City Council Agenda
Special Meeting via Audio/Video Broadcast
Budget Workshop
7/28/2020

Notice is hereby given in accordance with an order of the Office of the Governor issued March 16, 2020, of a Special Meeting of the City Council of the City of San Angelo scheduled for July 28, 2020 at 8:30 a.m. The McNease Convention Center – South Meeting Room, 501 Rio Concho Drive, San Angelo, Texas will not be open to the public. Council members and staff will attend virtually in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19). There will be no public access to the regular meeting location. A public, free-of-charge audio/video broadcast of the meeting will be available on the City's YouTube channel at youtube.com/CityofSanAngelo.

The Meeting Agenda and the Agenda Packet are posted online at
https://www.cosatx.us/government/city-council/agenda-minutes-and-agenda-packets.

Members of the public who wish to submit **Public Comment** on agenda items must send their written comments via email to Julia.Antilley@cosatx.us by noon July 27, 2020.
The subject must be in the following format: "Public Comment, [item number] – July 28, 2020."
All emails must include your name and address or SMD.
Please note all Public Comment emails relevant to posted agenda items received by the deadline will be published as part of the agenda packet prior to the meeting and are therefore public record.
Call 325-657-4405 for staff assistance.

A recording of the meeting will be available to the public in accordance with the Open Meetings Act upon written request.

1. **Call to Order/Roll Call to Establish Quorum**
2. **Special Instructions**

All members of the council and staff should begin speaking by stating their full name and SMD position or role within the City.

3. **Public Comment**

At this time, Council Members may ask staff members questions regarding Public Comments submitted via email.

4. **Workshop Agenda**

   a. Discussion of matters regarding the fiscal year 2020-2021 budget preparation, including, but not limited to:
   1. Other Enterprise Funds revenue and expenditures (Presentation made by Finance Director Tina Dierschke)
   2. Health Insurance Update (Presentation made by Human Resources Director Bryan Kendrick and

Julie Rickman of Holmes Murphy)

3. Other items needing Council direction

5. **Follow Up and Administrative Issues**

   a. Announcements and consideration of Future Agenda Items

6. **Adjournment**

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the City of San Angelo's website on the 23rd day of July 2020, at 3:23 p.m.

Julia Antilley, City Clerk

All agenda items are subject to action. The City Council reserves the right to consider business out of posted order and/or meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

In compliance with the Americans with Disabilities Act, the City of San Angelo will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the City Clerk's Office at 325-657-4405.

Citizen requests to display materials on the city's monitors must submit the request 96 hours prior to the meeting by email to Julia.Antilley@cosatx.us. Time limits for discussion are as stated above and materials cannot exceed 10-pages. Citizens bringing materials for distribution to City Council members during the meeting must bring a minimum of 12 copies.

City Council regular meetings are broadcast on SATV Channel 17-Government Access at 10:30 a.m. and 7:00 p.m. every day, beginning the evening of the meeting until the evening of the next meeting.

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Kimberly Holle, Budget Manager, Budget, 325-657-4211

Meeting Date: July 28, 2020

Item type: Regular Item

Caption:

Discussion of matters regarding the fiscal year 2020-2021 budget preparation, including, but not limited to:
1. Other Enterprise Funds revenue and expenditures (Presentation made by Finance Director Tina Dierschke)
2. Health Insurance Update (Presentation made by Human Resources Director Bryan Kendrick and Julie Rickman of Holmes Murphy)
3. Other items needing Council direction

Summary/History:

As staff continues preparing the fiscal year 2020-21 budget, it is now time to review the other Enterprise Funds. The major enterprise funds covered at this budget workshop are the Airport Fund, State Office Building Fund, Fort Concho Fund, Fairmount Cemetery Fund, swimming pool division, and the Development Corporation Funds. There will also be an update on Health Insurance.

The General Fund will be discussed at the final budget workshop, August 13, 2020.

Financial Impact:

None at this time.

