Finance Committee
Committee Meeting Agenda
January 7, 2020
4:00 PM
Administrative Conference Room

1. **Call to Order**
2. **Roll Call**
3. **Approval of Agenda**
4. **Approval of Minutes**

    Approval of November 5, 2019 Finance Committee Meeting Minutes

5. **Reports**

    Chairperson

    Audit Committee

    Pension Board

    Council Liaison

    Staff

6. **Unfinished Business**

    Review Employe Benefits

    Health Insurance Costs

    SLAIT Annual Report

    Insurance Projections for Retirees

    City Plan vs. Other Plans

    Creve Coeur Summary of Benefits

    Health and Dental Survey

    Health Insurance Cost

    MBRA Report

    Use Tax

    Discussion of Use Tax

Follow up Discussion of Use Tax

7. **New Business**

   Disuss Expense Reduction Suggestions

   Follow Up Outstanding Task Force Items

   1. **Discuss Revenue Increase Suggestions**

8. **Other Business**

   FY20 Meeting Schedule

9. **Public Comments**

10. **Adjourn**

Finance Committee
Committee Meeting Minutes
November 5, 2019
4:00 PM
Administrative Conference Room

1. Call to Order

2. Roll Call

Richard Kutta	Chair
Ronald Abeles	Committee Member
Marjorie Richter	Committee Member
Adam Shulenburger	Vice Chair
Phillip Hellwege	Committee Member
Ted Armstrong	Committee Member
Wesley Perkins	Committee Member
Lori Obermoeller	Director of Finance
Mark Perkins	City Administrator
Sharon Stott	Assistant City Administrator
Tracy Brothers	Finance Clerk
Mike Hanson	Insurance Representative
Ellen Lawrence	Council Liaison

3. Approval of Agenda

Motion To Approve Agenda

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Phillip Hellwege, Committee Member
SECONDER:	Wesley Perkins, Committee Member
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

4. Approval of Minutes

Approval of October 22, 2019 Finance Committee Meeting Minutes

Requested to add the title Board Member to Ted Armstrong and Welsey Perkins's names in the Roll Call list. Requested to change the wording "increase approximately $6,000" to read "increase approximately $5,000 to $6,000 a year".

RESULT:	**ACCEPTED AS AMENDED [UNANIMOUS]**
MOVER:	Marjorie Richter, Committee Member
SECONDER:	Phillip Hellwege, Committee Member
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

5. Reports

Chairperson

Audit Committee

Pension Board

Mr. Armstrong stated the Pension Board met on October 22, 2019. The Fiduciary Advisors were present and reviewed the quarterly reports for quarter ending September 30, 2019. The Board discussed the lump sum buyout. There has been little interest from those that were mailed a letter, but the deadline of November 30, 2019 was still a ways out. Discussed a conflict of interest policy for the Pension fund and are in the process of drafting a policy at the present time. The Board also agreed to an RFP for Investment Advisory services which had not been done since 2013.

Council Liaison

Staff

6. Unfinished Business

Review Employee Benefits

Mike Hansen, Group Benefits Department Manager with Daniel & Henry who oversee the St. Louis Area Trust Insurance pool the City participates in was present. The plan currently has eighteen Cities participating. Mr. Hansen explained to the group how the Trust works, how the rates are determined and how much a rebate each city receives each year, etc. He gave the Committee different plan options where the City could possibly save money on their health insurance cost. Mr. Hansen explained the difference between a HRA and HSA plan and the cost involved to the employer and employee.

The Committee discussed the different options on how the City can reduce the cost of health care coverage. They discussed options that dealt with the deductible and the City paid portion for the different levels of coverage. The Committee also discussed the retirees that are eligible to remain on the City's insurance after retiring from the City.

Mr. Kutta suggested that each Committee, member send an email to Lori for outlining their recommendation to Council. Lori will compile all the emails for the Committee to review at the next meeting. Committee members need to have their suggestions or recommendation to Lori by November 30, 2019.

The Committee set a new meeting for January 7, 2020 to discuss this topic again. The Committee requested the agenda to be sent out a week before the scheduled meeting date. The Committee also asked if Mr. Hansen could come back to the January 7, 2020 meeting.

Insurance Projections for Retirees

RESULT:	**DEFERRED [UNANIMOUS]**
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

City Plan vs. Other Plans

RESULT:	**DEFERRED [UNANIMOUS]**
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

Health Insurance Summary of Benefits

Creve Coeur Summary of Benefits

RESULT:	**DEFERRED [UNANIMOUS]**
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

Health and Dental Survey

RESULT:	**DEFERRED [UNANIMOUS]**
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

Health Insurance Cost

RESULT:	**DEFERRED [UNANIMOUS]**
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

MBRA Report

RESULT:	**DEFERRED [UNANIMOUS]**
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

7. New Business

Discussion of Use Tax

The Committee discussed the potential revenue the City would received by adopting a use tax. The Committee would like an explanation of where the sales dollars come from and how the sales are calculated. Ms. Obermoeller stated she needs to research why the portion the City would receive has reduced significantly from past years projections.

RESULT:	**DEFERRED [UNANIMOUS]**
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

8. Other Business

FY20 Meeting Schedule

Finance Committee
Committee Meeting Minutes
November 5, 2019
4:00 PM
Administrative Conference Room

RESULT:	**DEFERRED [UNANIMOUS]**
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

Motion To Add January 7, 2020 meeting to schedule

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Marjorie Richter, Committee Member
SECONDER:	Ronald Abeles, Committee Member
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

9. Public Comments

10. Adjourn

Motion to Adjourn

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Marjorie Richter, Committee Member
SECONDER:	Phillip Hellwege, Committee Member
AYES:	Kutta, Abeles, Richter, Shulenburger, Hellwege, Armstrong, Perkins

Health Insurance Coverage for Full Time Employees and Retirees

Coverage	Number Enrolled	Total Monthly Premium	Employee Monthly Share (15%/20%)	City Monthly Share (85%/80%)	Total Annual cost	Total City Share Annual Cost	City's Actual %
Employee	40	574.42	86.16	488.26	275,721.60	234,363.36	85.00%
Employee + Child	18	1,091.46	189.57	901.89	235,755.36	194,808.02	82.63%
Employee + Spouse	16	1,206.34	212.55	993.79	231,617.28	190,808.26	82.38%
Family	30	1,665.89	304.46	1,361.43	599,720.40	490,115.88	81.72%
	104				1,342,814.64	1,110,095.52	

This chart shows the current health coverage rates, as well as the city and employee's share of the total premium.

Coverage	Number Enrolled	Total Monthly Premium	Employee Monthly Share (15%/20%)+$200	City Monthly Share (85%/80%)	Total Annual cost	Total City Share Annual Cost	Maximum Potential Savings**	City's Actual %
Employee	40	574.42	86.16	488.26	275,721.60	234,363.36		85.00%
Employee + Child	18	1,091.46	189.57	901.89	235,755.36	194,808.02		82.63%
Employee + Spouse	16	1,206.34	412.55	793.79	231,617.28	152,408.26		65.80%
Family	30	1,665.89	504.46	1,161.43	599,720.40	418,115.88		69.72%
	104				1,342,814.64	999,695.52	110,400.00	

This chart reflects a $200 charge being added to "Employee + Spouse" & "Family" coverage for those spouses that could be covered by their employer. The $200 is approximately what the rate would be if you changed the 20% to 50% on the "Employee + Spouse" coverage. We then applied that same $200 to the "Family" coverage. We used a flat $200 for Administrative purposes (it's simplier to understand and to administer).

**Maximum Potential Savings is assuming every spouse works, so our actual savings will be less.

ST. LOUIS AREA INSURANCE TRUST

A Self-Insurance Pool

Memorandum

30% of
health costs?
– pharmacy

TO: SLAIT Health Rate Committee
Barbara Sondag, City of Olivette
Marty Corcoran, City of Maplewood
Matt Conley, City of St. Ann

FROM: Steve Wicker *Steve*

DATE: March 20, 2019

SUBJECT: July 1, 2019 Health Renewal

Please be reminded that there will be a meeting of the Committee on Wednesday, March 27, 2019, at 3:00 p.m. at Olivette City Hall, 1140 Dielman Road, Olivette, MO 63132, 314-993-0444.

Enclosed please find the following items related to the July 1, 2019 health renewal.

1) A proposed 2019-2020 Budget;

2) Memo from Mike Hanson regarding a proposed change in the Pharmacy Benefit Manager;

3) By-city loss ratios for July 2016 through January 2019;

4) Proposed 2019-2020 rate increases by member;

5) A history of SLAIT health rate increases and plan changes;

6) A possible distribution of health surplus from the 2011-2012 policy year for your consideration.

The Budget is determined by expected claims. This year they are running at 102% of expected, or \$856.35 per employee per month (PEPM). For 2019-2020, PEPM claims costs are budgeted to be \$875.61, only 2.2% higher than this year's estimated actual. With 2,190 SLAIT employees, this projects to an annual cost of approximately \$23,015,000. This number was determined by assuming a 5% increase in claims costs and then subtracting known savings from a change in the pharmacy benefit manager (see attached memo from Mike Hanson). The overall fixed costs are estimated at \$2,083,500, so total expenses for the 2019-2020 year are projected at \$25,098,500. Since the current annualized premium is approximately \$25.25 million, a slight premium increase seems appropriate. A 2% increase provides an additional \$540,000 in premium and allows for a

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budgeted surplus of $871,000, approximately 3.8% of expected claims. In addition, since total health surplus from prior years is estimated at approximately $12.9 million at year end, I am proposing consideration of $350,000 surplus distribution from the 2011-2012 policy year. For members that were members during this year, the distribution will be nearly equal to the 2% premium increase. For example, Brentwood will pay $25,900 more in premium next year and its share of the distribution is approximately $24,895.

The overall proposed 2% rate increase has been distributed by member as has been done the past several years, to reward the best performers over the past 31 months for that good performance and to slightly penalize poor performers. Cities with loss ratios between 80% and 120% of the SLAIT loss ratio from July 2016 through January 2019, will receive the average rate increase of 2% effective July 1, 2019. Since the average loss ratio is 82%, this middle range is 66% to 98% and includes all but four members of the health plan. The one entity whose performance has been excellent, St. Ann, will receive no increase, and the 3 poorest performing entities, Ballwin, Maplewood and ECDC, will receive an increase of 4%.

Relative to fixed costs, the administrative charge for renting the Anthem network and claims paying will decrease to $33.42 monthly or an annual cost of approximately $880,000. Relative to specific stop loss, I have budgeted Anthem's current renewal quote, which at $37.74 PEPM is a 9.9% increase. Mike Hanson believes that a few dollars can be saved here, but the Budget works even at this amount. The retention will remain at $300,000. Total budgeted non-claims costs for the program are $2,083,500, approximately 8% of premium.

Finally, a summary of the financial aspects of this year's renewal is as follows. Expected claims without a change in prescription costs would be nearly 6% higher than last year's estimate and would necessitate a similar rate increase. The expected savings of $955,000 from the pharmacy changes allows for the 2% rate increase. In addition, SLAIT will be eligible for additional pharmacy rebates which could total as much as $850,000, a revenue stream the Trust was unable to tap previously.

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SLAIT HEALTH PROGRAM
2019-2020 Budget
Based on 2,190 Lives - 4,935 Members

	2017-2018 Actual		2018-2019 Estimate		2019-2020 Budget	
Premium	**$ 24,060,000**		**$ 25,245,000**		**$ 25,790,000**	
Interest	**$ 120,000**		**$ 170,000**		**$ 180,000**	
Total Revenue	**$ 24,180,000**		**$ 25,415,000**		**$ 25,970,000**	
Expenses - Claims are Estimated Mature						
Claims	19,752,403	789.46	22,505,000	856.35	23,015,000	875.61 *PEPM*
Administration	1,200,000	*PEPM*	1,235,000	*PEPM*	880,000	33.42
Wellness	30,000		165,000		120,000	
SpecificStop Loss	815,000	**	900,000		990,000	37.74
Aggregate Stop Loss	44,705		46,000		46,500	1.77
Other Expenses	26,500		30,000		35,000	
ACA Reinsurance Fees*	20,000		11,000		12,000	
Total Expenses	21,888,608		24,892,000		25,098,500	
Surplus	**$ 2,291,392**		**$ 523,000**		**$ 871,500**	

***Affordable Care Act Aggregate Reinsurance Fee - No longer assessed, effective 1/1/2017**
Patient Centered Outcomes Research Institute Fee - No longer assessed as of 9/1/2019

2009-2010 Surplus =	$378,174
2010-2011 Surplus =	$1,880,165
2011-2012 Surplus =	$1,774,451
2012-2013 Surplus =	$81,679
2013-2014 Surplus =	$2,402,685
2014-2015 Surplus =	$2,744,011
2015-2016 Surplus =	$651,190
2016-2017 Surplus =	$3,451,244
2017-2018 Surplus =	$2,241,071
2018-2019 Surplus =	$523,000
	$16,127,670

$3,258,339 has been disributed to members
**** Specific retention increased from $250,000 to $300,000**

→ Anthem will be at open enrollment meet.

To: Steve Wicker

From: Michael Hanson

Date: March 19, 2019

Re: Pharmacy Benefit Manager Recommendation

The SLAIT Pharmacy Benefit Manager (PBM) services were evaluated for the 2019 plan renewal. The vendors reviewed for the PBM services were the incumbent Castia Rx (formerly LDI), Express Scripts, and Anthem's new PBM Ingenio.

The three primary factors that were considered in the analysis of the proposals were the cost to the SLAIT plan, member service features, and coordination of administrative capabilities with the medical plan administration.

Cost to the SLAIT Plan – This factor has three components – Prescription Pricing, Administrative Fees, and Rebates. All three vendors submitted proposals to begin July 1, 2019.

