



## PERSONNEL & BENEFITS COMMITTEE

Monday, April 23, 2018 at 7:30 A.M.

### Memorandum

Present: Chair Barb Lamb and Committee Member Michael Shaver. Others in attendance were Legal Counsel Anne Poindexter and Utility Director Drew Williams.

Mr. Ford arrived at 7:49 a.m.

Ms. Lamb called the meeting to order at 7:30 a.m.

### **PUBLIC COMMENT**

There was no one present from the public.

### **SAFETY UPDATE**

Mr. Williams stated that the Plant Staff conducted the scheduled training for April. The Zionsville Fire Department conducted a plant inspection and found two ground fault intercept plugs that needed the covers replaced and the path to a panel needed to be cleared of stored material. These items have been corrected. There were no other infractions. There were no accidents reported this month.

### **HEALTH INSURANCE ALTERNATIVES**

Mr. Williams stated that the District's insurance agent requested quotes from various carriers for a term starting May 1, 2018 to be able to make cost comparisons for what might be available January 1, 2019. Anthem has sent notices that the current "Grandmothered" plan can be continued another year through 2019. However, they are incentivizing people to get off that plan by increasing its rates more than they are with other plans available. Before, when comparing the current Anthem Plan to an Affordable Care Act compliant Anthem Plan the costs were substantially different. With the 32% increase to the premiums last year it brought costs closer to what the premiums are with Affordable Care Act.

When comparing the available Anthem Plans, Anthem Plan 1 (District's current plan) and Plan 2 (ACA Plan), the initial deductible is higher with Plan 2 (\$2000/\$4000 vs. \$1500/\$3000) but the maximum out of pocket would remain the same as it is in Plan 1 (\$3000/\$6000). Mrs. Lamb asked how the rest of the deductible it is paid. Mr. Williams stated that it is in prescription costs. IU Health's Tier One network requires you to go to Community or IU Health for service and if you go outside of that then there is no coverage unless it is an emergency, or you are traveling. IU Tier 2 Encore Plan includes other hospitals in the general area but excludes specialty hospitals like Riley and Mayo Clinic. The insurance agent said that the experience they have had with the IU Health network is that there will be lower premiums but since they control

the doctor's office's they typically charge \$100-\$120 per office visit versus the \$80 with the current Anthem Plan. The deductible will be reached quicker because they charge more.

Mrs. Lamb stated that IU Medical Services charge more than any other provider in the area. Mr. Williams stated that since IU provides its own insurance, they can charge less for the premiums but charge more at the doctor's office since it is all in the same company. Ms. Lamb stated that other insurance companies work with providers to get lower rates. IU doesn't have to do that with their own plan because they are providing both the insurance and health care; they don't have to negotiate costs.

Mr. Williams stated that he and the insurance agent discussed the option of having a clinic which would cost \$40 per month per covered employee per year. The cost to the District would be between \$11,000 to \$12,000 per year. Mr. Shaver stated that he is concerned about the impact on the individuals, he asked to what extent the Committee could gather and review information showing what services the employees are using. Ms. Lamb clarified that what he is interested in seeing is a report from Anthem that would explain what providers are being used? Mr. Shaver said that he is interested in knowing what health services employees are receiving. Mr. Williams indicated that since the District is under 50 employees, we are unable to get that information for confidentiality reasons. Ms. Lamb stated if a plan with a reasonable deductible is chosen it shouldn't have a negative effect on any one individual. The Committee discussed the amount of employee involvement that should be included in the selection process.

Mr. Ford arrived at 7:49 a.m. Mr. Williams recapped the discussion.

Mr. Ford asked what employees currently pay out of pocket for premiums. Mr. Williams stated that it depends on their coverage class. The District covers 80% of the premium, and the employees are paying 20%. Mr. Ford stated that the current insurance plan the District has is not too bad. He doesn't want to move to an insurance plan that has a high deductible. He wants to be sure that the premium cost to the employees remains reasonable. He asked if the current plan includes family eye and dental insurance. Mr. Williams said that vision is through Anthem, dental is a separate plan through Mutual of Omaha. Mr. Ford asked how many customers the District services. Mr. Williams stated that the District has about 14,500 billing accounts. Mr. Ford stated that the cost divided between the 14,500 customers even for the most expensive plan would not be a whole lot of money. The District provides an essential service to the public and Mr. Ford believes that it is the Committee's responsibility to make sure that the employees are taken care of. He emphasized that in future discussions the Committee needs to consider increasing rate payers monthly bills a nominal amount. He also suggested the Budget and Finance Committee could redistribute some additional funding to the Personnel Budget. He feels that if the District has not provided a living wage to employees by way of compensation and insurance coverage then this Committee has not done their job. Mrs. Lamb stated that she feels the Board showed a commitment last year when insurance costs increased 32%. The Committee also