Other Information/Recommendation:

Attachments:

1.	Memo	2020 07-28 Other Enterprise Funds FINAL.pdf
2.	Presentation	Presentation.pdf
3.	Health Insurance Presentation	7-28-20 CC BW jar - Health Insurance Presentation.pdf

Presentation:

Tina Dierschke

Approvals/Reviews:

Kimberly Holle	Created/Initiated
Tina Dierschke	Approved
Theresa James	Approved
Julia Antilley	Final Approval

MEMO TO CITY COUNCIL

To: Mayor and City Council Members
CC: Daniel Valenzuela, Michael Dane, Rick Weise, Tina Dierschke, and Ryan Gaddy
From: Kimberly Holle, Budget Manager
Date: July 23, 2020
Re: Budget Workshop – Other Enterprise Funds

As staff continues preparing the fiscal year 2020-21 budget, it is now time to review the other Enterprise Funds. The major enterprise funds will be covered at this budget workshop are the Airport Fund, State Office Building Fund, Fort Concho Fund, Fairmount Cemetery Fund, Swimming pool division, and the Development Corporation Funds. There will also be an update on Health Insurance.

Finance Staff should receive certified property values from the Tom Green County Appraisal District within the next week and will begin preparing revenue estimates to present at the General Fund Budget Workshop on August 13th.

Attached are the proposed budgets for each of these funds compared with the fiscal year 2018-19 actuals, 2019-20 original budget, revised budget, and year-to-date actuals as of June. The primary revenue sources and expenditure categories are summarized for each fund below. Any major changes or issues are also identified.

Airport Fund
Financial Summary

Description	FY19 Actual	FY20 Original Budget	FY20 Revised Budget	FY20 Year-to-date as of June	FY21 Proposed Budget	Increase (Decrease) from FY20 Original
220 REVENUES:						
Leases/Rentals	1,048,979	991,173	991,173	735,710	1,172,970	181,797
Concessions	350,315	364,840	364,840	226,687	313,785	(51,055)
Landing Fees	65,680	65,433	65,433	57,273	85,953	20,520
Advertising	12,187	9,000	9,000	7,631	9,000	-
Transfers In	170,216	-	-	-	-	-
Interest	6,347	10,847	10,847	6,432	3,542	(7,305)
Other	27,152	61,916	61,916	14,032	48,608	(13,308)
Total Revenues	**$ 1,680,876**	**$ 1,503,209**	**$ 1,503,209**	**$ 1,047,765**	**$ 1,633,858**	**$ 130,649**
220 EXPENSES:						
Personnel	682,935	789,053	789,053	507,005	792,653	3,600
Operations & Maintenance	729,456	623,268	723,195	471,671	621,118	(2,150)
Transfers Out	132,678	90,888	140,888	68,166	143,707	52,819
Capital	14,355	-	113,270	97,943	76,380	76,380
Total Expenses	**$ 1,559,424**	**$ 1,503,209**	**$ 1,766,406**	**$ 1,144,785**	**$ 1,633,858**	**$ 130,649**
Revenues Over/ (Under) Expenditures	121,452	-	(263,197)	(97,020)	-	-
Beginning Fund Balance	346,826	468,278	468,278	468,278	468,278	-
Ending Fund Balance	**$ 468,278**	**$ 468,278**	**$ 205,081**	**$ 371,258**	**$ 468,278**	**$ -**

The primary revenue source for the Airport Fund continues to be lease income; there are two new leases for FY21. The increase to transfers out is due to the local match for the RAMP grant, and the increase in capital is for a planned purchase of a new tractor.

