



Finance Department
1316 N 14th Street
Superior, WI 54880

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Living up to our name.

November 19, 2019

To: Councilor – Jack Sweeney (Chair)
Councilor – Keith Kern (Co-chair)
Councilor – Tylor Elm
Councilor – Craig Sutherland (Alt)

From: Ashley Puetz – Assistant Finance Director

Finance Committee Mission Statement: To have broad oversight of financial policies and procedures, and to provide the City Council and management with such financial expertise, opinion, and recommendations as will be helpful for the Council to make decisions regarding the financial stability of the City of Superior.

**** FINANCE COMMITTEE MEETING AGENDA ****

A Finance Committee meeting is scheduled for Thursday, November 21, 2019 at 4:30 p.m. in Room 217 of the Government Center.

The following items will be discussed at the Finance Committee Meeting.

- 1. Seeking approval of renewal with Health Partners, health and dental insurance premium rates, HSA/HRA funding, and the health insurance budget for 2020.
2. Seeking approval of Amendment I to the Affiliation Agreement between the City of Superior and UWS for Wellness Internships.

If you are unable to attend this meeting, please contact Ashley Puetz at 715-395-7452.

Cc: Mayor Jim Paine, City Council Members, City Clerk's Office, Bulletin Board, Department Heads, KDAL Radio, WDSM Radio, WEBC Radio, Duluth News Tribune, Superior Telegram, Taylor Pedersen, Peter Luke, Kyle Hawley

Notice is hereby given that a quorum of the City Council may be present. No action will be taken other than the items listed on this agenda.

Pursuant to the Americans with Disabilities Act of 1990, if you are in need of an accommodation to participate in the public meeting process, please contact the City Clerk's Office at (715) 395-7200 prior to the scheduled meeting. The City will attempt to accommodate any request depending on the amount of notice received. TDD (715) 395-7521.

In compliance with Wisconsin Open Meetings Law, this agenda was:

Posted: Government Center, Court House, & Public Library,
Faxed to: Daily Telegram, Public Library, November 19, 2019
Media notified and mailing list November 19, 2019

Superior Telegram to sign and fax verification of receipt to fax number (715-395-7292)

Name

Date



SUPERIOR

W I S C O N S I N

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Finance Department

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Superior, WI 54880

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November 19, 2019

Finance Meeting Date: November 21, 2019

To: Mayor Jim Paine and Members of the Finance Committee
From: Ashley Puetz, Assistant Finance Director *oap*
Re: Health Insurance Budget 2020

Background

The City of Superior has long provided a self-funded health insurance plan to its employees. In 2018 the City realized an increased number of catastrophic claims that drew down the reserve levels. In an effort to keep costs contained and rate increases bearable, the city looked for opportunities and strategies to manage the new difficulty. The biggest step the city has taken to date occurred on October 15th 2019 when the city council approved a new health insurance broker, Marsh & McLennan Agency (MMA).

MMA has a robust team that will be evaluating every aspect of the City's health care spend to identify as many saving strategies as possible. MMA has hit the ground running and we expect to realize substantial cost savings in the coming year.

Cash Flow and Reserves

Reserves in the health insurance fund are estimated to be approximately \$1,100,000 by the end of 2019. As of today's date, reserves are \$1,128,733.76 which is in line with the end of 2018, but a substantial reduction of reserves from the year end 2017 which were \$2,627,957. Due to the relatively high volume of claims the city has been seeing, the health insurance rates are proposed to increase by 11.42%.

Approved Premium Rates 2020

Please see ATTACHMENT A.

Premium rates are proposed at an 11.42% increase for health insurance and held steady for dental insurance for the year 2020.

2020 Health Insurance Operating Budget

Please see ATTACHMENT B.

The budget presented for 2020 aims to provide funding for anticipated claims and administration, stop loss insurance, the wellness program, SuperiorUSA HSA, HRA and flexible spending programs and the employee assistance program.

Recommendation

It is requested that the Finance Committee approve the recommended 2020 Health and Dental Insurance Budget, the 2020 health and dental rates, renewal of third party administrative services with HealthPartners for 2020 and approve funding of HSA/HRA deductibles for 2020.

