

**HIGH POINT CITY COUNCIL
SPECIAL MEETING
SEPTEMBER 21, 2021 – 2:30 P.M.
COUNCIL CHAMBERS**

MINUTES

Note: In order to maintain the health, safety, and well-being of our residents, staff, and the City Council, this meeting was conducted electronically. As part of the City of High Point's COVID-19 mitigation efforts, in-person public attendance was not allowed at this meeting. Instead, the open session portion of the meeting was live-streamed and the public was provided a link to listen to the open session portion of the meeting as it was being live-streamed.

www.HighPointNC.gov/VirtualPublicMeeting

CALL TO ORDER

Mayor Wagner called the Special Meeting to order at 2:35 p.m.

Following a roll call vote by Mayor Wagner for attendance, the following council members were identified as being present:

Mayor Jay W. Wagner (physically present)
Mayor Pro Tem Christopher Williams- Ward 2 (physically present)
Council Member Tyrone Johnson- At Large (physically present)
Council Member Britt Moore- At Large (physically present)
Council Member Cyril Jefferson- Ward 1 (physically present)
Council Member Monica Peters- Ward 3 (physically present)
Council Member Wesley Hudson- Ward 4 (physically present)
Council Member Victor Jones- Ward 5 (remote participation)
Council Member Michael Holmes- Ward 6 (remote participation)

The following staff members were physically present:

Randy McCaslin, Interim City Manager; Eric Olmedo, Assistant City Manager; Greg Ferguson, Assistant City Manager; JoAnne Carlyle, City Attorney; Meghan Maguire, Assistant City Attorney; Angela Kirkwood, Director of Human Resources; Lee Tillery, Director of Parks & Recreation; Mary Brooks, Deputy City Clerk; and Lisa Vierling, City Clerk

Others Physically present:

Mark Browder- Mark III

PRESENTATION OF ITEMS**2020-366 Closed Session- Personnel**

Council is requested to go into Closed Session pursuant to N.C. General Statute 143-318.11(a)(6) for personnel to conduct the annual performance evaluations for the city attorney and city clerk.

A motion was made by Council Member Hudson, seconded by Council Member Johnson, to go into Closed Session pursuant to N.C. General Statute 143-318.11(a)(6) for personnel (to conduct the annual performance evaluations for the city attorney and city clerk). Following a roll call vote by the Mayor, the motion to go into Closed Session carried by the following unanimous 8-0 vote.

Aye (8): Mayor Wagner, Council Member Johnson, Council Member Moore, Council Member Jefferson, Council Member Peters, Council Member Hudson, Council Member Jones, and Council Member Holmes.

Absent (1): Mayor Pro Tem Williams [Mayor Pro Tem Williams had not yet joined the meeting when the motion was made to go into Closed Session]

2020-367 Presentation on the City's Health Insurance Renewal

Staff and the city's consultants, Mark III, will make a presentation on the City's Health Insurance Renewal for employees.

Angela Kirkwood, Director of Human Resources, advised that staff does an annual evaluation each year for the employee health and dental insurance for the city's insurance broker to present any changes in the industry and whether or not there will be an increase or not. She then introduced Mark Browder with Mark III, to provide an overview of the reasoning/rationale for any changes and to share the recommendations in terms of staying with CIGNA, the city's current insurance provider.

Mr. Browder pointed out that since 2018, the city has seen a double-digit increase. He explained they bid the health plan out and after going through the bid process, it was determined that there was not a better solution than CIGNA; they actually came in with the best overall competitive solution for the city which resulted in an increase of about 7.85%. He further explained that the increases are based on the city's employee/dependent claims and because the city is not pooled with anyone else, the claims that actually occur with employees, dependents, and retirees drive the cost for the plan. Mark III's responsibility is to ensure that the city has the best possible solution for every renewal process.

He advised that in 2019, there was a very competitive renewal and CIGNA was aggressive at a 1.58% increase; however, he noted from a budgetary standpoint, the city was allocated

about a 5% increase to ensure that there would be some reserve on a go-forward basis when there are times/changes that are higher than an average trending increase. The 2020 year resulted in a 5.72% increase with the city adding a health savings account. Mr. Browder spoke to how the employees were given a choice as to participation in the health savings account and it resulted in a decent enrollment and had an overall positive option for employees on dependent coverage.