State Office Buildings Fund
Financial Summary

Description	FY19 Actual	FY20 Original Budget	FY20 Revised Budget	FY20 Year-to-date as of June	FY21 Proposed Budget	Increase (Decrease) from FY20 Original
201 REVENUES:						
Rental Income	1,230,035	1,260,302	1,260,302	883,331	1,228,974	(31,328)
Interest	7,631	15,786	15,786	9,361	4,089	(11,697)
Other	-	50,000	159,292	-	50,000	-
Total Revenues	**$ 1,237,666**	**$ 1,326,088**	**$ 1,435,380**	**$ 892,692**	**$ 1,283,063**	**$ (43,025)**
201 EXPENSES:						
Personnel	118,598	123,499	123,499	95,694	122,218	(1,281)
Operations & Maintenance	722,428	641,493	990,493	754,894	670,223	28,730
Debt Service	152,723	153,058	153,058	146,761	153,507	449
Transfers Out	19,802	18,873	18,873	14,155	18,821	(52)
Capital	44,863	389,165	444,948	250,220	318,294	(70,871)
Total Expenditures	**$ 1,058,414**	**$ 1,326,088**	**$ 1,730,871**	**$ 1,261,724**	**$ 1,283,063**	**$ (43,025)**
Revenues Over/ (Under) Expenditures	179,252	-	(295,491)	(369,032)	-	-
Beginning Fund Balance	389,657	568,909	568,909	568,909	568,909	-
Ending Fund Balance	**$ 568,909**	**$ 568,909**	**$ 273,418**	**$ 199,877**	**$ 568,909**	**$ -**

The primary revenue source for the State Office Building Fund continues to be rent income, which decreased slightly due to the loss of tenants. As we approach the final payments (2023) on the bonds issued to build the facilities, plans are in place for addressing the major needs at both buildings.

Fort Concho Fund
Financial Summary

Description	FY19 Actual	FY20 Original Budget	FY20 Revised Budget	FY20 Year-to-date as of June	FY21 Proposed Budget	Increase (Decrease) from FY20 Original
420 REVENUES:						
Rent & Programs	597,583	661,750	661,750	385,785	649,750	(12,000)
General Fund Transfer In	718,483	446,045	796,045	597,034	421,928	(24,117)
HOT Transfers In	753,709	50,000	200,000	150,000	50,000	-
Interest	11,272	11,259	11,259	6,676	4,713	(6,546)
Other	30,535	25,450	25,450	8,326	20,450	(5,000)
Total Revenues	**$ 2,111,582**	**$ 1,194,504**	**$ 1,694,504**	**$ 1,147,821**	**$ 1,146,841**	**$ (47,663)**
420 EXPENSES:						
Personnel	699,279	771,913	771,913	552,042	752,749	(19,164)
Operations & Maintenance	450,213	414,591	1,952,336	1,247,541	392,092	(22,499)
Capital	-	8,000	8,000	4,310	2,000	(6,000)
Total Expenditures	**$ 1,149,492**	**$ 1,194,504**	**$ 2,732,249**	**$ 1,803,893**	**$ 1,146,841**	**$ (47,663)**
Revenues Over/ (Under) Expenditures	962,090	-	(1,037,745)	(656,072)	-	-
Beginning Fund Balance	393,806	1,355,896	1,355,896	1,355,896	1,355,896	-
Ending Fund Balance	**$ 1,355,896**	**$ 1,355,896**	**$ 318,151**	**$ 699,824**	**$ 1,355,896**	**$ -**

Fort Concho operations are funded through tax dollars, State Office Building support and program income. Rentals are projected down for FY21. Due to staff turnover, there is a decrease in personnel; in operations and maintenance, there is a decrease in insurance. The Fort Concho Fund is working on implementing a capital plan for facility improvements as well as making the fund more self-sufficient and less dependent on tax dollars over the next 10 years.

