

City of Charlotte

*Charlotte-Mecklenburg Government Center
600 East 4th Street
Charlotte, NC 28202*



Meeting Agenda

Wednesday, February 9, 2022

**Charlotte-Mecklenburg Government Center, Regular
Meeting Hosted from Room 267**

City Council Budget Workshop

Mayor Vi Lyles

Mayor Pro Tem Julie Eiselt

Council Member Dimple Ajmera

Council Member Tariq Bokhari

Council Member Ed Driggs

Council Member Larken Egleston

Council Member Malcolm Graham

Council Member Reneé Johnson

Council Member Greg Phipps

Council Member Matt Newton

Council Member Victoria Watlington

Council Member Braxton Winston II

1:00 P.M. CITY COUNCIL BUDGET WORKSHOP, CHARLOTTE-MECKLENBURG GOVERNMENT CENTER, REGULAR MEETING HOSTED FROM ROOM 267

This meeting will also be accessible via the Government Channel, the City's Facebook page, and the City's YouTube channel.

1. Workshop Overview

Staff Resource(s):

Marcus Jones, City Manager

2. Fiscal Year 2023 General Fund and Budget Development Outlook

Staff Resource(s):

Ryan Bergman, Strategy and Budget

3. Our Workforce

Staff Resource(s):

Brent Cagle, City Manager's Office

Sheila Simpson, Human Resources

4. Employee Compensation

Staff Resource(s):

Ryan Bergman, Strategy and Budget

5. Healthcare

Staff Resource(s):

Sheila Simpson, Human Resources

Christina Fath, Human Resources

Adjournment

General Fund Outlook and Budget Development Preview

CITY COUNCIL BUDGET WORKSHOP
FEBRUARY 9, 2022

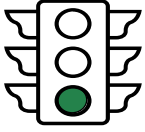
Purpose of Presentation

FY 2023 General Fund Budget Outlook

Capital Investment Plan (CIP) Preview

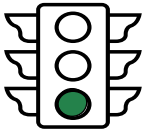
**Draft Budget Development Plan (Committees and
Workshops)**

Financial Resiliency Drives Budget Development Planning



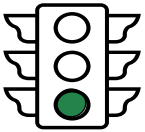
Structurally-Balanced Budget

- Ongoing expenses do not exceed ongoing revenues



Fully-Funded Reserves

- Approximately two months (16%) in reserve in the General Fund



Maintaining Capital Affordability

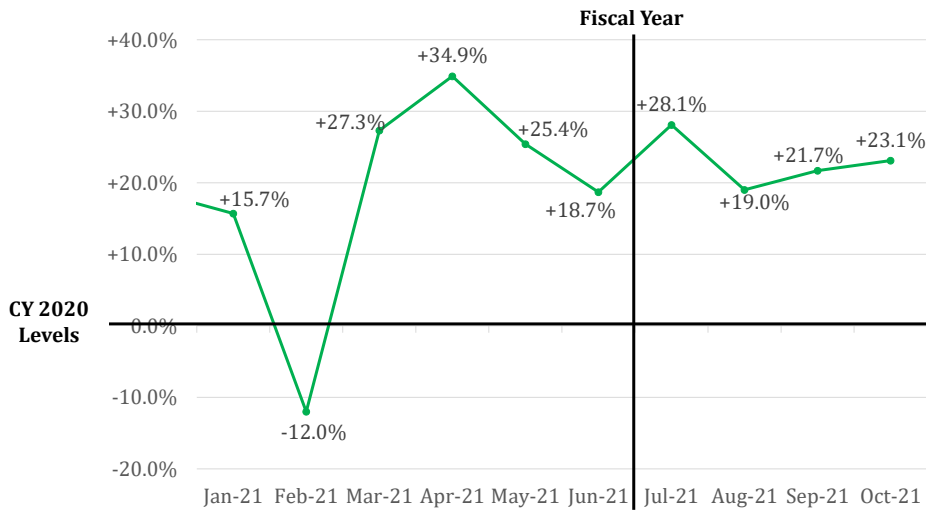
- Steady State debt affordability reserved for future City capacity

Budget Development Pressure: Increases in the Cost of Providing Service



Source: U.S. Bureau of Labor Statistics, Year-Over-Year Percent Change in CPI - South Urban Consumers

