

# Lakeway Municipal Utility District

## Minutes of Combined Meeting

### Administration Personnel and Communications Committee

### and Finance Committee

August 22, 2014

**Attendance:** **APC:** Tom Armstrong – Chair; Norty Markham – Vice Chair; Don Goff; Absent: Chuck Moreland – Secretary

**Finance:** Lawrence Christian – Chair, Bill Cobb, Hal Hirsch, - Secretary; Absent: Vince Maggio –Vice Chair

**LMUD Board:** Tom Brewer, APC Committee Liaison, Kay Andrews, Finance Committee Liaison

**LMUD General Manager:** Earl Foster

□ **2015 Merit Raises** were voted to be budgeted at 3% based on a discussion of background and data Earl provided. The 3% will be not paid to each employee. The budgeted pool of funds will be split based on Performance Reviews with some employees getting higher raises and some less.

□ **2015 Medical Insurance** recommendation is for renewal via United Healthcare, current provider. Comparing 2015 to 2014, Gross expenses will grow roughly \$19K to \$144K, a 15% increase. The combined Committee groups also voted to recommend a new feature of \$25 / month per employee for cost sharing. This is a start based on the current benefits package that the LMUD will continue. Other discussion focused on changes to Dental Insurance but it was decided this cost sharing was an appropriate initial step. Earl provided analysis of the different health care possibilities.

Self-Insurance was discussed but rejected based on the limited group size.

The impact of these decisions for an employee earning \$40 K / year is a 3% raise of \$1200, partially offset by \$300 to pay for 12 months of the cost share.

\* Earl was given the **Action Item** to look at a **5 year Benefits projection** assuming that Insurance rates will continue to increase at 15% or 20% annually while it will be increasingly difficult for LMUD to offset inflationary and required expense growth for minor projects and repairs. LMUD has been successful in controlling Expense growth in recent years.

□ There were modest renewal rate increases for 2015 **Dental** coverage, as well as for **Short Term Disability**. **Long Term Disability** rates for 2015 are the same as 2014. There is a 4.9% rate increase for **Basic Life Insurance** and **Accidental Death and Dismemberment**. These coverages will continue via Met Life. Earl also provided quotes from Principal.

□ The APC Committee discussed their membership. The committee is fine with 4 members, and is not seeking another candidate.

□ Earl will finalize the **Budget Workshop** with the **LMUD Board**, which is currently scheduled for Friday, August 29 at 1:30 PM, and advise us for attendance.