Fairmount Cemetery Fund
Financial Summary

Description	FY19 Actual	FY20 Original Budget	FY20 Revised Budget	FY20 Year-to-date as of June	FY21 Proposed Budget	Increase (Decrease) from FY20 Original
440 REVENUES:						
Charges for Service	222,230	282,600	282,600	209,900	283,050	450
Columbarium	8,400	30,000	30,000	10,200	30,000	-
Trust Income	43,586	50,000	50,000	30,809	50,000	-
General Fund Transfer In	119,686	86,250	86,250	64,688	88,992	2,742
Other	1,780	5,000	5,000	140	5,000	-
Total Revenues	**$ 395,682**	**$ 453,850**	**$ 453,850**	**$ 315,737**	**$ 457,042**	**$ 3,192**
440 EXPENSES:						
Personnel	273,588	271,452	278,807	211,914	282,463	11,011
Operations & Maintenance	94,512	152,398	145,500	66,442	144,579	(7,819)
Columbarium	778	30,000	91,569	919	30,000	-
Capital	24,098	-	-	-	-	-
Total Expenditures	**$ 392,976**	**$ 453,850**	**$ 515,876**	**$ 279,275**	**$ 457,042**	**$ 3,192**
Revenues Over/ (Under) Expenditures	2,706	-	(62,026)	36,462	-	-
Beginning Fund Balance	6,264	8,970	8,970	8,970	8,970	-
Ending Fund Balance	**$ 8,970**	**$ 8,970**	**$ (53,056)**	**$ 45,432**	**$ 8,970**	**$ -**

There are very few changes for the Cemetery fund. Columbarium revenue is restricted and carried over each year, causing the fund balance to be negative.

Municipal Pool Division
Financial Summary

Description	FY19 Actual	FY20 Original Budget	FY20 Revised Budget	FY20 Year-to-date as of June	FY21 Proposed Budget	Increase (Decrease) from FY20 Original
101-6104 REVENUES:						
Charges for Service	102,343	138,000	138,000	-	138,000	-
Rental	34,895	35,000	35,000	6,490	35,000	-
Other	6,453	10,500	10,500	821	10,500	-
Total Revenues	**$ 143,691**	**$ 183,500**	**$ 183,500**	**$ 7,311**	**$ 183,500**	**$ -**
101-6104 EXPENSES:						
Personnel	89,737	79,831	97,431	18,211	79,844	13
Operations & Maintenance	65,008	42,896	89,736	37,468	42,896	-
Capital	7,749	60,773	57,859	-	60,760	(13)
Total Expenditures	**$ 162,494**	**$ 183,500**	**$ 245,026**	**$ 55,679**	**$ 183,500**	**$ -**
Revenues Over/ (Under) Expenditures	(18,803)	-	(61,526)	(48,368)	-	-
Beginning Fund Balance	80,329	61,526	61,526	61,526	61,526	-
Ending Fund Balance	**$ 61,526**	**$ 61,526**	**$ -**	**$ 13,158**	**$ 61,526**	**$ -**

Due to COVID-19, staff is uncertain of the pool's ability to operate in FY21, therefore the budget remains consistent with FY20. The remaining fund balance at the end of each fiscal year is carried over into the following year's revised budget for the department to utilize.

Development Corp: Economic Development Fund
Financial Summary

Description	FY19 Actual	FY20 Original Budget	FY20 Revised Budget	FY20 Year-to-date as of June	FY21 Proposed Budget	Increase (Decrease) from FY20 Original
700 REVENUES:						
Sales Tax	2,794,044	2,609,674	2,609,674	2,104,483	2,606,634	(3,040)
Grant	-	-	1,250,000	-	-	-
Sale of Property	-	-	-	310,175	-	-
Rent	20,431	20,950	20,950	14,633	20,950	-
Interest	343,130	225,000	225,000	180,173	76,200	(148,800)
Transfers In	46,729	46,729	46,729	24,235	48,470	1,741
Total Revenues	**$ 3,204,334**	**$ 2,902,353**	**$ 4,152,353**	**$ 2,633,699**	**$ 2,752,254**	**$ (150,099)**
700 EXPENSES:						
Personnel	548,374	394,597	394,597	299,023	392,975	(1,622)
Operations & Maintenance / Assigned Projects	2,908,521	906,267	12,831,146	6,156,800	874,658	(31,609)
Capital / Unassigned Projects	4,470	1,601,489	114,791	29,188	1,484,621	(116,868)
Total Expenditures	**$ 3,461,365**	**$ 2,902,353**	**$ 13,340,534**	**$ 6,485,011**	**$ 2,752,254**	**$ (150,099)**
Revenues Over/ (Under) Expenditures	(257,031)	-	(9,188,181)	(3,851,312)	-	-
Unreserved Beginning Fund Balance	15,094,565	14,837,534	14,837,534	14,837,534	14,837,534	-
Unreserved Ending Fund Balance	**$ 14,837,534**	**$ 14,837,534**	**$ 5,649,353**	**$ 10,986,222**	**$ 14,837,534**	**$ -**

The Development Corporation is primarily funded through the type B sales tax, 28% of which is allocated for Economic Development initiatives. Staff proposed sales tax consistent with the General Fund’s conservative projections, which is more than a 5% decrease from FY20's projected year end. The decrease in operations & maintenance and capital offset the decrease in interest income.