Sales Tax Revenue has Steadily Grown



General Fund Budget:
\$107.9 Million

Projected Growth:
\$14 - \$18 Million

Real Property Tax Growth is Positive but Not Boosted by Increased Home Value

General Fund Budget: \$413.2 Million


Projected Growth: \$8 - \$11 Million

↑ 1.5 - 2.5%




Real Property
85.0%

↑ 2.0 - 7.0%



Vehicles
5.6%

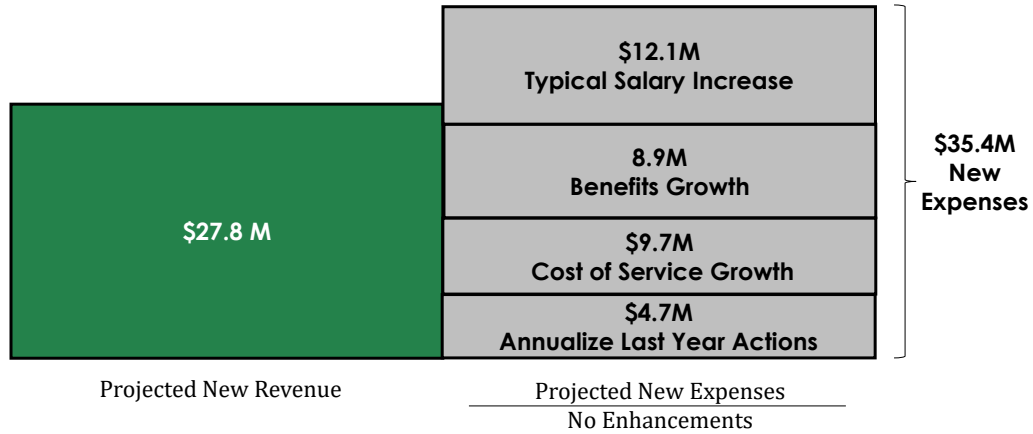
↑ 0.0 - 6.0%



Personal Property
9.4%

Projected General Fund Operating Challenge is Similar to Recent Years

(\$7.6 Million) Challenge



Our Steady State Bond Capacity Remains Supported

2022, 2024, 2026, and 2028 bonds planned using \$198M steady state

Factors have outperformed model

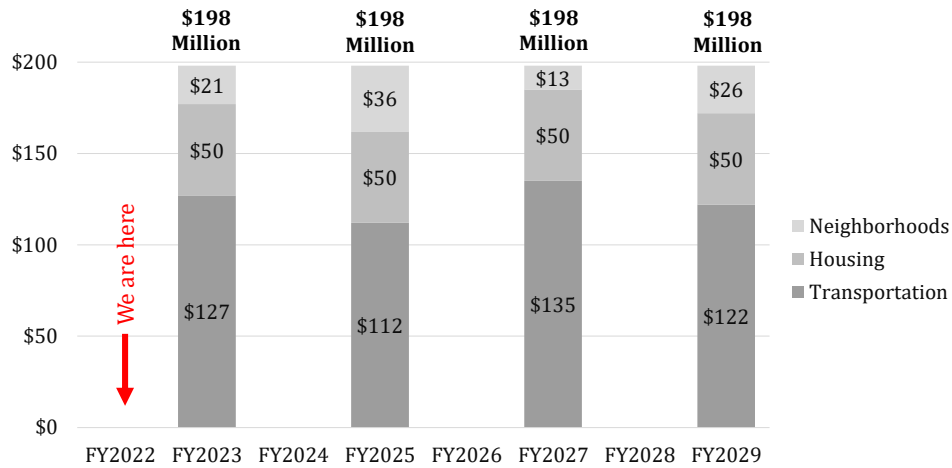
Updated steady state projection to be provided by Chief Financial Officer at next Budget Committee and Workshop

Spend Rates

Tax Revenues

Interest Rates

Draft Capital Investment Plan Includes the Next Four Bonds



Draft 5-Year Bond Plan from FY 2022 Budget

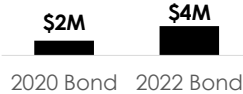
	2022 Bond FY 2023	2024 Bond FY 2025	2026 Bond FY 2027	2028 Bond FY 2029	Total
PROJECTS FUNDED WITH GENERAL OBLIGATION BONDS (Require Voter Approval)					
Economic Development (Economy, Jobs, and Upward Mobility)					
Promote Public/Private Partnerships	\$11,000,000	\$26,000,000	\$13,000,000	\$26,000,000	\$76,000,000
Support Ballantyne Reimagined Infrastructure	\$8,800,000	\$8,700,000	-	-	\$17,500,000
Great Neighborhoods (Affordable and Sustainable Neighborhoods)					
Create and Preserve Affordable Housing	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$200,000,000
Invest in Corridors of Opportunity	\$10,000,000	\$10,000,000	-	-	\$20,000,000
Safe Communities (Safe, Healthy, and Inclusive Communities)					
Enhance Transportation Safety (Vision Zero)	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$16,000,000
Transportation, Planning, and Environment (Accessibility, Mobility, and Connectivity)					
Improve Sidewalks and Pedestrian Safety	\$50,000,000	\$20,000,000	\$17,000,000	\$20,000,000	\$107,000,000
Improve Eastway Drive/Shamrock Drive Intersection	\$12,700,000	\$18,300,000	-	-	\$31,000,000
Mitigate Congestion	\$10,000,000	\$10,000,000	\$5,000,000	\$5,000,000	\$30,000,000
Connect Bicycle Facilities	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$32,000,000
Resurface Streets	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$32,000,000
Connect Northeast Corridor Infrastructure	\$6,000,000	-	-	-	\$6,000,000
Construct Improvements with Bonus Allocation Funding	\$6,000,000	-	-	-	\$6,000,000
Repair and Replace Bridges	\$5,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$23,000,000
Upgrade Traffic Control Devices	\$4,500,000	\$5,000,000	\$5,000,000	\$5,000,000	\$19,500,000
Maintain Intelligent Transportation Systems	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$16,000,000
Construct Road #1 from Advanced Planning Program	-	\$20,000,000	\$50,000,000	-	\$70,000,000
Construct Road #2 from Advanced Planning Program	-	-	\$20,000,000	\$50,000,000	\$70,000,000
Construct Intersection #2 from Advanced Planning Program	-	-	\$8,000,000	\$12,000,000	\$20,000,000
Total General Obligation Bonds	\$198,000,000	\$198,000,000	\$198,000,000	\$198,000,000	\$792,000,000