needs to take into consideration the good of the District as a business, there needs to be a balance for the concern for the employees against the needs of the business. Mr. Shaver said that instead of just discussing the premiums and deductibles it would be helpful to know what benefits employees who are topping out are using due to a chronic illness, he wants to be sure those employees are being taken into consideration as well. Mrs. Lamb stated that the cash balances in the different funds are earmarked for future projects; it is not a surplus of money. Mr. Williams stated as an example that the Interceptor funds can only be used for Interceptor expenses and the EDU fees can only be used to expand the plant. There are substantial fees that are in reserve for future projects. Mrs. Poindexter said that a government entity can build up a variety of funds which are restricted and not used for general purposes. Much of the \$8 million the District has in reserve are restricted funds, not available for employee expenditures. Mr. Ford asked what percentage of the \$8 million reserve are not restricted funds? Mr. Williams stated that he would have to look but the funds used for employee expenses come from the Operating fund. Ford reiterated that if the operating revenue isn't where it needs to be to make sure that the employees are compensated appropriately then the operating revenue needs to be adjusted and it would be a minimal amount per customer.

Mr. Shaver stated that his concern is that if the employees have a health insurance plan that is working for them, he does not want to take that away and add benefits that they may not use. He would like to find a balance between what the employees need and use as opposed to making a global decision without their input. Mr. Ford stated that he would like the employees to be surveyed to see what they like about the current plan, what they would like to have that they don't have and how many employees use the plan. Mrs. Lamb stated that many plans are limiting the addition of spouses if the spouse has a plan where he or she works.

Mrs. Lamb stated that based on the information provided, Anthem Option 2 seems to be reasonable. The IU Health option is complicated, and it doesn't give IU any incentive to keep their costs down. There are options out there that do not cost a lot more money and will still give the employees similar coverage.

Mr. Shaver stated that of the four plans presented in the spread sheet he feels that there are reasonable options to consider, his concern is if there are employees that would be disproportionately affected by a change.

Mrs. Poindexter stated that the District could generally survey the staff about the proposed plans and the staff may volunteer information that would let the Committee know if there are concerns. There could be resistance to a plan by some people that would indicate it would not benefit their family.

Mr. Williams stated that he would look at creating an employee survey looking ahead to next year presenting them with these options and get feedback.

Mr. Ford stated that moving forward the Committee needs to make sure that the people least likely to be able to help themselves are covered.

Mr. Williams stated that Anthem Option 2 would be a \$12,000 savings based off what the District is paying now, but the deductible would go up \$500 as Ms. Lamb stated if the District added another \$500 in each person's Health Savings Account, the cost would be neutral to the District.

### **POSITION LADDER UPDATE**

Mr. Williams stated that he spoke with WIS about their experience with position ladders. WIS' experience has been more in union environments where ladders are based off certifications to get higher pay. He also spoke with one of the HR Directors from Citizens. Citizens gives incremental bumps, \$.25 per hour or so, for a certification. Ms. Lamb stated that she has concerns that employees could stay in one position, take classes or get a certification, but still be doing the exact same job, but getting more money. However, if the goal is to help people grow into new positions she would be all for that. If employees are getting certifications or training to move up then that is right, because you don't want people to sit in the same job and stagnate.

Mr. Shaver asked why the career ladder that is currently in place isn't being utilized by the District. Mr. Williams stated that WIS had recommended that the District use the career ladders between positions. Their concern was how would someone advance from a technician to a specialist. Mr. Williams indicated that the discussion has become how does someone move from making the base entry rate to the higher level of the range. Mrs. Lamb stated that if someone comes in at the bottom of a range it shouldn't take more education to move them up, experience and performance should move them up. It isn't a problem with career ladders it is a problem with the pay system if people are staying at the bottom. If people are learning more and becoming more productive they should be moving up. Mr. Williams stated that is where employees were getting a 2.7% increase for instance, but the range was bumped by 2.7% which kept them in the bottom of the range. The question is how much the range adjusts verse how much is allocated for pay increases. Mr. Shaver asked if not increasing the ranges by 2.7% would solve the problem. Mr. Williams stated then you would have people at the top of the range that wouldn't be eligible for pay increases because they are at the top of their range. Ms. Lamb said that the range should be adjusted with the cost of living each year.