Development Corp: Ballot Fund
Financial Summary

Description	FY19 Actual	FY20 Original Budget	FY20 Revised Budget	FY20 Year-to-date as of June	FY21 Proposed Budget	Increase (Decrease) from FY20 Original
711 REVENUES:						
Sales and Use Tax	7,184,684	6,710,590	6,710,590	5,411,528	6,702,772	(7,818)
Interest	58,843	75,000	75,000	38,841	6,000	(69,000)
Total Revenues	**$ 7,243,527**	**$ 6,785,590**	**$ 6,785,590**	**$ 5,450,369**	**$ 6,708,772**	**$ (76,818)**
711 EXPENSES:						
Personnel	60,930	-	-	-	-	-
Operations & Maintenance	5,548,113	5,987,250	5,987,250	5,309,333	6,500,054	512,804
Capital	-	798,340	798,340	-	208,718	(589,622)
Total Expenditures	**$ 5,609,043**	**$ 6,785,590**	**$ 6,785,590**	**$ 5,309,333**	**$ 6,708,772**	**$ (76,818)**
Revenues Over/ (Under) Expenditures	1,634,484	-	-	141,036	-	-
Unreserved Beginning Fund Balance	684,244	2,318,728	2,318,728	2,318,728	2,318,728	-
Unreserved Ending Fund Balance	**$ 2,318,728**	**$ 2,318,728**	**$ 2,318,728**	**$ 2,459,764**	**$ 2,318,728**	**$ -**

The Development Corporation is primarily funded through the type B sales tax, 72% of which is earmarked for ballot projects such as long term water supply and affordable housing. Staff proposed sales tax consistent with the General Fund's conservative projections, which is more than a 5% decrease from FY20's projected year end. The increase in operations & maintenance is to fund the Fort Stockton water rights agreement and debt service payments.

City Council

July 28, 2020

Major funds revenue & expenditures

- Airport
- State Office Building
- Fort Concho
- Fairmount Cemetery
- Swimming Pool
- Development Corporation
  - Economic Development
  - Ballot
- Health Insurance Update

Airport Fund	2019-20	2020-21	Inc/(Dec)
Revenue			
Leases, Concessions	1,356,013	1,486,755	130,742
Other	147,196	147,103	(93)
Total	**1,503,209**	**1,633,858**	**130,649**
Expenditure			
Personnel	789,053	792,653	3,600
O & M	714,156	764,825	50,669
Capital	-	76,380	76,380
Total	**1,503,209**	**1,633,858**	**130,649**
Revenue Over/(Under) Expenditure	**-**	**-**	

State Office Fund	2019-20	2020-21	Inc/(Dec)
Revenue			
Rent	1,260,302	1,228,974	(31,328)
Other	65,786	54,089	(11,697)
Total	**1,326,088**	**1,283,063**	**(43,025)**
Expenditure			
Personnel	123,499	122,218	(1,281)
O & M	813,424	842,551	29,127
Capital	389,165	318,294	(70,871)
Total	**1,326,088**	**1,283,063**	**(43,025)**
Revenue Over/(Under) Expenditure	**-**	**-**	

Fort Concho Fund	2019-20	2020-21	Inc/(Dec)
Revenue			
Rent & Programs	661,750	649,750	(12,000)
General Fund Transfer in	446,045	421,928	(24,117)
HOT Transfer in	50,000	50,000	-
Other	36,709	25,163	(11,546)
Total	**1,194,504**	**1,146,841**	**(47,663)**
Expenditure			
Personnel	771,913	752,749	(19,164)
O & M	414,591	392,092	(22,499)
Capital	8,000	2,000	(6,000)
Total	**1,194,504**	**1,146,841**	**(47,663)**
Revenue Over/(Under) Expenditure	**-**	**-**	

