

**Agenda - Human Resources Committee**  
**Jefferson County Courthouse**  
**311 S Center Ave, Room 205 and Videoconference**  
**Jefferson, WI 53549**

**Wednesday, October 7, 2020 @ 8:00 a.m.**

Join Zoom Meeting: <a href="https://zoom.us/j/92140896205">https://zoom.us/j/92140896205</a> Meeting ID: 921 4089 6205# One tap Mobile: 1-301-715-8592, 921 4089 6205# Dial by your location: 1-301-715-8592
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Committee Members: James Braughler, Chair; Joan Fitzgerald; Laura Payne, Secretary; Brandon White, and Michael Wineke, Vice Chair

1. Call to order
2. Roll call (establish a quorum)
3. Certification of compliance with the Open Meetings Law
4. Review of the Agenda
5. Public comment (Members of the Public who wish to address the Committee on specific agenda items must register their request at this time)
6. Communications
  - a. Retirement Recognitions
7. Approval of September 15, 2020, Human Resources Committee Minutes
8. Discussion and possible action concerning eligibility and plan design offered for retiree health coverage
9. Convene into closed session pursuant to Wisconsin State Statute section 19.85 (1)(g), "Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved" for the purpose of discussing employment issues.
10. Reconvene into open session for possible action on items discussed in closed session
11. Set next meeting date and agenda items
12. Adjournment

**Next scheduled meetings:**  
**Tuesday, October 20, 2020 at 8:30 a.m.**  
**Tuesday, November 17, 2020 at 8:30 a.m.**

*A quorum of any Jefferson County Committee, Board, Commission or other body, including the Jefferson County Board of Supervisors, may be present at this meeting.*

*Individuals requiring special accommodations for attendance at this meeting should contact the County Administrator 24 hours prior to the meeting at 920-674-7101 so appropriate arrangements can be made.*

## HUMAN RESOURCES COMMITTEE MEETING MINUTES

Tuesday, September 15, 2020 @ 8:30 a.m.

Jefferson County Courthouse, Room 205 and virtual via zoom.us/j/99844092381

1. Call to Order: Meeting called to order by Chair James Braughler at 8:30 a.m.
2. Roll Call: Present: James Braughler, Chair; Joan Fitzgerald; Laura Payne, Secretary (virtual); Brandon White (virtual); Michael Wineke, Vice Chair. **Quorum established.** Others staff present: Paul Milbrath, Sheriff; Terri Palm-Kostroski, Human Resources Director; Sarana Stolar, Paralegal II (virtual); Benjamin Wehmeier, County Administrator; Yelena Zarwell, Acting Corporation Counsel. Members of the public present: none.
3. Certification of compliance with the Open Meetings Law: Confirmed by B. Wehmeier.
4. Review of Agenda: No changes.
5. Public Comment: None.
6. Communications: None.
7. Approval of September 1, 2020, Human Resources Committee Minutes. **Motion by M. Wineke to approve the Human Resources Committee September 1, 2020, minutes as presented. Second by J. Fitzgerald. Motion passed 5:0.**
8. Discussion and possible action concerning eligibility for retiree health coverage. Staff discussed current eligibility for retirees, trend that others in the health group are doing, and the medical loss ratio of active employees, retirees under age 65, and retirees over age 65. Discussion on policy of subsidizing retiree health plans by increase of cost to active health plans. Consensus of Committee to finalize a resolution for consideration at special committee meeting prior to the October 13, 2020, Board meeting.
9. Discussion and possible action concerning plan design offered under retiree health coverage. Staff discussed current plans offered to retirees, which mirror plans offered to active employees. Also discussed several alternative plan designs specific for retirees, including a \$3000/\$6000 deductible; \$4000/\$8000 deductible; and \$5000/\$10,000 deductible. Consensus of Committee to finalize a resolution for consideration at special committee meeting prior to the October 13, 2020, Board meeting.
10. Discussion and possible action concerning the elimination of two vacant, part-time custodian positions at the Sheriff's Office and creation of one full-time county custodian position. **Motion by M. Wineke, to approve forwarding the resolution as presented to the County Board, creating one full-time custodian position shared by the Sheriff's Office and the Central Services Department and eliminating two part-time custodian positions at the Sheriff's Office. Second by L. Payne. Motion passed 5:0.**
11. Discussion and possible action concerning the reclassification of the Communication Supervisor position, the unfunding of a full-time Communication Operator I/II position, and the creation of a full-time Communication Operator III position at the Sheriff's Office. No discussion or action taken.
12. **Motion by M. Wineke to convene into closed session pursuant to Wisconsin State Statute section 19.85 (1)(g), "Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved" for the purpose of discussing two employment issues and Wisconsin State Statute Section 19.85 (1)(b), "Considering dismissal, demotion, licensing or discipline of any public employee or**

