

MINUTES  
ENGLEWOOD WATER DISTRICT  
EMPLOYEE BENEFITS COMMITTEE  
201 SELMA AVE, ENGLEWOOD, FL 34223  
WEDNESDAY, JULY 5, 2023 – 8:30 AM  
BOARD ROOM

Committee:

Taylor Meals, Board Member

Ray Burroughs, Administrator

Heather Bagshaw, Human Resource Manager

Lisa Hawkins, Finance Director

Dakota Johnson, Distribution Maintenance Technical

Keith R. Ledford, Jr., P.E., Technical Support Manager

Austin Moriarty, Chemist

Amy Reif, Utility Billing

Meeting began at 8:33 am as members reviewed Jordan's email.

1. Roll Call – all present
2. Public Input – Jordan Chunco, EWD Customer Service Manager – Jordan distributed his email with thoughts on the committee's direction. He outlined his experience with HSAs, with the following suggestions;
  - Adding an HMO plan to the plan choices since the PPO is more expensive and more than a lot of people would need;
  - Adding a wellness program to improve the health of employees by incentivizing them to make healthy choices.
3. Meeting Minutes dated June 21, 2023 – Heather called for approval of the meeting minutes. Lisa moved "**so moved**" seconded by Dakota.

**Unanimous**

4. Discussion – Before moving onto the discussion items, Heather followed up with answers to questions that were asked at the last meeting.

1. Could there be any additional costs out of pocket with an HSA once the maximum out of pocket is met? Answer; No once you hit 100% it's 100% covered after the deductible is met.

2. PPO deductible? Answer; The PPO plan is a zero deductible, 100% coverage but there's an out of pocket. There is a caveat that the copays for prescriptions and doctor's visits, etc. accumulate. Even though it's a zero-dollar deductible, 100% coverage, there are copays for certain things. The copays will add up once you hit the out-of-pocket limit then it's completely

100% with no more prescription or copay costs. An added benefit if someone has a lot of prescriptions or doctor visits it could potentially help them.

a. Percentage of premiums paid by EWD – Lisa suggested that after listening to Jordan, it may be wise to offer more than the 2 plans previously selected if it could save the District money. Jordan added that if the employee was to pay a percentage, the HMO would be less expensive and going to the doctor would cost less. Discussion then turned to the percentage paid by EWD.

- Keith stated the group is leaning toward covering 90% to 100% of the family plan. It was added that no other company pays 100% of family coverage and doing so would be at the expense of the employees who do not have a family;
- Taylor reiterated the idea behind the pay additive that began 21 years ago adding that employees need to be able to make a career here, grow a family and still afford to pay for healthcare;
- Jordan described difficulty in hiring people who live in Englewood because the cost of living is so high here. Good insurance and a 401K match would be an incentive to work here for an entry level position;
- Austin reviewed his spreadsheet that highlighted the cost of rent. With the current cost of EWD family insurance being approximately \$500.00 out of pocket per month is not sustainable and will affect retaining and hiring employees who need to insure their family. He suggested EWD cover a larger portion of family insurance and doing away with the pay additive. It was added that there are no other known utility provides a pay additive;
- Dakota suggested EWD paying a larger portion of family insurance would help with those employees who are underinsuring their family because the cost to insure them is too high. He agreed that it would help with retaining and hiring people;
- Amy gave her opinion of the many factors involved in someone's decision to use an emergency room vs. an urgent care facility;
- Ray stated a mandatory employee meeting will be held to help the employees understand their options before they make a decision on their choice of plans;
- Lisa added that past discussion included EWD covering the \$3,000 deductible and doing away with the 401K additive. This would give singles an extra \$1,500 in their accounts.
- Keith reviewed his spreadsheet that highlighted the HSA 5168 and PPO 3748 with the different percentages; 100% of everything, or 100% of the employee and 90% or 100% of the employee 80% of the difference. His plan includes EWD covering the \$3,000 deductible no matter if the employee is single or family. This keeps it simple should an employee's family status change mid-year. Each sheet and the financial impact on EWD and the employee was discussed. However, employee demographics could change,

these plans are based on worst case scenarios. He suggested giving the cost of the highest employee only premium of \$326.38 per pay check to employees who do not take EWD insurance to be contributed to their 401K and calculated that the pay in lieu at the highest premium would come in at just under \$8,500.00 per year. These plans could include dental and vision changing the total cost slightly;

Discussion then turned to the 30% savings that has been incurred with the switch to PRM and also how much the pay additive would be reduced because of this savings. Heather then stated that a decision needs to be made on the percentage covered by EWD before considering adding in a 3<sup>rd</sup> plan (HMO).

- Heather recommended that EWD cover 100% of employee/family coverage since there isn't much we can do with Florida wages. This benefit would attract new employees. It was added that covering families 100% does not benefit single employees, it actually hurts them if the pay additive is eliminated;
- Jordan recommended that the 30% savings be added to the family plan so nothing is taken away from an individual. He also recommended that the 401K not be linked to the insurance and EWD do a 401K match instead. It was added that EWD already contributes 10% to FRS for all employees and the employee contributes 3%;
- Lisa recommended that if a matching 401K benefit is added, then EWD shouldn't cover the \$3,000 deductible for the HSA. It would be more expensive for EWD, paying the deductible was supposed to off-set dropping the pay additive. Perhaps the HSA should be removed and EWD only offer the PPO and HMO. It was added that if benefits are added, EWD needs to look at where that money will come from.

b. Employees who do not take EWD insurance – discussion began;

- Taylor stated that if EWD does absolutely nothing, the pay additive drops to \$452.00. He requested that we take that savings and see how it would apply to the scenario to spouse, children, family. Take that 30% savings and see how it would apply to everybody other than the employee. EWD would pay 100% for the employees. Discontinue the pay additive and use that money for the few people that take that. Keith added that even with pay additive going down to \$452.00 families will still be paying \$427.00 out of pocket for the PPO per paycheck. It was added that the 30% savings applies only to this year, future savings may not happen;

Heather added that the committee needs to do what is best for the District as a whole, we want to take care of every employee but we also have to consider our numbers as a business. It is unlikely that all people will be pleased 100%. Keith reminded the committee that in the beginning of these meetings we were trying to get to the best coverage possible, decreased

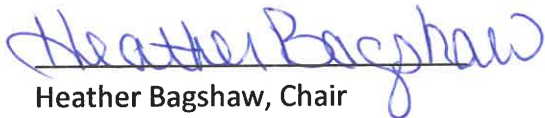
rates by switching to PRM and try to help families with coverage. The idea was to get as much as possible toward the family care.

- Amy recommended an 80/20 split for family coverage but realized the huge benefit 100% coverage would be for a family.
- Taylor agreed that a health incentive plan would work with very little effort on EWD's part.

Since a consensus was not reached at this meeting, an additional meeting was scheduled for Wednesday, July 12<sup>th</sup> at 8:30 am.

c. Presentation of findings to the Board – None

5. Adjourned @ 9:57 AM

  
Heather Bagshaw, Chair