

# **WORK SESSION AGENDA**

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**Casper City Council  
City Hall, Council Meeting Room  
Tuesday, July 23, 2019, 4:30 p.m.**



<b>Work Session Meeting Agenda</b>		Recommendation	Allotted Time	Beginning Time
Recommendations = Information Only, Move Forward for Approval, Direction Requested				
1.	Council Meeting Follow-Up		5 min	4:30
2.	Interactive Long-Range Transportation Plan	Direction Requested	30 min	4:35
3.	State Health Plan Option	Direction Requested	60 min	5:05
4.	Finance Policies Resolution	Move Forward for Approval	20 min	6:05
5.	Wage & Compensation Study	Direction Requested	40 min	6:25
6.	Agenda Setting		20 min	7:05
7.	Legislative Review		10 min	7:25
8.	Council Around the Table		10 min	7:35
Approximate End Time:				7:45

July 10, 2019

MEMO TO: J. Carter Napier, City Manager *JCN*

FROM: Liz Becher, Community Development Director *LB*  
Aaron Kloke, MPO Supervisor *AK*

SUBJECT: Connecting Crossroads: Casper Area Long Range Transportation Plan Invitation

Meeting Type & Date:

Council Work Session, July 23, 2019.

Action Type:

Attend an Interactive Session at 4:30 p.m. on Tuesday, July 23<sup>rd</sup> in the lobby of Casper City Hall

Summary:

Casper Area MPO staff are inviting Council's participation at an Interactive Session, taking place at 4:30 p.m. on July 23, 2019 in the lobby of Casper City Hall as part of the Connecting Crossroads Long Range Transportation Plan process. This event will showcase proposed priority projects for the Casper Area following months of public engagement and analysis of the Casper Area's transportation systems and engage the Council in exploring growth scenarios and the impacts of key transportation projects.

The leading objective of Connecting Crossroads is to update the 2014 Long Range Transportation Plan (LRTP) for the Casper, Mills, Evansville, Bar Nunn, and Natrona County areas, and to provide a plan for the development of transportation facilities for the next thirty (30) years. The LRTP is being developed in coordination with the Casper Area Metropolitan Planning Organization and participating City and Town councils. The final deliverable will serve not only as a policy guide for local municipalities, but will also guide state and federal funding of key transportation facilities and infrastructure.

The project team continues to update the project website: [www.connectingcrossroads.com](http://www.connectingcrossroads.com) and encourages the public to take a survey to give initial feedback regarding transportation related values and priorities, which can be found on the website.

July 18, 2019

**MEMO TO:** J. Carter Napier, City Manager *JCN*  
**FROM:** Tracey L. Belser, Support Services Director *TLB*  
**SUBJECT:** State Health Plan Option

**Meeting Type & Date**

Council Work Session, July 23, 2019

**Action type**

Direction Requested

**Summary**

In May 2019, the City of Casper was made aware that an official opinion by the Attorney General was favorable regarding cities and town being eligible to opt-in as political subdivisions to join the State's benefit program. The State of Wyoming benefit program includes coverage for health, dental, life, section 125 flexible benefits and voluntary products. Any entity opting into the State's plan must enroll in the State's core benefits (health, dental, life, section 125 flex plans). The Wyoming State Department of Administration and Information, Employees' Group Insurance (EGI) Section is responsible for the day-to-day operations. The State Health Benefit Plan covered 17,000+ employees and retirees with 37,000+ total members as of May 1, 2019. Benefit booklets and rates can be found on EGI's website at <http://egi/wyo.gov>. There is a five year commitment when an entity joins the State of Wyoming benefit program.

The City of Casper's Health Plan Design Committee (HPDC) met June 6, and June 27<sup>th</sup> to review plan comparisons of health, dental, and life insurance, and understand the financial impact of moving to the State's benefit program. On June 27<sup>th</sup>, the majority of the HPDC voted to make the recommendation to the City Manager to move to the State's benefit program effective January 1, 2020. The State will need 120 days' notice from the City of Casper to join.

When the HPDC was asked what problem they thought moving to the State plan would solve:

- Twelve members thought it would be a less expensive option for the employee.
- Nine members thought the City would no longer need to be self-funded.
- Five members thought it might be the City's only opportunity to join the State plan.
- Two members thought it might be a less expensive option for the employer.

**Financial Considerations**

As referenced in the Estimate Cost-State Plan Attachment:

Cost of State Plan (assumes 10% premium increase)	\$9,693,071
FY 20 Health Fund Budget	\$8,280,958
Life Insurance Premium	\$72,000
	Difference \$1,340,113

**Oversight/Project Responsibility**

Tracey Belser, Support Services  
Becky Nelson, Health and Safety Specialist

**Attachments**

Entity Opt-In Manual 2019	Life Insurance Comparison
Estimate Cost-State Plan	Dental Comparison
Health Plan Comparison	Guideline for HPDC State Option



**WYOMING STATE EMPLOYEES' AND OFFICIALS'  
GROUP INSURANCE**

**K-12, BOCES, Cities, Towns, & Counties  
OPT-IN HANDBOOK**

**EFFECTIVE MAY 2019**

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## INTRODUCTION

The State's health and dental programs are community rated where the participating entities and their employees have the same rates for the same benefits. This means the entity of 10 employees pays the same as the 2,700 employee entity. This eliminates fluctuations in rates based upon your entity's claims experience and the smaller the group the wider the fluctuations. In some ways the Wyoming State Employees' & Officials' group plan is now an option in the Wyoming benefits marketplace for cities, towns, counties, K-12 districts and BOCES. The State's program is just one benefits option compared with many insurance companies and third party administrators.

This handbook is being provided as a resource to cities, towns, counties, K-12 districts, benefit committees and BOCES groups exploring opting into the Employees' Group Insurance program. It is designed to provide you with information on the Wyoming State Employees' & Officials' group plan to aid in your decision process.

The Wyoming State Employees' and Officials' Group Plan provides health, dental, life, section 125 flexible benefits and voluntary products. Any entity opting into the State's plan must enroll in the State's core benefits (health, dental, life, section 125 flex plans). Voluntary products are discretionary. The Wyoming State Department of Administration and Information, Employees' Group Insurance (EGI) Section is responsible for day-to-day operations. The State Health Benefit Plan covered 17,000+ employees and retirees with 37,000+ total members as of May 1, 2019.

Wyoming State Statutes, Title 9 – Administration of the Government, [Chapter 3](#) – Compensation and Benefits are the enabling statutes of the Wyoming State Employees' & Officials' Group Plan.

The information provided in this handbook is an overview. Benefit booklets and rates can be found on EGI's website at <http://egi.wyo.gov>.

## **NOTIFICATION OF ELECTION TO PARTICIPATE**

Any eligible entity may elect to participate in the State Employees' and Officials' Group Insurance plan by filing notification of election with the department of administration and information on a form and in a manner as prescribed by the department. A letter on entity letter head with an authorized signature to Employees' Group Insurance (EGI) stating the entity's decision to join the State's insurance plan will constitute notice of election. A memorandum of understanding signed by EGI and the entity will be completed prior to the effective date.

## **EFFECTIVE DATE OF COVERAGE**

Participation in the plan for any electing entity shall commence not less than one hundred twenty (120) days following the date on which the entity filed notification. EGI will work with the entity to establish an effective date but would not anticipate a date later than the first of the month following the 120 period. Effective dates are flexible and do not need to be tied to traditional anniversary dates of the entity or the State.

## **BENEFITS ELECTION**

The Wyoming State Employees' and Officials' Group Plan provides health, dental, life, section 125 flexible benefits and voluntary products. Eligible entities opting into the State's plan will be identical to plans, eligibility, and coverage provided other covered entities and enrollees. Any eligible entity opting into the State's plan must utilize the State's core benefits (health, dental, life, section 125 flex plans). Voluntary products are discretionary.

## **ELECTION PERIOD**

An entity's election to participate in the State's group insurance plan is irrevocable for a period of five (5) years from the date on which plan participation originally commenced. An entity may elect to cease its participation in the State's group insurance plan by filing an election with EGI within 30 to 90 days prior to expiration of the initial five (5) year participation period. The entity cancellation date following the notice by the entity electing to cease its participation shall be the end of the fifth year with no penalties or assessments. The entity will automatically renew its participation in the Plan without interruption unless the entity provides notice of its intent to cease participation in the plan. Renewal of plan participation shall be irrevocable for an additional period of five (5) years. Entities that drop participation with the State group insurance plan shall be prohibited from participation for a period of five (5) years commencing on the date plan participation ceased.

## **HEALTH AND DENTAL RATES**

The State's health and dental programs are self funded; however, the program will act like a fully insured option with participating entities being charged a monthly premium rather than weekly claims. If an entity later opts out at the end of their five year commitment, the entity will have no claims run out responsibilities.



In addition to all other remedies available to the department, if a covered entity withdraws or is terminated for cause from the state's group insurance plan during the period of irrevocability, the department may assess against the withdrawing entity the amount by which all claims paid on behalf of employees of the entity exceeds total premiums paid by the board or district and their employees. Cause for termination includes but not limited to failure to pay premiums, failure to pay premiums timely, entity obtains other insurance, employer does not maintain minimum employer contribution levels, etc..

In the fifth year of participation, at a participating entity's request, EGI will provide two years of paid claims and exposure data specific to the entity in question allowing entities to conduct benefit requests for proposals.

### **RETIREES**

Retired employees of entities electing to opt into the State program, who were continuously covered under the entity's insurance plan prior to the election, are eligible to participate in the State's Employees' and Officials' Group Insurance Plan. There are employer contributions that will be required for retirees which are outlined later in this handbook. If a covered entity elects to cease participation in the group insurance plan the election shall also apply to retired employees of that entity who are receiving coverage under the State plan.

### **BILLING PROCESS**

The monthly billing process will be a entity self bill with adjustments. Entities provide EGI with a monthly report and adjustments page with their premium payment. The entity generated bill will be electronic based in formats designated by EGI. EGI staff will work with your payroll and IT staff in the initial development of the bills.

### **DEDUCTIBLE CREDIT**

Deductibles and coinsurance maximums are on a calendar year basis for the State's program. Eligible entity employees will get credit for any health insurance deductible amounts they have paid in the year the entity joins the State's plan. Entities will need to have their current carriers provide a report to establish the credit. These credits are good for the rest of the calendar year. No credits will be provided for dental coverage.

