

## Human Resources Committee

August 21, 2025

A meeting of the Human Resources Committee was held on this date, beginning at 4:26 p.m. in person in the Council Chambers at 80 Broad Street and over Zoom.

**Committee Members:** Councilmember Caroline Parker (Chair), Councilmember Stephen Bowden, Councilmember Robert Mitchell, and Mayor William Cogswell

**Also Present:** Tammy O'Berry - Director, Heather Pope - Deputy Director, Isabel Quattlebaum - HR Analyst, Lindsay Mazell - Talent Acquisition Manager, Amy Wharton - CFO, Andrew Jones, Elizabeth Dieck, Melissa Cruthirds, Magalie Creech, Jennifer Cook, Katie Dahlheim, Julia Copeland, and Donna Constance

Chair Parker called the meeting to order.

### **Invocation:**

The meeting was opened with a moment of silence led by Chair Parker

### **Approval of the May 15, 2025, minutes**

On a motion by Mayor Cogswell, seconded by Councilmember Bowden, the Committee voted unanimously to approve the May 15, 2025, Human Resources meeting minutes.

### **Old Business**

#### **a. Compensation Study Update**

Ms. O'Berry said the study had been put on hold but will resume its meetings with department heads and division chiefs next week. They will review the list of all jobs by department to ensure they are ranked correctly so that their structure is appropriate and accurate. The information will be cross-referenced with CBIZ's data and the vendor data to finalize job rankings, job grades, and pay adjustments over the next several months.

Mayor Cogswell stated that there were issues with the initial study, as the job descriptions were not as detailed as needed or were slightly inaccurate, which could impact the accuracy of the recommendations. They aimed to be thorough in this process and ensure they gathered proper input from staff dedicated to completing this on schedule.

Councilmember Mitchell said they needed to know what was going on in each department, and they were doing what needed to be done.

### **New Business**

- a. Human Resources Staffing and Retention Report**
- b. Review and request approval of proposed 2026 Healthcare Budget**

## **Human Resources Staffing and Retention Report**

Ms. Quattlebaum stated that the turnover in the second quarter decreased across all areas compared to last year. Sworn fire personnel dropped from 0.83% to 0.53%. Sworn police officers fell from 2.17% to 1.96%, and non-sworn staff declined from 2.29% to 3.57%.

The turnover rates were 7.35% for fire, 9.25% for police, and 14.29% for non-sworn staff.

Councilmember Bowden asked what they consider to be normal for cities across the board.

Ms. O'Berry said 10 to 15%. Nationally 12% was considered good, but the standard was 12 to 15% in government.

Staffing levels for the Fire Department were at 90%, and the Police Department was at 91%. Non-sworn, Budget, Finance, and Revenue increased by 5%. The Clerk of Council increased by 7%, Development Services had a 21% vacancy rate, and the Executive Department decreased by 6%. Fire staffing decreased by 15%, and Housing and Community Development increased by 10%. Human Resources decreased by 5%, IT by 2%, and Livability and Tourism decreased by 9%. Parks increased by 1%, Planning and Preservation decreased by 6%, Police decreased by 3%, Public Service decreased by 4%, and Recreation increased by 2%. Stormwater increased by 7%, and Traffic and Transportation decreased by 4%.

Ms. Mazell said they had 77 summer hires who worked from May through August, and 48 non-summer hires. They also had one of their largest firefighter classes in the City with 55 new hires in July. They were planning a fall job fair while working on open positions. Human Resources relocated to 200 Meeting Street.

Councilmember Bowden noted that vacancies are high, particularly in Traffic and Transportation. He inquired whether they could obtain more details about the specific positions.

Ms. Quattlebaum said they could get that information.

## **Review and request approval of proposed 2026 Healthcare Budget**

Mr. Jones said that they estimate an 18.4% increase in medical and pharmacy claims, with 9% resulting from industry-wide costs and inflation, and 9.4% from increased utilization. This indicates that more people are enrolled in the plan and using it more frequently. They anticipate a 3% growth in the number of employees on the plan in 2026, with 6.9% of that increase due to the high number of claimants. In 2025, 24.5% of all medical and pharmacy claims were attributed to large claimants. They project a 26% rise in dental claims. The total expected increase over the 2025 budget is 21%, equating to a \$4.6 million increase. This rise was notably larger, partly due to stop-loss fees, which accounted for about 24%. Each year, medical and pharmacy claims costs grew by 2%, and enrollment fluctuations in 2022 and 2023 decreased because of staffing challenges.