Highlights from Draft 2022 Bond Plan

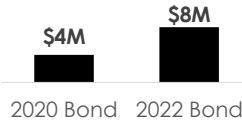
\$50 Million
for Affordable
Housing



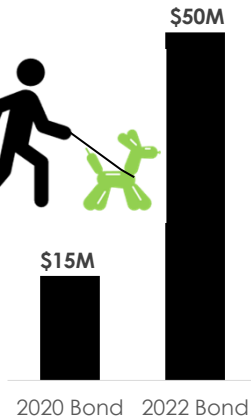
2x Vision Zero



2x Bicycle



+3x Sidewalk



Budget Development Schedule

Meeting One	Meeting Two	Meeting Three
February 3rd Committee	Late Feb/Early March Committee	Late March/Early April Committee
General Fund Outlook and Budget Development Preview	Steady State Debt Update and CIP Workshop Preview	Water/Stormwater Outlook
	Transportation Capital Investments (Sidewalks, Street Lights, Pedestrian Safety)	CATS Outlook
		Aviation Outlook
February 9 Budget Workshop	March 9 Budget Workshop	April 6 Budget Workshop
FY 2023 General Fund Outlook	Steady State Debt Update	Innovation and Technology Road Map and Investments
Employee Workforce Planning and Development	Transportation Capital Investments	Enterprise Fund Report Outs (Aviation, CATS, Water/Stormwater)
Employee Compensation	Advanced Planning Fund Projects	Financial Partners
Healthcare	2022-2028 Bond Strategy and Priorities Discussion	

Questions?

Our Workforce

CITY COUNCIL BUDGET WORKSHOP
FEBRUARY 9, 2022

Purpose

Overview of Workforce

Who We Are and What We Offer

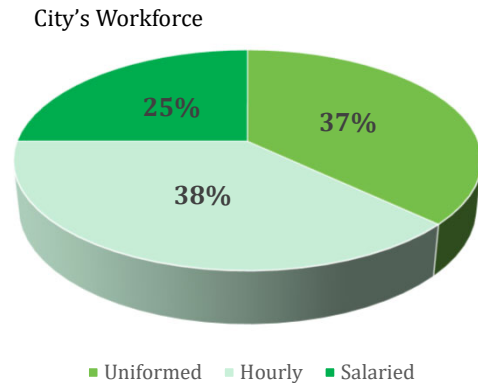
Future Workforce/Workplace

Next Steps

City At a Glance

City has 20 Departments with Varied Workforce

- 37% are Uniformed Police and Fire
- 38% are Hourly Staff
- 25% are Salaried Staff



Different Pay and Benefits

Different Strategies to Recruit and Retain

People are our Purpose



- Compensation and Benefits Investments
- Celebrations of Public Service
- Job Training and Employee Development
- Learning Workforce
- For your Benefit
- For your Wellness
- For your Mental and Emotional Wellbeing
- Retirement Readiness
- Community Engagement
- COVID Care

Compensation and Benefits Investments

Charlotte set minimum pay to \$15.00/hour in ahead of Charlotte market

By June 2022, Hourly Pay Plan minimum pay \$18.18/hour

Annual 3% average salary increase over the past four consecutive years

No employee healthcare premium increases since 2018 and reduced employee costs for past four years

Premium Relief Program for lowest paid employees with family coverage

Access to Marathon healthcare services while on duty

Full access Transit Pass for \$33/year

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Celebrations of Public Service

Truck Rodeo (SWS)

May Madness

- Basketball tournament

GOVies

- Peer to peer individual and team recognitions

Employee of the Month

- Peer to Peer recognition

Annual Law Enforcement Fitness Challenge

- Honoring fallen officers

Others across the City

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Job Training Employee Development