### **ANNIVERSARY DATE**

The State Employees' and Officials' Group Insurance Plan anniversary date is January 1<sup>st</sup> of every year. This is the time when rates and benefit changes go into effect. The new rates are collected in the December 31<sup>st</sup> payroll cycle. Effective dates for entities joining the State's program are flexible and do not need to be tied to traditional anniversary dates of the entity or the State.

## **PROS AND CONS**

There are numerous pros and cons when considering whether or not an eligible entity should join the State's EGI employee benefits program. This is a decision that affects many employees throughout the State of Wyoming and should be given careful consideration. You will have your own unique pros and cons but we have included some of the items to consider below:

### ***Pros:***

- As of May 2019 there are approximately 17,000+ employees/retirees enrolled in the State's EGI plan. Eligible entities opting to join the State's program creates a larger purchasing pool providing additional leverage with carriers and medical providers for developing networks and added value of network discounts.
- Based upon a larger group size of the State program, many of the entities would have less fluctuation in claim costs year over year and therefore better stability in future premium increases since overall plan costs would be spread across a larger covered population.
- Along the same lines long-term administrative costs would likely be lower because costs would be spread across a larger covered population, no commissions are paid and many duplicative tasks (i.e., general plan administration, competitive periodic bidding for carriers/administrators, etc.) at the entity would be reduced.
- Some entities may gain more choice of plan options for their employees, in some cases including retiree benefit options (for subsequent retirees) that may not currently be available for many of the entities.
- The current "split" contribution structure utilized by EGI, likely will save the entity money for additional dual-working couples that work for the entity and another covered entity.
- Similarly, a consistent four tier premium/funding structure reduces the cost of employees covering just a spouse or just children at most entities.
- The combined group of employees will likely produce greater leverage for developing networks and added value of network discounts, especially in small communities where there are few provider choices.
- The additional value-added services available under EGI's medical programs will provide benefit and potential long-term cost savings to entity plans (i.e., disease management, etc.)
- EGI's vendors provide dedicated customer-service lines for all State employees.
- EGI's health insurance vendors are required to have a customer service and claims processing office located in the State of Wyoming, promoting local service and potential job opportunities for Wyoming residents.
- Dedicated full-time administration of the State's benefit programs would reduce entity administration.

### ***Cons:***

- Opting into the State's program requires a five year commitment during which time the eligible entity gives up local control and flexibility in designing and funding their employee benefit programs.
- Any time a group changes plans or insurance carriers, there are likely differences in the plan design elements covered, but often more important, the network of providers may differ. A move to the State's program is no exception. Employees often build ties with a

particular provider and having to change providers due to changes in provider networks is disruptive to employees.

- Some entities may lose the number choices of plan options for their employees.
- Some entity costs could increase for a combination of factors, depending upon current circumstances:
  - Covering more employees due to 50% Full-Time Equivalency eligibility definition.
  - Paying more for covered dependents where currently only employee cost is funded by the employer/entity.
  - Implicit/explicit subsidy retiree coverage costs.
  - Not receiving lower rates for low entity utilization due to community rating.
- Entity employee premium share may go up or down – depends upon change in employer funding strategy and potential coverage tier changes.
- Another area of consideration in any type of consolidation process is the impact on people and their jobs. Brokers and consultants who work with entities, independently or collectively as a trust, may lose work and revenue from a entity joining the State plan.

## **EMPLOYEES' GROUP INSURANCE PURPOSE**

The Employees' Group Insurance purpose is to develop and maintain a competitive and cost effective benefit package as a valuable tool in the recruiting and retention of quality individuals for all participating entities including the State of Wyoming, University, Community Colleges, Cities, Towns, Counties, K-12 districts and BOCES entities opting into the program.

## **VISION**

Employees' Group Insurance is committed to providing superior customer service with courteous, competent, and consistent communication. We are proactive in informing and educating our customers to our mutual benefit.

## **MISSION**

To provide our members competitive benefits designed for choice and cost effectiveness; superior administration and promotion of healthy lifestyles.

## **EGI OPERATIONS**

EGI was assigned to the Department of Administration and Information on July 1, 2001. EGI operates as a section of the Human Resources Division. The applicable statutes comes from Title 9 – administration of the government, Article 2 – insurance plans, 9-3-201 through 9-3-218. The statutes outline the administration and management of the group insurance program including authority and duties; adoption of rules and regulations.

Major Duties Include:

- Administer and manage the State Employees' and Officials' Group Insurance Program. This includes determining benefit plan designs and negotiation of vendor contracts and compliance;
- Prepare specifications for the group insurance plans contracted for by the department;
- Contract with vendors/carriers to manage/underwrite group insurance plans. This includes calling for bids, negotiating, terminating services, and developing relationships;
- Determine the methods of claims administration under group insurance plans, whether by the State or carrier or both.
- Apply the eligibility regulations to participate in group insurance plans and assist members with their issues and efficiently process member changes into eligibility.
- Efficiently process payroll deductions within State payroll system.
- Provides information to payroll locations, benefit specialists and members on the plan's processes.
- Provide customer service to eligible participants to our program.
- Develop relationships, provide training and customer service to participating entities' benefit specialists. Assist benefit specialists with solving employee issues;

- Establish a procedure by which the department shall hear complaints by insured employees concerning the allowance and payment of claims, eligibility for coverage and other matters.
- Administer State group insurance reserve monies.
- Monitor the operation of the group insurance plan including analysis of:
  - Gross and net costs, including administrative costs;
  - Claims administration;
  - Health claims utilization information to determine the causes of plan health care cost increases and strategies to control those costs;
  - Factors in the plan's design that may adversely affect participation;
  - The affect of benefit changes;
  - Contribution levels and recommendations to attract a broad mix of participants to the plan;
  - Demographic information about existing and eligible participants;
  - Trends in costs and benefits of the plan relative to other plans.
- Contract consulting/actuarial services, the preparation of specifications for group insurance plans and other specialized services which cannot be performed by the department. Contracts for these services are awarded through responsible competitive bidding at intervals of five years, and are reviewed annually by the department;
- Administration of a flexible benefits plan including enrollment and claims payment.

## EGI PROGRAMS/PRODUCTS

### Health Insurance

The State of Wyoming is fully responsible for the self-funded medical benefits. The State's health plan is NOT a grandfathered plan under PPACA. CIGNA has been hired as the medical programs Third Party Administrator (TPA) to handle the day to day claims processing. CIGNA does not insure or guarantee the self-funded medical benefits. The programs currently offered by the State are:

#### Active Employees

\$500 Deductible, \$2,000 Coinsurance Maximum\*

\$900 Deductible, \$2,000 Coinsurance Maximum\*

\$2,000 Deductible, \$2,000 Coinsurance Maximum\*

\$1,500/\$3,000 Deductible HDHP\*\*, \$2,000 Coinsurance Maximum\*

#### Retirees

\$900 Deductible, \$2,000 Coinsurance Maximum\*, \$2,000,000 lifetime maximum

\$2,000 Deductible, \$2,000 Coinsurance Maximum\*, \$2,000,000 lifetime maximum

\$1,500/\$3,000 Deductible HDHP\*\*, \$2,000 Coinsurance Maximum\*, \$2,000,000 lifetime maximum

Medicare Wraparound program – acts as a Medicare supplement.

Medicare Wraparound program with prescription drug coverage through an EGWP.

\*Individual, in network and/or in Wyoming

\*\* High Deductible Health Plan federally qualified for health savings accounts (HSA)

Note: Please review benefit summaries and plan booklets for full details.

### Dental Insurance

The State of Wyoming is fully responsible for the self-funded dental benefits. Delta Dental of Wyoming has been hired as the dental programs Third Party Administrator (TPA) to handle the day to day claims processing. Delta Dental does not insure or guarantee the self-funded dental benefits. The programs offered by the State are:

#### Preventive Dental

- *No Deductible*
- *Diagnostic & Preventive Services 100%*
- *Exams & cleanings - twice each calendar year (separated by five months)*
- *Bitewing x-rays - once every 12 months*
- *Full mouth x-rays - once every 24 months*

#### Optional Dental

- *\$50 Deductible*
- *Basic Services - 80%*
- *Major Services - 50%*
- *Annual Maximum - \$1,500.00*
- *NOTE: No orthodontia coverage*

**Life, AD&D and Dependent Life Insurance – The Hartford**

**Active Life Insurance** – an amount equal to \$50,000 or reduced by age as indicated in the table below:

Age	60	65	70	75	81	85
% Reduced	36%	58%	72%	82%	88%	91%

**Active AD&D** – an amount equal to \$20,000 or reduced by age as indicated in the table below:

Age	60	65	70	75	80	85
% Reduced	35%	55%	70%	80%	85%	90%

**Retiree Life Insurance** - an amount equal to \$50,000 or reduced by age as indicated in the table below:

Age	60	65	70
% Reduced	36%	58%	91%

**Retiree AD&D** - None

**Dependent Life Spouse:** An amount equal to \$4,000 not to exceed 50% of the basic amount of life insurance in force for the member.

**Dependent Life Children:** \$4,000

**Flexible Benefits & Employee Reimbursement Accounts**

The Flexible Benefits Plan allows active employees to set aside pre-taxed money through payroll deductions to pay for eligible medical and dependent care expenses. Most importantly, it allows employees to save tax dollars through careful planning.

The Flexible Benefits Plan is divided into four accounts:

**Pre-tax Insurance Premiums** - Insurance premiums for employee paid health; life and dental insurance are deducted prior to taxes. The employee must be enrolled in at least one of the State of Wyoming health/life/dental insurance to participate in this account. Insurance premiums for other health insurance plans (such as an employee’s spouse’s employer’s plan) are not eligible for reimbursement from this account. Neither can dependent life or the voluntary benefits insurance premiums be paid through this plan.

**Dependent Day Care Account** – Day care, home care, or child care expenses for care of dependent children under the age of 13, disabled children of any age, a disabled spouse, or disabled dependent parent may be reimbursed from this account. The employee must be eligible for benefits but does not have to be insured with the State in order to participate in this account.

**Medical Reimbursement Account** – Co-insurance, deductibles, and most medical expenses not covered by insurance, including dental and vision expenses and prescription drug co-payments may be reimbursed from this account. The employee must be eligible for benefits but does not have to be insured with the State in order to participate in this account.