- **Prescription Pricing** – Both Express Scripts (ESI) and Ingenio proposed a guaranteed discount on prescription prices that was significantly better than the current contact with Castia. The proposal from Castia was not as competitive. The ESI and Ingenio proposals may provide a significant savings in claims for the SLAIT plan. Using claims data from 2018, both vendors analyzed the paid claims information and estimated over $400,000 in savings for the SLAIT plan on those prescriptions that were used.
- **Administrative Fees** – Castia currently charges a dispensing fee of $1.25 per claim, and an administrative fee of $2.50 per claim. The new Castia proposal does reduce these costs, however the Ingenio proposal is the most competitive among the three vendors with a $0.50 dispensing fee and no administrative fee. The Ingenio proposal will reduce the administrative costs for SLAIT by approximately $195,000 per year.
- **Rebates** – All three vendors proposed a better guaranteed rebate arrangement on brand name prescriptions than what is offered under the current Castia contract. The guaranteed rebate per brand name script from Ingenio was the

best proposal, and the proposed rebates payable to the SLAIT plan are estimated to increase by approximately $1M for the 2019-20 policy year. Anthem has agreed to pre-fund a portion of the Rx Rebates for SLAIT by reducing the administrative fees. Anthem currently reduces the Medical administrative fee by $22.12 Per Employee Per Month for the Rx Rebates, and will increase that up-front administrative discount to $35.85 Per Employee Per Month with Ingenio Rx as the PBM. The value of the increased up-front discount to the Medical administrative fee represents a savings of approximately $360,000 to SLAIT.

- **Cost Recommendation – The proposal by Anthem / IngenioRx offers the greatest financial savings for the SLAIT plan to reduce administrative and claims costs.**

Member Service Features

- **Recommendation – The proposal by Anthem / Ingenio Rx offers the most comprehensive features for the SLAIT plan members. The features include:**
  - One integrated website and mobile app for members that will have both medical and pharmacy coverage information and claims data.
  - 24/7 Pharmacy customer service line.
  - Members can reach Medical or Pharmacy customer service with one phone number.
  - Enhanced data reporting for doctors – by having both pharmacy and medical data, Anthem can help doctors reduce the number of gaps in care, and provide the best medical guidance to patients.

Coordination of Administrative Capabilities

The current level of coordination between the medical plan administration provided by Anthem and the pharmacy benefit management services provided by Castia is limited in the current arrangement. As the medical and PBM systems are not fully integrated, there communication between the two systems is not an immediate process. This has resulted in delays in enrollment and errors in the accumulation of Out-of-pocket maximums, as well as delays in providing reporting data and stop loss claims data.

The administrative issues will continue with Castia as the PBM vendor, and Anthem has indicated that ESI will no longer have an integrated status in the future.

Recommendation: The proposal from Ingenio is the only option that will integrate the medical and pharmacy administrative functions and provide a streamlined management for the SLAIT plan. The administrative staff of the SLAIT plan will be able to better manage the day-to-day operations of the plan with a consolidated vendor at Anthem / Ingenio Rx.

	Current	Castia Renewal	Anthem - Ingenio	Express Scripts
Retail Network				
Brand Discount				
Year 1 (2019)	17.75%	16.50%	18.25%	18.00%
Year 2		16.50%	18.50%	18.25%
Year 3		16.50%	18.75%	18.50%
Generic Discount				
Year 1 (2019)	76.00%	79.00%	82.00%	82.00%
Year 2		79.25%	82.50%	82.25%
Year 3		79.50%	83.00%	82.50%
Dispensing Fee (Per Claim)	$1.25	$1.15	$0.50	$0.75
Estimated Fee (60,000 Claims)	$75,000	$69,000	$30,000	$45,000
Mail Pharmacy				
Brand Discount				
Year 1 (2019)	25.00%	24.00%	26.00%	24.00%
Year 2		24.00%	26.25%	24.25%
Year 3		24.00%	26.50%	24.50%
Generic Discount				
Year 1 (2019)	78.00%	83.50%	86.00%	85.50%
Year 2		83.75%	86.50%	85.75%
Year 3		84.00%	87.00%	86.00%
Dispensing Fee	$0.00	$0.00	$0.00	$0.00
Specialty Pharmacy				
Discount				
Year 1 (2019)	18.00%	17.00%	18.50%	18.00%
Year 2		17.25%	18.75%	18.25%
Year 3		17.50%	19.00%	18.50%
Dispensing Fee	Castia $0 / Retail $2.50	Castia $0 / Retail $1.15	$0.00	$0.00
Additional Specialty Fee	n/a	$3,000/mo	n/a	n/a
Administrative Fee	$2.50 Per Claim	$1.50 Per Claim	$0.00	$0.00
Estimated Fee (60,000 Claims)	$150,000	$90,000	$0	$0
Rebates - Per Brand Script				
Retail - Approximately 7500 scripts annually				
Year 1 (2019)	$58.13	$75.00	$113.00	$138.55
Year 2		$80.00	$141.22	$160.88
Year 3		$85.00	$157.50	$183.65
Mail - Approximately 500 scripts annually				
Year 1 (2019)	$174.39	$250.00	$555.65	$415.65
Year 2		$275.00	$695.31	$482.65
Year 3		$300.00	$783.06	$550.95
Specialty - Approximately 600 scripts annually				
Year 1 (2019)	n/a	$700.00	$1,138.79	$900.00
Year 2		$750.00	$1,432.03	$1,000.00
Year 3		$800.00	$1,617.73	$1,100.00
Estimated Rebates by Year				
Year 1 (2019)	$627,804.00	$1,104,000.00	$1,799,746.00	$1,781,408.00
Year 2		$1,183,600.00	$2,254,941.20	$2,041,489.60
Year 3		$1,263,200.00	$2,530,906.80	$2,305,504.00
Total		$3,550,800.00	$6,585,594.00	$6,128,401.60

THE DANIEL AND HENRY CO.
INSURANCE AND RISK MANAGEMENT

SLAIT
Premium vs Claims
July 2016 through June 2019 (as of January 31st)

City	Paid Premium	Paid Claims	Loss Ratio
Ballwin	$3,921,428	$3,878,901	99%
Brentwood	$3,196,437	$2,564,643	80%
Chesterfield	$5,740,153	$4,110,885	72%
Clayton	$4,775,931	$4,496,296	94%
Creve Coeur	$3,713,716	$3,333,013	90%
Des Peres	$3,507,571	$3,333,273	95%
East Central Dispatch	$684,057	$752,951	110%
Ferguson	$3,569,316	$2,439,656	68%
Frontenac	$1,642,558	$1,500,546	91%
Lake St. Louis	$2,896,376	$2,145,017	74%
Maplewood	$2,769,808	$2,861,261	103%
Maryland Heights	$5,952,921	$4,882,300	82%
Olivette	$2,068,933	$1,653,424	80%
Richmond Heights	$3,607,958	$2,682,308	74%
Rock Hill	$1,026,327	$679,887	66%
St. Ann	$2,373,172	$1,242,729	52%
Town and Country	$1,058,552	$794,522	75%
University City	$6,766,650	$5,625,637	83%
Webster Groves	$1,939,557	$1,123,602	58%
West Central Dispatch	$370,950	$330,808	89%
Total	**$61,582,372**	**$50,431,659**	**82%**

SLAIT Health Plan
2019-2020 Rate Changes

City	Loss Ratio * July 2016-February 2019	Current Estimated Annual Premium	Rate Change	Renewal Estimated Annual Premium
St. Ann	52%	$925,000	0.0%	$925,000
		$925,000		$925,000
Rock Hill	66%	$412,500	2.0%	$420,750
Ferguson	68%	$1,380,000	2.0%	$1,407,600
Chesterfield	72%	$2,295,000	2.0%	$2,340,900
Richmond Heights	74%	$1,405,000	2.0%	$1,433,100
Lake St. Louis	74%	$1,155,000	2.0%	$1,178,100
Town & Country	75%	$450,000	2.0%	$459,000
Olivette	80%	$805,000	2.0%	$821,100
Brentwood	80%	$1,295,000	2.0%	$1,320,900
Maryland Heights	82%	$2,360,000	2.0%	$2,407,200
University City	83%	$2,650,000	2.0%	$2,703,000
WCDC	89%	$92,500	2.0%	$94,350
Creve Coeur	90%	$1,360,000	2.0%	$1,387,200
Frontenac	91%	$650,000	2.0%	$663,000
Clayton	94%	$1,960,000	2.0%	$1,999,200
Des Peres	95%	$1,395,000	2.0%	$1,422,900
Webster Groves	58% (14 months only)	$1,800,000	2.0%	$1,836,000
		$21,465,000		$21,894,300
Ballwin	99%	$1,550,000	4.0%	$1,612,000
Maplewood	103%	$1,045,000	4.0%	$1,086,800
ECDC	110%	$260,000	4.0%	$270,400
		$2,855,000		$2,969,200
Total		**$25,245,000**		**$25,788,500**

* Excludes amounts in excess of individual stop loss

History of SLAIT Health Rate Increases – As of July 1, 2019

1) **For 2010-2011 Policy Year**
- 10% rate increase
- Plan changes equal to 6% reduction in estimated losses
- Pharmacy co-pay increase from $8/25/40 to $10/35/60, (3% reduction)
- Office visit co-pay increase from $20/20 to $20/40, (2% reduction)
- ER co-pay from $100 to $200 (1% reduction)

2) **For 2011-2012 Policy Year**
- 7.5% rate increase
- Plan changes equal to 1.5% reduction in estimated losses
- Office visit co-pay increase $20/40 to $25/40 (1% reduction)
- ER co-pay from $200 to $250 (.5% reduction)

$0 deductible plan eliminated

Maplewood & University City move to $250

3) **For 2012-2013 Policy Year**
- Primary Increase 4%
- Varied among members – Range = 1% to 9%

No Plan Changes

4) **For 2013-2014 Policy Year**
- Primary Increase 5.6%
- Varied among members – Range = 3% to 11%
- ACA Reinsurance Fee effective 1/1/14

No Plan Changes

5) **For 2014-2015 Policy Year**
- Overall Increase 4.8%
- Varied among members – Range = 1.8% to 7.8%
- Maximum out-of-pocket increased by $1,500/$3,000 as ACA requires medical co-pays be included

6) **For 2015-2016 Policy Year**
- Overall Increase = 0
- Range = -3% to 3%
- Maximum out-of-pocket increased by $1,000/$2,000 as ACA requires prescription drug co-pays be included

7) **For 2016-2017 Policy Year**

- Overall Increase = 4.5%
- Range = 2.5% to 6.5%

No Plan Changes

8) **For 2017-2018 Policy Year**

- Overall Increase = 2%
- Range = 0% to 4%

9) **For 2018-2019 Policy Year**

- Overall Increase = 2%
- Range = 0% to 4%

SURPLUS DISTRIBUTION
HEALTH PREMIUMS
To Be Distributed September, 2019

		2011-2012 HEALTH PREMIUM	% OF TOTAL	2011-2012 HEALTH DISTRIBUTION
1	Ballwin	1,222,370.65	7.11%	24,894.82
2	Brentwood	1,106,475.06	6.44%	22,534.49
3	Chesterfield	1,652,549.93	9.62%	33,655.86
4	Clayton & CRSWC	1,539,063.68	8.96%	31,344.60
5	Creve Coeur	1,205,651.66	7.02%	24,554.32
6	Des Peres	1,030,807.20	6.00%	20,993.44
7	ECDC	154,338.27	0.90%	3,143.26
8	Ferguson	926,817.19	5.39%	18,875.57
9	Frontenac	556,868.50	3.24%	11,341.19
10	Lake St. Louis			
11	Manchester			
12	Maplewood	838,969.60	4.88%	17,086.47
13	Maryland Heights	2,045,550.38	11.90%	41,659.71
14	Olivette	838,729.65	4.88%	17,081.58
15	Richmond Heights	1,162,522.83	6.76%	23,675.96
16	Rock Hill	310,271.32	1.81%	6,318.99
17	St. Ann			
18	Town & Country			
19	University City	2,513,381.98	14.63%	51,187.58
20	Webster Groves			
21	WCDC	81,122.79	0.47%	1,652.15
		17,185,490.69	100.00%	350,000.00

	17,185,490.69
Manchester	713,630.39
	17,899,121.08

Communication: SLAIT Annual Report (Review Employe Benefits)

