



Budget Committee Meeting - Final

November 08, 2023

3:00 PM

A. **MIN2023-115** Approval of the August 15, 2023 Special Committee on Budget Meeting Minutes

BUDGET COMMITTEE

Minutes - Final



Travis Lindley, Chair/Council Member
Tim Gould, Mayor Pro Tem
Latonia P. Hines, Council Member

A Max Bacon City Hall
Admin Conference Room
2800 King Street SE
Smyrna, GA 30080

City Attorney Scott Cochran
City Administrator Joseph Bennett
City Clerk Heather K. Peacon-Corn

August 15, 2023
4:00 PM

1. Roll Call

Present: 3 – Travis Lindley, Tim Gould, and Latonia P. Hines (phone)
Also Present: 1 – Derek Norton
Staff: 4 – Joe Bennett, Heather Peacon-Corn, Kristin Robinson, and Carol Sicard

2. Call to Order

Chairperson Travis Lindley called to order the August 15, 2023 Special Committee on Budget meeting held at A. Max Bacon City Hall in the Administration Conference Room at 4:00 PM.

3. Chairperson Instruction and Comment

4. Formal Business

A. 2023-170 Plan Year 2024 insurance and benefit planning discussion

Joe Bennett, City Administrator, explained that an inventory of employee benefits has been conducted. Through that inventory, a focus became retiree health benefits. Currently, the City provides health benefits for retirees – ages 55 thru 65 – their spouses, and their dependents. What has been realized is the highest claims come from the retiree bracket.

Carol Sicard, Human Resources Director, provided further background:

- Post aged 65 retirees are on the Via Benefits platform already.
- Current rate structure since 2012 was locked in for the lowest employer contribution on the lowest cost health plan in 2012.
- That was not the intent – it was supposed to track with the market.
- Retirees make up less than 10% of enrollment on the City health plan, however, they make up a disproportionate 15% of the total claims.
- This is costing both retirees and the City a lot of money.
- If the retiree is paying \$300/month, the City is paying \$600/month *plus claims*.
- If the retiree also has a spouse and/or dependents, the City pays well over \$1,000/month *plus claims*.
- There are currently 30 retirees and two new retirees in the next couple months.

- There are currently six retirees and spouses on the plan, and there are three post-65 retirees with three pre-65 spouses on the plan.

The proposal:

- Switch all retirees 55+ to the Via Benefits platform.
- Instead of having the retirees pay the City to provide their health benefits, the City puts money into a Health Reimbursement Account (HRA).
- The amount put into the HRA will be a predicable dollar amount which the City has calculated at \$1,000/month.
- An HRA can be used for premiums, out-of-pocket costs, co-pays, pharmaceuticals, etc., as long as it a healthcare expense.
- Retirees then select from among hundreds of plans on the healthcare marketplace.
- Via Benefits will provide personal guidance based on their specific situation.
- This will be a cost savings for the retiree.
- This will be a cost savings to the City of approximately \$750K per fiscal year.

Discussion took place about what other jurisdictions are doing. Some jurisdictions are phasing retiree health benefits out, but retirement health benefits are important for hiring. The question posed was if the City should continue covering health benefits for retirees after a certain hire date. Ms. Sicard stated that the current policy is a little confusing, but it suggests that an employee can be employed for a minimum of ten years and receive benefits. This would need to be reevaluated and amended.

Mr. Bennett would like to gather current retirees and soon-to-be retirees into an educational meeting prior to it going before Council. Mayor Norton suggested this be brought up in the September Committee of the Whole Meeting.

5. Approval of Minutes

A. MIN2023-085 Approval of the April 17, 2023 Special Committee on Budget Meeting Minutes

Committee Member Tim Gould made a motion to approve item MIN2023-085, the April 17, 2023 Special Committee on Budget meeting minutes; seconded by Committee Member Latonia P. Hines.

The motion to approve carried with the following vote:

Aye:	3 – Committee Chair Lindley, Committee Member Gould, Committee Member Hines
Nay:	0 – None
Recuse:	0 – None

6. Other Business / Staff Comment

A. 2023-171 Other Business / Discussion

7. Adjournment

Chairperson Travis Lindley adjourned the August 15, 2023 Special Committee on Budget meeting at 4:36 PM.

Facilities are provided throughout City Hall for convenience of persons with disabilities.

THIS MEETING WAS PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS IN ACCORDANCE WITH THE NOTICING STANDARDS AS OUTLINED IN O.C.G.A. 50-14-3:
The City of Smyrna website – www.smyrnaga.gov
City Hall, 2800 King Street SE, Notice Boards