



DRAFT

Approved: November 14, 2022

**CITY OF ARDEN HILLS, MINNESOTA
SPECIAL CITY COUNCIL WORK SESSION
OCTOBER 24, 2022
IMMEDIATELY FOLOWING ECONOMIC DEVELOPMENT AUTHORITY (EDA)
MEETING
ARDEN HILLS CITY HALL**

CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, Mayor Grant called to order the Special City Council Work Session at 7:56 p.m.

Present: Mayor David Grant, Councilmembers Brenda Holden, Fran Holmes, Steve Scott, and David Radziej

Absent: None

Also present: City Administrator Dave Perrault; Finance Director Gayle Bauman; and Assistant to the City Administrator/City Clerk Julie Hanson

1. AGENDA ITEMS

A. 2023 Employee Benefits Discussion

City Administrator Perrault stated that the current provider, Public Employee Insurance Program (PEIP), insurance quote came back with a nearly 50% premium increase for 2023. The City's benefits administrator, NFP, went out for an RFP with other carriers. He noted that the City is at the end of its second year of a two year contract with PEIP, so could go with another carrier in 2023. He indicated that in addition to working the dollar figures into the budget, PEIP or another carrier would need to be notified by a certain date. He said open enrollment meeting would be held for employees in mid November.

City Administrator Perrault stated that NFP provided proposals from PEIP and Health Partners (HP), noting the 2023 HP plan premiums would be age banded. He commented that the Union's 49er plan was a possible option, but all participants must be on a family plan. He noted White Bear Township utilizes the 49er plan for non-union employees.

City Administrator Perrault reviewed the summary table as provided in the agenda packet. He noted some of the differences between a PEIP or HP HSA plan and 49er family plan.

Councilmember Holmes asked if the 49er plan is the same as the PEIP plan and why the Council was not provided information on the 49er plan.

City Administrator Perrault discussed some of the costs and deductible differences between the 49er family-only plan and the PEIP plan. He noted that previously, the Council was not interested in the 49er plan for non-union employees so he did not prepare that information for tonight's meeting.

City Administrator Perrault provided a brief summary of the PEIP plan, which includes the choice of three different carriers (HP, BlueCross/Blue Shield, and Preferred One). He stated that employees select the carrier they want and that coverage is based on tiers, depending on the carrier that is selected and the location of the medical clinic.

Councilmember Radziej asked for information about the City's HSA contribution.

City Administrator Perrault explained that currently PEIP offers three levels of plans that employees can choose from: an HSA plan, a value plan, and a high value plan. He noted that the HSA plan includes a monthly City contribution, but that all employees do receive the same benefit contribution amount as a whole.

A discussion ensued regarding review of the current PEIP premium information provided in the table within the packet.

Councilmember Radziej asked if under PEIP, are all employees required to participate in the City's medical coverage plan, and would HP require the same. He also asked if employees had been asked if they would potentially waive coverage if they could.

City Administrator Perrault stated that currently PEIP does require a certain percentage of employees participate, and so employees were not currently eligible to opt out. He noted that this would not be the case with the HP coverage and that an opt out option would exist under that plan.

A discussion ensued about HP coverage.

A discussion ensued about the process for City Council approval of the employee benefits medical contribution as it relates to the overall budget approval.

City Administrator Perrault stated that it appears the Council came to a consensus about HP and asked if the Council was interested in providing the option for employees to opt out of the City's medical coverage plan and receive a cash contribution in lieu of coverage.

A discussion ensued regarding aspects of opting out of medical coverage. Various examples were discussed pertaining to opt out amounts that could potentially be offered, based on Council direction.

A discussion ensued regarding the premium amounts paid by the City currently based on information contained in the agenda packet.

Councilmember Holden stated she would support offering the example as noted in Attachment C and offering a monthly amount to opt out of the City's coverage.

Councilmember Radziej noted that the employee must pay taxes on any opt out cash amount.

Councilmembers Scott and **Councilmember Holmes** noted the City should be competitive with other cities that allow employees to opt out.

Council consensus was to continue to contribute a yet-to-be-determined amount toward the employee’s medical premium, to continue to contribute \$125.00 per month to an employee’s City HSA medical plan, and to offer \$175.00 per month to those employees that opt out of the City’s medical coverage.

City Administrator Perrault recapped the Council direction, which was to pursue the plan as outlined in Attachment C with HealthPartners as presented, and to offer the option to receive a cash opt out option of \$175.00 per month. He indicated this would require a change in language in the personnel policy as well.

Councilmember Holmes requested the Council be provided with comparison figures regarding opt out amounts offered by other cities.

2. COUNCIL/STAFF COMMENTS

None.

ADJOURN

Mayor Grant adjourned the Special City Council Work Session at 9:02 p.m.

Julie Hanson
City Clerk

David Grant
Mayor