City of Elkins

Finance/Personnel Committee Meeting

January 8, 2024
1:00 PM
401 Davis Avenue
Council Chamber, 2nd Floor

AGENDA

1. **Call to order and roll call**
2. **Public comment**
3. **Minutes**
   a. Proposed minutes for the Personnel Committee meeting of August 15, 2023
   b. Proposed minutes for the Finance Committee meeting of December 11, 2023
4. **Reports**
5. **New business**
   a. Proposal for FY 2025 PEIA employee benefit
   b. Planning FY 2025 budget process
   c. Budget revisions
6. **Announcements**
7. **Adjournment**

CITY OF ELKINS
AGENDA ITEM REPORT

Meeting Date:	January 8, 2024
Section:	Minutes
Category:	Action Item
Agenda Item Name:	Proposed minutes for the Personnel Committee meeting of August 15, 2023
Recommended By:	
Summary:	
Fiscal Impact:	
Recommendation:	
Attachments:	1. Personnel committee - 2023_08_15 - minutes_proposed

PERSONNEL COMMITTEE
SPECIAL MEETING
MINUTES

401 Davis Avenue
City Hall, Council Chambers
August 15, 2023
12:00 p.m.

Present were Committee Members: Cody Thompson, Rob Chenoweth, Michael Hinchman

Also present were: Mike Kesecker (operations manager), Gerry Roberts (city attorney), Tracy Judy (treasurer), Steve Himes (fire chief), Travis Bennett (police chief), and Sutton Stokes (city clerk).

MINUTES

Rob Chenoweth **MOVED APPROVAL OF THE MINUTES OF THE JUNE 8, 2023 MEETING.** The motion carried.

NEW BUSINESS

EPD Hiring Incentive Policy: Chief Bennett presented a proposed new incentive program that would offer hiring bonuses for new certified and uncertified officers. Hinchman **MOVED TO RECOMMEND COUNCIL APPROVE THIS POLICY**. The motion carried.

Reappointment of the Treasurer: Hinchman **MOVED APPROVAL OF ENTERING INTO EXECUTIVE SESSION UNDER THE PERSONNEL EXEMPTION.** The motion carried. Council entered executive session at 1:05 p.m. and returned at 1:56 p.m. The chair announced that no action was taken.

Cody Thompson **MOVED RECOMMENDING COUNCIL REAPPOINT THE CITY TREASURER AT AN ANNUAL SALARY OF $59,000**. The motion carried.

Rob Chenoweth **MOVED ADJOURNMENT.** The motion carried.

The meeting adjourned at 1:57 p.m.

The foregoing minutes were approved at the meeting of ___________, 2023.

Name & Title	Signature

CITY OF ELKINS
AGENDA ITEM REPORT

Meeting Date:	January 8, 2024
Section:	Minutes
Category:	Action Item
Agenda Item Name:	Proposed minutes for the Finance Committee meeting of December 11, 2023
Recommended By:	City Clerk
Summary:	Minutes proposed for the committee's December 11 meeting
Fiscal Impact:	n/a
Recommendation:	Consider for approval
Attachments:	1. Finance Committee - 2023_12_11 - minutes_proposed

FINANCE COMMITTEE
REGULAR MEETING
MINUTES

401 Davis Avenue
City Hall, Council Chambers
December 11, 2023
1:00 p.m.

Present were Committee Members: Mike Hinchman and Rob Chenoweth

Also present were: Gerry Roberts (City Attorney), Tracy Judy (Treasurer), Steve Himes (Fire Chief), Travis Bennett (Police Chief), Mike Kesecker (Operation Manager), Jeremy Deighan (Communication Specialist), Liz Roberts (Executive Secretary)

Christopher Lowther was absent.

MINUTES

Chenoweth **MOVED APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 13, 2023.** The motion carried.

NEW BUSINESS

Chenoweth **MOVED RECOMMENDING COUNCIL APPROVAL OF THE TAX REFUND REQUEST FROM ALTICE.** The motion carried.

Kesecker updated the committee on plans for a new round of public bidding for the Sanitation Department garage, due to the rejection of the previous bids.

Kesecker updated the committee on plans for City Hall security improvements, such as replacing electronic key fobs with a mobile phone app and moving the lobby stairwell door outboard of the elevator for improved access control.

Chenoweth **MOVED RECOMMENDING COUNCIL APPROVAL OF THE CREATION OF A NEW POSITION IN THE TREASURER'S DEPARTMENT.** The motion carried.

