

# BUDGET DRIVERS & TOTAL COMPENSATION

Human Resources Department

Joanne Hinton

2024

# Total Compensation

Menu of robust options to address the variety of employees and their dependent needs



- Pension
- Medical Program
  - Free Employee Only Plan
  - HDHP – HSA City Contribution \$540 or \$1,000
- Dental Benefits
- Basic Life Insurance Provided
- Sick & Vacation Leave Bank
- 9 Paid Holidays
- 2 Personal Holidays
- Wellness Program
  - Insurance Premium Discount for Participation
- Employee Assistance Plan

# City Health Insurance

- Self-Insured
  - City assumes all financial risk
  - City pays actual claims and expenses
  - Third Party Administrator (TPA) processes claims
- Stop Loss
  - Supplemental insurance in the event an individual claim exceeds \$1M in a year

# Group Health Fund Overview

**FY2025** – *Proposed* 5% increase in City Contributions

**FY2024** - 5% increase in City Contributions

**FY2023** - 5% increase in City Contributions

**FY2023** - First employee premium increase since 2018

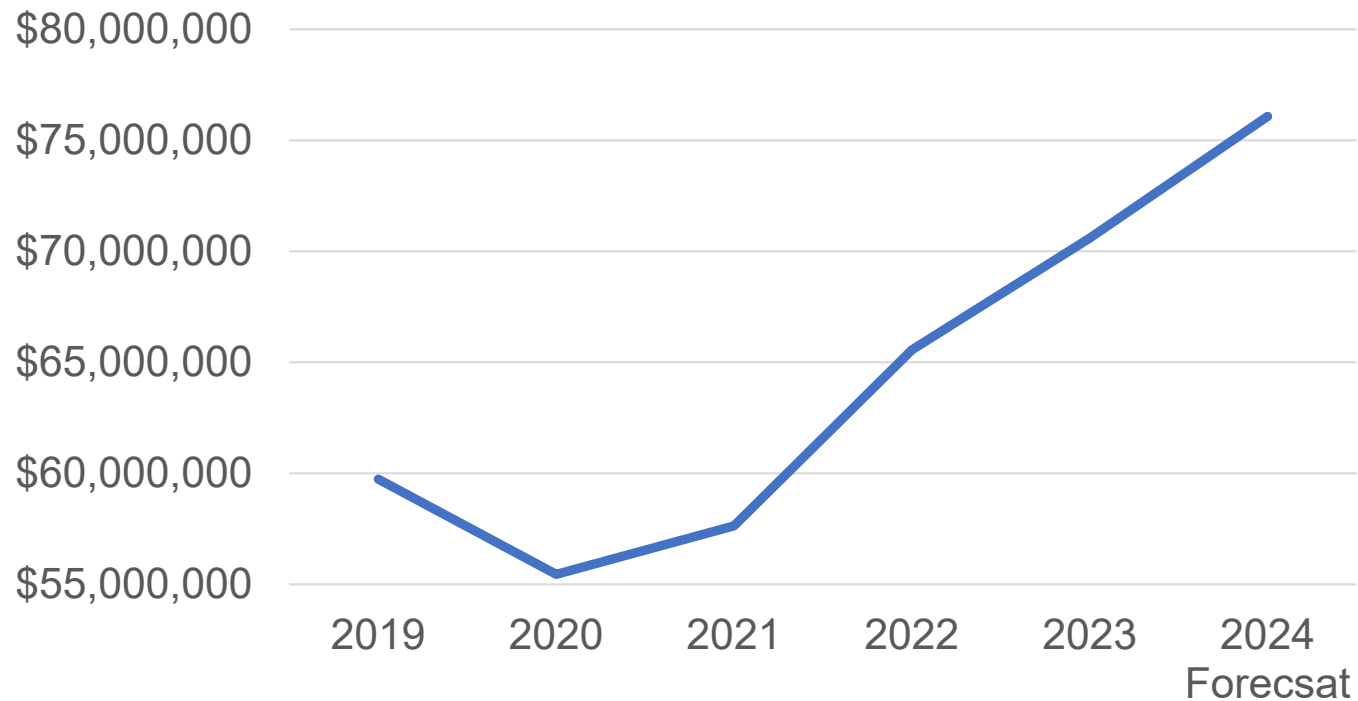
**FY2021** - 2 Employee Premium Holidays (Dec 2020)

**Added Benefits** - 4 different point solutions

**9,952** employees and dependents covered

# Claims Cost

Claims Cost



## Contributing Factors:

- Three claims over \$1M in 2023
- General increase in complex medical conditions
- Increase in pharmacy costs primarily driven by GLP1 prescriptions for weight management
- Overall increase in treatment costs

# Health Fund Proposal

- Increase in City Contribution for Premiums \$2.7M – Total \$62.9M
- Increase in Employee Premium Contributions \$474K – Total \$16.3M

Per Month		Health Center Plan		Consumer Choice Plan	
		Employee	City	Employee	City
EE Only	Current	\$110.74	\$640.38	\$0	\$645.08
	Proposed	\$114.06	\$672.40	\$0	\$677.33
	Increase	\$3.32	\$32.02	\$0	\$32.25
EE + Family	Current	\$766.52	\$1,645.99	\$557.41	\$1,499.86
	Proposed	\$789.52	\$1728.29	\$574.13	\$1,574.13
	Increase	\$23.00	\$82.30	\$16.72	\$74.99

# Pension Contributions

	<b>City Contribution</b>	<b>Employee Contribution</b>
General Employees Group II	26.64%	10.95%
General Employees Group I	26.64%	11.65%
Fire Employees	26.64%	13.65%
Police Employees	27.36%	14.73%

# Total Compensation

<b>Total Rewards Package*</b>	<b>\$106,150**</b>
2024 Compensation	\$65,000
Healthy Challenge Incentive	\$250
Medical Insurance (Health Center Plan Employee + Family)	\$19,751
Holidays and Personal Days (9 Holidays + 2 Personal)	\$2,750
Paid Vacation (15 Days)	\$3,750
Paid Sick Leave (10 Days)	\$2,500
City Contribution to Retirement Fund	\$17,316
Basic Life Insurance & Accidental Death and Dismemberment Policy	\$60
Employee Assistance Plan	\$23

\*This example is for a general employee. Police and Fire have different negotiated benefits Vacation, Sick and Holidays represent the value to the employee

\*\*Holiday & Sick Leave are not calculated in the Total Rewards Package



# Total Budgeted Cost of Compensation

	<b>FY2024</b>	<b>FY2025</b>	<b>Change</b>
Base Pay	\$607,083,320	\$626,409,220	3.18%
Base Benefits	\$88,780,045	\$86,445,054	-2.63%
Pension	\$173,311,183	\$175,926,763	1.51%
<b>Total</b>	<b>\$869,174,548</b>	<b>\$888,781,037</b>	<b>2.26%</b>

**QUESTIONS?**