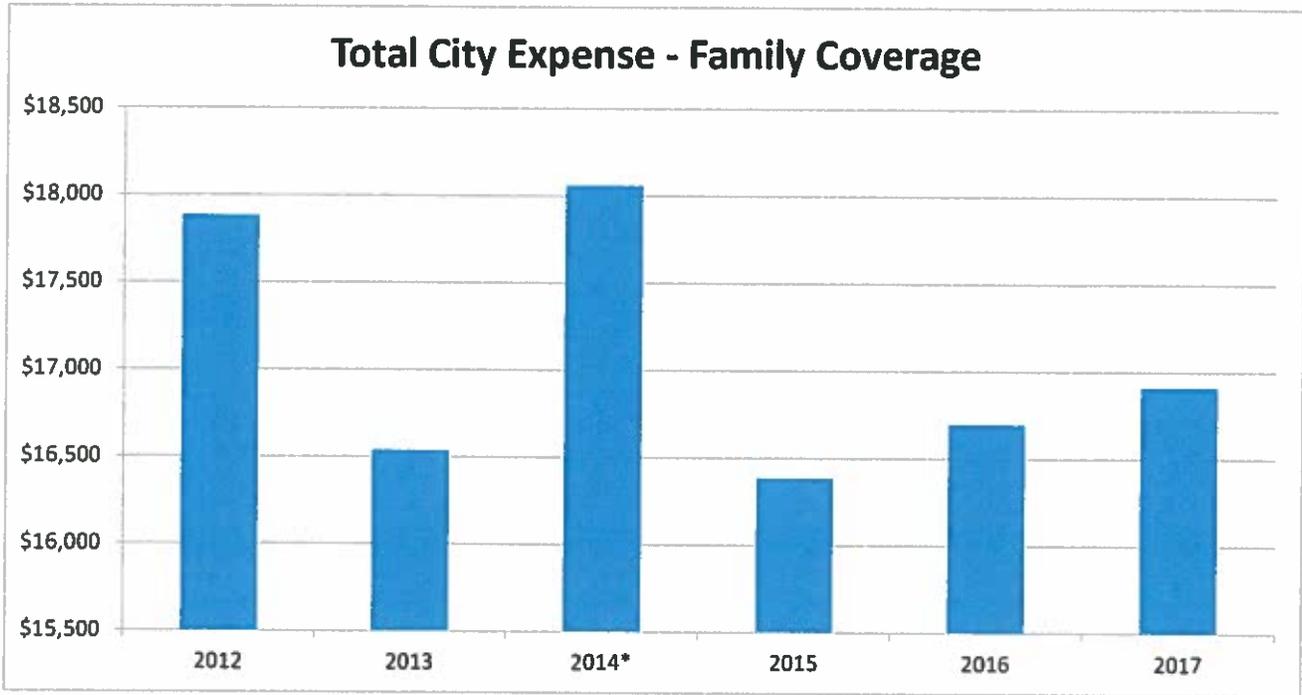


Levy Year	City Budget Year	Net New Construction	State Levy Limit*	New Tax Amount
2005	2006	0.334%	2.00%	2.00%
2006	2007	1.913%	2.00%	2.00%
2007	2008	0.500%	3.86%	City 2.5%
2008	2009	1.463%	3.00%	City 2.0%
2009	2010	0.463%	3.00%	3.00%
2010	2011	0.620%	3.00%	3.00%
2011	2012	0.680%	Net New Growth	\$25,600
2012	2013	0.019%	Net New Growth	\$860
2013	2014	0.608%	Net New Growth	\$27,637
2014	2015	3.028%	Net New Growth	\$131,321
2015	2016	0.830%	Net New Growth	\$35,194
2016	2017	0.320%	Net New Growth	\$13,639
2017	2018	1.404%	Net New Growth	\$80,646

* Plus adjustments for debt service increases and annexations.