For the 2021 renewal, they are looking at a mid-single digit increase and Mr. Browder proceeded to share information they consider when doing a renewal analysis. The renewal expectations for the current 2020 plan year, they are anticipating about an 18.5% increase on a fully-insured basis. He explained that many of their clients are also self-funded, so they look at that renewal in a self-funded environment and they were anticipating about an 8% increase. He reiterated that there was actually only a 5.72% increase.

He proceeded to share some slides of the actual claims (i.e. dollars paid out, premiums paid out), etc.... which resulted in a 94% loss ratio. He pointed out in the current 2020 plan year, CIGNA actually lost money but the city's role is not to help the insured make money and it ended up being an extremely aggressive renewal based on actual claims. They used the same math process for the upcoming 2021 renewal and are anticipating about a 12% increase (on a fully-insured basis). Mr. Browder pointed out that the claims are still running at about a 92% loss ratio range, so it is still running high based on the premiums collected. He noted that the most significant claim driver the city is seeing in claims is oncology/cancer claims, which is followed by diabetes and heart disease.

Mr. Browder advised that CIGNA's original renewal came in at a 9% increase and they were able to push back to get about a 3% reduction in the renewal which saved the city about \$486,000.

COVID has prompted some changes in the process for the upcoming enrollment period and Mr. Browder shared some of the changes as follows:

- ✓ *Call Center (option of calling in or doing an employee self-service with the ability to make appointments on-line to schedule a time to talk with a benefits counselor)*
- ✓ *Live chat feature for self-service/on-line enrollment*
- ✓ *Text Marketing as an outbound reminder*
- ✓ *FaceBook enrollment awareness*

Following his presentation, Mr. Browder entertained any questions.

Council Member Peters asked Mr. Browder to explain why it would have been a 12% increase if the actual increase was 6%. Mr. Browder explained this is all part of the renewal process in which they review the claims, trending rates, etc... and then they take a look at the expectation of what the costs are going to be and that is what generates the anticipated renewal expectation.

Council Member Peters then asked for clarification that the renewal rate for 2021 would be at a 6% increase which would amount to an additional \$1,000,000 out of the city's budget. Mr. Browder affirmed that was correct.

Mayor Wagner asked if there were any additional questions. Hearing none, Mr. McCaslin noted the CIGNA renewal for employee health/dental care is on Council's agenda for the 5:30 p.m. meeting and staff is recommending Council's approval so they can get started with the open enrollment process in October to put all this into effect for the employees by January 1st when the new year starts.

At 5:35 p.m., Council **recessed** the Special Meeting to join the Regular Meeting that was scheduled at 5:30 p.m. Mayor Wagner explained that Council would reconvene to the Special Meeting at the conclusion and after all business is taken care of in the Regular Meeting.

Council reconvened back to the Special Meeting at 6:51 p.m.

2020-371 Closed Session- Property Acquisition

Council is requested to go into Closed Session pursuant to N.C. General Statute 143-318.11(a)(5) for property acquisition.

At 6:51 p.m., Mayor Wagner then moved to go into Closed Session to finish up the personnel matter and to hear staff's presentation regarding the property acquisition matter. Council Member Hudson made a second to the motion. There were no objections from any council members to reenter Closed session.

Upon reconvening back into Open Session at 7:10 p.m., Mayor Wagner announced there would be no action taken relative to the Closed Session for the property acquisition matter, but there would be an announcement regarding the personnel matter.

2020-374 Annual Performance Evaluations for the City Attorney and City Clerk

Council is requested to confirm the following action that was taken in Closed Session for the city attorney and city clerk.

The High Point City Council conducted the annual performance evaluations for City Attorney Joanne Carlyle and City Clerk Lisa Vierling during a Closed Session held on Monday, September 21, 2020 at 2:30 p.m. The following action was taken relative to both positions.

City Attorney JoAnne Carlyle

- Approved a 2% salary increase retroactive to July 1st.
- Approved a one-time bonus in the amount of \$20,000 for service over and beyond call of duty.

City Clerk Lisa Vierling

- Approved a 1% salary increase retroactive to July 1st.
- Approved city's contribution/match to 401 (k) or 457 deferred compensation plan in an amount up to 6%.

ADJOURNMENT

There being nothing further to discuss, no objections were voiced to adjourn the meeting at 7:12 p.m.

Respectfully Submitted,

Jay W. Wagner, Mayor

Attest:

Lisa B. Vierling, City Clerk