person licensed by a board or commission or the investigation of charges against such person, or considering the grant or denial of tenure for a university faculty member, and the taking of formal action on any such matter..." for the purpose of discussing a Stipulation and Order imposing discipline on one employee of the Sheriff's Office. Second by J. Fitzgerald. Roll call vote: B. White, aye; L. Payne, aye; M. Wineke, aye; J. Fitzgerald, aye; J. Braugher, aye. Moved into closed session at 9:13 a.m. *Note: For the purpose of this closed session, Wisconsin State Statute Section 19.85 (1)(b), the Committee will be acting as the Jefferson County Civil Service Grievance Committee. Staff present under 19.85 (1)(b): P. Milbrath, T. Palm-Kostroski, S. Stolar, B. Wehmeier, Y. Zarwell. Staff present under 19.85 (1)(g): T. Palm-Kostroski, B. Wehmeier, Y. Zarwell.*

13. **Motion by J. Fitzgerald to reconvene into open session and take action on items discussed in closed session. Second by L. Payne. Motion passed 5:0.** Reconvened into open session at 9:40 a.m.
  - a. **Motion by J. Fitzgerald to approve the Sheriff's disciplinary recommendation and order as discussed in closed session. Second by M. Wineke. Motion passed 5:0.**
14. Set next meeting date and agenda items: Wednesday, October 7, 2020, at 8:00 a.m., agenda to include consideration of Retiree Dean Health insurance options for 2021.
15. Adjournment **Motion by M. Wineke to adjourn. Second by J. Fitzgerald. Motion passed 5:0. Meeting adjourned at 9:44 a.m.**

**JEFFERSON COUNTY RETIREE PROPOSED PREMIUM RATES**

	<b>Current</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>\$1500/\$3000</b>	<b>\$1500/\$3000</b>	<b>\$3000/\$6000</b>	<b>\$4000/\$8000</b>	<b>\$5000/\$10000</b>
Single-monthly	\$ 535.69	\$ 575.85	\$ 541.06	\$ 508.91	\$ 476.76
annual premium	\$ 6,428.28	\$ 6,910.20	\$ 6,492.72	\$ 6,106.92	\$ 5,721.12
annual out of pocket	\$ 1,500.00	\$ 1,500.00	\$ 3,000.00	\$ 4,000.00	\$ 5,000.00
annual - Total	\$ 7,928.28	\$ 8,410.20	\$ 9,492.72	\$ 10,106.92	\$ 10,721.12
annual total increase		\$ 481.92	\$ 1,564.44	\$ 2,178.64	\$ 2,792.84
monthly - total	\$ 660.69	\$ 700.85	\$ 791.06	\$ 842.24	\$ 893.43
monthly total increase		\$ 40.16	\$ 130.37	\$ 181.55	\$ 232.74
<b>Assumptions</b>					
Incur \$5,000+	\$ 7,928.28	\$ 8,410.20	\$ 9,492.72	\$ 10,106.92	\$ 10,721.12
Incur \$4500	\$ 7,928.28	\$ 8,410.20	\$ 9,492.72	\$ 10,106.92	\$ 10,221.12
Incur \$3500	\$ 7,928.28	\$ 8,410.20	\$ 9,492.72	\$ 9,606.92	\$ 9,221.12
Incur \$2000	\$ 7,928.28	\$ 8,410.20	\$ 8,492.72	\$ 8,106.92	\$ 7,721.12
Incur \$1000	\$ 7,428.28	\$ 7,910.20	\$ 7,492.72	\$ 7,106.92	\$ 6,721.12
Incur \$0	\$ 6,428.28	\$ 6,910.20	\$ 6,492.72	\$ 6,106.92	\$ 5,721.12
Family-monthly	\$ 1,339.22	\$ 1,439.62	\$ 1,352.65	\$ 1,272.27	\$ 1,191.90
annual premium	\$ 16,070.64	\$ 17,275.44	\$ 16,231.80	\$ 15,267.24	\$ 14,302.80
annual out of pocket	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00	\$ 8,000.00	\$ 10,000.00
annual - Total	\$ 19,070.64	\$ 20,275.44	\$ 22,231.80	\$ 23,267.24	\$ 24,302.80
annual total increase		\$ 1,204.80	\$ 3,161.16	\$ 4,196.60	\$ 5,232.16
monthly - total	\$ 1,589.22	\$ 1,689.62	\$ 1,852.65	\$ 1,938.94	\$ 2,025.23
monthly total increase		\$ 100.40	\$ 263.43	\$ 349.72	\$ 436.01
<b>Assumptions</b>					
Incur \$10,000+	\$ 19,070.64	\$ 20,275.44	\$ 22,231.80	\$ 23,267.24	\$ 24,302.80
Incur \$8500	\$ 19,070.64	\$ 20,275.44	\$ 22,231.80	\$ 23,267.24	\$ 22,802.80
Incur \$7000	\$ 19,070.64	\$ 20,275.44	\$ 22,231.80	\$ 22,267.24	\$ 21,302.80
Incur \$4000	\$ 19,070.64	\$ 20,275.44	\$ 20,231.80	\$ 19,267.24	\$ 18,302.80
Incur \$1000	\$ 17,070.64	\$ 18,275.44	\$ 17,231.80	\$ 16,267.24	\$ 15,302.80
Incur \$0	\$ 16,070.64	\$ 17,275.44	\$ 16,231.80	\$ 15,267.24	\$ 14,302.80