**Wrap Around Medical Reimbursement** – Intended for individuals participating in a Health Savings Account (HSA). Only expenses not allowed under the health plan are eligible for reimbursement, i.e., vision or dental expenses.

The dependent day care and medical reimbursement accounts are administered by EGI with weekly payment cycles.



## **VOLUNTARY (EMPLOYEE PAID) BENEFITS**

### **Short Term Disability – The Standard**

Short term disability (STD) pays a percentage of an individual's salary if they become temporarily disabled, meaning that they are not able to work for a short period of time due to sickness or injury (excluding on-the-job injuries, which are covered by workers compensation insurance).

Voluntary Short Term Disability Plan Design:

- Replaces up to 66 2/3% of the first \$2,250 of your gross weekly Insured Earnings
- Maximum Weekly Benefit: \$1,500 per week
- Waiting Period For Accident or Sickness: 14 Calendar Days
- Payable up to 24 Weeks (approximately 6 months)
- Definition of Disability - You are considered disabled if you are unable to perform with reasonable continuity the material duties of your own occupation and you suffer a loss of at least 20 percent of your pre-disability earnings when working in your own occupation.

Individuals who have lots of accumulated sick leave don't typically need STD coverage. STD is a good benefit for new employees.

### **Long Term Disability – The Standard**

Long term disability (LTD) policies provide you with income for a long period of time, such as two years. LTD picks up where short-term disability (STD) leaves off. Voluntary Long Term Disability Plan Design:

- Replaces up to 60% of the first \$10,833 of your gross Monthly Insured Earnings
- Maximum Monthly Benefit: \$6,500
- Waiting Period: 180 Days
- Maximum Benefit Period: To Age 65
- Definition of Disability:
  - 24 Month Own Occupation Definition - you are considered disabled, if you are unable to perform with reasonable continuity the material duties of your own occupation and you suffer a loss of at least 20% of your earnings when working in your own occupation.
  - After the Own Occupation period, you are considered disabled if you are unable to perform with reasonable continuity the materials duties of any occupation that you are able to perform, whether due to education, training or experience you can earn at least 60% of your pre-disability earnings within 12 months following your return to work.

### **Long Term Care – Genworth**

Long term care (LTC) is a type of insurance that provides payment assistance for skilled, intermediate, and custodial care in a private home, adult daycare setting, assisted-living facility, or nursing home. Individuals who require long-term care are generally not sick in the traditional sense, but instead, are unable to perform the basic activities of daily living (ADLs) such as dressing, bathing, eating, toileting, continence, transferring (getting in and out of a bed or chair), and walking. Once an individual qualifies for benefits, their benefits will begin after a 90 day elimination period. An elimination period is similar to a deductible. This is the period of time that you pay for care before your benefits begin. The elimination period begins on the first day

an individual receive covered long term care services. If an individual continues to qualify, they will receive benefits for the covered long term care services after 90 calendar days. An individual will only need to satisfy the elimination period once in their lifetime.

**Vision – Vision Service Plans (VSP)**

Vision insurance is a specialist type of coverage, and is designed to provide for expenses relating to eye care and health. A vision policy will cover office visits and services rendered by eye doctors, both general eye health practitioners and specialist optometrists (up to a certain level based on the plan selected). As with other policies, the insured will pay a monthly premium in addition to a set deductible or excess amount every time a claim for reimbursement of specific eye-related services and costs is made. Whether you wear glasses, contacts or you simply are interested in checkups to ensure the best possible vision and eye health, a vision policy can provide significant value. Policies generally have a reasonable premium amount attached to them, many find that having coverage is more cost-effective than not, as eye health services and glasses/contacts can be expensive.

**Copays:**

- Exam.....\$10.00
- Prescription Glasses .....\$25.00
- Contacts ..... No copay applies

**Coverage:**

Exam covered in full after copay.....*every 12 months*

**Prescription Glasses**

Lenses covered in full after copay.....*every 12 months*

- *Single vision, lined bifocal, and lined trifocal lenses.*
- *Polycarbonate lenses for dependent children.*
- *Frame-every 12 months for Plan C and every 24 months for Plan B*
- *Frame allowance after copay..... \$170.00 - \$190.00.*
- *Plus, 20% off any out-of-pocket costs.*

~OR~

Contact Lens Care .....*every 12 months*

**WELLNESS**

EGL continues its efforts to educate, engage, and empower employees through programs offered through the health insurance administration vendor.

**Health Risk Assessment**

The online Health Risk Assessment is free to the employee, confidential, and voluntary to Employees, Retirees and COBRA participants enrolled in the health plan. There are no incentives tied to completion of the Health Risk Assessment. This profile is designed to help individuals identify the health areas in which they are doing well and the health areas in which individuals may need to make some lifestyle improvement. Identifying these health areas is important for maintaining and improving an individual’s health.

## COMMUNICATIONS

Benefit descriptions for the health, dental, flexible benefits and life insurance are provided to all employees. These are booklets that outline the eligibility and benefits of the States' programs. The booklets are also available electronically on EGI's website at <http://egi.wyo.gov>. The website also contains a voluntary benefits brochure which provides basic outlines of the programs available and website links to the voluntary benefits companies.

EGI currently utilizes our Benefits Press newsletter that carries the bulk of communications to our membership.

## AUDITS

The Wyoming Insurance Department conducts a site audit of EGI once every three years. This review includes auditing EGI operations plus audits of EGI claims processing vendors. The applicable statute is [Wyo. Stat. § 9-3-206 \(c\)](#). For the purposes of determining financial condition, ability to fulfill and the manner of fulfillment of its statutory duties, the nature of its operations and compliance with law, the insurance commissioner shall examine the affairs, accounts, records and assets of the Wyoming State Employees' and Officials' Group Insurance Plan, as often as he deems advisable but not less frequently than every three (3) years.

## ELIGIBILITY

### Employee Eligibility

- A. Employees who are permanent or probationary full-time or permanent or probationary, part-time employees *working at least eighty (80) regular hours per calendar month*.
- B. If an employee is in a contract benefited "At Will Contract Employee" (AWEC) position they received the Employee Only contribution rate regardless of benefits elected.
- C. Temporary (TP01) position received the Employee Only contribution rate regardless of benefits elected.
- D. Employees working intermittent, irregular or less than half time positions *are not eligible*.

If an employee works part of the year as an intermittent employee and part as a full-time or part-time (at least 80 hours per calendar month) employee, then they are eligible for insurance benefits during the full-time or part-time work schedule but *not* during the intermittent work schedule. These employees are treated as new hires and must elect or waive benefits each time their work schedule changes from a non-benefited status to a benefited status.

Board members who are not employees as described above are not eligible for coverage under the State's plan.

## Date of Eligibility

Eligible employees become eligible for the insurance benefits on the first day of the month following the date their service begins provided they enroll within 31 days of their eligibility.

*Example: A new employee is hired on August 15<sup>th</sup> and is eligible for the State's Group Insurance Benefits. The employees' Date of Eligibility begins on September 1<sup>st</sup>.*

*Example: A new employee is hired on February 1<sup>st</sup> and is eligible for the State's Group Insurance Benefits. The employees' Date of Eligibility begins on March 1<sup>st</sup>. If the employee elects benefits on March 31<sup>st</sup> (the last day of eligibility), the effective date of coverage will be March 1<sup>st</sup>.*

## Dependent Eligibility

Dependents *may not* be enrolled in the Group Insurance Plans if the employee *is not* enrolled. Dependents must be a resident of the US or Puerto Rico to be eligible for coverage. The following are considered to be dependents for purposes of coverage under the insurance plans:

- A. The legal spouse as defined by the State of Wyoming.
- B. Dependent children under the age of twenty-six (26). This includes any legal stepchildren, adopted, or any child *the employee is legally responsible to provide for on a permanent basis by virtue of a legal court order*. Copies of such legal documents must be provided at the time application for dependent coverage is made.
- C. Any child who is not self-supporting due to developmental disabilities or physical handicap is eligible. The child *must have been covered under the insurance policy on the day before the date the child would otherwise lose dependent status due to age*. The following procedure must be initiated prior to the dependent's twenty sixth (26) birthday: The employee needs to contact Cigna directly to obtain the necessary paperwork for determination of the disability or handicap.

*The following individuals are not eligible for insurance benefits:* Dependent parents, Grandchildren (unless permanent guardianship is assigned by court order or the child(ren) is adopted by the State employed Grandparent), Domestic Partners, same sex partners, Girlfriends/Boyfriends, Fiancée/Fiancé.

An employee may be enrolled in the health and dental insurance as an employee OR the dependent of another employee but not as *both* an employee and the dependent of another employee. If two covered entity employed spouses are electing coverage for themselves (excluding split elections), they must elect single coverage in order to be equitable to the covered entities. Should divorced spouses both working for the covered entities have eligible children, only one parent may cover the dependent children under the Group Health Insurance Plan. The Group Plan cannot insure a dependent as the primary insurance under one parent

and the secondary insurance under another parent if both parents are employed by any EGI sponsored employer (State, Colleges, Districts etc.). If both spouses enrolled in the life insurance they may insure each other as dependents but only one spouse may insure the dependent children for life insurance purposes.

### **Retiree Eligibility**

If an employee meets the following qualifications, he/she may continue with the State of Wyoming Group Insurance Plan at retirement **or** termination of active employment:

1) The retiring employee must have had coverage in effect under the entity's plan continuously for at least one year just prior to termination.

2) The retiring employee must have at least 20 years of service with the entity.

AND

3) The retiring employee must be eligible for State of Wyoming Retirement Benefits or TIAA Cref.

**OR**

1) The terminating employee must be fifty (50) years of age or over

AND

2) The terminating employee must have completed at least 4 years of service for the entity and is eligible for the State of Wyoming Retirement Benefits or TIAA Cref.

AND

3) The terminating employee must have had single and/or dependent coverage in effect continuously for one (1) year just prior to termination.

NOTE: If a covered entity elects to cease participation in the group insurance plan the election shall apply to retired employees of that entity who are receiving coverage under the State plan. Entities must take their retirees with them.