Charlotte Training Academy

Internships

Co-Ops

CDL Certification Programs

GED achievement program with CPCC

Scholars Programs

- CDOT: NC Local Technical Assistance program
- Aviation: CPCC Opportunity Scholars program

Internal Talent Mobility

GoodWorks Partnership

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Learning Workforce

Individual Learning

- Crucial Conversations
- Personal Branding
- LinkedIn Learning

Group Learning and Development

- WorkPlace Big 5 group assessment
- DISC assessments

Leadership Development

- Ken Blanchard's Situational Leadership
- Quest

Mentoring Programs

- Senior Leaders, Shared Leadership Learning
- Apprenticeship Mentors

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For your Benefit

 CITY of CHARLOTTE

Paid Hospital Indemnity Insurance

- Paid by the City of Charlotte
- FREE to employees on a City medical plan.
- Pays YOU if you are admitted to a hospital, critical care unit or rehabilitation facility.

Paid Short-Term Disability Insurance

- (60% of salary up to 6-months)

Paid Life Insurance (2x your salary)

FAMILY CARE

- Paid Parental Leave
- Shared Sick Leave
- Military Exigency Leave

Employee Purchases Options

- Legal Assistance
- Pet Insurance
- Critical Care and Accident Insurance
- Additional Life Insurance Products

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For your Wellness

 CITY of CHARLOTTE

Near-site Health Clinics

Free annual wellness exams

Flu Shot Clinics, COVID-19 Clinics

Physical Therapy

Mobile Mammography

Life Coaching services

Diabetes Management and Education

6 Week Weight Management Program

Couch to 5K

Financial Wellness

- Investing 101 Workshop
- Money Matters: Moving Forward in a Changing World workshop
- Rainy Day Savings Program
- Teaching Good Money Habits to your Kids workshop

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For your Mental and Emotional Wellbeing

- Meditation and Mindfulness Class
- Healthy Relationships Workshop
- Mental Health Awareness Workshop
- Mental Health Resources for Employees campaign
- Mental Health Resources for Supervisors campaign
- Managing Mental Health During Times of Social Change
- Sleep Resource Guide
- Addictive Behaviors and Coping Strategies Workshop
- Grief and Loneliness Workshop
- Onsite grief counselors
- Employee Assistance Program services
- Life Coaching Services

Retirement Readiness

Pension Plan(s)

- Local Government Employees
- Law Enforcement Employees
- Charlotte Fire Retirement

Public Safety Deferred Compensation

- Law Enforcement 5% 401(k) Contribution
- Firefighters 3% 401(k) and 2% 457 Contribution

Retirement Healthcare Financial Tools

- Public Safety: City Sponsored Retirement Health Reimbursement Plan
- Employee Elected Health Savings Account

General Employees Deferred Compensation

- 3% 401(k) Deferred Compensation Contribution

Retirement Readiness

- Estate Planning
- Getting ready for retirement classes
- Planning and Education training with the Office of Social Security Administration and Prudential Retirement
- E-Learning Charlotte Fire Retirement modules

Community Engagement

Public Safety Youth Programs

- Camp Ignite (Girls 14-18 years old)
- Camp Hornets' (Boys 14-18 years old)
- Explorer Program (10-20 years old)
- Steve's Coats for kids
- PAL (Police Activities League)
- COPS and Cleats
- Bike to DC
- Envision Academy, REACH OUT, Youth Diversion Program

Police & Fire Sports Contest (hockey, baseball)

WEWIT (Women Empowering Working in IT)

Read Charlotte in a Title I school

Community Support Leave

CDOT Open Streets 704

3rd Annual CLT Charity Golf Tournament benefiting Habitat for Humanity

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COVID Care

COVID test and treatment cost sharing WAIVED in 2020-2021.

Free on-site vaccination clinics

Provided up to four weeks of Emergency Paid Leave for COVID care

Provided two weeks paid leave for school closure or child-care needs and an additional 66% of pay for up to 10 additional weeks.

Provided COVID related 5% premium pay to frontline employees in excess of six months

Hosted Medical Professional's COVID Information Panels

Job stability. No budget related layoffs.

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Future Workforce/Workplace

Future Workforce/Workplace

Stanford University economics professor, Nicholas Bloom, predicts that (National Data);

- 50% of employees need to be “present” – remote work/hybrid work schedules are not possible
- 40% of employees can/will have a hybrid work schedule with 2/3 days remote working
- 10% of employees could work 100% remote

Employers need to recognize the value of remote work and allow for hybrid schedules

Employers must look at ways to recruit/retain/maintain morale amongst employees who can not remote work

Additional Challenges

Trends show a national labor shortage – this is especially true in trades and labor positions creating higher than usual vacancy rates

Inflation is rising putting further pressure on hourly wages

The impacts of COVID will continue to affect the workplace and workforce for the foreseeable future

Lessons Learned

COVID has shown us that hybrid work schedules for some employees are possible and can create higher job satisfaction without a loss of productivity

75% of employees can not work hybrid schedule

- Negative affect on morale
- Staffing shortages and absence related to COVID often require working additional hours
- Pay/benefits, career advancement opportunities and ability to have consistency in schedule become very important

Next Steps

Continue to focus on diversity, equity and inclusion in hiring and workforce development

Make improvements in compensation and healthcare

Establish long-term partnerships to create opportunities for recruiting and career development for existing employees

Questions?