**RESOLUTION NO. 2020- \_\_\_\_**

**Amending the Retiree Addendum to the Group Master Policy with Dean Health Plan, reducing the eligibility for retirees to under the age of 65 or Medicaid/Medicare eligible and limiting plan design choice to a separate high-deductible health plan**

Executive Summary

On September 11, 2018, the County Board entered into an Intergovernmental Cooperation Agreement to authorize a consortium for joint purchasing of employer benefits and designated Dean Health Plan as the health insurance provider for the consortium, effective January 1, 2019. The agreement with Dean Health Plan included maximum renewal rate increases for three years: Year 1 (2020), 7.5%; Year 2 (2021), 7.5%; Year 3 (2022), 9.9%. If the maximum renewal rate increases had not been in place, the renewal rates would have significantly exceeded 7.5% for 2020 and 2021. The County recently received a Loss Ratio Analysis of Active employees and Retirees which is calculated by dividing the total health insurance benefits paid by the total collected insurance premiums. The loss ratio for active employees was 125.4%; for retirees under age 65, 336.8%; and, for retirees age 65 and older, 209.4%. The loss ratio for all retirees is 294.9%, with the total loss ratio of all covered employees and retirees at 135.1%.

Jefferson County offers health insurance to all eligible active employees through Dean Health Plan (DHP). In addition, as provided in the Retiree Addendum to the Group Master Policy, the County offers health insurance to an employee who is actively employed by the County, insured by a group plan offered by the County, and eligible for Wisconsin Retirement annuity or Social security. Retired employees and their dependents may remain on the plan until the retiree dies or until the County cancels the policy. If the retiree dies, the spouse will be allowed to continue his/her coverage on the same terms as the retiree's coverage at the time of death. The retiree or surviving spouse is responsible for 100% of the health insurance premiums. The County reserves the right at any time and for any reason to amend the Plan, to modify plan benefits, or to terminate the Plan and discontinue benefits with respect to all retirees or any class of retirees. Retirees are currently offered the same two plan designs as are offered to active employees. These two plan designs currently consist of a low-deductible plan with a \$500 deductible for an individual and a \$1000 deductible for a family (\$500/\$1000) and a high-deductible plan with a \$1500 deductible for an individual and a \$3000 deductible for a family (\$1500/\$3000).