City's Projected Retiree Health Insurance Costs for Pre-July 1, 2001 Hires

Retiree or Active	Coverage Plan	Monthly Premium Amount	Retiree's Monthly Portion	City's Monthly Portion	Date Age 65: come off plan	Date of Normal Retirement	2019 Yearly Amount	2020 Yearly Amount	2021 Yearly Amount	2022 Yearly Amount	2023 Yearly Amount	2024 Yearly Amount	2025 Yearly Amount	2026 Yearly Amount	2027 Yearly Amount
Retiree	Retiree & Family	$1,665.89	$304.46	$1,361.43	11/7/2026	NA	$16,337.16	$16,337.16	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	
Retiree	Retiree & Child	$1,091.46	$189.57	$901.89	10/20/2028	NA	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68
Retiree	Retiree & Child	$1,091.46	$189.57	$901.89	10/31/2027	NA	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12
Retiree	Retiree/Family	$1,665.89	304.46	$1,361.43	7/12/2021	NA	$16,337.16	$16,337.16	$16,337.16						
Retiree	Retiree	$574.42	$86.16	$488.26	2/3/2023	NA	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12				
Retiree	Retiree	$574.42	$86.16	$488.26	8/18/2024	NA	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12			
Retiree	Retiree & Spouse	$1,206.34	$212.55	$993.79	3/10/2023	NA	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48				
Retiree	Retiree & Spouse	$1,206.34	$212.55	$993.79	11/12/2027	NA	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48
Retiree	Retiree	$574.42	$86.16	$488.26	4/25/2027	NA	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12
Retiree	Retiree & Spouse	$1,206.34	$212.55	$993.79	7/2/2020	NA	$11,925.48	$11,925.48							
Retiree	Retiree & Family	$1,665.89	$304.46	$1,361.43	11/28/2021	NA	$16,337.16	$16,337.16	$11,925.48						
Retiree	Retiree	$574.42	$86.16	$488.26	10/22/2029	NA	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12
Retiree	Retiree & Spouse	$1,206.34	$212.55	$993.79	9/21/2020	NA	$11,925.48	$11,925.48							
Retiree	Retiree/Child	$1,091.46	$189.57	$901.89	11/24/206	NA	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$5,859.12	$5,859.12	$5,859.12	
Total Retirees (14)							$152,617.92	$152,617.92	$119,943.60	$91,680.96	$86,717.40	$63,969.24	$58,110.12	$58,110.12	$40,325.52
Active	Retiree/Family	$1,665.89	304.46	$1,361.43	9/28/2021	10/1/2011			$16,337.16						
Active	Retiree/Sp	$1,206.34	212.55	$993.79	3/30/2026	3/30/2026				$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	
Active	Retiree/Family	$1,665.89	304.46	$1,361.43	10/25/2035	10/27/2025							$16,337.16	$16,337.16	$16,337.16
Active	Retiree/Child	$1,091.46	189.57	$901.89	7/11/2032	7/14/2022			$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$5,859.12	$5,859.12
Active	Retiree	$574.42	86.16	$488.26	7/20/2024	7/20/2024			$5,859.12	$5,859.12	$5,859.12	$5,859.12			
Active	Retiree/Family	$1,665.89	304.46	$1,361.43	11/5/2038	11/7/2028									
Active	Retiree/Sp	$1,206.34	212.55	$993.79	10/26/2025	10/26/2025			$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48		
Active	Retiree/Family	$1,665.89	304.46	$1,361.43	4/5/2027	4/5/2027					$16,337.16	$16,337.16	$11,925.48	$11,925.48	$11,925.48
Active	Retiree/Family	$1,665.89	304.46	$1,361.43	2/27/2033	3/2/2023					$16,337.16	$16,337.16	$16,337.16	$16,337.16	$16,337.16
Active	Retiree/Child	$1,091.46	189.57	$901.89	9/15/2032	9/18/2022				$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68
Active	Retiree/Sp	$1,206.34	212.55	$993.79	2/26/2038	2/29/2028									
Active	Retiree/Child	$1,091.46	189.57	$901.89	4/1/2040	4/4/2030									
Active	Retiree	$574.42	86.16	$488.26	3/22/2029	3/22/2029			$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12
Active	Retiree	$574.42	86.16	$488.26	10/30/2030	10/30/2030			$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12
Active	Retiree/Sp	$1,206.34	212.55	$993.79	8/31/2022	8/31/2022			$11,925.48	$11,925.48					
Active	Retiree/Child	$1,091.46	189.57	$901.89	3/31/2034	4/2/2024						$10,822.68	$10,822.68	$10,822.68	$10,822.68
Active	Retiree	$574.42	86.16	$488.26	9/16/2029	9/16/2029							$5,859.12	$5,859.12	$5,859.12
Active	Retiree/Family	$1,665.89	304.46	$1,361.43	4/29/2032	5/2/2022				$16,337.16	$16,337.16	$16,337.16	$16,337.16	$16,337.16	$16,337.16
Active	Retiree/Sp	$1,206.34	212.55	$993.79	5/16/2026	5/16/2026			$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	
Active	Retiree	$574.42	86.16	$488.26	3/31/2032	4/3/2022				$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12
Active	Retiree	$574.42	86.16	$488.26	1/1/2028	1/1/2028					$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12
Active	Retiree/Family	$1,665.89	304.46	$1,361.43	6/7/2026	6/9/2016			$16,337.16	$16,337.16	$16,337.16	$11,925.48	$11,925.48	$11,925.48	
Active	Retiree/Family	$1,665.89	304.46	$1,361.43	2/15/2034	2/18/2024						$16,337.16	$16,337.16	$16,337.16	$16,337.16
Total Actives (23)							$0.00	$0.00	$96,850.80	$125,458.08	$152,066.04	$174,814.20	$186,739.68	$169,850.64	$134,074.20
Grand Total (37)							**$152,617.92**	**$152,617.92**	**$216,794.40**	**$217,139.04**	**$238,783.44**	**$238,783.44**	**$244,849.80**	**$227,960.76**	**$174,399.72**

Communication: Insurance Projections for Retirees (Review Employe Benefits)

City's Projected Retiree Health Insurance Costs for Pre-July 1, 2001 Hires

Retiree or Active	Coverage Plan	2028 Yearly Amount	2029 Yearly Amount	2030 Yearly Amount	2031 Yearly Amount	2032 Yearly Amount	2033 Yearly Amount	2034 Yearly Amount	2035 Yearly Amount	2036 Yearly Amount	2037 Yearly Amount	2038 Yearly Amount	2039 Yearly Amount	2040 Yearly Amount
Retiree	Retiree & Family													
Retiree	Retiree & Child	$10,822.68												
Retiree	Retiree & Child													
Retiree	Retiree/Family													
Retiree	Retiree													
Retiree	Retiree													
Retiree	Retiree & Spouse													
Retiree	Retiree & Spouse													
Retiree	Retiree													
Retiree	Retiree & Spouse													
Retiree	Retiree & Family													
Retiree	Retiree	$5,859.12	$5,859.12											
Retiree	Retiree & Spouse													
Retiree	Retiree/Child													
Total Retirees (14)		$16,681.80	$5,859.12	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Active	Retiree/Family													
Active	Retiree/Sp													
Active	Retiree/Family	$16,337.16	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48					
Active	Retiree/Child	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12								
Active	Retiree													
Active	Retiree/Family	$16,337.16	$16,337.16	$16,337.16	$16,337.16	$16,337.16	$16,337.16	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48		
Active	Retiree/Sp													
Active	Retiree/Family													
Active	Retiree/Family	$16,337.16	$16,337.16	$16,337.16	$16,337.16	$16,337.16	$16,337.16							
Active	Retiree/Child	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68								
Active	Retiree/Sp	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48	$11,925.48		
Active	Retiree/Child			$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68
Active	Retiree	$5,859.12	$5,859.12											
Active	Retiree	$5,859.12	$5,859.12	$5,859.12										
Active	Retiree/Sp													
Active	Retiree/Child	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68	$10,822.68						
Active	Retiree	$5,859.12	$5,859.12											
Active	Retiree/Family	$16,337.16	$16,337.16	$16,337.16	$16,337.16	$16,337.16								
Active	Retiree/Sp													
Active	Retiree	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12								
Active	Retiree	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12	$5,859.12		
Active	Retiree/Family													
Active	Retiree/Family	$10,822.68	$10,822.68	$5,379.12	$5,379.12	$5,379.12	$5,379.12	$5,379.12						
Total Actives (23)		$144,896.88	$140,485.20	$134,146.08	$128,286.96	$128,286.96	$89,408.88	$68,660.04	$52,458.24	$40,532.76	$40,532.76	$40,532.76	$10,822.68	$10,822.68
Grand Total (37)		**$161,578.68**	**$146,344.32**	**$134,146.08**	**$128,286.96**	**$128,286.96**	**$89,408.88**	**$68,660.04**	**$52,458.24**	**$40,532.76**	**$40,532.76**	**$40,532.76**	**$10,822.68**	**$10,822.68**

City Plan with SLAIT vs	High Deductible Health Plan
City of Creve Coeur **St. Louis Area Insurance Trust (SLAIT)** **Anthem BlueCross BlueShield Plan**	**Generic** **High Deductible Health Plan (HDHP)**
• City's Plan Deductible of: o $1,500 for individual coverage o $3,000 for family coverage • City competitive with many other SLAIT cities. All SLAIT cities have the same health care plan with varying deductibles: o 3 cities w/$250 o 3 cities w/$500 o 4 cities w/$1,000 o 7 cities w/$1,500 deductible o 1 city w/existing HDHP in place prior to joining SLAIT; city pays 50% HRA to employee offset deductible	• Must have a minimum deductibles of: o $1,350 for individual coverage o $2,700 for family coverage
• Maximum total yearly out-of-pocket expense (including deductibles, copayments, and coinsurance): o $4,000/individual o $8,000/family o *Exception: limits do not apply to out-of-network services* • Co-pays apply for provider office or clinic (primary care $25; specialist $40)	• Maximum total yearly out-of-pocket expense (including deductibles, copayments, and coinsurance): o $6,650/individual o $13,300/family o *Exception: limits do not apply to out-of-network services* • Increased out-of-pocket costs can be burdensome especially for low income families • Some individuals may delay or avoid physician-recommended tests or treatments because of high associated costs; possibility of result in worse conditions/higher claims later.

City Plan with HRA vs	HSA Option
City of Creve Coeur **Health Reimbursement Account (HRA)**	**Health Savings Account (HSA)**
• City benefit to offset high deductible costs • Pre-Tax Income • City pays up to $1,100 (individual) deductible; or $2,200 (family) deductible • Employees must meet eligibility requirements for HRA: o Employee pays initial $400 (individual) or $800 (family); o Employee submits required documentation to 3rd party administrator.	• Used by an employer to offset employee healthcare cos • Pre-Tax Income o Tax-deductible contributions o Tax-free growth o Tax-free withdrawals for qualified medical expenses. • Max Contribution Limits o $3,450 (individual) o $6,900 (family) with a $1,000 catch-up contribution for people age 55 or older • Permanent contribution of the employer. 100% employe money. Employees can utilize, roll over, take funds with them after employment ends. • Employer expense is fixed. • If given an option, generally the healthy employees sign for HDHP.

Communication: City Plan vs. Other Plans (Review Employe Benefits)

• City has experienced reduced premium increases since joining SLAIT; 10-year average premium rate increase of 3.7% (2010-2019); whereby: o Industry trend is 12-15% premium increases per year. o Prior to joining SLAIT, Creve Coeur experienced a 10-year average increase of 11.3% (2000-2009).	• Generally have lower premiums, but with higher deductibles, co-insurance and out of pocket maximums • Possibility for large claims exists regardless of group or individual coverages which can also impact premiums.

Other notes:

- Employers offering more than one plan can have an adverse selection; in other words, "healthy" people will take one plan; while "unhealthy" employees can take the other; claims for one can impact the premium rates for one or both.
  - Currently, no SLAIT cities offer more than one plan. Possible reason may include difficulty managing enrollment, payroll processes and educating employees on different plans.
  - City would still have occasional large claims regardless of plan chosen which would impact premiums.
- Switching to a traditional HDHP would generally not produce the same level of premium savings for SLAIT participants as could normally for an individual company/city because the cost of claims are spread through a larger group.
- Cafeteria Plans: Some private employers offer a Cafeteria plan in lieu of paying a portion/or all of offsetting a specific insurance for employees. Cafeteria plans are generally a lump sum paid to employees who then elect the coverages they prefer through company or on their own:
  - Pre-tax dollars provided to employees to be permitted to elect the insurance(s) the employee elects to allocate the funds toward.
  - Adverse selection effect can occur whereby voluntary election of group policies can reduce the number of employees electing certain insurances and inadvertently cause those premiums to be higher later. Group policy premium rates tend to be less expensive when an entire employee population is included because provider is guaranteed a specific number of participants at the time RFP is submitted versus a voluntary benefit.
- An employer can have both HRA and HSA, but an HRA cannot be used until the entire HDHD deductible has been met first by employee.
- City of Creve Coeur Medical Benefit Reimbursement Account (MBRA): In FY2019, City projected $14,650 on MBRA. Employees who are eligible to be on the city's health insurance and waive coverage altogether, or are eligible to enroll spouse or children and opt to waive dependent coverage, are eligible for $50 per month (or $600/annually max) for each month coverage is waived.

Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

Fwd: City of Creve Coeur - Medical Plan / HDHP Review

1 message

Sharon Stott <sstott@crevecoeurmo.gov> Wed, Aug 28, 2019 at 11:45 AM
To: Lori Obermoeller <lobermoeller@crevecoeurmo.gov>

---------- Forwarded message ---------
From: **Mike Hanson** <HansonM@danielandhenry.com>
Date: Wed, Dec 5, 2018 at 4:28 PM
Subject: City of Creve Coeur - Medical Plan / HDHP Review
To: Sharon Stott (sstott@crevecoeurmo.gov) <sstott@crevecoeurmo.gov>, Lauren Khawaja (lkhawaja@crevecoeurmo.gov) <lkhawaja@crevecoeurmo.gov>
Cc: Dana Pederson <pedersond@danielandhenry.com>

Sharon,

This email is a summary of the discussion we had last week regarding the possibility of a High Deductible Health Plan (HDHP) for the City of Creve Coeur. Please let me know if you need any additional information or if it would be helpful for me to meet with the Finance Committee to discuss the subject further.

We established the City's primary interest in this pursuing this subject is to manage health insurance costs and reduce those costs if possible. Many organizations and business that have independent health insurance plans (both fully-insured and self-funded) will implement a High Deductible Health Plan (HDHP) that is qualified for a Health Savings Account (HSA) in order to reduce the insurance premiums or claims costs incurred by the plan. Generally these plans are effective at reducing costs for the insurance carrier or employer because a greater portion of the health care costs are shifted to the employee's responsibility.

First, we reviewed the effectiveness of the SLAIT Health program. The SLAIT program has minimized the health insurance cost increases for the participating cities, and the City has seen renewals over the last five years that are much lower than the industry trend of 12-15% per year. The renewal rate increases for the City of Creve Coeur over the last five years have been:

2014	1.8%
2015	0%
2016	4.5%
2017	2.0%
2018	2.0%

The results of the SLAIT health insurance program have allowed the participating cities to keep the premiums for their current plans lower than the market for independent employer plans, generally speaking. As the SLAIT plans do not need to provide profitability for an insurance company, the participating cities together mitigate the risk of an unexpected and volatile medical insurance renewal. However, these lower premiums translate to a smaller opportunity to achieve a premium savings by converting to a HDHP, as the Trust would still need to maintain an overall premium level to account for the claims incurred by all the participating cities.

Second, we discussed the current medical benefit plan and Health Reimbursement Arrangement (HRA) offered by the City, and how that compares to an HSA-qualified HDHP.

- Currently
    - The City reimburses up to 73% of the deductible for employees and dependents participating in the medical plan through the HRA.
    - Essentially the employee is only responsible for an individual deductible of $400, or a family deductible of $800 during the plan year.
    - The city only pays the HRA claims when an employee/dependent has the medical claims
- HSA-Qualified HDHP
    - The **minimum** deductible for a plan is $1,350 individual / $2,700 family –
    - There is no cost sharing permitted by the plan prior the deductible being paid by the employee. The plan may not reimburse expenses through an HRA, and the employee must pay the full cost of medical services until the deductible is met. (No copays for Office Visits, prescriptions, Emergency Room – all services are paid 100% by the employee until the deductible is met.)
    - The City can make tax-free contributions to the Employee's Health Savings Account (HSA) that can be used to pay for health expenses. These contributions become the employees' property and are irrevocable, however, and may not be recovered if the employee leaves the City or does not have any health care expenses.