Employee Compensation

CITY COUNCIL BUDGET WORKSHOP

FEBRUARY 9, 2022

Overview of Presentation

Review Public Safety Pay Plan progress

Review general employee compensation and retention considerations

Consider next steps for FY 2023 budget development



Public Safety Pay Plan Progress

Three Year Public Safety Strategy



FY 2020

Police Officer and Police Sergeant top pay increased by 5%

Step consolidations

FY 2021

Police Officer and Police Sergeant top pay increased by 5%

Step consolidations

FY 2022



Top Pay Increases:

2.5% Fire Engineer
2.5% Fire Captain

Top Pay Increases:

2.5% Firefighter II
5% Fire Engineer
3.75% Fire Captain

Top Pay Increases:

2.5% Firefighter II
2.5% Fire Engineer
3.75% Fire Captain

Charlotte Ranks Highly for Total Increase in Top Pay Since the Last Survey

Total Increase in Top Pay for Police Since Last Survey

Position	Increase	Eastern	National
Police Sergeant	\$13,419	1 of 10	2 of 21
Police Officer ¹	\$11,540	1 of 10	3 of 21

¹Includes pay for four-year degree

Total Increase in Top Pay for Fire Since Last Survey

Position	Increase	Eastern	National
Fire Captain	\$13,489	2 of 10	4 of 21
Fire Engineer ¹	\$11,425	3 of 9	3 of 18
Firefighter ¹	\$7,127	5 of 10	9 of 21

¹Includes pay for four-year degree

Changes in Police Pay Past Three Years

Police Officer

With 4-Year Degree

Top Pay: +15% to \$87,377

Median Pay: +13% to \$78,016

Top Pay Comparison

	2019	2022	Change
Eastern	4 of 10	2 of 10	+2
National	14 of 21	10 of 21	+4

Cost of Living Adjusted Pay

	2019	2022	Change
Eastern	6 of 10	5 of 10	+1
National	16 of 21	13 of 21	+3

Police Sergeant

Top Pay: +15% to \$101,204

Median Pay: +15% to \$101,204

Top Pay Comparison

	2019	2022	Change
Eastern	6 of 10	2 of 10	+4
National	16 of 21	10 of 21	+6

Cost of Living Adjusted Pay

	2019	2022	Change
Eastern	6 of 10	4 of 10	+2
National	16 of 21	13 of 21	+3

Changes in Fire Pay Past Three Years

Fire Captain

Top Pay: +15% to \$101,242
Median Pay: +15% to \$101,242

Top Pay Comparison

	2019	2022	Change
Eastern	4 of 10	3 of 10	+1
National	13 of 21	10 of 21	+3

Cost of Living Adjusted Pay

	2019	2022	Change
Eastern	5 of 10	4 of 10	+1
National	14 of 21	11 of 21	+3

Fire Engineer

With 4-Year Degree

Top Pay: +15% to \$85,501
Median Pay: +10% to \$77,729

Top Pay Comparison

	2019	2022	Change
Eastern	5 of 9	3 of 9	+2
National	12 of 18	9 of 18	+3

Cost of Living Adjusted Pay

	2019	2022	Change
Eastern	5 of 9	6 of 9	-1
National	12 of 18	13 of 18	-1

Fire Fighter

With 4-Year Degree

Top Pay: +10% to \$79,396
Median Pay: +7% to \$65,390

Top Pay Comparison

	2019	2022	Change
Eastern	5 of 10	3 of 10	+2
National	13 of 21	11 of 21	+2

Cost of Living Adjusted Pay

	2019	2022	Change
Eastern	4 of 10	5 of 10	-1
National	12 of 21	13 of 21	-1

Top Pay Adjustments in PSPP Since FY 2010

Does not include annual Market Adjustment

Police Public Safety Pay Plan Top Step Increases from FY 2010 Through FY 2022

Description	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Officer	0%	0%	0%	0%	0%	0%	0%	0%	0%	2.5%	5%	5%	0%
Sergeant	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	5%	5%	0%

Fire Public Safety Pay Plan Top Step Increases from FY 2010 Through FY 2022

Description	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Firefighter II	0%	0%	0%	7.5%	0%	0%	0%	0%	2.5%	2.5%	0%	2.5%	2.5%
Engineer	0%	0%	0%	0%	0%	0%	0%	0%	2.5%	2.5%	2.5%	5%	2.5%
Captain	0%	0%	0%	0%	0%	0%	0%	0%	2.5%	2.5%	2.5%	3.75%	3.75%