### **EMPLOYER CONTRIBUTIONS**

#### **Active Employees**

The participating entities provide an employer contribution towards the health, dental and life insurance programs. No employer contribution is provided for voluntary products. The employer contributions are fixed dollar amounts calculated by EGI based on the level of coverage elected: Employee only, employee + children, employee + spouse, family or split contracts. Eligible entities must make employer contribution available at a minimum of the EGI calculated employer contribution to all eligible employees. Entities may pay a higher contribution than the EGI calculated employer contribution. To protect the plan from adverse selection, participating entities may not provide incentives (financial or otherwise) for employees to decline coverage for the employee or dependents. This includes, but not limited to, incentives that provide compensation like cash or additional retirement contributions in lieu of coverage, incentives that encourage individuals to go without health coverage, to purchase individual coverage or to enroll in a spouse's insurance coverage, incentives that encourage

individuals to seek coverage for themselves or their dependents through the health care exchanges or private market. Currently EGI collects the full single employer contribution for individuals who decline health insurance coverage but enroll in dental or life insurance. The additional premiums received are offset by lowering health insurance rates on an annual basis.

Currently the legislature provides EGI with the authority to increase employer contributions when rate increases occur up to specified annual caps. The formula utilized to create the employer contribution is to add the \$500.00 deductible rate, the preventive dental rate and the highest life insurance rate to create a total. This total is multiplied by 85% to create the State employer contribution level. The current rates and employer contributions are located in the Premium Rates and Calculators section of EGI's website at <http://egi.wyo.gov>.

Each EGI sponsored employer is required to pay the monthly contribution, for each employee who has elected any part of the insurance benefits, to EGI. If the monthly premium for an employee's elected insurance benefits is less than the amount the State contributes, the balance remaining is retained by EGI and used to offset the cost of the self-insured health plan for all enrollees. Plan health insurance rates are reduced to offset this premium income.

### **Retirees**

Retirees in the State plan receive a monthly employer contribution at the rate of eleven dollars and fifty cents (\$11.50) per year of service up to a maximum of thirty (30) years of service for those retirees who are not Medicare eligible, and at the rate of five dollars and seventy-five cents (\$5.75) per year of service up to a maximum of thirty (30) years of service for those retirees who are Medicare eligible. The retiree subsidy for retirees covered by the entity at the time the entity joins the State plan will be based on the years of service for participating entities with the State at the point the entity joins the State program. The retiree subsidy for employees who retire after the entity joins the State plan will be based on the years of service for participating entities with the State at the point the employee retires.

Participating Entities all pay into the health insurance benefits account created by 2008 Wyoming Session Laws, Chapter 48, Section 303 each pay period an amount up to one percent (1.0%), as established by the Department of Administration and Information, of each benefit eligible employee's salary. Participating entities will be required to pay EGI this amount for retirees on the program prior to the eligible entity opting into the State's program. Participating entities were being assess .6% which to date has been sufficient to fund retiree subsidy contributions but this amount is being waived during the 19/20 Biennium and is expected to resume July 2020. Participating entities will be required to provide the State Auditor with a monthly contribution of .6% of eligible employee's payroll which will be used to provide employer contributions for retirees who retire while the entity is a participating entity.

### **SPLIT PREMIUM**

If both husband and wife, *with eligible dependent children*, are employed by an EGI sponsored employer, they are required to enroll in the Split Premium Arrangement if they are electing family coverage. Spouses must choose the same benefits under the Split Premium Arrangement (i.e., same deductible health plan and same dental benefit). The requirement is in place to make employer contributions equitable for the employing covered entities.

*Covered entity employed spouses are not eligible for Split Premium if there are no eligible dependent children to be covered.* Each spouse will be enrolled with single coverage when there are no longer any eligible dependents to be covered.

If one of the spouses on split coverage terminates employment, then the remaining employed spouse *automatically begins family coverage* effective the first of the month following the other spouse's termination unless EGI is notified that the dependents are to be dropped.

## **RATES**

### **Factors affecting insurance rates**

There are many drivers of rising health care costs that are pointed to increase utilization created by increased consumer demand, new treatments, and more intensive diagnostic testing. As public employers, the State, Cities, Towns, Counties, University and Community Colleges typically have a work force population with a higher average age than the private sector and an older population requires more intensive medical care than a young healthier population. Advances in medicine and medical technology can also increase the cost of medical treatment. Lifestyle-related factors can increase utilization and therefore insurance prices, such as: increases in obesity caused by insufficient exercise and unhealthy diets; excessive alcohol use, and smoking. Other factors impacting insurance prices include adverse selection, higher-priced technologies, and cost-shifting from Medicare, Medicaid, and the uninsured to insurance companies and private payers like the State of Wyoming.

### **Health and Dental**

The State of Wyoming self-funds the medical and dental benefits. Thus the State is the "insurance" company for the health and dental benefits. EGI uses actuarial formulas to estimate the overall risk and projected paid claims for healthcare and dental expenses. Projected fixed administrative costs are combined with projected paid claims to develop the anticipated total cost to administer the programs. The administrative costs are less than four cents out of every dollar leaving ninety six cents to pay for medical claims. No commissions, risk charges or profit margins are included in the rates. Rates are established based on a formula using projected costs and current enrollment levels. Rates provide a routine finance structure (monthly premium) ensuring that money is available to pay for the healthcare and dental benefits specified in the benefit booklets. The bottom line is that utilization and enrollment drive rates. Higher utilization means higher rates and reductions of utilization mean lower rates. All participating entities will have the same rates. The current rates and employer contributions are located in the Premium Rates and Calculators section of EGI's website at <http://egi.wyo.gov>.

### **Life Insurance**

The State's life insurance coverage is fully insured with rates developed by the Life Insurance Company. The current rates are located in the Premium Rates and Calculators section of EGI's website at <http://egi.wyo.gov>.

## **VOLUNTARY PRODUCTS RATES**

### **Vision Rates**

The State's voluntary vision insurance coverage is fully insured with rates developed by the Vision Insurance Company. The current rates are located in the Vision Application located in EGI's website at <http://egi.wyo.gov>.

### **Long and Short Term Disability (LTD/STD)**

The State's voluntary LTD and STD insurance coverage is fully insured. Rates are based upon age and salary levels. Premium calculators are located at the Standard Insurance website located at <http://www.standard.com/mybenefits/wyoming/>.

### **Long Term Care (LTC)**

The State's voluntary LTC insurance coverage is fully insured. Rates are based upon age and benefit levels. Limited underwriting for newly eligible employees actively at work with full underwriting required for employees not actively at work, spouses, and late enrollees. Premium calculators are located at the Genworth Insurance website located at <https://longtermcare.genworth.com/SimpleEngine/login.do>.

## **ADVISORY PANEL**

The Wyoming State Employees' & Officials' Group Plan Advisory Panel is a 10-member group, with 8 members appointed by the Director of A&I proportionally representing specified participating entities, one member from the Governor's office and one member from the Wyoming Insurance Department.

The broad purpose of the Advisory Panel is to provide input into the rates and benefits of the Plan. Advisory Panel members are representatives of the participants of the program. While the Panel does not manage the benefits program, they do act in an advisory capacity as advocates, bringing the concerns and requests regarding benefits to the attention of A&I and Employees' Group Insurance. Advisory Panel members have the opportunity to have input on plan design and administrative options and thus have influence on the administration of the program.

The Panel meets on a quarterly basis. The panel elects a panel chair who runs the meetings. The chairman works with the EGI program manager in the development of the agenda. Advisory Panel meetings are recorded and minutes developed. Minutes from the previous meeting are reviewed with motions made for approval.

Active participation is encouraged to provide opinions and discussion as topics/issues can be challenging, diverse, and controversial with contrasting viewpoints. Honest participation helps EGI:



- to weigh and track membership opinions on issues and priorities;
- as a test “public” for new policy areas, rate, benefit and service changes; plus,
- to develop a depiction of our membership’s opinion over time.

Advisory Panel meetings are open to the public.

#### **PANEL TERM**

Advisory Panel members shall serve for a term of three calendar years. The term shall begin at the quarterly meeting following appointment. Each Panel member shall hold office until his/her term expires, death, resignation, or removal. No Advisory Panel member, other than the Governors’ appointee and Wyoming Insurance Department appointee, may serve more than three consecutive years. Any Panel member may resign at any time by giving written notice to the program manager. The resignation takes effect upon receipt of notice or at a later date as specified in the notice. Any Advisory Panel member other than the Governors’ appointee and Wyoming Insurance Department appointee, may be removed at any time with or without cause by 2/3 vote of the Panel or by the Director of A&I. Removal for cause includes, but not limited to, HIPAA violations, financial impropriety, abuse, etc..

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Website: <http://egi.wyo.gov>

	Budgeted Avg (3 Years)			
	FY18	FY19	FY20	Average
Total Budget	\$ 10,747,271	\$ 12,012,471	\$ 8,280,958	\$ 10,346,900
State Plan	\$ 9,693,071	\$ 9,693,071	\$ 9,693,071	\$ 9,693,071
Life Premium	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000
Difference	\$ 1,126,200	\$ 2,391,400	\$ (1,340,113)	\$ 725,829

	Next Fiscal Year Budget (FY20)			
	Emp	Emp + Ch	Emp + Sp	Family
** Core Cost	\$ 1,792,433	\$ 1,438,503	\$ 1,139,596	\$ 4,990,290
Retiree Cost	\$ 25,813	\$ 13,689	\$ 8,213	\$ 31,484
Retiree Contribution	\$ 82,476	\$ 43,737	\$ 26,242	\$ 100,595
Total Cost to City	\$ 1,900,722	\$ 1,495,929	\$ 1,174,051	\$ 5,122,369
Cost of State Plan				\$ 9,693,071
FY 20 Health Fund Budget				\$ 8,280,958
Life Insurance Premium				\$ 72,000
Difference				\$ 1,340,113

**\*\*Assumes a 10% increase to core cost for rate increases to State Plan**

# State Health Plan Cost vs FY20 Budget

	Emp	Emp + Ch	Emp + Sp	Family
Health Insurance Cost	916.38	1,393.90	1,826.28	2,089.74
Dental Insurance Cost				
Life Insurance Cost				
Retiree Cost	11.5	11.5	11.5	11.5
Eligible Employee Retiree Contribution	0.600%	0.600%	0.600%	0.600%
Eligible Employees	500	500	500	500
Eligible Retirees	24	24	24	24
No. of Years of Service	30	30	30	30
Monthly Salary Cost				
City Employees	2,954,585	2,954,585	2,954,585	2,954,585
Fire Department	560,000	560,000	560,000	560,000
No. of Active Employees	132	70	42	161
	33%	17%	10%	40%
Estimated No. of Eligible Employees	163	86	52	199

**\*\*Assumes a 10% increase to core cost for rate increases to State Plan**

<b>**Core Cost</b>	<b>1,792,433.41</b>	<b>1,438,502.74</b>	<b>1,139,595.60</b>	<b>4,990,289.57</b>
Retiree Cost	25,813.33	13,688.89	8,213.33	31,484.44
Retiree Contribution	82,475.59	43,737.06	26,242.23	100,595.23
Total Cost to City	1,900,722.34	1,495,928.68	1,174,051.17	5,122,369.25
Cost of State Plan				9,693,071
FY 20 Health Fund Budget				8,280,958
Life Insurance Premium				72,000
Difference				<u>1,340,113</u>

# Health Plan Comparison

## Budget Preparation

**City Plan:** Estimates for premium and claims costs are available at budget preparation.

**State Plan:** Decisions regarding premiums for the following calendar plan year are made in the 3rd quarter of the calendar year. Estimates are not available.