Hinchman **MOVED RECOMMENDING COUNCIL APPROVAL OF THE LEASING OF TWO VEHICLES FOR THE OPERATIONS DEPARTMENT AND CITY HALL.** The motion carried.

The meeting adjourned at 1:30 p.m.

The foregoing minutes were approved at the meeting of ___________, 2023

Name & Title Signature

CITY OF ELKINS
AGENDA ITEM REPORT

Meeting Date:	January 8, 2024
Section:	New business
Category:	Action Item
Agenda Item Name:	Proposal for FY 2025 PEIA employee benefit
Recommended By:	Administrative Officers and Human Resources
Summary:	The attachment details staff recommendation in response to the announced 14 percent increase in PEIA premiums for FY 2025 (the PEIA plan year beginning July 1, 2024). Staff recommends shifting to Plan C (high deductible) with the city covering all premium costs and fully funding deductibles for employees and dependents through Health Savings Accounts. Other PEIA plans would be paid by the city up to the cost of Plan C.
Fiscal Impact:	**Current employer cost** (FY 2024): $827,386. **Cost in FY 2025 after 14% increase** based on current employees that participate in our plan • **Maintaining current** contributions/base plans (including current employee contributions): **$943,220** • **After shifting to Plan C** (with no employee contributions required): $833,592. Shifting to Plan C would therefore avoid more than $100,000 in new costs.
Recommendation:	**Recommend that council take the following actions for the FY 2025 PEIA plan year:** • Designate PEIA Plan C as the city's base plan. • Cover 100 percent of the premium cost of Plan C for all eligible employees and dependents. • Contribute full annual deductible amount of Plan C to Health Savings Account for all eligible employees currently participating in city's base plan during enrollment. • Contribute premium costs for any employee selecting any PEIA plan other than Plan C, up to the cost of Plan C.

CITY OF ELKINS
AGENDA ITEM REPORT

Attachments:	1. 240105 PEIA_ Proposal Jan 8 - final for committee_v2

West Virginia Public Employees Insurance (PEIA) Proposal to move to Plan C FY 2025

On December 7, the West Virginia Public Employees Insurance (PEIA) Finance Board approved a 14% increase for local and non-state employees for the 2024 – 2025 fiscal year. This was higher than the earlier proposed 13% increase. However, the board did **not** approve the spousal surcharge for local and non-state employees that we were expecting. (This surcharge would have been $147 on average per person per month for any employee whose spouse is on PEIA but is eligible for insurance through his or her employer.)

In response, and as presented previously, shifting to PEIA Plan C as our base plan would result in substantial savings for both the city and its employees.

- Plan C has a significantly lower premium cost but a much higher deductible than other PEIA plans. Once the higher deductible is met, most medical services would incur similar coinsurance (i.e., payment) requirements under Plan C as under Plan A.
- Organizations offering high-deductible health insurance plans can subsidize employee deductible costs by depositing funds into employee Health Savings Accounts (HSAs). HSAs also enable employees to make additional pre-tax contributions, and unused funds carry over to the next plan year.

The substantially lower premium cost of PEIA Plan C presents the city with an opportunity. Because of the low Plan C premiums, the city could avoid significant increase over FY 2024 plan costs *and* offer the following to employees for FY 2025:

- Cover 100 percent of premium costs (i.e., no employee contribution needed)
- Contribute 100 percent of the high deductible to employee HSAs

In this case, and with the current level of employee participation, the city's total FY 2025 PEIA costs would remain just slightly higher than we are currently paying (in FY 2024)—**even after covering all FY 2025 employee premium and deductible costs**.

- Current employer cost (FY 2024): $827,386.
- Cost in FY 2025 after 14% increase based on current employees that participate in our plan:
  - Maintaining current contributions/base plans (including current employee contributions): **$943,220**
  - After shifting to Plan C (with no employee contributions required): $833,592.

As this shows, shifting to Plan C would avoid $109,628 in future costs, even with (1) the city paying 100% of the cost (i.e., no employee contributions required) and (2) covering 100% of the deductible through city-funded HSA.

This would help the city protect the recent pay raises and budget for cost-of-living and merit-based compensation changes for FY 2025.

Employee Feedback
Employees have received information and had the chance to provide feedback about the proposed shift to Plan C.

On November 27, PEIA representative came to Elkins for a presentation and Q&A with employees. Offered informative session on plans offered and focused on Plan C.

We obtained employment feedback about the proposed shift to Plan C through a survey after the session to be completely sure that we are taking employee desires into account.

Most of the respondents from the PEIA Survey are in favor of moving forward with Plan C.