Recommended: _____

Date: _____

Jim Paine, Mayor

**City of Superior - Self Insured Health and Dental - Group Health Rates - 2020
All Active Union Employees, Non-Union Employees and Retirees**

<u>All Active Non-Union & Fire Union</u>		Total Monthly	PR			Annual
12.6%		<u>Employee Deduction</u>	<u>Code</u>	<u>City Paid</u>	<u>Total</u>	<u>City Paid</u>
Single	(includes dental \$30.19/mo)	114.00	M1	790.71	904.70	9,488.49
Employee	(includes dental \$59.08/mo)	238.00	M2	1,650.83	1,888.82	19,809.94
Family	(includes dental \$111.58/mo)	365.30	M3	2,533.94	2,899.24	30,407.23

<u>All Active Police Union & Sgts, Liet & Captain</u>		Total Monthly	PR			Annual
10%		<u>Employee Deduction</u>	<u>Code</u>	<u>City Paid</u>	<u>Total</u>	<u>City Paid</u>
Single	(includes dental \$30.19/mo)	90.46	M4	814.23	904.70	9,770.76
Employee	(includes dental \$59.08/mo)	188.88	M5	1,699.94	1,888.82	20,399.26
Family	(includes dental \$111.58/mo)	289.92	M6	2,609.32	2,899.24	31,311.79

<u>Part-Time, Non-Union</u>		Total Monthly	PR			Annual
		<u>Employee Deduction</u>	<u>Code</u>	<u>City Paid</u>	<u>Total</u>	<u>City Paid</u>
Single	15% (includes dental \$30.19/mo)	135.70	M9	769.00	904.70	9,227.94
Employee	20% (includes dental \$59.08/mo)	377.76	M9	1,511.06	1,888.82	18,132.67
Family	20% (includes dental \$111.58/mo)	579.84	M9	2,319.39	2,899.24	27,832.70

COBRA (Continued coverage for 18 to 36 months)

Health Ins.	-Single	892.00
	-Empl. +1	1,866.33
	-Family	2,843.41
Dental Ins.	-Single	30.79
	-Empl. +1	60.26
	-Family	113.81

PREMIUM	DENTAL	HEALTH	TOTAL
S	30.19	874.51	904.70
E+1	59.08	1,829.74	1,888.82
F	111.58	2,787.66	2,899.24

<u>Retirees - City Health Plan/No Dental</u>	Total Premium
Retiree - Single plan	874.51
Retiree + 1	1,829.74
Retiree - Family plan	2,787.66

<u>City Contribution - HSA / HRA</u>	
S	1,400
E+1	2,800
F	2,800

Attachment: A

ACCOUNT DESCRIPTION	2018 Actual	2019 Budget	2019 Y-T-D Actual	2020 Budget Initial Est
FUND 817 SELF INSURED HEALTH FUND				
INTEREST	26,074	30,000	0	32,000
OTHER MISC REVENUE	163	0	67	0
STOP LOSS REIMBURSEMENT	832,678	0	497,550	0
ALL REG ACTIVE EMPL CONTR	4,535,277	5,281,158	4,336,758	5,741,387
ALL REG. RETIRED PREM COL	532,625	569,752	453,616	690,963
FIRE DEP GENL FD CONTRIB	0	0	0	0
POLICE DEP GENL FD CONTR	0	0	0	0
GEN I&O GENL FD CONTRIB	0	0	0	0
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*	5,926,817	5,880,910	5,287,991	6,464,350
** SELF INSURED HEALTH FUND	5,926,817	5,880,910	5,287,991	6,464,350
*** SELF INSURED HEALTH FUND	5,926,817	5,880,910	5,287,991	6,464,350