## Plan performance reporting

**City plan:** Reporting provided by CIGNA and GBS. Custom reporting available.

**State plan:** No annual reporting available. With notice of intention to withdraw at the end of the 5 year commitment, 2 year's of reporting is available for quoting purposes.

## Wellness Initiatives

**City Plan:** Cigna provides funding for wellness initiatives such as the NERD Health & Wellness program and Way to Wellness program. There are dedicated wellness support personnel with Cigna and GBS.

**State Plan:** Cigna provides a dedicated wellness person for the State plan. A dedicated wellness support person from Cigna is available. No funding for wellness provided to the City.

## Plan Oversight

**City Plan:** The HPDC and the Appeals Committee provide oversight and control of the health plan benefits and coverage. Management determines premium rates with HPDC and independent consultant recommendations

**State Plan:** EGI oversees the state health plan. Plan and premium decisions are determined by EGI and/or the governor. An Advisory Panel of approximately 12 members makes recommendations for coverage. There is an opportunity for the City of Casper to have a seat on the Advisory Panel. The number of members fluctuate. The panel has no decision making authority.

## Cost Considerations

**City Plan:**  
Higher premium paid by employees.  
Lower premium per employee paid by employer.  
Cash infusion request and granted.  
Retirees and councilmen pay full premium.  
85/15 split determined by resolution.  
14% estimated increase.

Health fund expenditures will decrease.  
Remaining health fund expenditures will need funding from a source other than premiums.

**State Plan:**  
Lower premium paid by the employee.  
Higher premium per employee paid by the employer.  
Split premium arrangement for married employees with family coverage.

Part-time and seasonal employees may elect coverage.  
Retiree contribution is required by the employer. (No coverage for councilmen.)  
Medicare enrolled retirees will be eligible.  
Earlier effective date for coverage; earlier contribution start.  
Full employer contribution required if employee selects medical, dental and/or life insurance.  
Employer contribution determined by State.  
Expected double digit increase.

## Specialized Coverage

**City Plan:**  
Enhanced disease management program supports 19 members with heart disease and/or diabetes.

Hearing Aids (under age 19.)

One colonoscopy each year fully covered.

**State Plan:**

One colonoscopy each 5 years fully covered (except for HDHP option must be preventative.)

Hearing Aids (1 set under age 7 with congenital hearing defect.)

# Health Plan Comparison

## Medical Plan

Benefit Description	State Option 1	State Option 2	State Option 3	State Option 4	City - Mid Option	City - Buy Down
Deductible	\$500/\$1,000	\$900/\$1,800	\$2,000/\$4,000	\$1,500/\$3,000	\$2000/\$4000	\$3000/\$6000
Out-of-pocket max. In Wyoming	\$2,500/\$5,000	\$2,900/\$5,800	\$4,000/\$8,000	\$3,500/\$6,850	\$4,000/\$8,000 (combined)	\$6,000/\$12,000 (combined)
Out-of-pocket max. Outside of Wyoming	\$4,500/\$9,000	\$4,900/\$9,800	\$6,000/\$12,000	\$5,500/\$11,000	\$4,000/\$8,000 (combined)	\$6,000/\$12,000 (combined)
Wyoming Network Physicians	85% after deductible	85% after deductible	85% after deductible	85% after deductible	80% after deductible	80% after deductible
Wyoming Non-Network Physicians	75% after deductible	75% after deductible	75% after deductible	75% after deductible	70% after deductible	70% after deductible
Network Physicians outside of Wyoming	75% after deductible	75% after deductible	75% after deductible	75% after deductible	80% after deductible	80% after deductible
Non-network Physicians outside of Wyoming	60% after deductible	60% after deductible	60% after deductible	60% after deductible	70% after deductible	70% after deductible
Office Visits	Subject to Deductible and Co-insurance	Subject to Deductible and Co-insurance	Subject to Deductible and Co-insurance	Subject to Deductible and Co-insurance	\$35 Copay	\$50 Copay
Precertification	Not covered if pre-certification is not done	Not covered if pre-certification is not done	Not covered if pre-certification is not done	Not covered if pre-certification is not done	\$200 penalty if pre-certification is not done	\$200 penalty if pre-certification is not done
Emergency non-network	Paid at 75% up to Maximum Reimbursable Rate	Paid at 75% up to Maximum Reimbursable Rate	Paid at 75% up to Maximum Reimbursable Rate	Paid at 75% up to Maximum Reimbursable Rate	Paid as in-network	Paid as in-network

# Health Plan Comparison

## Prescription Plan

Benefit Description	State Option 1	State Option 2	State Option 3	State Option 4	City- Mid Option	City- Buy Down
<b>Retail Pharmacy</b>						
<b>Generic</b>	100% after \$10.00 copay	100% after \$10.00 copay	100% after \$10.00 copay	80% after deductible	\$5 copay, then 20% coinsurance	\$5 copay, then 20% coinsurance
<b>Brand</b>	100% after \$20.00 copay	100% after \$20.00 copay	100% after \$20.00 copay	80% after deductible	\$20 copay, then 20% coinsurance	\$20 copay, then 20% coinsurance
<b>Non-Preferred (if generic or lower cost drug is available, member pays the difference)</b>	100% after \$50.00 copay	100% after \$50.00 copay	100% after \$50.00 copay	80% after deductible	\$30 copay, then 50% coinsurance	\$30 copay, then 50% coinsurance
<b>Generic Oral Contraceptives</b>	100%	100%	100%	100%	100% (as well as other forms)	100% (as well as other forms)
<b>Mail Order Pharmacy</b>						
<b>Generic</b>	100% after \$15.00 copay	100% after \$15.00 copay	100% after \$15.00 copay	80% after deductible	\$5 copay, then 20% coinsurance	\$5 copay, then 20% coinsurance
<b>Brand</b>	100% after \$30.00 copay	100% after \$30.00 copay	100% after \$30.00 copay	80% after deductible	\$20 copay, then 20% coinsurance	\$20 copay, then 20% coinsurance
<b>Non-Preferred (if generic or lower cost drug is available, member pays the difference)</b>	100% after \$75.00 copay	100% after \$75.00 copay	100% after \$75.00 copay	80% after deductible	\$30 copay, then 50% coinsurance	\$30 copay, then 50% coinsurance
<b>Generic Oral Contraceptives</b>	100%	100%	100%	100%	100% (as well as other forms)	100% (as well as other forms)
<b>Specialty Pharmacy (30 Day Supply)</b>	\$80.00 copay through MediImpact Direct only	\$80.00 copay through MediImpact Direct only	\$80.00 copay through MediImpact Direct only	80% after deductible through MediImpact Direct only	50% coinsurance, \$200 max. In-Network only	50% coinsurance, \$200 max. In-Network only
<b>Insulin &amp; Diabetic supplies (excluding insulin pumps) - Retail (30 Day Supply)</b>	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	<b>100% if on EDM program</b>	<b>100% if on EDM program</b>
<b>Insulin &amp; Diabetic supplies (excluding insulin pumps) - Mail Order (90 Day Supply)</b>	\$15 Copay	\$15 Copay	\$15 Copay	\$15 Copay	<b>100% if on EDM program</b>	<b>100% if on EDM program</b>

Benefit Description	State	City Basic Life (Regular Employees)	City Optional Spouse/Dependent Life	City Basic Life (Retirees)	City Basic Life (Department Heads)
Basic Life Benefit	\$50,000	\$50,000	\$2,000/\$1,000	\$10,000	Two times annual earnings (maximum of \$400,000)
Basic AD&D Benefit	\$20,000	\$50,000	???	no coverage	Two times annual earnings (maximum of \$400,000)
Repatriation Benefit	\$5,000	no coverage	no coverage	no coverage	no coverage
Spouse/Child	\$4,000	\$2,000/\$1,000	\$2,000/\$1,000	\$1,000/\$500	\$2,000/\$1,000
Seat Belt Benefit	\$10,000 or AD&D if payable	Lesser of \$10,000 or 10% of Principal Sum	no coverage	no coverage	Lesser of \$10,000 or 10% of Principal Sum
Air Bag Benefit	\$5,000 or AD&D if payable	Lesser of \$10,000 or 10% of Principal Sum	no coverage	no coverage	Lesser of \$10,000 or 10% of Principal Sum
Career Adjustment Benefit	Lesser of \$5,000/year (\$10,000 cumulative) or 25% of AD&D whichever is less	no coverage	no coverage	no coverage	no coverage
Child Care Benefit	Lesser of \$5,000/year (\$10,000 cumulative) or 25% of AD&D whichever is less	no coverage	no coverage	no coverage	no coverage
Higher Education Benefit	Lesser of \$5,000/year (\$20,000 cumulative) or 25% of AD&D whichever is less	no coverage	no coverage	no coverage	no coverage
Occupational Assault Benefit	Lesser of \$25,000/year or (2) 50% of AD&D whichever is less	no coverage	no coverage	no coverage	no coverage
Public Transportation Benefit	Lesser of \$200,000 or (2) 100% of AD&D	no coverage	no coverage	no coverage	no coverage
Adaptive Home and Vehicle Benefit	Lesser of \$5,000 or 5% of AD&D	no coverage	no coverage	no coverage	no coverage
Rehabilitative Physical Therapy Benefit	Lesser of (1) \$5,000 or (2) 5% of AD&D	no coverage	no coverage	no coverage	no coverage
<b>Life Age Reduction</b>					
60 through 65	\$32,000	\$50,000	\$2,000/\$1,000	\$10,000	Two times annual earnings (maximum of \$400,000)
65 through 69	\$21,000	\$32,500 (35% original amount)	(35% original amount)	\$10,000	35% original amount
70 through 74	\$14,000	\$20,000 (60% original amount)	(60% original amount)	\$1,000	60% original amount
75 through 79	\$9,000	\$12,500 (75% original amount)	(75% original amount)	\$1,000	75% original amount
80 through 84	\$6,000	\$12,500	(75% original amount)	\$1,000	
85 or over	\$4,500	\$12,500	(75% original amount)	\$1,000	
<b>AD&amp;D Age Reduction</b>					
60 through 65	\$13,000	\$50,000	???	no coverage	Two times annual earnings (maximum of \$400,000)
65 through 69	\$9,000	\$32,500 (35% original amount)	???	no coverage	35% original amount
70 through 74	\$6,000	\$20,000 (60% original amount)	???	no coverage	60% original amount
75 through 79	\$4,000	\$12,500 (75% original amount)	???	no coverage	75% original amount
80 through 84	\$3,000	\$12,500	???	no coverage	
85 or over	\$2,000	\$12,500	???	no coverage	
Waiver of Premium	Yes	Yes	Yes	No	Yes
Accelerated Death Benefit	Yes	Yes	Yes	No	Yes
Current Rate	See Rate Table below	100% City Paid	0.63	0.190 (retiree) & 0.630 (retiree dependent)	100% City Paid
Number of Enrolled Participants	?	463	184	268 (173 Retirees & 95 Retiree Spouses)	10
Volume	?	23,115,000.00	555,000.00	1,128,500.00	2,460,158.00