Transitioning from the current medical plan and HRA to an HSA-qualified HDHP will create significant discontent in the employee population, particularly when many of the surrounding cities offer the exact same SLAIT plan that Creve Coeur currently offers. Depending on the deductible chosen for the HDHP plan, and the HSA contributions offered by the City, it may not provide any cost reduction compared to the current plans offered. However there is one recommendation for an immediate cost-saving measure the City should consider: the reduction or elimination of the HRA currently offered to employees. The HRA is a direct cost the City incurs to subsidize the out-of-pocket costs that are acquired by employees. Reducing or eliminating the HRA would be the easiest and most logical way to shift some of the health care costs back to employees.

It may be possible to introduce and roll out the HSA/HDHP concept over time and replace the current plan option, however this strategy would take considerable time and preparation to implement. The same recommendation of reducing or eliminating the HRA would also be the first step in transitioning to an HSA-qualified HDHP if this is a direction the City would like to proceed in for future years.

If there is anything you can think of from our call that I haven't mentioned in this email, please let me know.

Thanks,

Mike Hanson
Account Executive

Assistant Manager Group Benefits
The Daniel and Henry Co.
1001 Highlands Plaza Drive West Suite 500
St. Louis, MO 63110
314-444-5009

Communication: City Plan vs. Other Plans (Review Employe Benefits)

CITY OF CREVE COEUR
EMPLOYEE BENEFITS SUMMARY

THE CITY OF CREVE COEUR MAINTAINS A HIGH LEVEL OF EMPLOYEE BENEFITS FOR FULL-TIME* EMPLOYEES INCLUDING DEPENDENT HEALTH AND DENTAL INSURANCE COVERAGE. THE FOLLOWING IS INTENDED FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A CONTRACT BETWEEN THE APPLICANT/EMPLOYEE AND THE CITY.

HOLIDAYS: 10.5 days per year, average. A listing is posted each year in January. Commissioned police officers are eligible for holiday pay and is paid in one lump sum in December.

FY2019 Cost to City: $145,353 (commissioned officers only); non-commissioned employee cost included in budget as regular salary for each full-time employee

PERSONAL HOLIDAY: Eight (8) hours with pay per year after successful completion of probationary period (generally one year from date of hire) and each year thereafter. Up to forty (40) hours of unused personal holidays may be carried over from one calendar year to the next.

FY2019 City Cost: included in budget as regular salary for each full-time employee

VACATION LEAVE: Vacation is accrued each pay period (twice per month) at the following rates:

Years of Service	Accrual Rate
0 to 4 years	80 hours annually
5 to 9 years	120 hours annually
10 to 19 years	160 hours annually
20 or more years	200 hours annually

The annual accrual of vacation based on years of service plus forty (40) additional hours may be carried over from one calendar year to the next.

FY2019 City Cost: included in budget as regular salary for each full-time employee

PAY IN LIEU OF VACATION LEAVE: Employees are eligible to receive pay in lieu of vacation leave following the first year of employment. Pay in lieu of vacation is bonus pay for a city fiscal year maximum of eighty (80) hours.* In no event shall an employee qualify for an amount of pay-in-lieu such that it would reduce his/her total vacation balance to fewer than eighty (80) hours on the date on which payment of pay-in-lieu of vacation is made.

**In FY2019, employees permitted to request up to a maximum of 40 hours only.*

FY2019 Cost to City: $35,157

SICK LEAVE: Each full-time employee shall accrue four (4) hours of sick leave for each full pay period of full-time service rendered to the City. Up to 1056 hours of accrued sick leave may be accrued. Employees who use 16 or fewer sick hours per calendar year receive an extra 8 hours of vacation leave for the next calendar year. The City makes available Family and Medical Leave consistent with federal law. Sick leave is not payable to employees following employment term.

FY19 City Cost: Included in budget as regular salary for each full-time employee

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MEDICAL INSURANCE: Currently provided by Anthem Blue Cross Blue Shield (BCBS). The plan year begins July 1. Open enrollment is held in June each year.

Medical coverage is effective on the first day of employment. Currently, 85% of premium is paid by the City for individual coverage and 80% for dependent coverage. The City Council determines the contribution level each year. Medical premiums are paid by payroll deduction pre-tax.

The plan carries a $1,500 deductible for single coverage or $3,000 per family. The City will reimburse the employee for deductible expenses over $400/single coverage or $800/family coverage. The plan offers four premium tiers:

July 1, 2019 - June 30, 2020	**Anthem BCBS Monthly Premium Rates**			
	Employee Only	**Employee & Child(ren)**	**Employee & Spouse**	**Family**
Total Premium:	$574.42	$1,091.46	$1,206.34	$1,665.89
City Contribution:	$488.26	$901.89	$993.79	$1,361.43
Employee Contribution:	**$86.16**	**$189.57**	**$212.55**	**$304.46**

FY19 City Cost: $1,111,344

MEDICAL BENEFIT REIMBURSEMENT: City will reimburse a full-time employee who qualifies to enroll in the City's health insurance plan for a portion of the cost for coverage if the employee elects to not enroll himself/herself and/or some or all of his/her qualifying dependents in the City's health insurance plan. This reimbursement is not available to employees whose spouse or dependent is also a full-time employee of the City. The annual reimbursement amount is $600. For employees who were not eligible for health insurance for the entire year, the sum is prorated. Reimbursements are paid in an annual lump sum on the first payroll date of December each year.

FY19 City Cost: $14,650

SECTION 125 PLAN: City provides you with an opportunity to participate in the Section 125 plan which allows the pre-tax deduction of health care spending, dependent care spending and insurance premium costs. This lowers the amount of your taxable income - generating savings that are used to offset eligible reimbursable costs and insurance premiums you pay through payroll deduction. Your election to participate is subject to IRS rules and is binding for the plan year with limited exceptions. Employees may enroll to receive two (2) debit cards. Additional information is provided with the enrollment form. Open enrollment is in December each year.

FY19 City Cost: $7,542 (Flexible Spending, Dependent Care, Health Deductible Reimbursement third party administrator)

LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT: Two times annual salary for full-time employees; elected officials receive $30,000. Coverage begins on date of hire/took office. City pays 100% premium.

FY19 City Cost: $30,230

LONG TERM DISABILITY INSURANCE: Coverage consists of 60% of basic earnings up to a maximum benefit of $5,000 a month. Payment begins after the greater of 90 days or the expiration of paid sick leave. (Eligible after one year of employment.) City pays 100% premium.

FY19 City Cost: $19,060

VOLUNTARY SHORT TERM DISABILITY INSURANCE: Coverage consists of 60% of basic earnings up to a maximum benefit of $1,000 per week for up to 12 weeks. Payment begins after the 8th day or the expiration. (Eligiblity Limitations: If you have received treatment for a condition within 3 months prior to your effective date until you have been covered under the policy for 12 months, or if you remain treatment free for a period of six consecutive months.) Employee pays 100% premium.

FY19 City Cost: $0

DENTAL INSURANCE: Currently provided by Anthem Dental. Coverage begins on date of hire. Dental premiums are paid by payroll deduction pre-tax. Anthem Dental Plan requires $25 deductible per member/$75 deductible family. Preventive services are covered at 100%, Basic Dental Services at 80%, Major Dental Services at 60% and Periodontic Services at 80%, and Orthodontic Services at 50%. Maximum benefit per year is $1,500 per person. Employee contribution required through payroll deduction. The city pays 66.4% of Employee Only premium and 61.5% of Employee + Child(ren), Employee + Spouse, or Family premiums. Open enrollment is held in December. The plan year begins January 1. The plan offers four premium tiers.

Jan. 1, 2019 – Dec. 31, 2020	**Anthem Dental Monthly Premium Rates**			
	Employee Only	**Employee + Child(ren)**	**Employee + Spouse**	**Family**
Total Premium:	$33.50	$76.64	$67.01	$102.93
City Contribution:	$22.24	$47.14	$41.21	$63.31
Employee Contribution:	**$11.26**	**$29.50**	**$25.80**	**$39.62**

FY19 City Cost: $49,482

VISION INSURANCE (VOLUNTARY): Currently provided by EyeMed. Employee pays 100% of premium. Vision premiums are paid by payroll deduction pre-tax. $10 co-pay every calendar year for well-vision exam (in network). $20 copay for prescription lenses every calendar year. No co-pay and $150 allowance for frames plus a 20% off the remaining balance every 24 months. No co-pay and $150 allowance for contacts plus 15% off the remaining balance every calendar year. Laser vision correction is available at discount pricing. Open enrollment is held in late October. The plan year begins January 1. The plan offers four premium tiers:

Jan. 1, 2016 – Dec. 31, 2019	**EyeMed Monthly Premium Rates**			
	Employee Only	**Employee & Spouse**	**Employee & Child(ren)**	**Family**
Employee Contribution:	**$8.05**	**$15.31**	**$16.12**	**$23.69**

FY19 Cost to City: $0

PENSION PLAN: Employees hired on or after June 1, 2006 are eligible for a defined benefit plan with Missouri Local Government Employees Retirement System (LAGERS). The vesting period is 60 months (5 years) and may occur at one or more LAGERS employers. Once vested, an employee is guaranteed a monthly benefit for life. The City's benefit program level is LT-8(65) which is 1.50% for Life plus .50% to age 65. LAGERS benefits are based entirely on a formula:

BENEFIT PROGRAM LT-8(65)
X
HOW LONG YOU WORK (CREDITED SERVICE)
X
HOW MUCH YOU EARN (FINAL AVERAGE SALARY OF 60 MONTH AVERAGE)
=
MONTHLY BENEFIT FOR LIFE

Employees must contribute 4% of gross wages including overtime and recurring bonuses and are withdrawn each pay period. Employee contributions are guaranteed to the employee or beneficiary(ies) should they leave employment with the City. Contributions from both the City and the employee begin six months after date of hire, unless an employee has completed at least six months with a different LAGERS employer. Normal retirement is: age 55 for police employees; age 60 for general employees. For more information about LAGERS, visit www.molagers.org or call (800) 447-4334.

FY19 City Cost: $1,691,960 (combined total for closed Creve Coeur Defined Benefit Plan and LAGERS)

DEFERRED COMPENSATION (VOLUNTARY): Employees may elect to participate in a 457 deferred compensation plan through ICMA Retirement Corporation. Contributions, as determined by the employee, are deducted on a pre-tax basis to the annual maximums allowed by law.

FY19 City Cost: $0

ROTH IRA (VOLUNTARY): Employees may elect to participate in a Roth IRA through ICMA Retirement Corporation. Contributions, as determined by the employee, are deducted after tax to the annual maximum allowed by law.

FY19 City Cost: $0

RETIREMENT PLAN ADVISORS (RPA): The City contracts with RPA, an independent investment company, to provide review of deferred compensation plans, enhanced investment menus options with greater flexibility, and ongoing individualized investment advice to employees. The advisory service fee of 30 basis points is shared 50%-50% between the City and the employee whereby fees are deducted directly from the employee investment earnings. Employees can meet with RPA advisors at work during normal business hours or at the local RPA office in St. Peters, Mo. All new full-time employees are encouraged to meet with an RPA advisor in the first couple months of employment for consultation.

FY19 City Cost: $16,029

EMPLOYEE ASSISTANCE PROGRAM: The City contracts with Personal Assistance Services (PAS) to provide employees and qualified dependents with professional assistance to help resolve a wide range of personal and work-related concerns. These concerns include, among others, emotional issues, relationship challenges, legal and financial issues, child care and elder care concerns, alcohol/drugs issues, job stress and career challenges. To find out more about EAP services, contact PAS at 1-800-356-0845 or visit www.paseap.com. A consultant will answer calls 24 hours/day, 7 days/week. All services are completely confidential.

FY19 City Cost: $3,270

EDUCATION BENEFITS: City pays for books and tuition for approved work related courses up to state university rates. Pre-approval required. Subject to budget appropriation levels.

FY19 City Cost: $9,375

WELLNESS: Employees are encouraged to utilize the on-site Fitness Center complete with locker room and showers and participate in the Wellness Program activities when offered. Discounts at the City's Ice Arena and Golf Course, including free open-session ice skating and free golf, are also offered to employees. The City has an extensive wellness program where employees can participate in a variety of health-related activities.

FY19 City Cost: $4,198 (does not include ice or golf expenses)

MOST – MISSOURI'S 529 COLLEGE SAVINGS PLAN (VOLUNTARY): Employees may elect to participate in a 529 College Savings Plan through payroll deduction. Contributions are paid for 100% by the employee. For more information including the enrollment application and payroll deduction form, visit www.missourimost.org or call 888-414-6678.

FY19 City Cost: $0

OTHER SUPPLEMENTAL INSURANCE (VOLUNTARY): Several supplemental insurance benefits are available at group rates through payroll deduction. Premiums are paid 100% by the employee through payroll deduction. Term Life and AD&D benefits are available from Lincoln Financial Group. Long-Term Care benefits are available from Unum. Cancer and intensive care coverage are available through Washington National. If you are interested, please ask for more information at the time of hire or during insurance enrollment.

FY19 City Cost: $0

GENERAL PUBLIC ENTITY LIABILITY

General public entity liability insurance and police liability coverage are provided by the St. Louis Area Insurance Trust.

FY19 City Cost: $122,032

ADDITIONAL INFORMATION IS AVAILABLE ON ALL OF THESE BENEFITS. PLEASE CONTACT THE OFFICE OF THE CITY ADMINISTRATOR FOR ASSISTANCE.