Survey Questions	Composite Rating (5 strongly agree and 1 strongly disagree.)
The cost of health insurance premiums (paycheck deductions) is affordable.	3
I don't mind keeping my same healthcare plan and paying 13% more for the premium.	2
I would like my employer to move to a high deductible plan and pay 100% of the premium and deductible through a Health Spending Account (HSA).	4
I would like to have a Health Spending Account (HSA) to pay for certain health care costs (all tax free).	4
I understand the different health insurance plan options available to me.	4
Will you be willing to move to another plan if it would save you money and not sacrifice quality of coverage?	5

Staff recommends that council take the following actions for the FY 2025 PEIA plan year:
- Designate PEIA Plan C as the city's base plan.
- Cover 100 percent of the premium cost of Plan C for all eligible employees and dependents.
- Contribute full annual deductible amount of Plan C to Health Savings Account for all eligible employees
- Contribute premium costs for any employee selecting any PEIA plan other than Plan C, up to the cost of Plan C.

Notes to keep in mind:
- HSAs are only available for high-deductible plans (i.e., only Plan C).
- There will be further decisions to be made concerning the city's Plan C administrator/financial institution, as well as details concerning timing of HSA contributions (e.g., lump sum, per paycheck, etc.). Staff will bring updates as research progresses.
- The overall cost to the city could increase if employees and/or spouses not currently on PEIA joined the plan during open enrollment for FY 2025.

What's Next after approval:

- February – Budgeting/find a Plan Administrator for Plan C.
- March – City Treasurer turn into state for approval.
- April 1 – May 1 – Open enrollment for staff. Effective July 1.

PEIA PLAN COMPARISONS

Benefit Description	**PEIA PPB Plan A**	**PEIA PPB Plan B**	**PEIA PPB Plan C**
	The most expensive PEIA PPB Plan offered to all eligible active employees and non-Medicare retirees.	**Plan B offers lower premiums with higher deductibles, higher out-of-pocket maximums, increased coinsurance, and higher copayments for prescription drugs. The medical coverage is the same in Plans A, B and D.**	**The plan offers lower premiums, but a high deductible that must be met before the plan begins to pay. The City of Elkins is considering covering 100% of the premium and the deductible through a health savings accounts for our employees.**
Annual Deductible	$450/individual or $900/family	$725/Individual or $1,450/family	$1,500 employee only/ $3,000 family combined medical/ prescription deductible; services on the Preventive Care List covered without deductible
Annual out- of-pocket maximum	For network providers $2,500 individual / $5,000 family; for out-of-network providers $2,500 individual / $5,000 family	For network providers $3,000 individual / $6,000 family; for out-of-network providers $3,000 individual / $6,000 family	$2,500 employee only.
Coinsurance (PEIA PAYS) PEIA's Share of In State In Network Care after medical deductible	80% Covered	70% Covered	80% Covered
Coinsurance (YOU PAYS) Member's Share of In State, In Network Care after medical deductible	20%	30%	20%
Prescription Deductible	$75 individual/ $150 family	$150 individual/ $300 family	Included with Medical Deductible

This overview is not meant to be comprehensive, for complete plan details go to https://peia.wv.gov/members view Shoppers Guide or Summary Plan Description

CITY OF ELKINS
AGENDA ITEM REPORT

Meeting Date:	January 8, 2024
Section:	New business
Category:	Action Item
Agenda Item Name:	Planning FY 2025 budget process
Recommended By:	City Clerk
Summary:	For the FY 2025 budget planning process, the following are the tentative dates of major steps: • 1/8: Finance recommends PEIA plan to council • 1/18: Council takes action on PEIA plan • January: Administrative officers prepare departmental budgets • 2/12: Administrative officers present city budget proposal (including partner contributions) to Finance Committee • Special Finance Committee meeting during February: as needed (e.g., for additional work on partner contributions). May make sense to hold this first week of February. • March 7: Earliest date for council to consider proposed FY 2025 budget (first regular meeting of March) • March 21: Second regular council meeting in March) • March 28 (Thursday): auditor's deadline to receive municipal budget estimate
Fiscal Impact:	n/a
Recommendation:	Review and finalize schedule, including establishing dates/times for any needed special meetings
Attachments:	None

CITY OF ELKINS
AGENDA ITEM REPORT

Meeting Date:	January 8, 2024
Section:	New business
Category:	Action Item
Agenda Item Name:	Budget revisions
Recommended By:	Treasurer
Summary:	Placeholder item allowing consideration of budget revisions
Fiscal Impact:	TBD
Recommendation:	Consider any presented budget revisions for approval
Attachments:	None