State Life Rate Table

ACTIVE LIFE RATES			
AGE GROUP	BENEFIT	AD&D	PREMIUM
Under 39	50,000.00	20,000.00	3.14
40 - 44	50,000.00	20,000.00	3.40
45 - 49	50,000.00	20,000.00	4.92
50 - 54	50,000.00	20,000.00	7.36
55 - 59	50,000.00	20,000.00	13.41
60 - 64	32,000.00	13,000.00	13.04
65 - 69	21,000.00	9,000.00	16.31
70 - 74	14,000.00	6,000.00	17.55
75 - 79	9,000.00	4,000.00	18.27
80 - 84	6,000.00	3,000.00	19.72
85 & Over	4,500.00	2,000.00	23.96

DEPENDENT LIFE RATE			
AGE GROUP	BENEFIT	AD&D	PREMIUM
All	4,000.00	none	1.46

RETIREE LIFE RATES			
AGE GROUP	BENEFIT	PREMIUM	W/DEP LIFE
Under 39	50,000.00	2.95	4.41
40 - 44	50,000.00	3.25	4.71
45 - 49	50,000.00	4.90	6.36
50 - 54	50,000.00	7.50	8.96
55 - 59	50,000.00	14.05	15.51
60 - 64	32,000.00	13.79	15.25
65 - 69	21,000.00	17.41	18.87
70 & over	4,500.00	12.47	13.93

Please note: If the City terms/cancels Basic Life or Voluntary Life there will be no portability or conversion option



	State	City
<b>Vol. EE Life</b>	<b>No coverage</b>	<b>Yes</b>
Min.		\$10,000
Max.		\$500,000
AD&D	Yes- Equal amount as Life	
Min.		\$10,000
Max.		\$500,000
Guarantee Issue		\$300,000
Portable		Yes
Right to Convert		Yes
Current Rate	See Rate Table below	
Number of Participants		<b>212</b>
Volume		<b>19,776,500.00</b>
<b>Vol. SP Life</b>	<b>No coverage</b>	<b>Yes</b>
Min.		\$10,000
Max.		\$250,000
AD&D	Yes- Equal amount as Life	
Min.		\$10,000
Max.		\$250,000
Guarantee Issue		\$30,000
Portable		Yes
Right to Convert		Yes
Current Rate	See Rate Table below	
Number of Participants		<b>117</b>
Volume		<b>5,370,000.00</b>
<b>Vol. Child Life</b>	<b>No coverage</b>	<b>Yes</b>
Min.		\$20,000
Max.		\$20,000
Guarantee Issue		\$20,000
Annual Earnings based on	last full day of active work	
Portable		Yes
Right to Convert		Yes
Current Rate	See Rate Table below	
Number of Participants		<b>104</b>
Volume		<b>2,080,000.00</b>

Vol. Employee Life				
Age Band	Lives	Volume	Rate	Premium
00 > 24	1	10,000	0.095	\$0.95
25 > 29	1	10,000	0.095	\$0.95
30 > 34	1	10,000	0.095	\$0.95
35 > 39	1	10,000	0.116	\$1.16
40 > 44	1	10,000	0.167	\$1.67
45 > 49	1	10,000	0.251	\$2.51
50 > 54	1	10,000	0.399	\$3.99
55 > 59	1	10,000	0.641	\$6.41
60 > 64	1	10,000	0.983	\$9.83
65 > 69	1	10,000	1.666	\$16.66
70 > 74			3.397	\$0.00
75 > 79			3.397	\$0.00
80 > 99			3.397	\$0.00

Vol. Spouse Life				
Age Band	Lives	Volume	Rate	Premium
00 > 24	1	10,000	0.095	\$0.95
25 > 29	1	10,000	0.095	\$0.95
30 > 34	1	10,000	0.095	\$0.95
35 > 39	1	10,000	0.116	\$1.16
40 > 44	1	10,000	0.167	\$1.67
45 > 49	1	10,000	0.251	\$2.51
50 > 54	1	10,000	0.399	\$3.99
55 > 59	1	10,000	0.641	\$6.41
60 > 64	1	10,000	0.983	\$9.83
65 > 69	1	10,000	1.666	\$16.66
70 > 74			3.397	\$0.00
75 > 79			3.397	\$0.00
80 > 99			3.397	\$0.00

## Dental Comparison

	City of Casper		State Plan
Dental	Delta Dental	Delta Dental Preventive	Delta Dental Optional Plan Required to take with Health Plan
Calendar Year Ded	\$50/\$100	None	\$50/\$100
OOP Max	\$1,500	\$1,500	\$1,500
Preventive	100%	100%	100%
Basic	80%	80%	80%
Major	60%	50%	50%
Orthodontics - under 19	60%	Not Covered	Not Covered

Monthly Premium	Premium	Premium	Premium
Employee	\$ 39.77		
Employee + Spouse	\$ 79.54		
Employee + Children	\$ 73.57		
Family	\$ 104.27		

Employer Cost	City Pays 80%	State Pays	State Pays
Employee	\$ 31.82		
Employee + Spouse	\$ 63.63		
Employee + Children	\$ 58.86		
Family	\$ 83.42		
Annual			



Employee Cost	Employee Cost	Employee Cost	Employee Cost
Employee	\$ 7.95	21.82	14.88
Employee + Spouse	\$ 15.91	48.2	34.88
Employee + Children	\$ 14.71	48.2	34.88
Family	\$ 20.85	48.2	34.88
Annual Cost			

# CITY OF CASPER HPDC Recommendation to move to the State of Wyoming's Health Plan effective Jan. 2020

Guideline of things to consider: What problem are we trying to solve? To get out of our self-funding situation? Less expensive option for the employee? Less expensive option for the employer? To join the State's Plan because we might not have that choice in the future?

- Financial Impact Presentation by Evan Condelario, Budget and Accounting Supervisor:
  - Will this overall be a more expensive option for the City of Casper/Employer to include the following?
    - Retiree subsidy.
    - Minimum single employee contribution when enrolling for any required benefit.
    - Split premium.
    - Premium for part time employees.
  
- The City would more than likely need to reverse the 85/15% Resolution for medical and dental insurance that we just passed would be changed since there will be four plan options with the State Plan. No reserves need set.
  
- HR would need to budget funds (additional to general fund) for any wellness incentive programs. Cigna currently gives the City \$20,000/yr. to have programs such as No2forU, the NERD Wellness split membership, and the Way to Wellness.
  
- The City would still need a broker/benefit consultant if we continue to offer other benefits outside of the State of Wyoming's Health Plan (core plans) such as Voluntary Life, Accident, Critical Illness, etc. There will be additional costs for those services now that the bulk of our business is gone.
  
- Benefit/Plan Presentation by Becky Nelson, Health & Safety Specialist:
  - Will this have other benefit implications/loss of benefit for some employees?
    - City's Enhanced Disease Management program – currently 19 participants.
    - Short Term Disability.
    - Long Term Disability.
    - Optional Life Insurance.
    - Dental.
    - COBRA.
  
- Flexibility that we now have with internal City appeals, plan design changes, premium increases, and exceptions made for open enrollment mistakes, etc. would no longer be an option.
  
- This would be a (5) five year commitment.
  
- **Cigna – fully insured quote**, with level funded plan, if plan runs well, Cigna will give 2/3 of profits back to us, get to keep other benefits as is now, retain some control of plan design (i.e. enhanced disease management, wellness funding, etc.)

July 19, 2019

MEMO TO: J. Carter Napier, City Manager   
FROM: Tom Pitlick, Financial Services Director   
SUBJECT: Financial Administration Guidelines

Meeting Type & Date:  
Council Work Session  
July 23, 2019

Action type:  
Information Only

Recommendation:  
Move Forward For Approval

Summary:

Staff is proposing Council formally adopt, by resolution, Financial Administration Guidelines to ensure that the City is financially able to meet its immediate and long-term service objectives. The Guidelines would be intended to serve as the foundation around which all financial policies and procedures would be written in support of both the financial planning and internal financial management of the City.

As the Financial Administration Guidelines are comprehensive in nature, staff is suggesting that the document be presented to Council in phases in order to provide adequate time for review and discussion. For this, the first phase, attachments include the "Table of Contents" (listing of subject matter to be addressed in the Guidelines); "Purpose and Objectives"; "Finance Committee"; and "Fund Reserves". Also attached is a proposed Fund Reserves Policy along with the existing reserve policy and supporting resolution.

