

February 14, 2023 Ad Hoc Meeting - Employee Benefits and Wage Review Ad Hoc Committee

Ad Hoc Meeting – Employee Benefits and Wage Review – February 14, 2023 AT 12:00 P.M.

Members Present:

Mark Jantzer, Stephan Podrygula, Scott Burlingame, Terri Philion, Lisa Jundt, Derek Hackett, Travis Seifert, Kevin Ternes, Margie Zietz

Members Absent:

Harold Stewart, Laurie Davis, Dallas Varty

Also Present:

Mikayla McWilliams (City Clerk)

The meeting was called to order by Chairman Mark Jantzer at 12:00 pm. Lisa discussed the options for short-term disability as a group plan for employees. Unum was able to give us three options. The first option had an elimination period of 0 days for injury and 7 days for sickness. It would be for 26 weeks with a weekly benefit of 66.67% weekly benefit with a maximum weekly benefit of \$1,500. Option two had an elimination period of 14 days for injury and 14 days for sickness. It would be for 24 weeks with a weekly benefit of 66.67% weekly benefit with a maximum weekly benefit of \$1,500. Option three had an elimination period of 7 days for injury and 7 days for sickness. It would be for 25 weeks with a weekly benefit of 66.67% weekly benefit with a maximum weekly benefit of \$1,500.

If adding this coverage to the employee benefit plan becomes a recommendation, the committee would also need to think about the extra administrative work this would require from the Human Resource Department. An employee could supplement the amount difference with sick or vacation time. It was asked if this plan would cover mental illness issues/needs and at the time it was unknown. *Lisa was able to research after the meeting and mental illness conditions are covered under the plan.* Lisa also mentioned the City of Minot would have to develop a policy on short-term disability if it is approved as a provided benefit.

Kevin Ternes mentioned the angst for long-term employees retiring and leaving large sick leave amounts. Lisa stated even with the ability to accrue large sick leave banks an employee is only allowed to use 480 sick hours in a year under FMLA rules. Travis Seifert discussed how maternity/paternity leave was a major discussion for the employee policy review committee. Margie Zietz asked if the city would be able to pay a portion of an AFLAC policy for the employee instead. Lisa replied the AFLAC plans are single policies and this would be a group policy where every employee is enrolled.

David Lakefield, Finance Director, spoke about how short-term disability is not a budgeted item as of now but the cost would spread across the funds. He was asked if short-term disability would reduce the city's liability but Dave said it would not since sick leave is not a benefit that gets paid out at the end of employment. It would however reduce/eliminate a portion of wages when used due to a percentage of the employee's wage being paid out by the policy.

Derek Hackett motioned a recommendation to be HR developing a package that includes option 1 for short-term disability. Alderman Podrygula seconded and the motion carried with a unanimous vote in favor of the motion.

The discussion then moved to adding a high deductible healthcare plan as an option. Brown & Brown could look into the possibility of a high deductible plan but it was questioned if it would affect the premiums of the current plan. Alderman Burlingame asked if there could be a comparison to other areas/businesses in order for the city to be competitive in the industry. Travis Seifert stated the city needs something to recruit new employees and retain the ones we have. He also mentioned the county pays a full family plan.

Margie Zietz motioned a recommendation to be not to change anything to our healthcare plan. Alderman Burlingame seconded and the motion carried as follows: ayes: Burlingame, Podrygula, Zietz; nays: Hackett, Jantzer, Jundt, Philion, Seifert, Ternes. The motion failed.

Travis stated he does not want to see the plan change but would like it to be more cost friendly to employee paychecks for the non-single plans. Derek reiterated it would be voluntary to move to the high deductible plan. Margie replied to Derek by stating she fears it would not be an option anymore at some point and at that point a requirement. Alderman Podrygula thought the high deductible plan might fit into the menu option for benefits for recruitment and retention. He also said he would lean more toward fully paid benefits.

Alderman Burlingame wants to enhance the benefits package for employees and recruitment. Kevin Ternes thought the committee should look more towards paying healthcare in full over the high deductible plan. Lisa Jundt stated the consultant would do an actuarial report and it would not cost the city anything.

Lisa Jundt motioned a recommendation to be Brown & Brown looking into a high deductible plan at the renewal in July of 2023. Kevin Ternes seconded and the motion carried with a unanimous vote in favor of the motion.

Travis Seifert motioned a recommendation to be the City of Minot move toward fully paying for healthcare. Alderman Podrygula seconded and the motion carried with a unanimous vote in favor of the motion.

Lastly, the committee discussed the timeframe for healthcare to go out for RFP. Brown & Brown had previously stated changing healthcare every year would be a disruption and is not practical.

Alderman Burlingame motioned a recommendation be for HR to work with consultant to rebid at appropriate intervals. Derek Hackett seconded and the motion carried with a unanimous vote in favor of the motion.

Travis Seifert also stated it would be recommended the committee allow for a public forum for employees to speak to be added into the schedule. Alderman Jantzer reminded employees they can contact the committee members especially the employee representatives or the City Clerk to make any comments or recommendations.

The next meeting will be Tuesday, February 28, 2023 at 4:30 pm. There being no further business, the meeting adjourned at 1:01 pm.