EXHIBIT 2

HEALTH INSURANCE SURVEY 2017

Assembled by City of Des Peres

Sorted by % Premiums Paid	AVERAGE	Wildwood	Lake St L	Ellisville	Bridgeton	Des Peres	Ballwin	Creve Coeur	Rock Hill	Sunset Hills	Ferguson	Crestwood	Clayton
Purchased Thru		Broker	SLAIT	Broker	Broker	SLAIT	SLAIT	SLAIT	SLAIT	Broker	SLAIT	Broker	SLAIT
Carrier		UHC	Anthem	Cigna	UHC	Anthem	Anthem	Anthem	Anthem	UHC	Anthem	UHC	Anthem
Deductibles													
In-Network - Employee	1,444	2,000	500	1,000	500	1,000	1,500	1,500	1,500	2,000	500	5,000	1,500
In-Network - Family	2,889	4,000	1,000	2,000	1,000	2,000	3,000	3,000	3,000	4,000	1,000	10,000	3,000
Out-Network - Employee	3,135	6,000	1,000	3,000	1,000	2,000	3,000	3,000	3,000	6,000	2,000	10,000	3,000
Out-Network- Family	6,426	12,000	2,000	6,000	2,000	4,000	6,000	6,000	6,000	12,000	4,000	20,000	6,000
HRA Reimbursement													
Employee	49.5%	90.0%	0.0%	100.0%	0.0%	50.0%	66.7%	73.3%	100.0%	37.5%	0.0%	100.0%	66.7%
Family	47.9%	45.0%	0.0%	100.0%	0.0%	50.0%	66.7%	73.3%	100.0%	37.5%	0.0%	100.0%	66.7%
Net Employee Deductible	481	200	500	$ -	500	500	500	400	$ -	1,250	500	$ -	500
Net Family Deductible	1,028	2,200	1,000	$ -	1,000	1,000	1,000	800	$ -	2,500	1,000	$ -	1,000
Premiums:													
Employee	549.06	576.84	597.21	611.49	629.00	581.05	437.82	541.30	604.73	432.21	578.91	572.98	467.69
Emp + Child(ren)	1,037.56	652.34	1,045.14	1,068.90	1,293.00	1,133.19	1,345.00	1,028.51	1,178.42	756.44	1,117.20	1,004.30	841.84
Emp + Spouse	1,187.58	1,761.16	1,194.39	1,223.00	1,419.00	1,350.47	833.64	1,136.77	1,168.00	864.46	1,217.85	1,145.94	982.15
Full Family	1,588.08	1,757.84	1,642.32	1,681.63	1,922.00	1,733.50	1,345.00	1,569.81	1,843.44	1,188.64	1,707.30	1,575.67	1,356.30
Paid by City													
Employee	92.8%	100.0%	92.8%	90.0%	100.0%	90.0%	94.5%	85.0%	100.0%	100.0%	90.0%	89.0%	90.0%
Emp + Child(ren)	77.9%	100.0%	87.3%	85.0%	80.7%	90.0%	81.3%	82.6%	75.0%	78.8%	78.0%	79.0%	75.0%
Emp + Spouse	77.3%	100.0%	87.1%	85.0%	82.4%	90.0%	85.9%	82.4%	75.0%	75.8%	76.9%	79.0%	75.0%
Full Family	73.4%	100.0%	85.1%	85.0%	87.0%	75.0%	81.3%	81.7%	75.0%	70.1%	73.5%	71.0%	75.0%

EXHIBIT 2

Paid by City													
Employee	509.73	576.84	554.00	550.34	629.00	522.95	413.60	460.10	604.73	419.13	521.02	509.95	420.92
Emp + Child(ren)	807.91	652.34	912.69	908.57	1,043.00	1,019.87	1,094.02	849.87	883.82	596.04	870.91	793.40	631.38
Emp + Spouse	922.45	1,761.16	1,039.72	1,039.55	1,169.00	1,215.42	715.92	936.48	876.00	655.19	936.34	905.29	736.61
Full Family	1,169.39	1,757.84	1,398.36	1,429.39	1,672.00	1,300.13	1,094.02	1,282.91	1,382.58	833.06	1,254.48	1,118.73	1,017.23
Paid By Employee													
Employee	39.33	-	43.21	61.15	-	58.11	24.22	81.20	-	13.08	57.89	63.03	46.77
Emp + Child(ren)	229.65	-	132.45	160.34	250.00	113.32	250.98	178.64	294.61	160.40	246.29	210.90	210.46
Emp + Spouse	265.13	-	154.67	183.45	250.00	135.05	117.72	200.29	292.00	209.27	281.51	240.65	245.54
Full Family	418.69	-	243.96	252.24	250.00	433.38	250.98	286.90	460.86	355.58	452.82	456.94	339.08

Employee Maximum Monthly													
Emp Premium + Net Deductible													
Employee	79.38	16.67	84.88	61.15	41.67	99.77	65.89	114.53	-	117.25	99.56	63.03	88.44
Emp + Child(ren)	316.99	183.33	215.78	160.34	333.33	196.65	334.31	245.31	294.61	368.73	329.62	210.90	293.79
Emp + Spouse	350.78	183.33	238.00	183.45	333.33	218.38	201.05	266.96	292.00	417.60	364.84	240.65	328.87
Full Family	506.03	183.33	327.29	252.24	333.33	516.71	334.31	353.57	460.86	563.91	536.15	456.94	422.41

FOOTNOTES:

Survey Timing	All data presented is as of January 1, 2017
Aggregate Contribution	is an estimate of the average premium paid by the city representing 1 employee in each group. The author understands that the employee censı
Bridgeton	Pays 100% of Premiums for Employees; Rate for other levels of coverage vary based on date of hire. If hired before 2012, monthly employee coı
Chesterfield	Has only a 2 Tiered Premium System: Employee and Familly whether he family is EMP-Child(ren), EMP-Spouse or EMP- Spouse and Child(ren)
Frontenac	Pays 90.0% of employee premium + 60.0% of difference between dependent coverage and employee premiums
Glendale	Purchased thru ACA Exchange; Premiums for Employees & Dependants Age Based; Glendale Pays 100% of employee coverage + 90.0% of differe
Hazelwood	Pays 100%of Employee Coverage + 50.0% of difference between other levels of coverage and employee coverage
Kirkwood	Offers Employees 2 Plan Options: (1) with 100% Co-Insurance and (2) with 80% Co-Insurance; city conributions are different between plans; Dat
Manchester	Pays 90.0% of employee only coverage; for other levels of coverage pays 50.0% of employee premum + part of difference between coverage an
Maryland Heights	Pays 100%of Employee Coverage + 50.0% of difference between other levels of coverage and employee coverage
Sunset Hills	Offers 2 Plans- a PPO (reflected in the survey) and (HSAPlan) within in-network deductibles of $2,600/$5,200 and premiums of $333.69(E),$58
Wildwood	Pays 100% of Premium for all coverages

EXHIBIT 2

HEALTH INSURANCE SURVEY 2017

Assembled by City of Des Peres

Sorted by % Premiums Paid	Maplewood	Glendale	Hazelwood	U City	M Heights	St Ann	Brentwood	Olivette	Webster	Town & Country	Frontenac	Manchester	Chesterfield	Kirkwood	R Heights
Purchased Thru	SLAIT	Exchange	Broker	SLAIT	SLAIT	SLAIT	SLAIT	SLAIT	Broker	SLAIT	SLAIT	Broker	SLAIT	Broker	SLAIT
Carrier	Anthem	Anthem	Cigna	Anthem	Anthem	Anthem	Anthem	Anthem	Cigna	Anthem	Anthem	UHC	Anthem	BCBS	Anthem
										(HSA)					
Deductibles															
In-Network - Employee	250	3,500	1,000	250	250	1,500	1,500	1,000	500	2,000	1,000	5,000	1,500	750	500
In-Network - Family	500	7,000	2,000	500	500	3,000	3,000	2,000	1,000	4,000	2,000	10,000	3,000	1,500	1,000
Out-Network - Employee	500	7,000	3,000	500	500	3,000	3,000	2,000	2,000	4,000	2,000	10,000	3,000	150	1,000
Out-Network- Family	1,500	14,000	6,000	1,500	1,500	6,000	6,000	4,000	4,000	8,000	4,000	20,000	6,000	3,000	2,000
HRA Reimbursement										(HSA)					
Employee	100.0%	92.9%	0.0%	0.0%	0.0%	0.0%	75.0%	0.0%	100.0%	50.0%	50.0%	85.0%	100.0%	0.0%	0.0%
Family	100.0%	92.9%	0.0%	0.0%	0.0%	0.0%	75.0%	0.0%	100.0%	50.0%	50.0%	85.0%	100.0%	0.0%	0.0%
Net Employee Deductible	$ -	250	1,000	250	250	1,500	375	1,000	$ -	1,000	500	750	$ -	750	500
Net Family Deductible	$ -	500	2,000	500	500	3,000	750	2,000	$ -	2,000	1,000	1,500	$ -	1,500	1,000
Premiums:		Age Based													
Employee	598.40	634.62	639.61	548.19	621.56	525.62	480.72	490.38	559.06	367.71	495.61	631.18	428.02	636.36	536.35
Emp + Child(ren)	1,017.63		1,215.37	986.56	1,112.57	998.67	918.00	955.57	1,045.59	717.05	966.44	1,104.56	1,193.63	1,103.12	1,177.63
Emp + Spouse	1,316.49	1,269.24	1,344.42	1,151.00	1,392.28	1,103.80	1,012.58	1,025.06	1,320.13	772.20	1,040.78	1,262.37	1,193.63	1,260.72	1,303.21
Full Family	1,615.69		1,918.99	1,589.47	1,752.78	1,524.30	1,397.15	1,378.97	1,638.37	1,121.54	1,511.62	1,735.76	1,193.63	1,786.50	1,801.99
		At Age 50													
Paid by City															
Employee	100.0%	100.0%	100.0%	85.0%	100.0%	91.0%	100.0%	80.0%	100.0%	100.0%	90.0%	90.0%	76.6%	81.2%	90.0%
Emp + Child(ren)	73.0%	71.4%	81.7%	75.0%	77.9%	73.0%	76.2%	75.1%	77.0%	75.6%	75.4%	72.9%	67.9%	69.4%	68.2%
Emp + Spouse	84.0%	71.4%	73.8%	75.0%	72.3%	73.0%	73.7%	74.8%	73.0%	73.8%	74.3%	70.0%	67.9%	68.1%	66.5%
Full Family	65.0%	71.4%	66.7%	75.0%	67.7%	73.0%	67.2%	73.6%	67.0%	67.2%	69.8%	64.5%	67.9%	63.5%	61.9%

EXHIBIT 2

Paid by City															
Employee	598.40	634.62	639.61	465.96	621.56	478.31	480.72	392.31	559.06	367.71	446.05	568.06	328.02	517.04	482.71
Emp + Child(ren)	742.87		992.79	739.92	867.07	729.03	699.36	717.94	805.10	542.39	728.55	804.75	810.83	765.88	803.35
Emp + Spouse	1,105.85	906.23	992.02	863.25	1,006.92	805.77	746.65	766.58	963.69	569.96	773.15	883.66	810.83	858.77	866.15
Full Family	1,050.20		1,279.31	1,192.10	1,187.17	1,112.74	938.94	1,014.31	1,097.71	753.62	1,055.66	1,120.30	810.83	1,135.04	1,115.53
Paid By Employee															
Employee	-	-	-	82.23	-	47.31	-	98.07	-	-	49.56	63.12	100.00	119.32	53.64
Emp + Child(ren)	274.76		222.58	246.64	245.50	269.64	218.64	237.63	240.49	174.66	237.89	299.81	382.80	337.24	374.28
Emp + Spouse	210.64	363.01	352.40	287.75	385.36	298.03	265.93	258.48	356.44	202.24	267.63	378.71	382.80	401.95	437.06
Full Family	565.49		639.68	397.37	565.61	411.56	458.21	364.66	540.66	367.92	455.96	615.46	382.80	651.46	686.46
Employee Maximum Monthly															
Emp Premium + Net Deductible															
Employee	-	20.83	83.33	103.06	20.83	172.31	31.25	181.40	-	83.33	91.23	125.62	100.00	181.82	95.31
Emp + Child(ren)	274.76		389.25	288.31	287.17	519.64	281.14	404.30	240.49	341.33	321.22	424.81	382.80	462.24	457.61
Emp + Spouse	210.64	404.68	519.07	329.42	427.03	548.03	328.43	425.15	356.44	368.91	350.96	503.71	382.80	526.95	520.39
Full Family	565.49		806.35	439.03	607.28	661.56	520.71	531.33	540.66	534.59	539.29	740.46	382.80	776.46	769.79

FOOTNOTES:
Survey Timing
Aggregate Contribution

Bridgeton
Chesterfield
Frontenac
Glendale
Hazelwood
Kirkwood
Manchester
Maryland Heights
Sunset Hills
Wildwood

EXHIBIT 2

January 2018 Dental Benefits Survey

	Lake Saint Louis	Ballwin	Brentwood	Chesterfield		Clayton	Creve Coeur	Des Peres	ECDC	Ferguson
Carrier	Delta Dental	Delta Dental	Delta Dental	Delta Dental	Delta Dental	Delta Dental	Delta Dental	The Standard	Delta Dental	SunLife/Assurant
Plan Name	Delta Dental PPO	PPO - DentacareM	Delta Dental PPO	Delta Dental PPO (Low Option)	Delta Dental PPO (High Option)	Delta Dental PPO- *self-insured*	Delta Dental PPO	PPO	Delta Dental PPO	Dental PPO
Contract Term	7/1/17-6/30/19	6/1/2017-6/1/2018	7/1/17 - 6/30/18			10/1/16 - 9/30/18	1/1/2017 -12/31/2018	1/1/18-12/31/19	6/1/17-5/31/18	7/1/17-6/30/18
Calendar Year Deductible	0	50EE/150 FAM	25	50 emp/150 family	50 emp/150 family	50 emp / 150 family	25 emp/75 family	50 emp/150 family	$25/person; $75 family limit	50
Annual Maximum	2,000	1,000	1,000	1,000	1,000	1,250	1,500	1,000	1,000	1,500
Preventative Services Coverage	100%	100%	80%	100%	100%	100%	100%	100%	100%	100%
Basic Services Coverage	100%	90%	80%	80%	90%	80%	80%	90%	90%	80%
Major Services Coverage	60%	60%	80%	50%	60%	65%	60%	60%	60%	50%
Orthodontia	50%/$1,000 max	50%/1,000 max	50%/$1,000 max	50%/$1,000 max	50%/$1,000 max	50%/$1,000 max	50%/1,500 max	50%	50%/$1,000 max	50%/1,500 max
Monthly Premiums:										
Employee	38.27	33.78	32.15	28.13	36.71	32.28	40.31	28.12	38.39	23.01
Emp + Child(ren)	84.91	68.22	N/A	55.75	72.73	76.59	92.22	65.18	88.25	50.64
Emp + Spouse	78.28	68.22	N/A	N/A	N/A	65.14	80.63	56.85	76.78	62.46
Full Family	133.88	125.16	82.89	95.32	117.02	109.45	123.85	92.49	127.69	97.64
Paid by City										
Employee	38.27	32.24	32.15	28.13	28.13	32.28	26.76	25.31	38.39	20.89
Emp + Child(ren)	80.47	32.24	N/A	41.93	41.93	57.63	56.71	58.66	63.31	39.61
Emp + Spouse	73.89	32.24	N/A	N/A	N/A	48.89	49.58	51.17	57.58	47.61
Full Family	124.23	32.24	32.15	61.72	61.72	81.82	76.17	69.37	83.03	71.45
Paid By Employee										
Employee	0	1.54	0	0	8.58	0	13.55	2.81	0	2.12
Emp + Child(ren)	4.44	35.98	N/A	13.82	30.80	18.96	35.51	6.52	24.94	11.03
Emp + Spouse	4.39	35.98	N/A	N/A	N/A	16.25	31.05	5.69	19.20	14.85
Full Family	9.65	92.92	50.74	33.60	55.30	27.63	47.68	23.12	44.66	26.19
Percentage Paid by City										
Employee	100.0%	95.4%	100.0%	100.0%	76.6%	100.0%	66.4%	90.0%	100.0%	90.8%
Emp + Child(ren)	94.8%	47.3%	N/A	75.2%	57.7%	75.2%	61.5%	90.0%	71.7%	78.2%
Emp + Spouse	94.4%	47.3%	N/A	N/A	N/A	75.1%	61.5%	90.0%	75.0%	76.2%
Full Family	92.8%	25.8%	38.8%	64.8%	52.7%	74.8%	61.5%	75.0%	65.0%	73.2%
Census										
Employee	21	52	49	61.00	43.00	55	32	28	13	
Emp + Child(ren)	11	39	N/A	34.00	33.00	13.00	9	26	1	
Emp + Spouse	11		N/A			22.00	13	18	8	
Full Family	37	44	63	20.00	25.00	72	36	29	2	
Not enrolled	2	2	0	16.00	0	11	19	0	2	