In 2021, active employees will be offered the current \$1500/\$3000 high deductible health plan and a new \$1500/\$3000 deductible \$2000/\$4000 out-of-pocket maximum high deductible health plan. Employees in the low deductible health plan will be grandfathered, but will not be a choice for other employees. The Human Resources Director and the County Administrator are recommending a change for retirees by offering one plan design choice consisting of a high deductible plan with a \$4000 deductible for an individual and an \$8000 deductible for a family plan, with the out-of-pocket maximums being equal to the deductibles.

As a step to curtail the increasing cost of health insurance while still offering an affordable plan in the marketplace, the Human Resources Director and County Administrator are also recommending an amendment to the retiree health coverage plan design as follows:

1. The retired employee and his/her dependents may remain on the plan until the retiree reaches age 65 or becomes eligible for Medicare/Medicaid coverage;
2. If the retiree dies, the spouse and any dependents will be offered continuation of coverage as allowed through COBRA;

3. The Jefferson County Administrator will have the option to offer retirees a plan design which is different than what is offered to active employees. The plan or plans offered to retirees may change based on a number of factors, including premium rate increases and medical loss ratio analysis. The plan design(s) offered to retirees will be determined by the County Administrator no later than November 1 of each year.

On October 7, 2020, the Human Resources Committee reviewed the request from the Human Resources Director and County Administrator to establish a new high deductible health plan design for retired employees and amend the Retiree Addendum to the Group Master Health Policy with Dean Health Plan, as described above. The Human Resources Committee considered this resolution at its meeting on October 7, 2020 and recommended forwarding to the Jefferson County Board of Supervisors for approval.

WHEREAS, the above Executive Summary is incorporated into this resolution, and

WHEREAS, health insurance premiums will cost the County approximately \$5,884,109, in 2020, not including contributions to employees' health savings accounts, and

WHEREAS, continuing to include Jefferson County retirees in the same health insurance group as active employees will result in higher health insurance premium rates for active employees in the future, and

WHEREAS, to continue to provide active employees with an affordable health insurance plan that provides excellent health care coverage, changes need to be made to the current health insurance plan which includes increasing the out-of-pocket maximum for the active and retired employee high deductible plan.

NOW, THEREFORE, BE IT RESOLVED by the Jefferson County Board of Supervisors that commencing on January 1, 2021, the retiree health coverage plan design is hereby amended as follows:

1. A retired employee and his/her dependents may remain on the plan until the retiree reaches age 65 or becomes eligible for Medicare/Medicaid coverage;
2. If a retiree dies, the spouse and any dependents will be offered continuation of coverage as allowed through COBRA;
3. The Jefferson County Administrator will have the option to offer retirees a plan design which is different than what is offered to active employees. The plan or plans offered to retirees may change based on a number of factors, including premium rate increases and medical loss ratio analysis. The plan design(s) offered to retirees will be determined by the County Administrator no later than November 1 of each year.
4. The plan design for retirees for 2021 will be a high deductible health plan with a \$4000 deductible for an individual and an \$8000 deductible for a family plan with the out-of-pocket maximums being equal to the deductibles.

*Fiscal Note: Jefferson County conducts an actuarial study of its liability related to offering post-employment health benefits to retirees annually during the preparation of its audited financial statements. The liability is measured by calculating the net present value of all future payments associated with the current retirees in the plan. Although retirees contribute to the plan at employee rates, the premiums for retirees would be significantly higher if they purchased health insurance on the market. Therefore, the County is subsidizing the retiree premiums by allowing them to participate in the plan at reduced rates. The liability projected - cost of continuing to associated with offer the currenting the retiree health insurance plan benefit will be was \$5,212,613 based on the number of retirees in the plan as of December 31, 2019. The financial impact of this*

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*resolution cannot be determined at this time, however it is expected to produce significant savings in health insurance premiums and a reduction of the post-employment health insurance liability in the future when the results of experience under this change can be measured.*

Ayes \_\_\_\_\_ Noes \_\_\_\_\_ Abstain \_\_\_\_\_ Absent \_\_\_\_\_ Vacant \_\_\_\_\_

Requested by  
Human Resources Committee

10-13-2020

REVIEWED: County Administrator \_\_\_\_\_; Corporation Counsel \_\_\_\_\_; Finance Director \_\_\_\_\_

DRAFT