Financial Considerations:  
None

Oversight/Project Responsibility:  
Tom Pitlick, Financial Services Director

Attachments:

- Financial Administration Guidelines: "Table of Contents"; "Purpose and Objectives"; "Finance Committee"; "Fund Reserves"
- Proposed Fund Reserves Policy
- Current Fund Reserves Policy
- Resolution adopting current Fund Reserves Policy
- Resolution adopting current Health Insurance Fund reserve policy

**CITY OF CASPER, WYOMING  
FINANCIAL ADMINISTRATION GUIDELINES**

**Table of Contents**

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Fund Reserves .....4

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Expenditure Requirements.....8

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Budget Requirements.....14

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# **CITY OF CASPER, WYOMING FINANCIAL ADMINISTRATION GUIDELINES**

## **Purpose**

The Financial Administration Guidelines identify the principles adopted by the City of Casper to ensure that the City is financially able to meet its immediate and long-term service objectives. The Guidelines shall serve as the foundation around which all financial policies and procedures are formulated in support of both the financial planning and internal financial management of the City.

The City of Casper is accountable to its citizens for the use of public dollars. Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. These guidelines safeguard the fiscal stability required to achieve the City's goals and objectives.

## **Objectives**

In order to achieve its purpose, the Financial Administration Guidelines have the following objectives for the City's fiscal performance.

- A. To guide the City Council and management policy decisions that have significant impact.
- B. To set forth operating principles that minimize the cost of government and financial risk.
- C. To employ balanced and fair revenue policies that provide adequate funding for desired programs.
- D. To maintain appropriate financial capacity for present and future needs.
- E. To promote sound financial management by providing accurate and timely information on the City's financial condition.
- F. To protect the City's credit rating and provide for adequate resources to meet the provision of the City's debt obligations on all municipal debt.
- G. To ensure the legal use of financial resources through an effective system of internal controls.
- H. To promote cooperation and coordination with other governments and the private sector in the financing and delivery of services.

## **CITY OF CASPER, WYOMING FINANCIAL ADMINISTRATION GUIDELINES**

### **Finance Committee**

The City Council will appoint a committee from among their membership to serve as the Finance Committee. This committee will be charged with the responsibility of reviewing the financial matters pertinent to the City and the City's operations and reporting as needed to the City Council as a whole. Any financial matters that the City Council would like further direction on can be remanded to the Finance Committee. The committee will be assisted in their efforts by the City Manager, the Financial Services Director, and other personnel as needed.

# CITY OF CASPER, WYOMING

## FINANCIAL ADMINISTRATION GUIDELINES

### Fund Reserves

Adequate reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength. Fund reserve balances will be maintained that:

- Provide adequate financial resources to conduct the normal business of the City and ensure the continued delivery of services in the event of any disruption stemming from short-term interruptions in cash flow
- Provide adequate financial resources to maintain the City's credit worthiness
- Provide for the accumulation of financial resources for use in capital acquisitions or to comply with legal requirements
- Provide adequate financial resources to respond, in a planned and decisive manner, to long-term or permanent decreases in revenues
- Provide adequate financial resources to ensure continued delivery of public safety, utility, and essential infrastructure maintenance services in response to natural disasters and events
- Comply with reserve levels mandated through negotiated contractual agreements and/or terms of debt issuance agreements
- Are not excessive

Any amounts that exceed the total calculated reserve balance shall be considered undesignated and available for appropriation. Undesignated balances **may** be available to transfer from one fund to another fund, subject to revenue restrictions or unless specifically prohibited by the terms of this Guidance.

Target and actual reserve levels will be calculated annually as part of the budget process. Additional contributions that may be needed to obtain the target reserve levels will be budgeted from applicable fund resources over a period of time as deemed appropriate by Council.



<b>City of Casper Policy Manual</b>	
	<b>Subject:</b> Fund Reserves
<b>Effective: PROPOSED</b>	<b>Category:</b> Finance
<b>Supersedes All Previous Policies</b>	

## PURPOSE AND SCOPE

To provide adequate fund reserves to safeguard the financial position of the City.

### Applicable Funds

- General Fund
- Weed and Pest Fund
- Utility Enterprise Funds
- Golf Fund
- Parking Fund
- Fleet Maintenance Fund
- Buildings and Structures Fund
- Property and Liability Insurance Fund
- Health Insurance Fund

### Reserve Fund Equity Components and Specified Balances

- A. Operating Reserves** – Operating reserves are maintained to address temporary revenue shortfalls; payment of approved expenditures due to cash flow shortage; and reserves for expenditures deemed necessary by the Mayor and City Council. Minimum operating reserve levels shall be established as follows:
- General Fund – an amount equal to 120 days of total operating expenditures for the ensuing fiscal year.
  - Weed and Pest Fund – an amount equal to 90 days of total operating expenditures for the ensuing fiscal year.
  - Utility Enterprise Funds – an amount equal to 90 days of total operating expenditures for the ensuing fiscal year.
  - Golf Fund – an amount equal to 90 days of total operating expenditures for the ensuing fiscal year.
  - Parking Fund - an amount equal to 90 days of total operating expenditures for the ensuing fiscal year.
  - Fleet Maintenance Fund - an amount equal to 90 days of total operating expenditures for the ensuing fiscal year.
  - Buildings and Structures Fund - an amount equal to 90 days of total operating expenditures for the ensuing fiscal year.
  - Property and Liability Insurance Fund – an amount equal to 60 days of annual insurance and bond expense for the ensuing fiscal year.

- Health Insurance Fund – an amount sufficient to satisfy processing claims for a six (6) month run-out period averaged over the most recent five (5) years.

**B. Capital Reserves** – Capital reserves are maintained as a source of funding to help address the cost of new capital assets as well as the replacement and repair of existing capital assets. Minimum capital reserve levels are intended to help cover unanticipated capital type costs which may arise during the course of business. Planned major capital purchases or replacements should be planned over a period of time with an accumulation of financial resources which would supplement the minimum reserve requirement.

Minimum capital reserve levels shall be established as follows:

- General Fund – established only for major projects/purchases as specifically identified and directed by Council.
- Utility Enterprise Funds – an amount equal to one year depreciation expense as per the most recent available audited financial statement.
- Golf Fund - an amount equal to one year depreciation expense as per the most recent available audited financial statement.
- Parking Fund - an amount equal to one year depreciation expense as per the most recent available audited financial statement.

**C. Debt Service Reserves** – The issuance of certain types of debt may require a debt service reserve account. Mandated reserves of this type will be held in compliance with the amounts and terms as set forth in such loan/bond agreements.

Adopted: \_\_\_\_\_

Revised: \_\_\_\_\_

Revised: \_\_\_\_\_

Revised: \_\_\_\_\_

Revised: \_\_\_\_\_

Revised: \_\_\_\_\_

City of Casper  
**Fund Reserves Policy**  
June 6, 2000

To provide adequate fund reserves to safeguard the financial condition of the City.
---

**General**

Fund reserve balances will be maintained that:

- Provide adequate financial resources to conduct the normal business of the City and ensure the continued delivery of services in the event of any disruption stemming from short-term interruptions in cash flow
- Provide adequate financial resources to maintain the City's credit worthiness
- Provide for the accumulation of financial resources for use in capital acquisitions or to comply with legal requirements
- Provide adequate financial resources to respond, in a planned and decisive manner, to long-term or permanent decreases in revenues
- Provide adequate financial resources to ensure continued delivery of public safety, utility, and essential infrastructure maintenance services in response to natural disasters and events
- Are not excessive

**Applicable Funds**

This Policy applies to the following City funds or fund types:

- General Fund
- Perpetual Care Fund
- Weed and Pest Fund
- Internal Services Funds

The reserve balances for all other funds will be determined by the City Council, with input received from the appropriate advisory boards or on an individual fund basis.

## **Use of Surplus Fund Equity Balances**

Any amounts that exceed the total calculated or designated reserved fund equity balances are considered undesignated fund equity and available for appropriation.

## **Reserved Fund Equity Components and Specified Balances**

To achieve and maintain the desired fund equity balances, the following applicable fund equity components will be calculated or designated in each of the City's funds:

**Operating Reserves** – operating reserves are needed to provide cash flows for daily operations. In the case of the General Fund, operating reserves also provide cash liquidity for certain projects and programs funded with reimbursable grants. Additionally, it provides emergency and stabilization reserves for the City's internal service funds.

The specified levels of operating reserves are:

General Fund – 25%, or ninety (90) days, of total operating and maintenance expenditures for the ensuing fiscal year.

Perpetual Care Fund – For the Operations Account, operating reserves shall be maintained that provide, through interest earnings, all supplemental funding for the operation of the following: Recreation Center, Casper Events Center, Ice Arena, Public Safety Communications Center, City Hall and Building and Grounds.

Operating Reserves shall be maintained for the Building Account that provide, through interest earnings, the funding for the capital maintenance and replacement of all buildings and facilities acquired through Optional 1% Sales Tax funding.

Weed and Pest Fund - 25%, or ninety (90) days, of total operating and maintenance expenditures for the ensuing fiscal year.

Internal Service Funds – Except for the Health Insurance Fund, 8.3%, or thirty (30) days, of operating and maintenance expenditures for the ensuing fiscal year.

Health Insurance Fund - 25%, or ninety (90), days of total operating and maintenance expenditures for the ensuing fiscal year plus an amount equal to 5% of the number of full time employees times the current individual stop-loss amount.

**Emergency and Stabilization Reserves** – Emergency and Stabilization Reserves are needed to provide adequate resources to address emergency events, such as natural disasters, and to manage the effects of any substantial long-term or permanent decreases in the City’s general revenues.

The specified levels of Emergency and Stabilization Reserves are:

General Fund - 25%, or ninety (90) days of total operating and maintenance expenditures for the ensuing fiscal year.

**Debt Service Reserves** – Minimum of the total budgeted debt service requirement for one (1) year times one hundred and fifty percent (150%) or legally required amount in relation to a debt issue.

**Capital Asset Replacement Reserve** – Reserves funded by depreciation or other sources may be accumulated for the planned acquisition of capital assets.

**Specific Reserves** – Any amount specifically identified as being necessary for financial reporting or legally required for a unique operating aspect of a particular fund, or as determined by the City Council.

#### **Annual Review of Reserved Fund Equity**

As part of the annual budget process, the Budget Officer will present for Council consideration the calculated and designated fund equity reserves.