Mr. Shaver asked Mr. Williams if the Committee could see the original pay range documents that WIS used to make their recommendations. Mr. Williams stated that he would provide those to the Committee for review.

Ms. Lamb suggested that the Board do the same thing they did last year. Give everyone a cost of living increase, have a separate merit pool, and to look at anyone who is still well below the norm in their position and bring them higher in their range. She believes this method could be needed for a few years to get people where they need to be. Mr. Shaver agreed with Ms. Lamb. Mrs. Poindexter stated that the sooner

the Committee acts on this the better. This Committee gives input to the Budget and Finance Committee. The earlier and the better input that can be given to them the more likely that it gets in the budget the way you want to see it.

Mr. Ford asked Mr. Williams if he had reviewed the Living Wage Index that he provided to Ms. Sheeks. Mr. Williams stated that he had reviewed the document. Mr. Ford stated that the University of Massachusetts provided a system broken down by county. The living wage in Hamilton County Indiana in different categories. Mr. Ford stated that the Committee should look at that document for guidance when looking into salaries and wages. To have a person that works eight hours a day, 40 hours per week, say a single mother who gets off work at 4:00 goes home to relieve a babysitter then goes to her second job doesn't seem very healthy for society. That is why the Living Wage Format was developed. There is a whole category of people who are in that situation. Ms. Lamb stated that 80% of employees at the City of Carmel are at the top of their range. There just aren't many opportunities that open. When they do people take them, they are just not always available.

Ms. Lamb suggested that the Committee set a target for the month of August to discuss a decision on a recommendation that this Committee will make to the Budget and Finance Committee. Mrs. Poindexter suggested that they Committee make a goal of having the discussion by July and the recommendation to the Budget and Finance Committee in August.

## **OTHER BUSINESS**

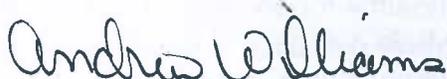
### **CLAY TOWNSHIP AND CITY OF CARMEL CONSOLIDATION**

Ms. Lamb stated that she has heard that there is a plan to reach an agreement regarding the consolidation of Clay Township and the City of Carmel by the end of the year to take effect later. Mr. Ford asked from a legal stand point how will the District's name change will impact the selection of Board Members. Mrs. Poindexter stated that the name change will not impact the selection of Board Members. Mr. Ford asked if the name change from Clay Township to Trico will have an impact on the selection of the Board Members going forward. Mrs. Poindexter stated that the appointments to the board are allocated. She doesn't believe that the County Counselors or County Commissioners will be concerned about their appointee based upon the name. Mr. Shaver stated in the current setup the Trustee's appointments will go to the Mayor of Carmel after a reorganization. Mrs. Poindexter stated that in the consolidation the Trustee's Appointments would probably go to the Mayor of Carmel or Carmel's City Counsel. The Township will be dissolved, so all the powers, responsibilities and duties of the Township will go to the City of Carmel. Mr. Ford stated that the District should be considering expanding the size of the Board to allow for better representation to the tri-county territory. Mr. Shaver said there will be two Reorganization Resolutions that will be passed. One will be passed by the Township Board and the other will be passed by the City of Carmel. If those two things match, that dictates the terms. Mrs. Poindexter stated that Mr. Ford's point is to a different point, what will happen will happen in the consolidation. What Mr. Ford is suggesting is adding more

appointments to the other locations in the service territory. Boone County currently only has one appointment. In theory Zionsville doesn't have an appointment, Boone County Council and Commissioners do not each have an appointment. That is something that the District could petition IDEM to change.

Mr. Shaver's concern is there is no precedent for consolidation. Mr. Ford stated that the District needs to be looking into the potential problems that could arise with the consolidation and acting on them now while the agreement is being drawn up so that the District can be an active participant in the process.

Respectfully submitted,



Andrew Williams  
Utility Director