

**VILLAGE OF CHAGRIN FALLS
ADMINISTRATION AND COMPENSATION COMMITTEE
January 23, 2012**

Members present: Subel, Lutz, Chess
Also present: Himes, Byron, Evans, Rogoff, Newell, Edwards, Lannon

The meeting was called to order at 7:35 p.m. by Chairman Richard Subel.

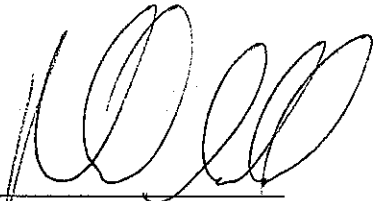
CT CONSULTANTS CONTRACT RENEWAL

There was lengthy discussion regarding the proposed rate increases. Mr. Lannon explained the reasoning behind the increases. Mr. Subel said he would like to see price comparisons from the last ten years. He said he would be voting blind without this information.

Mr. Subel suggested several modifications to the contract.

Moved by Mrs. Lutz, seconded by Mr. Chess that we recommend to Council tonight the passage of this legislation, the new contract with CT Consultants. Carried. Ayes: Subel, Lutz, Chess. Nays: None.

The meeting adjourned at 8:05 p.m.



Richard Subel, Chairman
lgb

**VILLAGE OF CHAGRIN FALLS
ADMINISTRATION AND COMPENSATION COMMITTEE
February 14, 2012**

Members present: Subel, Lutz, Chess
Also present: Bloom, Himes, Schinagle

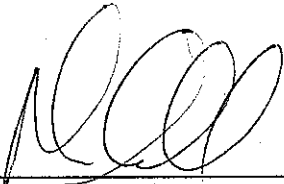
The meeting was called to order at 8:00 a.m. by Chairman Richard Subel.

2012 HEALTH CARE RENEWAL

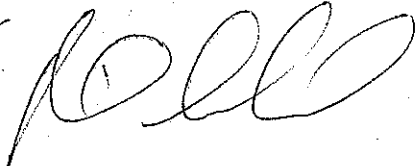
Mr. Schinagle explained the process used to obtain quotes for employee health care coverage from several providers. This year the current carrier, Medical Mutual, has offered a 2012 renewal rate which is an increase of less than 1%. Mr. Schinagle recommended that the village accept the renewal quote, because increases in the market right now are between 15% and 30%.

No decision was made by the committee.

The meeting adjourned at 9:30 a.m.



Richard Subel, Chairman
dbb/lgb

MR. SCHINAGLE
SUBSEQUENTLY AGREED
THAT THE INCREASE
IS 4% - WHICH
IT IS.


**VILLAGE OF CHAGRIN FALLS
ADMINISTRATION AND COMPENSATION COMMITTEE
March 8, 2012**

Members present: Subel, Lutz
Also present: Mayor Brick, Himes, Schinagle

The meeting was called to order at 8:00 a.m. by Chairman Richard Subel.

HEALTH CARE RENEWAL

Mr. Subel said the last discussion they had was that the renewal from Medical Mutual was only a 1% increase but he said he went through the numbers and he thinks it is a 4% increase. He said it is not a bad increase. Mr. Schinagle said anything under a double digit increase is very good considering the market.

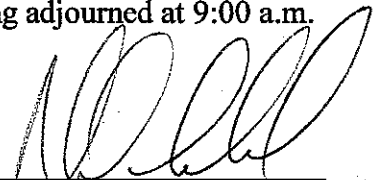
Mr. Subel outlined the current plan with Medical Mutual and said there is no employee contribution. Mayor Brick said employees do pay co-pays. Mr. Schinagle said they also pay a 10% co-insurance in the network and 30% or more out of the network. Mr. Subel said there is no financial incentive for employees to practice a healthy lifestyle. Mr. Schinagle said because of the size of the group, you can't customize the plan. You can't tell the insurer that you want to have a specific structured program unless you buy that extra. Mr. Subel said that might be worth it.

Mr. Subel said it is relatively easy to develop a cost-partnership between the village and employees, such as health savings accounts. He said they have discussed before having a spouse or child get insurance where they work instead of here where it is free. He talked about adding a deductible to the plan for employees, RSA Plans, and a wellness program.

Mrs. Lutz said the village has made a commitment to take care of its employees and if it doesn't cost them any more, or that much more, she thinks that is a commitment that they want to carry on. Mr. Himes said to retain employees we have to maintain a competitive wage and benefit package. Mayor Brick said it is his recommendation to go with this plan renewal. He said they really need to beef up their efforts to address a number of these issues. He said maybe they should meet monthly and set up some specific goals.

There was further discussion regarding different options. No decision was made by the committee.

The meeting adjourned at 9:00 a.m.


Richard Subel, Chairman
lgb

VILLAGE OF CHAGRIN FALLS
ADMINISTRATION AND COMPENSATION COMMITTEE
March 20, 2012

Members present: Subel, Lutz, Chess
Also present: Mayor Brick

The meeting was called to order at 8:00 a.m. by Chairman Richard Subel.

EMPLOYEE HEALTH CARE

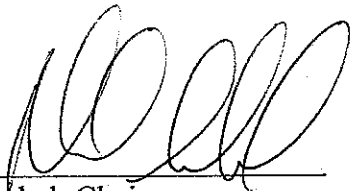
The committee discussed and reviewed the objectives that were presented to them by Mr. Subel.

Mayor Brick said he put \$2,000 in the budget for a wellness plan and they should offer it to the employees as quickly as they can get it organized.

Mrs. Lutz asked if we are getting such a good value on our insurance, is it because we have fewer claims than other companies that are receiving higher costs? Mr. Chess said he thinks that is part of it. Groups under 100 are individually underwritten on a per application basis. If trend is 12%-15% and we are less than that you would think it is because of the experience of the group. Mrs. Lutz said it is either fewer claims or the employees pay more.

There was further discussion and comments were heard.

The meeting adjourned at 8:30 a.m.



Richard Subel, Chairman

lgb

Objective: Utilize a medical plan that:

- A. Is sufficiently competitive in design to attract competent employees.
- B. Recognizes different levels of employee affordability and family needs.
- C. Fosters a "partnership" between employees and the village with respect to:
 - a. Concern for employee's health and medical well-being, and
 - b. Controlling costs to both the village and employee.
- D. Is sustainable long-term for all employees in an era of dwindling public and private resources.
- E. At least protects employee against catastrophic illnesses and injuries.

Partnership features:

1. Shared cost of monthly premium.
2. Total cost of plan, affected by medical experience and condition, financial participation by employee, employee choices with respect to wellness, and family member participation.
3. Equitable among employees.
4. Wellness plan support/encouragement by village, and participation by employees.
5. Protects employee from economic catastrophe.
6. Incentives for family members to receive health benefits off village plan, or penalties for those who can but don't. For that matter, incentives for employees to receive health benefits elsewhere.

Aspects to get answers to:

- a. Pay x% of cost for employee and lesser % for family members.
- b. Employee contribution
- c. Deductibles
- d. Cost of wellness program and how to share that cost
- e. Incentives and penalties:
 - i. Family members must get insurance from another source if available
 - i. Village offers financial incentive for employee to do this.
 - ii. Employee receives financial incentive for going to another plan.
 - ii. Healthier employees pay less than unhealthy employees.
 - i. E.g., weight, cholesterol, blood pressure
 - iii. Smokers hit hard in the pocket book.