Fairmount Cemetery Fund	2019-20	2020-21	Inc/(Dec)
Revenue			
Charges for Service	282,600	283,050	450
General Fund Transfer in	86,250	88,992	2,742
Columbarium (restricted)	30,000	30,000	-
Other	55,000	55,000	-
Total	**453,850**	**457,042**	**3,192**
Expenditure			
Personnel	271,452	282,463	11,011
O & M	152,398	144,579	(7,819)
Columbarium (restricted)	30,000	30,000	-
Total	**453,850**	**457,042**	**3,192**
Revenue Over/(Under) Expenditure	**-**	**-**	

THE CITY OF SAN ANGELO ★ TEXAS ★

Municipal Pool Division	2019-20	2020-21	Inc/(Dec)
Revenue			
Charges for Service	138,000	138,000	-
Rentals	35,000	35,000	-
Other	10,500	10,500	-
Total	**183,500**	**183,500**	**-**
Expenditure			
Personnel	79,831	79,844	13
O & M	42,896	42,896	-
Capital	60,773	60,760	(13)
Total	**183,500**	**183,500**	**-**
Revenue Over/(Under) Expenditure	**-**	**-**	

COSA DC: Economic Dev.	2019-20	2020-21	Inc/(Dec)
Revenue			
Sales and Use Tax	2,609,674	2,606,634	(3,040)
Other	292,679	145,620	(147,059)
Total	**2,902,353**	**2,752,254**	**(150,099)**
Expenditure			
Personnel	394,597	392,975	(1,622)
O & M / Assigned Projects	906,267	874,658	(31,609)
Capital / Unassigned Projects	1,601,489	1,484,621	(116,868)
Total	**2,902,353**	**2,752,254**	**(150,099)**
Revenue Over/(Under) Expenditure	**-**	**-**	

COSA DC: Ballot	2019-20	2020-21	Inc/(Dec)
Revenue			
Sales and Use Tax	6,710,590	6,702,772	(7,818)
Other	75,000	6,000	(69,000)
Total	**6,785,590**	**6,708,772**	**(76,818)**
Expenditure			
O & M	5,987,250	6,500,054	512,804
Capital	798,340	208,718	(589,622)
Total	**6,785,590**	**6,708,772**	**(76,818)**
Revenue Over/(Under) Expenditure	**-**	**-**	