Notes: 2006 reflected Church Mutual Insurance addition
 2014 reflected new Wal-Mart (S. Pine Ridge Ave.)

City of Merrill - Group Health Insurance



*HSA implemented

Family Group Health Insurance

Year	Insurance % Change	City Premium	City HSA	Total City	Employee Premium		Total Ins. Premium
2012	7.10%	\$17,887	\$0	\$17,887	\$1,987	10.00%	\$19,874
2013	-8.58%	\$16,537	\$0	\$16,537	\$1,632	8.98%	\$18,169
2014*	0.00%	\$16,537	\$1,522	\$18,059	\$1,632	8.98%	\$18,169
2015	-3.94%	\$15,885	\$500	\$16,385	\$1,567	8.98%	\$17,452
2016	6.30%	\$16,697	\$0	\$16,697	\$1,855	10.00%	\$18,552
2017	-0.50%	\$16,611	\$300	\$16,911	\$1,846	10.00%	\$18,457

Individual Group Health Insurance

Year	Insurance % Change	City Premium	City HSA	Total City	Employee Premium		Total Ins. Premium
2012	7.10%	\$8,943	\$0	\$8,943	\$994	10.00%	\$9,937
2013	-8.58%	\$8,269	\$0	\$8,269	\$816	8.98%	\$9,084
2014*	0.00%	\$8,269	\$761	\$9,030	\$816	8.98%	\$9,084
2015	-3.94%	\$7,943	\$250	\$8,193	\$784	8.98%	\$8,726
2016	6.30%	\$8,348	\$0	\$8,348	\$928	10.00%	\$9,276
2017	-0.50%	\$8,306	\$150	\$8,456	\$923	10.00%	\$9,228

City of Merrill - Group Health Insurance

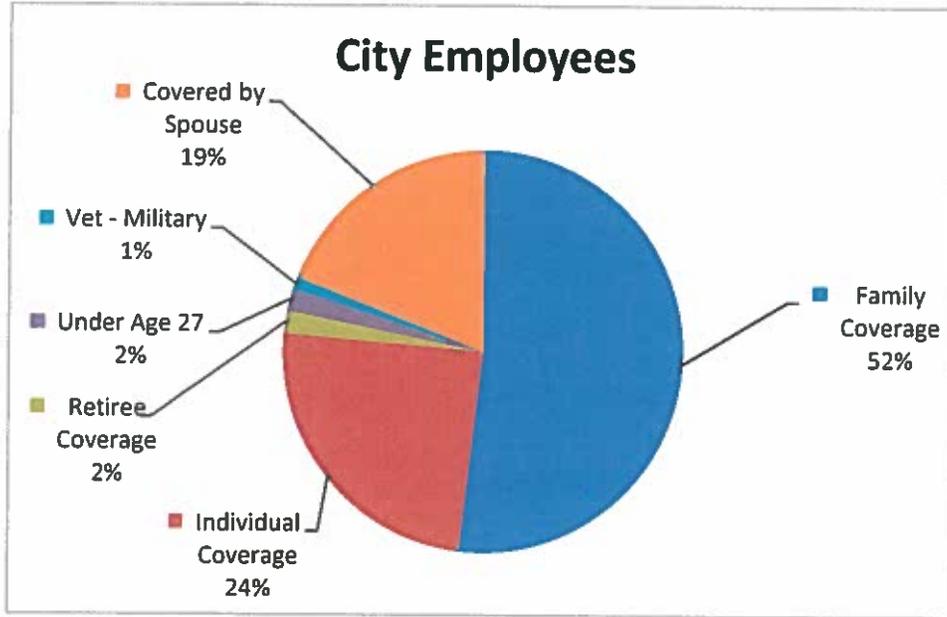
Changes in Deductible and Maximum Out-of-Pocket employee expense.

