



Meeting: Village Board
Meeting Date: 1/13/14
Agenda Item: 6a

Mission Statement

To provide our residents with a safe, friendly, attractive and active community by aggressively pursuing innovative ways to deliver valuable services.

VILLAGE BOARD MEETING STAFF REPORT

REPORT TO: Burt R. McIntyre, President
Village Board of Trustees

REPORT FROM: Chris Haltom, Director of Administrative Services

AGENDA ITEM: Authorize Administrator to enter into an agreement with Wisconsin Counties Association for health insurance effective February 1, 2014

ACTION REQUESTED: ___Ordinance ___Resolution __X__Motion ___Receive/File

POLICY ISSUE

Should the Village Board authorize the Administrator to enter into an agreement with Wisconsin Counties Association for health insurance coverage for all full-time employees?

BACKGROUND INFORMATION

The village currently has a contract with Central States Southeast and Southwest Areas Health and Welfare and Pension Funds to provide health insurance coverage for all full-time, benefitted employees. Coverage with Central States requires continued contracts between the village and one Teamster Union. With the passage of Act 10 in 2011, village staff believes that the two Teamster Union contracts covering village employees that expired on December 31, 2013 no longer allow unions to negotiate health insurance benefits in 2014.

As a result of Wisconsin Act 10 in 2011 and the federal Affordable Care Act, staff has been working with a local health insurance agent, Shawn Esslinger of Associated Financial Group, to find a health insurance policy for village employees. Shawn has been working since September 2013 to find a policy that was comparable in price to the 2013 Central States policy.

Shawn has been working with several insurance companies to obtain price quotes for health insurance. The quotes originally obtained in September were with WEAC. The prices obtained with WEAC were much higher than the village's policy with Central States. Several different plans were reviewed with deductibles ranging from \$200/\$400 to \$2,500/\$5,000 (the two amounts of deductibles listed are for a single person or a family participant). The higher deductible plans did not generate any significant savings for the village over the lower deductible plans. As all of the price quotes obtained were too high, the village removed WEAC from health insurance discussions.

Shawn continued working for the village to obtain quotes from other health insurance providers utilizing a range of deductibles and a range of coverage. Some plans included dental and/or vision coverage while other plans did not. Due to the fact that the Affordable Care Act became effective in 2014, the process of obtaining insurance price quotes was difficult and slow. In the end, Shawn presented the village with one company, Wisconsin Counties Association (WCA) as the other companies that did provide price quotes were much higher priced than WCA.

At the time of printing this report, staff had not yet received a contract from WCA. Staff recommends the board take action to authorize the village administrator to negotiate with WCA a new contract that will cover health and dental insurance for all full-time employees. Once such a contract is presented by WCA, the Administrator will sign on behalf of the village.

Village staff reviewed the policy with Shawn and representatives from WCA and found that there is no vision coverage in their plan (Central States included vision). Other than this one change, the policy offered by WCA was very similar to the existing policy with Central States. The price quote from WCA will save the village approximately \$20,000 in 2014 from the amount included in the budget for all funds (not all of health insurance costs are in the General Fund).

Paul worked with Central States to determine when and how our existing policy will be terminated. Central States requires a notifying letter of cancellation from the village at least 30 days prior to the cancellation. Paul sent them a letter notifying them of the cancellation effective February 1, 2014 in December 2013.

FISCAL IMPACT:

- | | |
|------------------------------|--|
| 1. Is There A Fiscal Impact? | Yes |
| 2. Is it Currently Budgeted? | Yes |
| 3. If Budgeted, Which Line? | Various Benefits accounts throughout budget |

PREVIOUS ACTION

No previous action on this item.

RECOMMENDED ACTION

Village staff recommends the village board authorize the Administrator to enter into a contract with WCA to provide health insurance coverage to all full-time, benefitted employees. If the village board agrees with staff, the following motion could be made:

"I move to authorize the Administrator to enter into a contract between the village and WCA to provide health insurance benefits to full-time employees."

ATTACHED INFORMATION

None