Health Insurance Update

City Council

July 28, 2020

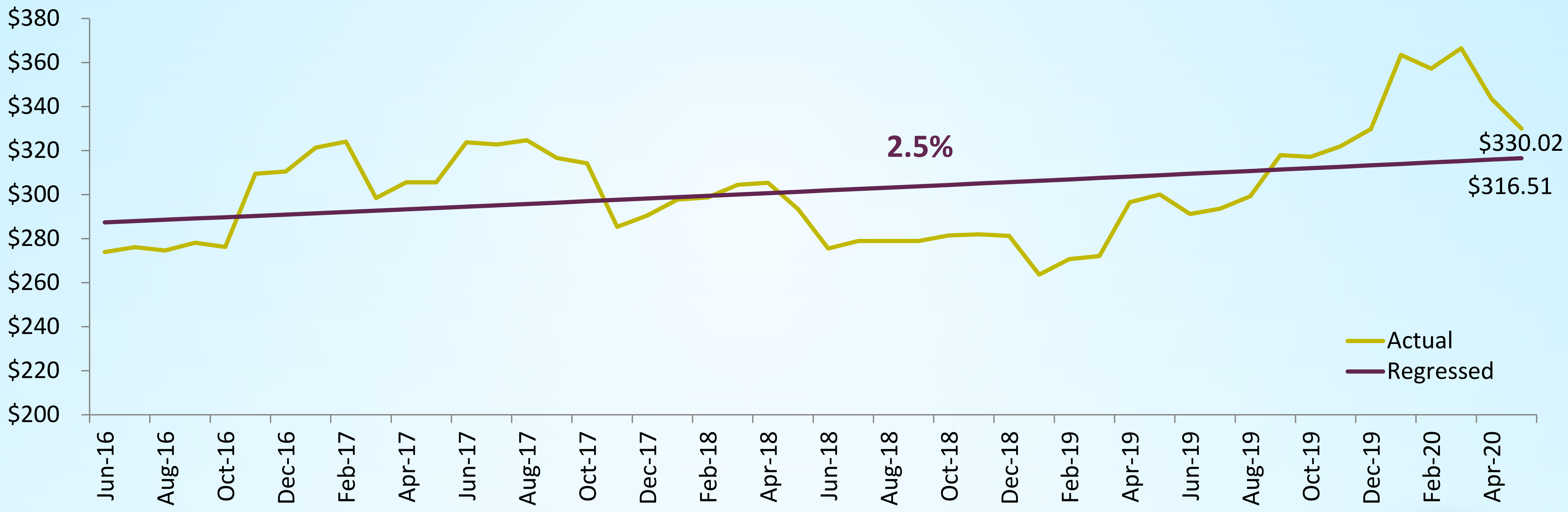
City Council

July 28, 2020

HISTORY

- Claims experience for Medical has historically been significantly lower than Aetna book of business
- Overall, the City’s trend has remained lower than the market
- 2019 marketing efforts created an even better contract than before

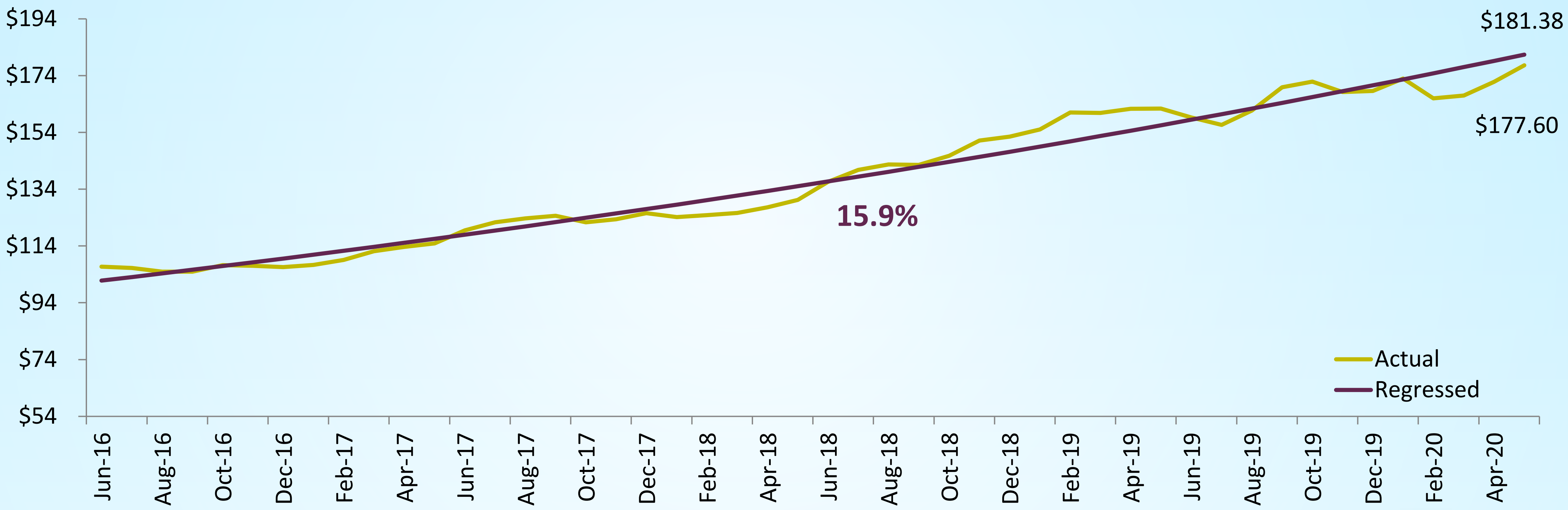
LOOKBACK MEDICAL



COVID UPDATE

- COVID expenses for members paid at 100%
- Impact to claims spend
  - COVID Lag for Elective Surgeries
  - Teledoc utilization increase
  - Behavioral shift – ER utilization decreases