ACCOUNT DESCRIPTION	2018 Actual	2019 Budget	2019 Y-T-D Actual	2020 Budget Initial Est
FUND 817 SELF INSURED HEALTH FUND				
DEPT 51 GENERAL GOVERNMENT				
DIV 51 FINANCE				
SALARIES-PERMANENT-REGULR	2,105-	49,421	38,768	51,703
SALARIES-PERM-OVERTIME	43	0	0	0
SALARIES-PT/TEMP-REGULAR	17,502	0	512-	0
SALARIES-PT/TEMP-OVERTIME	0	0	0	0
BENEFITS-SOC SECURITY	4,576	3,781	2,728	3,955
BENEFITS-EMPLOYER WRF	4,754	3,237	2,538	3,490
BENEFITS-EMPL RETIREMENTS	2,211	2,471	1,647	2,585
BENEFITS-EMPLOYEE WRF	0	0	0	0
BENEFITS-HEALTH INS	15,704	17,793	14,869	19,890
BENEFITS-LIFE INS	176	150	40	150
BENEFITS-WORKERS COMP	112	74	57	78
BENEFITS-UNEMPLOYMENT CMP	0	0	0	0
CLAIMS PAID-ACTIVE EMPL	4,159,408	3,202,832	3,373,131	3,684,890
CLAIMS PAID-RETIRED EMPL	1,639,773	1,219,192	947,247	1,265,561
ADMINFEE/STOP LOSS-ACTIVE	522,377	573,513	487,441	646,106
ADMINFEE/STOPLOSS-RETIRED	60,608	82,680	49,985	84,479
PROF SVCS-AUDIT	5,045	5,200	5,077	5,400
PROF SVCS-DATA PROCESSING	0	0	0	0
PROFESSIONAL SVCS-OTHER	6,796	5,500	7,496	0
OTHR CONTRAC SVCS-MISC	7,805	43,625	12,631	29,325
OFFICE SUPPLIES	0	0	0	0
OTHER PUBS, SUBS, DUES	0	0	0	0
TRAVEL & TRAINING	1,309	2,500	0	2,500
OTHER SUPPLIES & EXPENSE	668,559	667,651	663,894	665,000
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*	7,114,653	5,879,620	5,607,037	6,465,112
**	FINANCE	7,114,653	5,879,620	6,465,112
***	GENERAL GOVERNMENT	7,114,653	5,607,037	6,465,112

ACCOUNT DESCRIPTION	2018 Actual	2019 Budget	2019 Y-T-D Actual	2020 Budget Initial Est
FUND 817 SELF INSURED HEALTH FUND				
DEPT 58 DEBT SERVICE				
DIV 10 DEBT SERVICE				
PRINCIPAL	1,052	1,050	0	1,050
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*	1,052	1,050	0	1,050
** DEBT SERVICE	1,052	1,050	0	1,050

ACCOUNT DESCRIPTION	2018 Actual	2019 Budget	2019 Y-T-D Actual	2020 Budget Initial Est
FUND 817 SELF INSURED HEALTH FUND				
DEPT 58 DEBT SERVICE				
DIV 20 DEBT SERVICE				
INTEREST	228	240	0	240
	-----	-----	-----	-----
*	228	240	0	240
** DEBT SERVICE	228	240	0	240
*** DEBT SERVICE	1,280	1,290	0	1,290

ACCOUNT DESCRIPTION	2018 Actual	2019 Budget	2019 Y-T-D Actual	2020 Budget Initial Est
FUND 817 SELF INSURED HEALTH FUND				
DEPT 59 OTHER FINANCING USES				
DIV 20 TRANSFER TO OTHER FUNDS				
TRANSFER TO OTHER FUNDS	0	0	0	0
	-----	-----	-----	-----
*	0	0	0	0
**	0	0	0	0
TRANSFER TO OTHER FUNDS	0	0	0	0
***	0	0	0	0
OTHER FINANCING USES	0	0	0	0
****	7,115,933	5,880,910	5,607,037	6,466,402
SELF INSURED HEALTH FUND				

**Amendment I to the
Affiliation Agreement
Between the
City of Superior
And
University of Wisconsin Board of Regents
University of Wisconsin-Superior**

The City of Superior, State of Wisconsin, a municipal corporation existing by and under the authority of the laws of the State of Wisconsin (hereinafter referred to as the 'Owner') and University of Wisconsin Board of Regents, University of Wisconsin-Superior. (herein known as 'University') are parties to an Agreement dated October 6, 2017 for a mutual intern program.