Adopted: 6/21/00

Revised: \_\_\_\_\_


Revised: \_\_\_\_\_

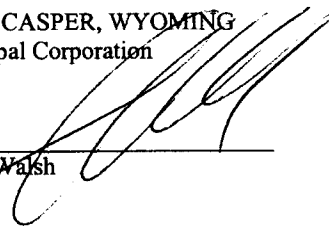
Revised: \_\_\_\_\_

Revised: \_\_\_\_\_

Revised: \_\_\_\_\_

ATTEST:

  
\_\_\_\_\_  
V. H. McDonald  
City Clerk

CITY OF CASPER, WYOMING  
A Municipal Corporation  
  
\_\_\_\_\_  
Dr. Tom Walsh  
Mayor


RESOLUTION NO. 00-95

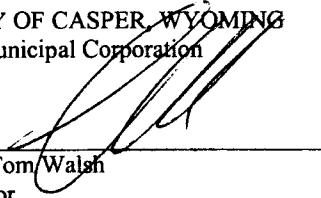
A RESOLUTION ADOPTING THE FUND RESERVES,  
DEBT ISSUANCE AND BUDGET POLICIES, DATED  
JUNE 6, 2000.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING  
BODY OF THE CITY OF CASPER, WYOMING: That the Fund Reserves, Debt  
Issuance, and Budget Policies, dated June 6, 2000 are hereby adopted.

PASSED, APPROVED AND ADOPTED this 20<sup>th</sup> day of June, 2000.

ATTEST:

  
\_\_\_\_\_  
V. H. McDonald  
City Clerk

CITY OF CASPER, WYOMING  
A Municipal Corporation  
  
\_\_\_\_\_  
Dr. Tom Walsh  
Mayor

RESOLUTION NO. 00-96

A RESOLUTION AUTHORIZING A LEASE  
AGREEMENT WITH WICKMAN SPACECRAFT AND  
PROPULSION COMPANY.


WHEREAS, the Wickman Spacecraft and Propulsion Company is  
desirous of leasing approximately seven acres north of the Casper Municipal Solid Waste  
Landfill for the purposes of constructing facilities to launch rockets; and,

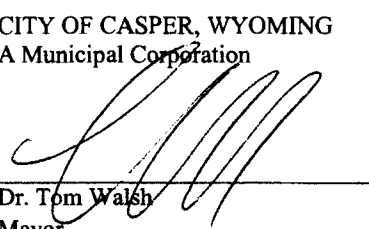
WHEREAS, the City of Casper is ready, willing, and able to lease the  
property under the terms and conditions of the lease agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING  
BODY OF THE CITY OF CASPER, WYOMING: That the Mayor is hereby authorized  
and directed to execute and the City Clerk to attest a lease agreement between Wickman  
Spacecraft and Propulsion Company for the purpose of constructing a facility to launch  
rockets.

PASSED, APPROVED AND ADOPTED this 20<sup>th</sup> day of June, 2000.

ATTEST:

  
\_\_\_\_\_  
V. H. McDonald  
City Clerk

CITY OF CASPER, WYOMING  
A Municipal Corporation  
  
\_\_\_\_\_  
Dr. Tom Walsh  
Mayor

RESOLUTION NO. 19-54

A RESOLUTION TO ESTABLISH FUNDING GUIDELINES FOR THE CITY OF CASPER'S HEALTH FUND.

WHEREAS, the City of Casper has a health fund to provide health and dental benefits as an employer; and,

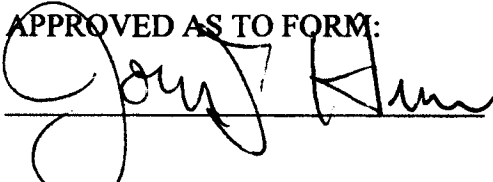
WHEREAS, the City of Casper desires to adopt this Resolution in order to ensure the City of Casper maintains sufficient funds to adequately support the health benefits, and dental benefits, to anticipate changes in the benefits as a result of any State and/or Federal changes and mandates in said benefits, and for the needed premium charges to maintain a sustainable fund balance:

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CASPER, WYOMING:

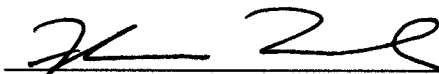
- I. That the City of Casper's health fund should maintain an amount that would satisfy processing claims for a six (6) month run-out period, averaged over the past five (5) years, to cover all health and dental costs, including claims, costs to protect the fund, and administrative costs.
- II. That for all health and dental plan options offered through the City of Casper to eligible employees, the City shall pay 85% of the total premium costs and the employee shall pay 15% of the total premium costs starting in the beginning of the plan year January 2020.
- III. That the City Manager shall submit a budget for the health fund consistent with I. and II. above.

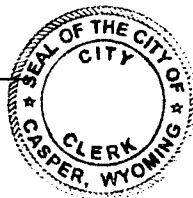
April, PASSED, APPROVED, AND ADOPTED on this 2<sup>nd</sup> day of 2019.

APPROVED AS TO FORM:




ATTEST:

  
Fleur D. Tremel  
City Clerk



CITY OF CASPER, WYOMING  
A Municipal Corporation

  
Charles Powell  
Mayor

July 19, 2019

**MEMO TO:** J. Carter Napier, City Manager *JCN*  
**FROM:** Tracey L. Belser, Support Services Director *TLB*  
**SUBJECT:** Compensation Study - Scope

**Meeting Type & Date**

Council Work Session, July 23, 2019

**Action type**

Direction requested

**Summary**

The City of Casper's compensation program serves to attract, retain, and motivate employees in achieving the objectives of the City. In accordance with the City's compensation philosophy, the City attempts to maintain pay levels for its employees which are based upon median pay rates reported for similar jobs identified in both the public and private sector markets.

The City's compensation program is to ensure that employees are properly rewarded for work performed, that both internal and external equity are maintained, and that control is maintained over compensation costs. As intended, the program helps to attract top talent, retain core employees, and encourage longevity while effectively using financial resources allocated within the City budget.

Position classification defines the scope and value of work, duties, and responsibilities assigned to a position, and assesses the nature and complexity of work performed by grouping similar positions together under common class titles.

Compensation refers to all forms of valuable consideration, which can include wages and fringe benefits earned by or paid to any employee by reason of service in a position.

**History:**

- 2001 - Personnel Concepts, Inc. owned by Tony Gerczak, developed and maintained a proprietary classification system for the City of Casper. The City received notice in 2007 that Mr. Gerczak was retiring and would no longer be able to maintain the classification system in place.
- 2008 - City Council authorized Fox Lawson & Associates to conduct a comprehensive compensation study in an amount not to exceed \$85,000, with a timeline of nine months. The scope of the study included an analysis of the current classification, job evaluation, and also a compensation study. A position description questionnaire (PDQ) was required to be completed for every position with a review by supervisors, managers, and



department heads. Due to the downturn in the national economy, the compensation portion of the study was delayed and final results weren't presented to City Council until 2010. There were 53 benchmark jobs selected for the compensation study portion. For all benchmarks combined, actual salaries were 5% above the 75<sup>th</sup> percentile of the market and deemed highly competitive overall. The recommendation was to create new salary structures and new classification system.

- 2012 - A compensation study was conducted internally by Human Resources using Mountain States Employer Council and TechNet as compensation data sources.
- July 2013 - A new classification system based off the Fox Lawson study was implemented for the City of Casper by Human Resources.
- Nov. 2013 – City Council approved Condrey & Associates, Inc. to conduct a specialized compensation study in the amount of \$19,500. Results were shared with City Council in February 2014. The scope was to assess the City of Casper's position in the labor market with the 50<sup>th</sup> percentile, at step three of the benchmarked positions selected. There were 42 benchmark positions selected for inclusion of this study. This wasn't a full classification and compensation study and it was broken into four categories to be reviewed: Hourly, Salaried, Police Non-supervisory, and Police Supervisory. The overall result of this study suggested that the City of Casper was competitive and close to the 75<sup>th</sup> percentile of the market.

Human Resources budgeted to outsource a compensation study in the amount of \$60,000, with the adoption of the FY20 annual budget. The scope needs to be determined prior to requesting proposals to conduct a study.

The recommended scope would be to:

- Review external/internal structure alignment with classification and compensation.
- Review minimum qualifications to facilitate recruitment of talent.
- Identify paths for career progression.
- Set pay philosophy at the 75<sup>th</sup> percentile of market

After a consultant is hired, subsequent meetings will be held to determine which positions need to be evaluated and what geographic region, and similar entities, to request comparative data from.

### **Financial Considerations**

\$60,000.00 was allocated in the Human Resources budget which was adopted for the FY20 budget.

### **Oversight/Project Responsibility**

Tracey Belser, Support Services

### **Attachments**

City COLA/Lump Sum Payment Summary

**City COLA/Lump Sum History**

Fire			Police			General			Notes
	COLA	Lump Sum Payment		COLA	Lump Sum Payment		COLA	Lump Sum Payment	
2007	3.0%	650	2007	4.0%		2007	4.0%		Part-Time/Seasonal positions received 5% increase.
2008	6.5%		2008	6.5%		2008	6.5%		
2009	5.5%		2009		1000/500	2009		1000/500	City and Police Full-Time: \$1000 lump sum payment or 3 vacation days. City and Police Part-Time: \$500 lump sum payment or 1.5 vacation days. Part-time employees had to have worked at least 1040 hours in the past 12 consecutive months.
2010			2010			2010			
2011	2.5%		2011	2.5%		2011	2.5%		
2012	8.2%		2012	2.5%		2012	2.5%		As a result of MSEC Compensation Study, a market adjustment was made for Fire-EMS of 8.2% and Police Supervisory of 6.3%. All other employees received a 2.5% COLA.
2013	2.5%		2013	2.5%		2013	2.5%		
2014		1000	2014		1000	2014		1000	All Full-Time Staff. Employees had the option to choose the \$1000 or the vacation leave equivalent.
2015	2.8%		2015	2.8%		2015	2.8%		
2016			2016			2016			
2017			2017			2017			
2018	2.0%	1000	2018	2.0%	1000	2018	2.0%	1000	Lump Sum Payment: Full-Time EE's only. COLA: Everyone.
2019		1000	2019		1000/500	2019		1000/500	All Full-Time: \$1000 lump sum payment. Regular Part-Time: \$500 lump sum payment.