



**City of Boiling Spring Lakes
Board of Commissioners Workshop
October 14, 2019
City Hall – 6:00p.m.**

PLEASE TURN OFF CELL PHONES

1. Call to Order ~ Mayor Craig Caster

2. Attendance ~

Mayor Craig Caster
Commissioner Mark Stewart
City Manager Jeff Repp
City Clerk Jane McMinn

Commissioner Steve Barger
Commissioner Guy Auger (*excused*)
Commissioner Dana Witt

3. Mr. Repp explained, the Board requested a workshop at their BOC meeting of October 1, 2019 to review and discuss questions with respect to the Proposed 2019 Personnel Policy.

Commissioner Barger commented, the majority of the board is looking to change future retiree benefits, but also looking at changing and making a policy for the affordability of the health care for the employees and the city. Health care being the most inflated part of City's budget. The Board is looking for fiscally more responsible ways to fund health care, while also being fair to the employees, retirees and the taxpayers.

Commissioner Stewart brought up the subject of requiring all current city employees be required to share in the cost of health insurance and suggested a 75%/25% split. Conversation ensued by the Board and the consensus of the board was that current employees were hired at a certain salary rate which factored in individual health insurance premium being paid 100% by the City and that it would be a financial burden to current employees to now pay towards their health insurance. It was the consensus of the Board that all new employees hired after the effective date of the new personnel policy be required to contribute 20% of the cost of the individual health insurance and that the City Manager can factor that into the starting salary for those employees.

The board then discussed the city's current policy of paying for a supplement medical insurance plan to Medicare for retired city employees when they reach the age of 65. City Manager Repp informed the board that the current policy allows for the retiree to select a Medicare supplement plan with 100% of the cost paid by the City. He also stated that currently the City is contributing over \$ 43,000 for eight (8) retired employees with one (1) retiree being under age 65 and that annual cost is around \$ 16,800.

After discussion, the consensus of the board was to eliminate any new Medicare supplement plans for all current city employees and to investigate providing one (1) Medicare supplement plan to all current vested retirees and that said supplement plan could then be shopped around each year to obtain the best cost to the City.

The following changes were agreed upon by all members for the revised Personnel Policy, which will be placed, on the November 6th agenda for approval.

Section 7. Health Insurance for Retired Employees

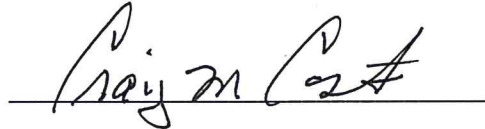
ELIGIBILITY REQUIREMENTS AND BENEFITS OFFERED BY HIRE DATE

| | EMPLOYMENT TIME PERIOD | | |
|--|-------------------------------------|---|---------------------------------|
| | Hired prior to September 1, 2009 | Hired between September 2, 2009 and November 8, 2019 | Hired after November 8, 2019 |
| Minimum # of Years in Local Government Retirement System | 10 | 25 | 25 |
| Continuous Years of Service with the City | 5 | 25 | 25 |
| Days after retirement date to select health coverage | 30 | 30 | 30 |
| % employee contribution to retiree health benefit for individual plan prior to age 65 | 0% | 0% | 20% |

- For eligible retirees, the City shall provide health insurance for medical coverage only, until such time as the retiree becomes eligible for Medicare, at a cost not to exceed that of medical coverage for current full-time employees. Any excess cost shall be paid by the retiree.
- Retired employees prior to November 8, 2019, the City shall pay for a Medicare Supplement for medical coverage only, at a cost not to exceed the amount of medical coverage for current full-time employees. Any excess cost shall be paid by the retiree. The City reserves the right to choose the insurance provider for the Medicare supplement.
- Dental and vision coverage shall be offered to the retiree at group rates offered under the City's group plan, with the cost of such coverage being paid entirely by the retiree.
- Retiree dependents must be covered under the retiree's health plan for at least one (1) year prior to the date of retirement in order to be eligible for continuing coverage under the City's group plan. The entire cost of dependent coverage shall be paid by the retiree.

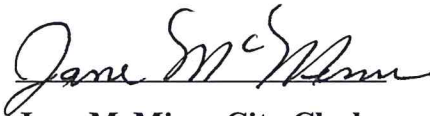
- It is the sole responsibility of the retiree to inform the City of gainful employment with another employer after retirement. The retiree shall be responsible for reimbursing the City for the total cost of premiums paid by the City after the retiree's date of hire with the new employer.

The Board of Commissioners Workshop was adjourned at 6:50p.m.



Craig M. Caster, Mayor

ATTEST:



Jane McMinn, City Clerk



Date:

