

TO: Village Council and Mayor Brown

FROM: Finance Committee, Rob Bartlett - Chair

RE: Proposed Change to Mariemont Health Care Plan

DATE: May 1, 2020

The Finance Committee met on Friday, May 1, 2020 at 3:00 pm via videoconference to discuss changes to the health care plan for full time Mariemont employees. Present at the meeting were Finance Committee Chair Rob Bartlett, Finance Committee Members Kelly Rankin and Joe Stelzer, and council member Marcy Lewis.

Mariemont currently participates in the Center for Local Government Benefits Plan. This is a consortium of municipalities that pools their money to self-fund health care and dental care insurance. Horan administers the plan and provided us with data on what other communities are offering their employees. Attached is a spreadsheet that includes Mariemont’s current plan and the plans of some of the communities that we benchmark with on salaries.

The first key takeaway: of the communities we benchmark with, Mariemont is the only community that does not require its employees to pay a portion of the health care premium. Second, of the benchmark communities that offer the same plan as us (Platinum A), the employee contribution ranges from 9.8% to 19.1%. Third, Mariemont also has the lowest HSA contributions. Fourth, some of the benchmark communities offer multiple plans for their employees to choose from, with varying employee contribution rates and HSA contributions.

The table below summarizes the key changes being proposed by the Finance Committee.

	Currently	Proposed		
	Platinum A	Platinum A	Gold A	Platinum C
Employee premium share	0%	10%	7.5%	5%
HSA Contribution Single	\$600	\$1,000	\$1,100	\$1,500
HSA Contribution EE + 1	\$1,200	\$2,000	\$2,100	\$3,000

If we did not change anything, Mariemont’s costs would increase starting August 1 by roughly \$27,000/year. If we implement the proposed plan, the potential savings to offset that increase range from \$18,000 to \$62,000, depending on which plan the employees choose. If 100% of the employees chose to stay in Platinum A, then the offsetting savings would be \$18,000. If 100% of the employees chose to move to Gold A, then the savings would be \$33,000. And if 100% of the employees chose to move to Platinum C, then the savings would be roughly \$62,000.

The Finance Committee also reviewed the Dental Plan. Currently, Mariemont covers 100% of the cost for the Dental Plan except for families. This is consistent with other communities who offer Dental, so the Finance Committee is proposing no changes there. It should also be noted that the cost of the employee’s premium for both health care and dental care are pre-tax, so it will reduce the employee’s taxable income.

It’s important to remember that health care and dental care are part of the total compensation our employees receive. Which is why it’s important to look at salary and benefits as a package, and

not individual items. This is also being implemented in the same year that we have increased the potential bonus for all full time employees. Previously, the bonus was \$250 for everyone, regardless of performance. Now employees can earn a bonus ranging from zero to \$850, depending on their performance.

Implementing this change requires a change to the salary ordinance. At the recommendation of the Village Solicitor, the change to that ordinance is being submitted concurrent with the report. Open enrollment for the new health care plan runs from June 8-26. Having the first reading tonight allows us to have the third reading and vote by June 8, thus avoiding having to pass this as an emergency measure. If council would like to make any changes to the Finance Committee's proposal, those can be incorporated into the ordinance at the second reading in the May 26 council meeting.

Respectfully Submitted,

Rob Bartlett, Chairman

Kelly Rankin, Vice-Chairman

Joe Stelzer, Member