Average Actual Salary Change: Last Three Years

Includes ongoing incentives – does not include overtime

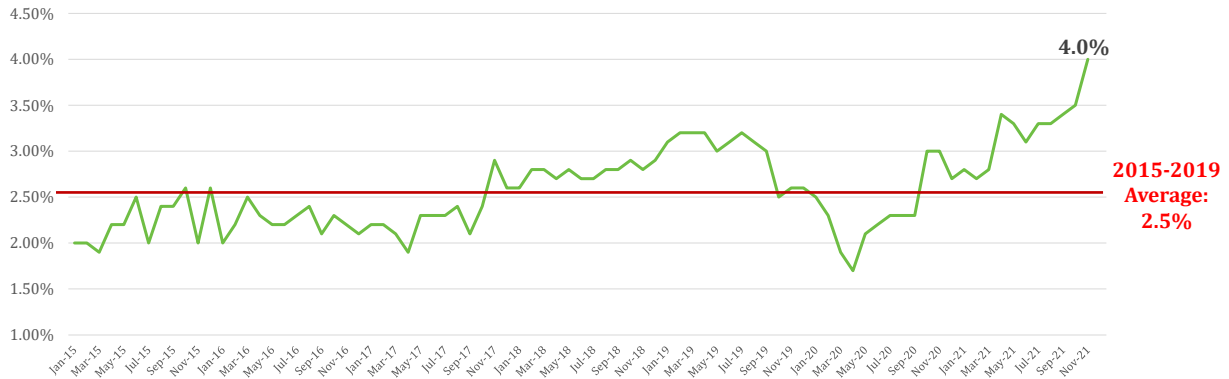
	<u>Early 2019</u>	<u>Today</u>	<u>Change</u>	<u>Percent</u>
Police Officer	\$67,559	\$74,997	\$7,438	11%
Police Sergeant	\$85,872	\$98,365	\$12,493	15%
All PSPP Police	\$69,451	\$77,479	\$8,028	12%
Firefighter (I and II)	\$59,568	\$63,832	\$4,264	7%
Fire Engineer	\$69,716	\$79,115	\$9,399	13%
Fire Captain	\$86,550	\$101,179	\$14,629	17%
All PSPP Fire	\$67,342	\$73,939	\$6,597	10%



Retention and General Employee Considerations

The Employee Retention Issue is not Unique to Charlotte

Month-By-Month History of Voluntary Resignations in North Carolina



Source: Bureau of Labor Statistics

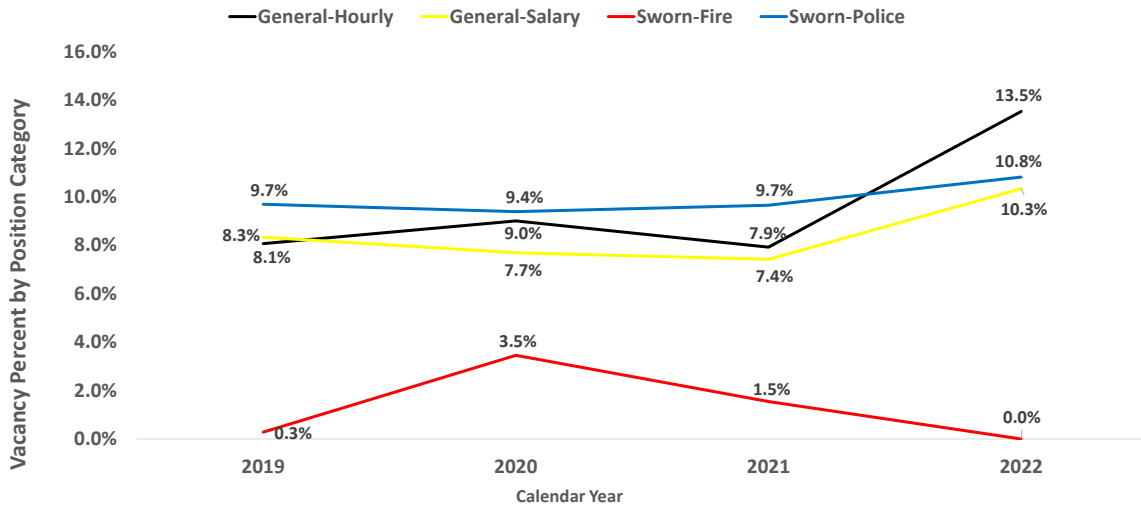
Charlotte's Rate of Resignations Has Remained Low but Has Recently Increased

Charlotte's monthly resignation rate has remained low compared to the state average

- 2021 Monthly resignation rate remained under 1% for all months (0.3%-0.9%)

Similar to state and national trends, the City of Charlotte has experienced an increase in resignations over the past six months

Four Year History of Regular Vacancies (Point-in-Time)