Both parties desire to amend the Agreement as follows:

Term of Agreement and Termination. The City and the University agree to exercise a one (1) year extension for the period of January 1, 2020, through December 31, 2020. It may be terminated solely by written notice, ninety (90) days in advance, by either party to the designated agent of the other as shown below. This agreement may be renewed upon mutual agreement.

The City Agrees:

5. The City, at the beginning of the internship, determines the amount of compensation, if any, received by the intern. The City will inform the University if interns will receive a stipend or will serve in a non-paid capacity. Interns are not covered under the City's Workman's Compensation Policy. Interns will not be covered or eligible for City health, life, or dental insurances. Interns will not be eligible for City holiday, vacation, or sick time benefits.

All other terms and conditions of this agreement remain in full force and effect.

The parties, intending to be legally bound have executed this amendment on the day and year set forth below.

Signed this ____ day of _____, 2019

University of Wisconsin-Superior

Jeffrey Kahler, Vice Chancellor for Administration & Finance

CITY OF SUPERIOR, WISCONSIN

Mayor

City Attorney

Assistant Finance Director

City Clerk

Approved by the Superior City Council on

Affiliation Agreement
Between the University of Wisconsin Board of Regents (BOR)
University of Wisconsin-Superior
and the
City of Superior, Wisconsin

This document serves as an agreement between the University of Wisconsin BOR dba, University of Wisconsin-Superior (hereinafter referred to as “University”) and City of Superior (hereinafter referred to as City).

The University considers field education a vital part of the professional education of students and recognizes the importance of the City’s contribution to this process.

Both the University and the City recognize the contributions of the students in providing services to the community; therefore, by entering into this affiliation agreement the University and the City acknowledge the cooperation and communication necessary to fulfill this partnership.

The University Agrees:

1. That the University will provide the City with a comprehensive Internship Guide and information on the process and policies for field, detailing the academic conduct of the students’ education practicum. Upon acceptance of this Guide, it shall become a part of this agreement and shall be incorporated by reference.
2. To recognize within the extent and limitations of §§ 895.46(1) and 893.82, Wis. Stats., that the State will pay judgments for damages and costs against its officers, employees and agents (which includes students) arising out of their activities while within the scope of their assigned responsibility in the program at the Agency.
3. The University will be responsible for internships that are conducted during a regular academic semester(s) or scheduled summer terms(s). The University and the City agree to schedule the internship hours to mutually benefit all parties involved and to conform to the scheduling formula of hours of site contact to equal one credit.
4. The University shall certify eligibility for students registering internships for academic credit. Approved students will have the appropriate educational background and skills consistent with the advertised internship and departmental requirements for participation.
5. The University determines the amount of academic credit to be earned through the internship and establishes all academic requirements that the student must meet to earn the credit. The University establishes a grading system and criteria to earn the grade upon completion of the internship.

6. The University will assign a faculty member to monitor and evaluate the student's performance during the internship. The university will assume all costs associated with faculty supervision of the intern.
7. The University, at the beginning of the internship term, will provide the City with all evaluation materials and the expected timeline for submission.
8. The University agrees to advise students of any know policies, procedures, and requirements of the internship as specified by the City and the students' responsibilities under this Agreement. The University will require its students, who are participating in the internship experience, to comply with the health status requirements of the City, including but not limited to, background investigations, drug testing, and health screenings.
9. The University, at the beginning of the internship term, will inform the City of course requirements such as the intern's attendance at meetings/ seminars or activities that may take the intern away from the assignment.
10. The University may request termination of the internship placement for any student not complying with University guidelines and procedures for the internship program, as long as the City has been notified in advance.