	Frontenac	Maplewood	Maryland Heights	Olivette	Richmond Heights	Rock Hill	St. Ann	Town & Country	Webster Groves		University City	University City
Carrier	Delta Dental	Delta Dental	Reliance Standard	Delta Dental	Delta Dental	MetLIfe	Standard	Delta Dental	Sunlife/Assurant	Sunlife/Assurant	Delta Dental	Delta Dental
Plan Name	Delta Dental PPO			Delta Dental PPO	Delta Dental PPO		Ameritas PPO	Delta Dental PPO	PPO High	PPO Low	High Option- PPO	Low Option-PPO
Contract Term	7/1/17/6/30/18			7/1/17-6/30/18	6/1/17-5/31/18	1/1/18-12/31/18	1/1/18-12/31/18	1/1-12/31/18	1/1/18-12/31/18	1/1/18-12/31/18	7/1/17-6/30/18	7/1/17-6/30/18
Calendar Year Deductible	25 ind / 75 fam	25	25/50 and 50/100	25 ind/75 family	$25 per person/$75 family	50 emp/150 family	0	50 emp/150 family	25	50	50 emp/150 fam	75 ind/unlim fam
Annual Maximum	$1000 ind / $2000	1,000	1500 and 1000	2,000	1,000	1,000	1,000	1,000	1,500	1,500	1,500	1,000
Preventative Services Coverage	100%	80%	100%	100%	100%	100%	100%	100%	100%	80%	100%	100%
Basic Services Coverage	80%	80%	90%/80%	80%	90%	100%	90%	90%	90%	80%	90%	70%
Major Services Coverage	80%	80%	60%/50%	60%	60%	60%	60%	60%	60%	50%	60%	50%
Orthodontia	50% /$1,000 max	50%/1,000 max	1000 manimum	50%/$1,000 max	50%/$1,000 max	50%/$1000 max	50%/1,500	50%/1,000 max	2,000 max	1,500 max	$2,000 lifetime	$1,000 lifetime
Monthly Premiums:												
Employee	41.13	36.35	31.12	48.17	38.39	32.08	31.99	34.06	33.50	23.54	$36.12	$11.99
Emp + Child(ren)		n/a	67.68	114.54	88.25	73.70	88.64	73.23	84.00	62.00	N/A	N/A
Emp + Spouse		n/a	63.52	101.05	76.78	65.09	65.52	69.68	65.18	47.00	N/A	N/A
Full Family	106.06	93.80	82.28	141.60	127.69	114.23	122.16	116.24	128.00	86.00	$106.07	$32.44
Paid by City												
Employee	41.13	36.35	31.12	38.54	34.55	32.08	-	34.06	-	-	$0	$0
Emp + Child(ren)		n/a	-	85.00	59.47	73.70	-	68.23	-	-	N/A	N/A
Emp + Spouse		n/a	-	75.55	53.74	65.09	-	64.68	-	-	N/A	N/A
Full Family	80.09	36.35	-	103.94	79.19	114.23	-	111.24	-	-	$0	$0
Paid By Employee												
Employee	-	0	0	4.44	3.84	0	31.99	0	33.50	23.54	$36.12	$11.99
Emp + Child(ren)	N/A	N/A	42.48	13.63	28.78	-	88.64	5.00	84.00	62.00	N/A	N/A
Emp + Spouse	N/A	N/A	32.40	11.77	23.04	-	65.52	5.00	65.18	47.00	N/A	N/A
Full Family	25.97	57.45	57.08	17.38	48.50	-	122.16	5.00	128.00	86.00	$106.07	$32.44
Percentage Paid by City												
Employee	100.0%	100.0%	100.0%	80.0%	90.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Emp + Child(ren)	N/A	N/A	0.0%	74.2%	67.4%	100.0%	0.0%	93.2%	0.0%	0.0%	N/A	N/A
Emp + Spouse	N/A	N/A	0.0%	74.8%	70.0%	100.0%	0.0%	92.8%	0.0%	0.0%	N/A	N/A
Full Family	75.5%	38.8%	0.0%	73.4%	62.0%	100.0%	0.0%	95.7%	0.0%	0.0%	0.0%	0.0%
Census												
Employee	13	40	200	24	57	9		19	40	33	55	71
Emp + Child(ren)		N/A	70.00	13.00	23	7.00		9.00	9	4	N/A	N/A
Emp + Spouse		N/A	42.00	10.00	12	2.00		5.00	8	9	N/A	N/A
Full Family	40	53	30	25	29	13		22	20	4	32	34
Not enrolled	0	0	0	3	4			0	5	32		

NOTES:

Brentwood: We also allow retirees on the plan - WHOLLY at their expense, currently with 12 single, 9 family coverage

Richmond Heights: We also allow retirees to continue on the plan indefinitely---wholly at their own expense, currently 11 single, 10 employee/spouse, 1 family coverage

ECDC: We also allow retirees to continue on the plan indefinitely--wholly at their own expense, currently 2 single and 1 employee/spouse

Chesterfield: Coverage options are EE, E+1 Dependent, and Family.

Town and Country: census includes employee count only and 5 retirees who pay 100% of the expense.

Maplewood: we allow retirees on the plan as well, at their expense

Communication: Health and Dental Survey (Review Employe Benefits)

Health Insurance Costs as of August 2019

Employees

Row Labels	Count of CURRENT COVERAGE	Sum of MONTHLY PREMIUM	Monthly Premium	Employee Share of the Monthly Premium	City Share of the Monthly Premium	Total Annual Cost of the Premium	City Share of the Total Annual Premium
SINGLE	36	20,679.12	574.42	86.16	488.26	248,149.44	210,928.32
FAMILY	28	46,644.92	1665.89	304.46	1361.43	559,739.04	457,440.48
EE/CHILD	16	17,463.36	1091.46	189.57	901.89	209,560.32	173,162.88
E+SPOUSE	9	10,857.06	1206.34	212.55	993.79	130,284.72	107,329.32
Grand Total	**89**	**95,644.46**				**1,147,733.52**	**948,861.00**

Retirees

Row Labels	Count of CURRENT COVERAGE	Sum of MONTHLY PREMIUM	Monthly Premium	Employee Share of Monthly Premium	City Share of the Monthly Premium	Total Annual Cost of the Premium	City Share of the Total Annual Premium
SINGLE	4	2,297.68	574.42	86.16	488.26	27,572.16	23,436.48
FAMILY	3	4,997.67	1665.89	304.46	1361.43	59,972.04	49,011.48
EE/CHILD	3	3,274.38	1091.46	189.57	901.89	39,292.56	32,468.04
E+SPOUSE	4	4,825.36	1206.34	212.55	993.79	57,904.32	47,701.92
Grand Total	**14**	**15,395.09**				**184,741.08**	**152,617.92**

Grand Total of Employees & Retirees	103	**111,039.55**				**1,332,474.60**	**1,101,478.92**

Communication: Health Insurance Cost (Review Employe Benefits)

Creve Coeur, MO

MEDICAL REIMBURSEMENT BENEFIT

Payroll Set: 01-Payroll Set 01

Account	Account Description	Units	Pay Amount
01-11-13-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
01-12-11-5101	SALARIES - FULL TIME EMPLOYEES	0.00	1,650.00
01-13-11-5101	SALARIES - FULL TIME EMPLOYEES	0.00	1,200.00
01-13-14-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
01-21-11-5101	SALARIES - FULL TIME EMPLOYEES	0.00	1,000.00
01-21-21-5101	SALARIES - FULL TIME EMPLOYEES	0.00	1,200.00
01-21-22-5101	SALARIES - FULL TIME EMPLOYEES	0.00	3,700.00
01-31-11-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
01-31-41-5101	SALARIES - FULL TIME EMPLOYEES	0.00	1,100.00
01-31-43-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
01-32-11-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
01-32-61-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
	01 - GENERAL FUND Total:	**0.00**	**13,450.00**
06-14-31-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
06-14-32-5101	SALARIES - FULL TIME EMPLOYEES	0.00	600.00
	06 - MUNICIPAL ENTERPRISE FUND Total:	**0.00**	**1,200.00**
	Report Total:	**0.00**	**14,650.00**

10/31/19

Lack Of Online Sales Tax Could Be Costing Missouri Up To $600 Million Annually

By EMILY WOODBURY • 19 HOURS AGO
St. Louis on the Air
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Sen. Karla May, D-St. Louis, and Rep. Justin Hill, R-Lake St. Louis, joined St. Louis on the Air on Oct. 31, 2019.
CREDIT SEN. KARLA MAY AND REP. JUSTIN HILL

Missouri is one of the only states that did not update its tax law after the U.S. Supreme Court case South Dakota v. Wayfair Inc. This case allowed states to charge a sales tax on purchases from out-of-state businesses, even if the businesses don't have a physical presence in the state.

Missouri lawmakers' inaction on this issue is causing the state to miss out on up to $600 million in sales taxes a year, according to the nonprofit Faith, Justice and Truth Project.

Thursday on *St. Louis on the Air*, Sarah Fenske talked with state Sen. Karla May, D-St. Louis, and state Rep. Justin Hill, R-Lake St. Louis, about the recent push for an online sales tax in Missouri and how the issue may be addressed in the upcoming legislative session, which begins Jan. 8.

"St. Louis on the Air" brings you the stories of St. Louis and the people who live, work and create in our region. The show is hosted by Sarah Fenske and produced by Alex Heuer, Emily Woodbury, Evie Hemphill, Lara Hamdan and Tonina Saputo. The engineer is Aaron Doerr, and production assistance is provided by Charlie McDonald.

Send questions and comments about this story to feedback@stlpublicradio.org.

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Missouri Municipal League

Growing Our Communities Together

Proposed Missouri *Wayfair* Legislation

Legislation proposed by the MML will amend Missouri's Use Tax Law to require use tax collection by out-of-state sellers who have no physical presence in Missouri, but meet the economic threshold approved by the U.S. Supreme Court in *South Dakota v. Wayfair* (decided June 21, 2018).

If this legislation becomes law, out-of-state sellers with sales of $100,000 or more, or 200 or more sales transactions, during a twelve-month period will be required to register and collect state and local use tax on their sales to customers in Missouri.

The South Dakota law at issue in *Wayfair* imposed *sales tax*, rather than use tax on out-of-state sellers. Because of significant differences between the South Dakota and Missouri tax systems and laws, the proposed Missouri legislation applies only to use tax collection. Specifically:

- In Missouri, unlike in South Dakota, sales and use tax rates are not uniform. The sales tax rate is higher than the use tax rate in many local jurisdictions in Missouri. If Missouri were to take the South Dakota approach and impose sales tax rather than use tax on out of state sellers, these sellers would pay tax at a higher rate than under current law—in effect, they would experience a tax increase. Increasing taxes without a vote of the people potentially runs afoul of Missouri's Hancock Amendment (Mo. Constitution Article X, Sections 18(e) and 22), and could also result in political opposition to such legislation.

- The Missouri constitution prohibits an increase in the taxable base of the sales tax and use tax. Mo. Constitution Article X, Section 26. Although sales tax and use tax are designed to be complementary taxes, they are in fact separate and distinct taxes with separate tax bases. The South Dakota approach would increase the base of Missouri's sales tax, which could trigger a challenge under this provision of Missouri's constitution.

- South Dakota's sales tax is imposed on a *destination* basis. Out-of-state sellers collect the sales tax imposed at their customer's location in South Dakota. In Missouri, sales are deemed to occur at the *seller's* place of business for local sales tax purposes. Section 32.087.12, RSMo. Out of state sellers would not be subject to local sales tax in Missouri unless Missouri changed its sales tax regime to impose sales tax based on the purchaser's location.

- Besides Section 32.087, several other sections of the Missouri sales tax laws must be amended for Missouri to adopt the South Dakota approach. This would add to the complexity of the legislation and thereby increase the chances the legislation could lead to unintended consequences or attract additional opposition.

In addition to imposing the *Wayfair* economic threshold for use tax collection, the proposed legislation also includes provisions to:

- Simplify and clarify ballot language for local use tax propositions.

- Ensure that use tax rate information is available via an online database maintained by the Department of Revenue and provide a safe harbor for sellers relying on this information.

8/24/18 — Myths + Tips

TIPS AND MYTHS REGARDING MISSOURI'S USE TAX: WHAT YOU NEED TO KNOW

City officials across Missouri are talking about the use tax, and with good reason. The use tax can help make the difference between a thriving shopping district and a struggling main street. With an ever-changing marketplace that includes increased online and mobile purchases, customers shopping online may not pay their regular local sales tax if the vendor is out of state. This presents an incentive for the consumer to shop online, while the local brick-and-mortar shops in a community are left out. Over time, the local voter-approved sales taxes decline – forcing an inevitable decline in the essential services paid for by that local tax.