Service Maintenance and Skilled Craft Positions Drove the Increase

Employee Type	2021 Retirements		2021 Resignations	
	Retirements	Retirement Rate	Resignations	Turnover Rate
General Employees				
Service Maintenance	4	2.1%	33	17.6%
Skilled Craft	42	3.4%	137	11.2%
Clerical/Admin. Support	10	1.7%	78	13.1%
Protective Services	2	1.4%	9	6.4%
Technicians	17	2.4%	46	6.4%
Professional/Mid Management	40	2.5%	90	5.7%
Executive/Official	2	3.5%	1	1.8%
Sub-Total General	117	2.6%	394	8.8%
Sworn Employees				
Police Trainee	0	0.0%	23	NA
Police Sworn Rank	66	3.9%	66	3.9%
Police Sworn Management	3	18.8%	1	6.3%
Fire Trainee	0	0.0%	1	NA
Fire Uniformed Rank	38	3.8%	9	0.9%
Fire Uniformed Management	2	4.1%	0	0.0%
Sub-Total Sworn	109	3.9%	100	3.6%
TOTAL	226	3.1%	494	6.8%

Next Steps for Compensation

Work with hourly employee groups to help understand needs and target investments

Consider a multi-year plan for hourly employees to improve recruitment and remain competitive

Continue strategic adjustments to maintain competitiveness for Public Safety and Salaried positions

Questions?

Healthcare

CITY COUNCIL BUDGET WORKSHOP
FEBRUARY 9, 2022

Benefits Overview

Four Year Benefits Enhancements Summary

Trends and Claims Drivers

Funding Considerations

Four Year Healthcare Enhancements

FY19	FY20	FY21	FY22
<p>Premium Holiday</p> <p>Premium Relief Program Implemented</p> <p>Lowered deductible and out-of-pocket maximum in Plan D</p> <p>Reduced Plan E Family premium by 10%, all other premiums remained flat</p>	<p>Implemented city-paid Hospital Indemnity for all employees covered by medical</p> <p>Implemented Health Advocate benefit for all employees</p> <p>Reduced Plan B premiums by 5%, all other premiums remained flat</p> <p>Lowered deductible and out-of-pocket maximum in Plan A</p> <p>Added behavioral health services at Marathon Health</p> <p>Enhanced the specialty drug tier in Plan D and E</p>	<p>Reduced mental health and substance abuse copays in Plan D and E</p> <p>Waived all cost sharing for COVID testing and treatment</p> <p>Increased Employee Assistance Program visit to 10</p> <p>Added physical therapy services to Marathon Health</p> <p>Reduced Plan B employee only premium by 15%, all other premiums remained flat</p>	<p>Lowered deductible and out-of-pocket maximum in all plans</p> <p>Implemented copay optimization pharmacy benefit</p> <p>Reduced all health plan premiums by at least 5%</p>

Clinics Have Allowed Us Better Experience Than the National Trend

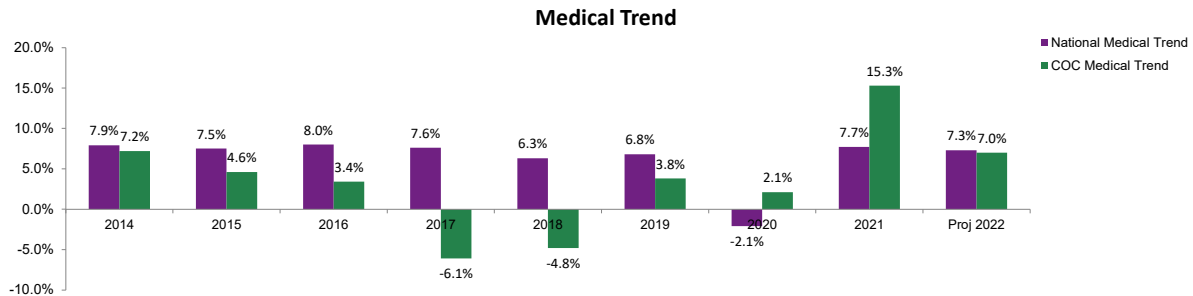
National Since 2013
Total Medical Claims Increase
61%

Compounded Average Medical Claims Increase
6.2%

City of Charlotte Since 2013
Total Medical Claims Increase
27%

Compounded Average Medical Claims Increase
3.0%

City of Charlotte Medical Experience Compared to National Trend



Lower than average cost savings drivers:

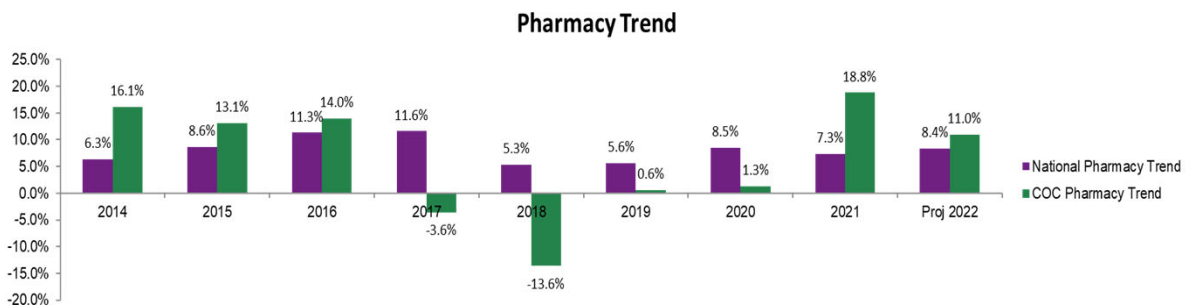
- High utilization of the nearsite clinic model
 - 82% employee, 64% retiree, 62% spouses, 16% dependents
- Four Plan strategy
- Plan design changes

2020-2021 cost increase drivers

- 20% increase in claims costs from 2020 to 2021.
- Currently, claims are projected to run 105% - 107% of the premiums collected.
- A few large COVID-19 related claimants are a primary driver of this increase.

National trends per Segal study

City of Charlotte Pharmacy Experience Compared to National Trend



Higher than national trend pharmacy drivers:

- More people taking more medications
- Medication cost increasing
- Specialty drug utilization has increased
 - Cancer, Hereditary conditions, Diabetes medications, Psoriasis

Top 10 Health Conditions

Diagnostic Category	2021 PMPM Paid Claims	2020 PMPM Paid Claims	YOY Percent Change
Musculoskeletal	\$51.22	\$45.44	+ 12.7%
Cancer	\$38.79	\$41.81	- 7.22%
Cardiology	\$30.62	\$27.79	+ 10.18%
Gastroenterology	\$28.06	\$24.71	+ 13.56%
Preventive & Administrative	\$25.41	\$17.34	+ 46.54%
Pulmonology	\$24.33	\$9.73	+ 150%
Neurology	\$20.58	\$15.90	+ 29.43%
Endocrinology	\$20.30	\$13.66	+ 48.61%
Psychiatry	\$17.65	\$13.50	+ 30.74%
Obstetrics	\$12.42	\$9.48	+ 31%



COVID-19 Claims Paid January 2020 – January 2022

COVID Services	Total Paid Claims
Testing and Screening	\$2,723,997
Treatment	\$6,087,775
Vaccines	\$260,103
Total	\$9,071,875

Primary Funding Sources for City's Benefits Plans



Employer Contribution
\$58,475,571



Employee Premiums
\$29,567,826



Employer Contribution
\$15,550,046

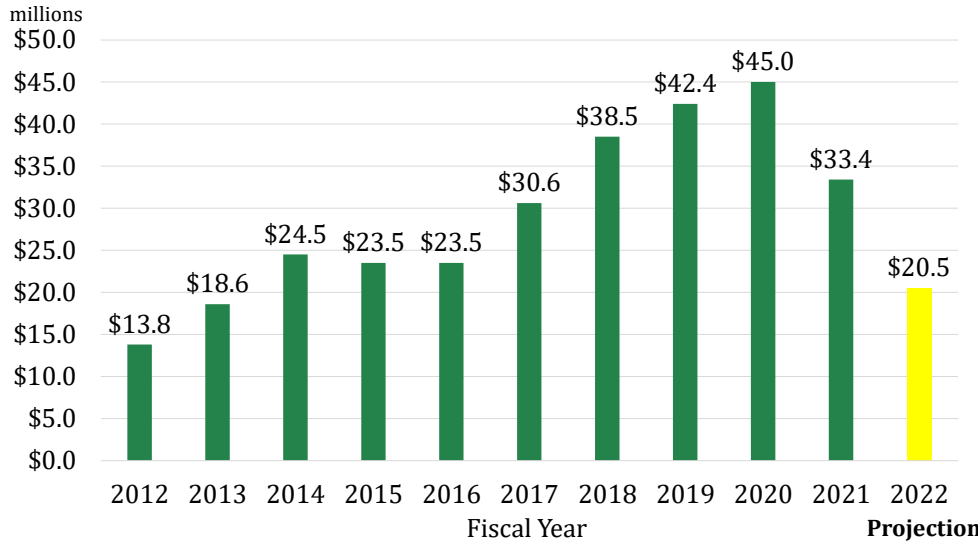


Retiree Premiums
\$9,679,323



Reimbursement for retiree claims costs

Fund Balance has helped stabilized COVID and inflationary-related medical impacts



Budget Considerations and Next Steps

Including enterprise funds, a \$7 to \$10 million increase in funding for the Healthcare Fund likely needed in FY 2023

Additional funds are intended to stabilize the Healthcare Fund over two fiscal years

Consideration will be given to employee attraction and retention considerations as healthcare recommendations are made

Questions?