The City Agrees:

1. The City agrees to prepare an internship job description that outlines the duties and responsibilities of the intern. The University will use this document to determine the suitability of the internship for academic credit. Should changes to the job description be necessary after the internship is approved, the City agrees to notify the University of such changes.
2. The City agrees to notify the University of all selection criteria and any requirements of the selection process including but not limited to background investigations, drug testing, and health screenings. The City will not accept students as participants in the program unless the student is certified as a program participant in writing by the appropriate coordinator of the University.
3. The City selects interns based on the City's needs and preferences.
4. The City determines the schedule that the intern will maintain on premises. The total scheduled hours will comply with standards established by the University for the award of credit hours: The minimum internship is 450 hours for a semester or summer term.
5. The City, at the beginning of the internship, determines the amount of compensation, if any, received by the intern. The City will inform the University

if interns will receive an hourly wage, stipend or will serve in a non-paid capacity. Unpaid interns are not covered under the City's Workman's Compensation Policy. Paid interns are covered under the City's Workman's Compensation Policy. Paid or unpaid interns will not be covered or eligible for City health, life, or dental insurances. Paid or unpaid interns will not be eligible for City holiday, vacation, or sick time benefits.

6. The City agrees to provide suitable workspace and resources for the intern to complete the internship assignment. The City will also provide orientation, training, supervision and evaluation of the intern.
7. The City shall provide all reasonable information requested by the University on a student's internship performance. If there are any student evaluations, they will be completed and returned according to any reasonable schedule agreed to by the University and the City.
8. The City agrees to make every possible accommodation to the University's request for a faculty site visit during the internship. The City also agrees to allow the intern to attend university required internship meetings/seminars during the internship.
9. Should the City become dissatisfied with the performance of the student, the City may request removal of the student. This should occur only after the University has been notified in advance and a satisfactory resolution cannot be obtained.

The University and the City Jointly Agree:

1. That there shall be no discrimination against students on the basis of the students' race, color, creed, religion, age, gender, sexual orientation, national origin, ancestry, disability, political orientation, pregnancy, marital or parental status. Each party will make reasonable accommodations to assure accessibility to training programs for persons with disabilities.
2. To the extent permitted by law, the City and the University will indemnify their own employees, officers, and agents against liability for damages arising out of their activities while acting within the scope of their respective employment or agency, either by providing insurance or for political subdivisions of the State of Wisconsin pursuant to §§ 893.82 and 895.46. To the extent permitted and required by law, the University will indemnify students in a training program for credit required for graduation.
3. By executing this agreement, neither the University nor the City waives any constitutional, statutory or common law defenses, nor shall the provisions of agreement create any rights in any third party.
4. This Agreement will be interpreted, and the rights and liabilities of the Parties determined, in accordance with the laws of the State of Wisconsin.

5. This Agreement is binding only when signed by both parties. Any modifications or amendments must be in writing and signed by both parties.
6. The relationship between the parties to the Agreement to each other is that of independent contractors. The relationship of the parties to this contract to each other shall not be construed to constitute a partnership, joint venture or any other relationship, other than that of independent contractors.

Term of Agreement and Termination:

This agreement shall begin on October 4, 2017 and shall end on December 31, 2019. It may be terminated solely by written notice, ninety (90) days in advance, by either party to the designated agent of the other as shown below. This agreement may be renewed upon mutual agreement.

University's Agreement Administrator:
UW-Superior
Attn: Vice Chancellor Admin/Finance
PO Box 2000
Superior, WI 54880

City's Agreement Administrator:
City of Superior
Attn: Human Resources
1316 North 14th Street
Superior, WI 54880

Program Memoranda presented by the University and accepted by the City shall be for a term of no longer than one year. They may be renewed upon by mutual agreement. If the Accepted Program Memoranda is construed to be inconsistent in any manner with this Agreement, the terms of this Agreement shall apply. Any fully executed Program Memoranda shall be incorporated by reference and become a part of this Agreement if not inconsistent in any manner with this agreement.

For the University of Wisconsin-Superior:

Georgette Koenig, Vice Chancellor Admin/Finance

For the City:

Jim Paine, Mayor

Terri Kalan, City Clerk

Jean Vito, Finance Dir/Sr Admin Officer

Frog Prell, City Attorney