The use tax allows a city to impose the exact same amount of tax it would have collected as a local sales tax. Cities are realizing the lost revenue to fund vital services, and working to close this digital divide. More than 160 cities in Missouri have passed the tax, and many more are planning to put this on an upcoming ballot.

As you consider how to present the proposal to your community, MML offers some important tips to consider, stemming from conversations with city officials who conducted successful campaigns. In addition, this article contains ten myths often heard by League staff regarding how a use tax affects citizens.

Is your city considering the use tax? The League has valuable resources to help at www.mocities.com. Use the tips, experiences and materials from the League and other cities to most clearly propose this important initiative to your citizens.

TOP 10 CAMPAIGN TIPS

1. Be prepared with the right answers.

The use tax is confusing. Do not be caught off guard with unexpected questions and be prepared to explain the intricacies involved with the tax. MML has many resources available to members, from webinars to articles and FAQ's to a library of sample campaign materials from other cities. Estimates of potential revenue, lists of the cities that have already passed the use tax and samples ordinances are all available on the MML website. Member officials are further encouraged to contact League staff with any questions related to the use tax. Please take advantage of what your MML can offer.

2. Get in front of the issue and give it a full court press.

Some cities have taken a hands-off approach to the use tax, perhaps thinking that an under-the-radar approach will provide a chance for the tax to squeak by. Feedback from cities that had successful use tax campaigns in April show these cities took the opposite approach. Many focused on the civic-minded groups/organizations whose members are more likely to be the "cheerleaders" in the community. They did public speaking engagements, mainstream media interviews (radio, newspaper, and television.)

Some successful cities did report taking a hands-off approach when it came to social media, mostly in an effort to avoid stirring the pot. As one city public information officer said, "do not feed the trolls." Choose your battles wisely.

3. Get the support of the local businesses and civic groups.

Most local chambers are supportive of the passage of the use tax. Brick and mortar stores face the familiar scenario of today's shoppers visiting a store to view the physical products only to turn around and purchase the product online, thus avoiding the local sales tax. Most local retailers will support a use tax that imposes the same taxes on out-of-state retailers as they face locally. Encourage the mayor and/or city councilmembers to make presentations to local civic groups. Make plans to do the civic group circuit: go to the senior center, Rotary club, or any other interested group with a prepared PowerPoint and similar materials. MML has an online library with sample PowerPoints, brochures and other resources.

4. Explain where the tax money will go.

Missouri voters tend to be more supportive when they know where the money will be directed. Even if the estimates for what a use tax will bring are low numbers, expressing where the money will go generally aids in the chances for voter approval. Stating that the revenue will go into operating expenses to help fund police, fire, parks, sidewalk construction, and street repairs may be enough. If the numbers are small, it may make sense not to get into the specifics. However, almost universally, cities that had successful use tax campaigns reported committing to particular projects or purchases if the voters would approve the tax.

5. Work with the other entities in your area.

Team up with your county and neighboring cities. Try to create a unified message. Make sure the area-wide ballots use the same language. If possible, all entities should list the use tax as the same item on the ballot (for example, Prop B.)

6. Comply with Missouri campaign laws.

Missouri law prohibits city governments from spending public funds to support passage of ballot measures. Walking the fine line between simply educating voters and advocating an opinion can be difficult. City officials are cautioned to limit campaign materials paid for by the city to strictly be informational with just the facts. These materials cannot include opinions and certainly cannot include statements such as "vote for the tax."

Additionally, the Missouri Ethics commission requires all campaign materials to include "paid for by" identifiers that include the name of the entity, entity's principal officer's name, title, and mailing address of entity or principal office. This identification requirement can apply to city newsletters or even a facebook post.

7. Emphasize that the use tax plugs a loophole.

Written materials related to the use tax campaign paid for by the city need to avoid matters of opinion. However, the mayor, councilmembers and other city supporters who are not paid by the city are free to voice their opinions. An important part of that narrative should be the how the "sales tax well" is drying up. Historically, Missouri cities have relied upon the sales tax as means of funding vital city services. The rise in e-commerce has created an ever-increasing vacuum in this traditional funding source.

The U.S. Department of Commerce now estimates that nine percent of all retail sales are now occurring online; if these sales involve out-of-state vendors, then the sales are not subject to the local sales tax. Over the past ten years, e-commerce has gone from three percent of total sales to the present level of more than nine percent.[1] Links to these e-commerce figures can be found on the League website.

There is no reason to think this upward trend will not continue. Our marketplace has fundamentally changed. The use tax is the first step in closing the Internet loophole. In that sense, it really is not a new tax. Prior to the rise of online shopping, consumers were paying local sales tax on the goods they are now purchasing online. Passage of a use tax is essential to closing the online loophole.

8. Stress the fairness angle.

Again, campaign materials paid for by the city cannot include opinions; however, mayors and councilmembers are encouraged to stress the fairness angle of the use tax. The citizens of your city, through the election process, have voted to impose local sales taxes as a means to fund vital city services. Online shopping creates an unfair marketplace mechanism wherein your local brick-and-mortar, job-creating retailers are placed at a tax disadvantage against giant online retailers that don't have to charge the local sales tax. Passing the use tax levels the playing field.

Not only does the use tax level the playing field for your brick-and-mortar stores; the tax bridges an ever-increasing digital divide between your citizens. For example, senior citizens who may still prefer to shop at traditional local retailers shoulder more of the tax burden while younger, more internet-savvy citizens may not be paying any local sales tax at all. The use tax levels the playing field for your residents so that they all equally share in the consumption tax burden that was previously approved by city residents.

9. Debunk the myths.

There's no end to the sometimes ludicrous claims opponents of the use tax may make. The other half of this article addresses the top ten myths the League continues to hear about on an almost daily basis. Be prepared to debunk those myths. Explain that the use tax is just a method for the cities to keep up with an ever-changing marketplace.

10. Utilize MML's online campaign library.

MML member cities have provided copies of the materials they used in their campaigns. These materials may be accessed via the League website. Materials include a variety of resources, such as newsletter blurbs, videos, radio ads, as well as sample PowerPoint presentations.

TOP TEN MYTHS INVOLVING THE USE TAX

Myth #1: The use tax must be passed by 2018.

There is no deadline for the passage of the local use tax and cities may absolutely bring the issue to the voters after 2018. **However, cities that have not received voter approval for either the continuation of the local sales on vehicles purchased from out-of-state or passed a local use tax by November of 2018 will lose the revenue they are currently receiving on the titling of vehicles (and trailers, out-board motors and boats) purchased from out of state.** Further, the Missouri Department of Revenue (Mo-DOR) has indicated that cities imposing the use tax after November of 2018 will not be able to apply the use tax to the titling of vehicles purchased from out of state (this would not apply to cities that have already passed the continuation of the sales tax on titling.)

Myth #2: The Missouri Department of Revenue is already collecting the local use tax and holding those funds for cities.

The local use tax is only imposed upon voter approval. The Missouri Department of Revenue will not collect a local use tax until citizen's approval the tax locally. Additionally, Mo-DOR is not holding any fund for cities to be turned over upon passage of the use tax.

Myth #3: Passage of the use tax means every time a resident buys something on the Internet, our city will receive revenue.

Although passage of a local use tax will allow a city to impose the tax on purchases made by residents from out-of-state vendors, the tax collected at the time of the sale depends on many factors. Vendors with a nexus (physical presence) in the state of Missouri are required to collect the use tax, while vendors without a nexus currently do not have to collect the tax. A ruling from the United State Supreme Court on the *Wayfair vs. South Dakota* case may make it easier to enforce the use tax on vendors that do not have a nexus in Missouri. Currently, when vendors don't collect the use tax the consumer is supposed to self-report if their total annual purchases from out-of-state vendors exceed $2,000 (on purchases for which no use tax was paid.)

It is important to remember that the use tax only applies to goods purchased from vendors located outside of Missouri. When Missouri residents buy things online from vendors located in Missouri, they will pay the sales tax rate imposed at that Missouri vendor's location with the revenue from that local sales tax going to local jurisdiction in which the vendor is located.

Myth #4: We don't need to pass the local use tax because Federal action such as Marketplace Fairness or the *Wayfair vs. South Dakota* Supreme Court Case will impose the tax for us.

Even if the U.S. Supreme Court does away with the requirement for vendors to have nexus in the state, **Missouri cities will only see a revenue gain from that decision if they have a use tax in place.** The same can be said about the federal Marketplace Fairness Act, sponsored by Missouri Sen. Blunt and supported by Sen. McCaskill; even if this bill were to pass, only cities with an existing use tax would see a revenue increase.

Myth #5: We don't need to pass the local use tax because the State is going to join the Streamlined Sales Tax Compact.

Even if the Missouri Legislature passes legislation for Missouri to enter into the Streamlined Sales Tax Compact, that legislation as currently written (at the time of this article) would still require local municipalities to get voter approval for a use tax in order for the local sales tax rate to apply to out-of-state purchases.

Myth #6: The use tax is illegal because Congress has outlawed taxes on the Internet.

In 2015, Congress passed the Permanent Internet Tax Freedom Act. This law prohibits state and local taxes on Internet service providers. This law has nothing to do with taxes on goods sold over the Internet.

Myth #7: Amazon is already collecting our local sales tax and/or Amazon is only collecting the state sales tax.

There's lots of conflicting information surrounding last year's mega announcement that Amazon would be begin collecting Missouri taxes. While news reports often proclaimed that Amazon would be collecting Missouri Sale tax, the tax actually collected currently is the use tax. Moving forward upon completion of Amazon's Hazelwood and St. Peter's facilities, the Missouri Department of Revenue has reported to MML staff that it will consider those facilities to be the point of sale for goods originating from those facilities. This means residents in other locations in Missouri will pay the local sales taxes rate to Hazelwood or St. Peter's on goods shipped from those facilities. Presumably goods shipped from Amazon facilities located outside Missouri will be subject to the use tax.

Myth #8: Passage of a local use tax will mean our residents will now have to self-report their online purchases.

The state of Missouri already imposes a statewide use tax. This means consumers and businesses that make more than $2,000 worth of purchases from out-of-state vendors (that don't collect the use tax) must self-report their use tax debt. While passage of a local use tax will mean that the local sales tax rate must be added to the tax rate the individual self-reports, the passage of the local use tax does not change the self-report requirement. In other words, resident who don't currently self-report will not suddenly need to self-report as a result of the city having passed the local use tax.

Myth #9: Missouri has so many jurisdictions with so many different tax rates it's impossible for vendors to know what tax rate to impose.

Computers and Geographic Information Software (GIS) make such worries a thing of the past. Although there may be specific instances where an address has been coded with the wrong tax rate, the Mo-DOR can very easily provide the tax rate for almost any location in the state. Concerns regarding shared zip codes or post office addresses that use a different city for the mailing address are generally unfounded. To find the particular sales and use tax rates across the state visit Mo-DOR's portal at: https://mytax.mo.gov/rptp/portal/home/business/customFindSalesUseTaxRates/

Myth #10: The use tax is double taxation.

The use tax is imposed only when Missouri residents purchase goods from out-of-state vendors and plans for those goods shipped to be used in Missouri. **If a use tax is paid on the purchase, a sales tax will not also apply**. For instance, if a Missouri resident travels to Illinois and makes a purchase while in that state the resident will pay the Illinois sales tax and will not pay the Missouri use tax when the good is brought back to Missouri.

Endnotes:

1. U.S. Department of Commerce retail sales figures: https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf

Municipality	Local Sales Tax	USE TAX 2016 Revenue Potential	2017 Revenue Potential	2018 Revenue Potential
BALLWIN	2	$ 70,169.68	$ 100,566.12	$ 148,985.71
BRIDGETON	2.25	$ 589,033.33	$ 689,030.37	$ 551,979.37
CHESTERFIELD	2	$ 1,506,258.07	$ 1,530,979.61	$ 2,276,123.60
CLAYTON	2.5	$ 414,209.28	$ 923,067.62	$ 3,635,880.12
CREVE COEUR	1.75	$ 884,432.91	$ 428,441.93	$ 247,443.44
DES PERES	2.5	$ 1,129,030.94	$ 1,288,062.64	$ 1,637,415.27
FRONTENAC	2.5	$ 145,655.49	$ 219,338.71	$ 222,846.66
LADUE	2.25	$ 80,742.55	$ 119,622.39	$ 99,047.25
MAPLEWOOD	2.5	$ 212,568.65	$ 267,857.51	$ 325,686.85
MARYLAND HEIGHTS	1.5	$ 1,217,825.22	$ 1,235,877.79	$ 1,315,703.62
OLIVETTE	2.5	$ 418,109.02	$ 554,318.93	$ 599,066.18
RICHMOND HEIGHTS	2.5	$ 834,740.29	$ 1,006,806.42	$ 1,208,508.24
TOWN AND COUNTRY	2.25	$ 1,111,570.77	$ 641,017.62	$ 629,464.76

MEMORANDUM

DATE: December 30, 2019

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: Use Tax Follow Up

At the November 5th Finance Committee meeting, information on the Use Tax was presented. One spreadsheet showed the potential revenue for Creve Coeur based on Taxable Sales submitted to the State for 2016 - 2018. In this report, the numbers continuously went down each year. I have contacted the Department of Revenue to find out if they know why the numbers are going down and the reason is because businesses can now report under 2 different options: MO State Only reporting or report under the City that they are in, such as Creve Coeur. When the business knows they are not collecting Use Tax for the City of Creve Coeur, they normally pick MO State Only option, which then does not allow the City to know how much would have been generated in Use Tax for Creve Coeur.

In regards to Use Tax for Food Sales, State Statute 144.014 provides a reduced sales and use tax rate for certain foods for the State. However, there would not be a reduced rate for Creve Coeur's sales or use tax rate. The full use tax rate would apply to all use tax sales, which would be 1.75% for Creve Coeur if it was passed by the voters. Also, use tax would apply to those individuals that are purchasing food outside the State. It does not apply to stores that purchase food for resale.

I can answer any questions at the next meeting.