Reminder: Some of these amounts are required under Federal Affordable Care Act (ACA) in order to offer HSA (Health Savings Account)-eligible coverage

	Insurance % Change		Individual Deductible	Family Deductible	Maximum Out-of-Pocket - 80%/20% over Deductible	
					Individual	Family
2012	7.10%		\$500	\$1,500		
2013	-8.58%		\$1,250	\$2,500		
2014	0.00%	HSA*	\$1,250	\$2,500	\$1,650	\$3,300
2015	-3.94%		\$1,300	\$2,600	\$1,700	\$3,400
2016	6.30%		\$1,300	\$2,600	\$1,700	\$3,400
2017	-0.50%		\$1,500	\$3,000	\$3,000	\$6,000

*HSA implemented at same total insurance premium cost as 2013.

City of Merrill - Employees eligible for Group Health Insurance



Note: Two City retirees also have Family coverage.

Health Insurance Incentive - Employees waiving City coverage:

	Annual	Monthly
Individual	\$1,500	\$125
Family	\$3,000	\$250

Under Age 27	2	Covered under parent's health insurance
Vet - Military	1	
Under Spouse	21	
Total	24	

In 2013, the City of Merrill had 11 employees waiving City health insurance.

3.1.a

Attachment: Health Ins Overview (2774 : Options for 2018 City employee group health insurance)

Packet Pg. 7

City of Merrill - Employees eligible for Group Health Insurance

Employees working 30 or more hours per week are eligible for coverage under the City's group health insurance program.

Department	Health Incentive	Pending Recruitment	Individual Coverage	Family Coverage	Total
Municipal Court				1	1
City Attorney				2	2
City Clerk			1		1
City Administrator				1	1
Clerk-Treasurer	2			2	4
Finance Director			1		1
Information Technology		1			1
City Hall Maintenance	0.5				0.5
Police	5	1	3	16	25
Fire	6		6	11	23
Public Works Director				1	1
Street Department	4		8	6	18
Transit	2		2	1	5
Enrichment Center*				1	1
Library	0.5		4	4	8.5
Parks & Recreation	2			2	4
Community Development**				1	1
Utility	2		2	8	12
Total	24	2	27	57	110
	21.8%				

* Additional eligible employee (32 hours/week) waives City health insurance.

**Building Inspector/Zoning Administrator costs allocated to Utility where spouse works.

Health Historical Overview

Revised: 9/14/2017

REQUEST TO INCLUDE ITEM ON AGENDA

Board or Committee: Committee of Whole

Date of Meeting: Thursday, September 21st, 2017

Request by: Kathy Unertl, Finance Director

Describe below the item(s) you wish to have put on the agenda:
(please attach any pertinent information)

Consider potential dates for 2018 budget Committee of Whole meeting(s)

Please see following e-mail regarding scheduling potential All-Day Budget COW.

Other key meeting dates:

Personnel & Finance Committee - Monday 9/25th

COW – Potential Friday, October 20th?

Personnel & Finance Committee - Tuesday 10/24th or Tuesday 10/31st?
[There are five Mondays and Tuesdays in October.]

Potential another COW meeting – week of 10/30th?

Common Council - Tuesday 11/14th (with budget hearing)

Signed: Kathy Unertl Date: 9/15/2017

Unertl, Kathy

From: Unertl, Kathy
Sent: Thursday, September 14, 2017 3:33 PM
To: Bialecki, Bill; Aldermen
Cc: Johnson, David; Hayden, Tom; Heideman, Bill
Subject: COW - 2018 Budget - When?

Importance: High

One of the agenda items on the Thursday, September 21st Committee of Whole meeting (start time 5:00 p.m.):

- Do you want to have “all day” Committee of Whole meeting on the 2018 budget?
- If yes, would a Friday work out? Such as starting at 8:00 a.m. on Friday, October 20th? Another day of week? Saturday?

Looking for input at the upcoming COW meeting.

Kathy Unertl, Finance Director
City of Merrill

cc Alderperson John Burgener