LOOKBACK RX



$194
$174
$154
$134
$114
$94
$74
$54
$181.38
$177.60
15.9%
Jun-16
Aug-16
Oct-16
Dec-16
Feb-17
Apr-17
Jun-17
Aug-17
Oct-17
Dec-17
Feb-18
Apr-18
Jun-18
Aug-18
Oct-18
Dec-18
Feb-19
Apr-19
Jun-19
Aug-19
Oct-19
Dec-19
Feb-20
Apr-20
Actual
Regressed

RX PLAN

- Nominal COVID impact
- High cost specialty drugs on the rise
- Aetna/CVS Contract will continue to benefit the City
- Plan monitored regularly to mitigate future risk

BUDGET ASSUMPTIONS

- Medical Trend 6.8%
- RX Trend 7.1%
- Include COVID 19 Lag
- No plan design changes
- 4.4% increase to both employees and the City
- Enrollment remains the same

4.4% INCREASE

	Current Rates			
	E	S	C	F
High	$223.48	$843.30	$617.92	$1,068.70
Medium	$140.02	$677.20	$481.88	$872.54
Low	$20.44	$418.36	$277.74	$578.26
	2021 Proposed Rates			
	E	S	C	F
High	$233.24	$880.14	$644.92	$1,115.39
Medium	$146.14	$706.79	$502.93	$910.66
Low	$21.33	$436.64	$289.87	$603.52
	Increase Per Pay Period (24)			
	E	S	C	F
High	$4.88	$18.42	$13.50	$23.34
Medium	$3.06	$14.79	$10.53	$19.06
Low	$0.45	$9.14	$6.07	$12.63

CURRENT PLAN ENROLLMENT

Low			
EE	SP	CH	FM
707	51	122	86

Medium			
EE	SP	CH	FM
50	9	6	3

High			
EE	SP	CH	FM
18	4	1	0

BUDGET PROJECTION

PEPM Cost		
Revenue	2020 Plan Year Budget	2021 Proposed Budget
ER Contrib	$486.84	$518.48
EE Contribution	$137.39	$143.77
Total Premium	$624.23	$662.26
% Increase in ER Funding		4.4%
% Increase in EE Funding		4.4%
Employer Contribution	$6,146,000	$6,545,000
Employee Contribution	$1,743,000	$1,812,000
Total Income	$7,889,000	$8,357,000
City Revenue Increase		$274,000
Cost		
Gross Cost	$7,309,000	$8,357,000
Employee Contribution	$1,743,000	$1,812,000
Net Cost	$5,566,000	$6,545,000
Surplus	$580,000	$0

SUMMARY

- 4.4% increase keeps the plan solvent
  - Lower than market

- Plan design changes to absorb increase will increase member out of pocket costs

- Shannon acquisition causes uncertainty for future
  - Aetna is working to maintain contract integrity
  - Network deficiencies should be resolved

City Council

July 28, 2020

2019 MARKETING – PLAN SAVINGS

	Current	Aetna - BAFO
Estimated Medical	$3,267,000	$3,267,000
Estimated RX Costs	$3,144,870	$2,484,310
Admin Fees	$652,440	$546,876
Implementation Credits	$0	$0
Wellness Credits	($30,000)	($60,000)
Wellness Program		$120,000
Communication Credit	$0	($10,000)
Clinic Costs	$334,693	$172,500
Estimated Plan Costs (not including Stop Loss)	$7,369,003	$6,520,686
Cost To Current	$0	-$848,317
% to Current	0.0%	-11.5%

Performance Guarantee Risk		$205,781
Health Club Discount		50% for wellness program participants

2020 TELEMEDICINE UTILIZATION