MEMORANDUM

DATE: December 30, 2019

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: Cost Saving Suggestion

At the November 5th Finance Committee meeting, everyone was asked to submit their cost saving suggestions to me before the January meeting (see attached emails). Below is a summary of those suggestions:

- If Employee or Retiree has coverage elsewhere, they can't have coverage through the City
- If Employee's spouse or Retiree's spouse has coverage through their employer, they must pay a Premium
- Require Retirees to pay the full cost of spouses and dependents (save $82,308 per year)
- Increase the percentage City covers for spouse and children coverage
- Eliminate or reduce the HRA (currently $400/$800). Total annual cost to the city of the HRA is $33,500
- Increase the deductible (currently $1,500/$3,000)
- Prohibit Retirees from coming back on the City's plan more than once

I have attached a spreadsheet that applies a $200 Premium to spouses that have the option of coverage through their employer (see second chart on attached page). This is roughly 50% of the total premium cost, substantially higher than the current dependent contribution of 20%. The city's maximum potential savings under this plan is estimated at $110,400, but our actual savings will be less since we do not know how many spouses work. We will also want to discuss whether to include grown children who have coverage through their employer.

I have also changed the City's percentage for all dependent coverages from 80% to 70% (see third chart on the attached page), which will save $62,594 per year.

Also, if a premium is charged for those spouses/grown children with coverage elsewhere, we will also want to review the Medical Benefit Reimbursement, which currently pays $600 annually to employees whose eligible dependents decline health coverage through the city's plan. The total cost to the city for this benefit is $14,650.

I can answer any questions at the next meeting.

Health Insurance Coverage for Full Time Employees and Retirees

Coverage	Number Enrolled	Total Monthly Premium	Employee Monthly Share (15%/20%)	City Monthly Share (85%/80%)	Total Annual cost	Total City Share Annual Cost	City's Actual %
Employee	40	574.42	86.16	488.26	275,721.60	234,363.36	85.00%
Employee + Child	18	1,091.46	189.57	901.89	235,755.36	194,808.02	82.63%
Employee + Spouse	16	1,206.34	212.55	993.79	231,617.28	190,808.26	82.38%
Family	30	1,665.89	304.46	1,361.43	599,720.40	490,115.88	81.72%
	104				1,342,814.64	1,110,095.52	

This chart shows the current health coverage rates, as well as the city and employee's share of the total premium.

Coverage	Number Enrolled	Total Monthly Premium	Employee Monthly Share (15%/20%)+$200	City Monthly Share (85%/80%)	Total Annual cost	Total City Share Annual Cost	Maximum Potential Savings**	City's Actual %
Employee	40	574.42	86.16	488.26	275,721.60	234,363.36		85.00%
Employee + Child	18	1,091.46	189.57	901.89	235,755.36	194,808.02		82.63%
Employee + Spouse	16	1,206.34	412.55	793.79	231,617.28	152,408.26		65.80%
Family	30	1,665.89	504.46	1,161.43	599,720.40	418,115.88		69.72%
	104				1,342,814.64	999,695.52	110,400.00	

This chart reflects a $200 charge being added to "Employee + Spouse" & "Family" coverage for those spouses that could be covered by their employer. The $200 is approximately what the rate would be if you changed the 20% to 50% on the "Employee + Spouse" coverage. We then applied that same $200 to the "Family" coverage. We used a flat $200 for Administrative purposes (it's simplier to understand and to administer).

**Maximum Potential Savings is assuming every spouse works, so our actual savings will be less.

Coverage	Number Enrolled	Total Monthly Premium	Employee Monthly Share (15%/30%)	City Monthly Share (85%/70%)	Total Annual cost	Total City Share Annual Cost	Maximum Potential Savings**	City's Actual %
Employee	40	574.42	86.16	488.26	275,721.60	234,363.36		85.00%
Employee + Child	18	1,091.46	241.28	850.19	235,755.36	183,639.96		77.89%
Employee + Spouse	16	1,206.34	275.74	930.60	231,617.28	178,675.39		77.14%
Family	30	1,665.89	413.60	1,252.29	599,720.40	450,822.96		75.17%
	104				1,342,814.64	1,047,501.67	62,593.85	

This chart reflects changing the percentage for all dependents from 20% to 30%

Hi Lori,

I have thought about this a lot. Let me say I may be biased by my own loss of benefits in the private sector. I do think we need to do a change so that we are not carrying people for 10 years that could very well have other insurance. I understand they are taking advantage of an opening but also tend to think they are abusing policies.

If you attack it thru the percentage, it affects all and not just those who have other options. I do think you will not succeed unless there is some change there that brings us more in line with other cities. My natural tendency is to go with the employee and not to cut benefits. Maybe something that requires they do not have insurance available elsewhere to have that percentage. Say a percentage scale that could only be obtained by proving certain requirements.

I know this is not much help but it is a problem that can affect several lives. There is no easy solution but the target is the people who have other options.

I wish you a very Happy Thanksgiving!

Margie Richter

There are several areas in which the City of Creve Coeur could save, in some instances significantly, money by changing its health insurance benefits.

1. **Retiree Health Insurance**. The city is projected to spend close to $3 Million for Retire Health Insurance from 2020-2040, with more than half of that amount being spent in the next 7 years. There are several ways that this amount could be significantly decreased without forcing retirees to go without coverage. Below are some options.

    a. The City should prohibit retirees from participating in the City's Health Insurance if they are able to be covered under employer insurance available to their spouse or can obtain health insurance from their current employer if they have only retired from the City. In conjunction with adopting this change, the City should consider allowing retirees to enroll or re-enroll in the retiree health plan should they lose the ability to obtain coverage from one of the aforementioned sources. My understanding is that right now once coverage is terminated or not elected the employee cannot come back into the system. Potentially, there will be arguments that the health insurance offered by others is not as good as the City's. If the city wishes to get into determining whether the other insurance is comparable one standard that could be used is whether the other insurance policy meets the requirements of the affordable care act.

    b. The City should consider requiring retirees to pay the full cost for their spouses and family members. Right now, the city is providing more "compensation" to its married retirees than its single retirees.

    c. The City should adjust retiree deductibles/copays/maximum out of pocket amounts by at least as much as any changes it makes to active employees health insurance

    d. The City should stop providing coverage for any spouse or family member of a retiree that has another option for obtaining employer provided health insurance coverage. The is really no reason that this should not be done immediately for retirees and active employees. We should not be the first choice if they have other options.

e. At a minimum the city should impose relatively substantial surcharges on retirees that have other options for coverage and still elect to be covered under the City's plan.

2. Active Employees

a. The City should increase the net employee/family deductibles to $500/$1000, which is closer to the category average, increasing them from $400/$800.

b. The City should only provide insurance for spouses or family members of employees if those individuals do not have another option for employer provided health insurance coverage. (I do not have the data regarding how much this would save, but it should be significant.)

c. The City should consider paying for 100% of its employees health coverage and at a minimum substantially increasing the employee's share of costs for spouses and family members or even eliminate providing any subsidy for spouses and family members, i.e. they would pay 100% of the cost for such coverage. The rationale being that unless this is done single employees will be paid much less by the city in terms of overall compensation costs.

d. The City should consider providing a financial incentive to those that decide not to accept its health insurance for themselves as long as they can prove they have coverage elsewhere. This would address the potential concern that if coverage is provided free of cost to employees, then young employees (primarily police officers) who are currently staying on their parent's insurance will decide to be insured by the city.

Best,

Adam A. Shulenburger

Lori: Pursuant to our "assignment" at last night's Finance Committee meeting, here are my suggestions for ways for Creve Coeur to reduce expenses.

Retiree Medical Benefits:

- Require spouse and children to be covered by the retiree's or spouse's employer's plan if available.
- Reduce the percentage (currently about 83%) of premium paid by Creve Coeur for spouse and children coverage.
- Eliminate the ability to return to the Creve Coeur plan if the retiree has left it.

Active Medical Benefits:

- Eliminate HRA.
- Reduce HRA so that net deductibles are $500 for individuals and $1,000 for families.

Ted Armstrong

Finance Task Force
Recommondations & Rankings
March 6, 2019

Ranking Descriptions:
1-Do ASAP - FY2020
2-Do in time - FY2021
3-Look at doing down the road - FY2022
4-Unknown, can decide later
5-Delete

		Amount of Savings					
		1	**2**	**3**	**4**	**5**	**Comments**
Legal, Administration, IT							
A	Reduce Costs of Newsletter			X			Do not Reduce # of Issues; Only Consider Black & White
B	Increase Refress Rates of PC/Laptops/Printers/Peripherals			X			
C	Investigate Managed Print Services	$ 4,800					
D	Perform Phone Audit	$ 6,200					
E	Review Employee Benefits such as Health & Dental			X			Keep Competitive Work Environ.-So Continously Review
F	Reduce Vacation Buyback	$ 27,000					Reduce to 1 Week; Implement FY 2020
G	Consider Increasing the Legacy Pension Plan Employee Contribution	$ 34,000					Increase Contribution from 3% to 4% to be Consistent with LAGERS Plan; Implement FY 2020
H	Reduce Costs for Employee Events-Wellness/Recognition			X			
I	Evaluate City Paid Portion of City & Retiree Insurance w/ Different Options		X				Possible Options: Not Allow Duplicative Coverage; If Spouse can get Coverage thru Employer; Retiree Works and Employ Offers Coverage; Review MBRA Program
J	Offer Employees Eligible for Retirement Incentives to Retire				X		Look at Retirement Health Savings Account
K	Compare Employee Benefits with Other Cities	X					Continously Doing
L	Change OT over 8 Hours per Day and Overstated OT Rate		X				Implement OT over 40 hours on 1/1/21; Change OT Rate
Finance, Interdepartmental							
A	Review Revenue Options		X				
B	Create a Centralized Customer Service Center		X				Will Review after Software Fully Implemented
C	Cross Train within Departments	X					
D	Go Paperless & Reduce Printing Costs	X					
E	Evaluate Positions as they Become Open for Possible Elimination	X					Continously Ongoing
F	Consider a Stipend for Cell Phones		X				Review Cell Phone Policy of City Provided Phone vs. Stipenc
Council/City Clerk/Legislative							
A	Get Wash U Intern to help with Codification				X		
B	Get Voice Recognition Sotware for Minutes					X	
Municipal Court							
A	Muncipal Court Consolidation	$ 43,261					LT-Goal of Consolidating with only 4.5 Employees through Attrition

Finance Task Force
Recommondations & Rankings
March 6, 2019

Ranking Descriptions:
1-Do ASAP - FY2020
2-Do in time - FY2021
3-Look at doing down the road - FY2022
4-Unknown, can decide later
5-Delete

		Amount of Savings 1	2	3	4	5	Comments
Police							
A	Go to Quarter-Master Uniform System	$ 20,000					Implement FY 2020
B	Add more Cities to WCDC Dispatching	X					Continously Doing
C	Change Public Safety Sales Tax Policy to allow 15% for Pension Costs	$ 127,500					Use 15% of the Public Safety Sales Tax $ for PD Pension
D	Reduce 1 Police Officer (from 50 to 49)	$ 93,765					Through Attrition FY2019
E	Firing Range Fees	$ 3,500					Annually Review the Fees Charged to Other Agencies to Recover the City's Costs
F	Look at Creating a Creve Coeur Police Tech Support Team	X					
Public Works							
A	Consider Charging Private Streets for Snow Plowing		X				Revisit in 2021
B	Consider Out-Sourcing Snow Plowing					X	
C	Do 1 Limb Pickup per month in the Summer Only			X			
D	Distribute EAB Tree Removal Program	X					Already doing
E	Consider Options for Historical Cabins, Schoolhouse & Tappmeyer House	X					Already doing
F	Start using Stainless Steel Spreaders on more than 1 Truck	$ 10,000					$10-15K depending on size; Will start in March 2019
G	Provide a List of Community Engagement & Special Events Activities	X					Done
H	Provide a List of all Farmer's Market Vendors & What they are Paying	X					Done
I	Give ICMA Survey to Task Force	X					Done
J	Consider Doing a Public Works Efficiency Study				X		Consider In-House or outside consultant for suggested stud
K	Consider Billing for ROW Mowing			X			
L	Hire another Mechanic to Increase Life of Vehicles			X			
Community Development							
A	Consider Doing Residential Plumbing & Electric In-House			X			
B	Look at Increasing the Building Permit Fees		X				Look at 100% including Overhead Costs with an Index
C	Consider the Cost Benefits of Providing City Vehicles to Inspectors				X		
D	Evaluate the Efficiencies in Reducing Printing Costs with the New Software	X					Will do once Software Implementation is Complete
E	Revisit Consolidation of Building Dept with Neighboring Cities			X			To Be Revisited
Total Savings		**$370,026**	**$ -**	**$ -**	**$ -**	**$ -**	

City of Creve Coeur
Finance Committee
FY20 Meeting Schedule
Meeting Time 4:00 PM to 5:30 PM

DATE	TOPIC
August 27, 2019	Nominate Chair & Committee Liaisons Review Employee & Retired Benefits Review Fraud Risk Assessment Review 4th Quarter Financials and Year-End Adoption of Old Olive Street Road Further Discussion of Revenue Options
September 10, 2109	Discuss Approach Reviewing Employee Benefits
October 22, 2019	Review of 1st Quarter Financials, Further Discussion of Revenue Options
November 5, 2019	Discuss Employee Benefits
February 4, 2020	Review of 2nd Quarter Financials, Review of Financial Policies
March 9, 2020	Joint Work Session with City Council to Review of Proposed 5-Year Capital Plan
March 17, 2020	Review Proposed 5-Year Capital Plan
April 21, 2020	Review Proposed Budget Preview
May 5, 2020	Review of Proposed Budget, Review 3rd Quarter Financials
June 2, 2020	Olive/Graeser TDD Audit (every 3 years) Nominate Chair

FINANCE COMMITTEE PRIORITIES

- As part of the budget review process, evaluate economic justification and risks of proposed single-project capital and operational expenditures in excess of $100,000 or a combination of multiple similar projects or the aggregate value of multi-year projects over $1 million.
- Review proposed financing, bond indebtedness, taxation and leases greater than $10,000 prior to council action.
- Review project closeout reports for scope, schedule and cost variation.
- Periodically review and comment on the surplus funds investment policy and financial performance.
- Review opportunities for cooperative purchasing or contracting ventures with other municipalities.