They had two plans to choose from: the HSA and PPO. For the HSA, the deductible would increase to \$50 for individuals and \$100 for families. To match this, they would raise the PPO deductible by the same amounts—\$50 and \$100. They proposed increasing employee contributions to the dental plan, with the family plan rising from \$21.00 per pay period to \$23.50. Additionally, there would be a 9% increase in employee contributions for medical and pharmacy, following a previous 6% increase in 2025. This would generate \$342,000 over the next year to help cover medical and pharmacy costs. They are also increasing retirement contributions by 9%. The largest increase would affect someone on the PPO Plan, such as a smoker or family, who would pay \$19.75 more per pay period. The City and employee share of the healthcare budget

would remain in the same ratio. Even with higher employee contributions, they are not asking employees to cover any additional costs beyond what they have in the past.

Another change to the plan design was to recommend that GLP-1s no longer be covered for weight loss, but only for individuals with diabetes. The plan would not cover GLP-1s solely for weight loss, but would continue to cover those with diabetes, excluding weight loss. In 2025, they had 65 users, which accounted for 2% of their members and 12% of their pharmacy claims. So, for 2025, it was projected that GLP-1s for weight loss would cost the City over \$1 million. For the overall healthcare budget for 2025 and 2026, they anticipated a 16.4% increase instead of 18.4%. They estimated that their medical costs would exceed the budget by \$3.1 million, and dental costs would increase by \$290,000, resulting in a total increase of 26%.

Councilmember Bowden said he understood why employers were not covering GLPs because they were trying to control costs, but the benefits were incredible for those trying to lose weight. The number one health care cost in America is obesity, and this could control costs long-term if people use it solely for that purpose. He asked if any thought was given to the short-term benefits versus the long-term benefits of covering it.

Mr. Jones said there are many differing opinions, especially on the long-term benefits versus short-term costs. Before 2025, GLP-1s were covered for weight loss. In 2025, they joined a program offered by Cigna that included stricter restrictions, such as education for users. They also considered the long-term costs of GLP-1s for weight loss, which could lead to higher employee co-pays. The price was \$1,300, with a co-pay of \$40 for the employee. Therefore, anyone using a GLP for weight loss is advised to stay on it longer than the short term.

Mayor Cogswell asked how many people on the plan were using weight loss drugs.

Mr. Jones said 65.

Mayor Cogswell asked how much that added to the projected healthcare budget.

Mr. Jones said it \$1 million.

Mayor Cogswell said 65 people were a million-dollar expense.

Councilmember Bowden said that it was a substantial amount.

Mayor Cogswell said they covered it for those with diabetes, but this was for weight loss.

Councilmember Bowden said this was short-term versus long-term, and it was costing a substantial amount of money in the short term. He was surprised that they could not charge different rates since they did it for smokers. The health effects from obesity over time would be the same, if not worse than, the health effects of smoking over time.

Ms. Pope said they struggled with this last year and thought about eliminating the coverage, which would have saved around \$800,000. Additionally, fewer people were using the drug. They introduced the Incircle RX Program to assess its financial viability. The plan was to coach people on eating and exercising, have them check in online, and do weigh-ins. They followed the program, but people weren't becoming independent of the drugs. This was listed as a preferred drug, and with a coupon, employees paid only \$25, compared to up to \$400 out of pocket if it wasn't covered. Since they were covering these high costs, it contributed to the problem.

Chair Parker said this was something they would need to re-evaluate. She asked if this was set in stone or if they would need to have further discussions.

Mr. Jones said this was addressed to Cigna to implement the plan changes, and they did not have an agreement. However, they need to decide their next steps to be prepared for open enrollment.

Chair Parker asked the Mayor for his thoughts and suggestions since this was on the agenda—specifically, whether this was the healthcare budget he wanted to approve for 2026.

Mayor Cogswell said this was a good solution to an unfortunate situation. Having this high, a year-over-year jump was unprecedented. They needed to investigate further and figure out how to address this with minimal impact on their employees. He supported the staff's consensus and suggested they move forward.

On a motion by Mayor Cogswell, seconded by Councilmember Bowden, the Committee voted unanimously as a Committee to recommend approval to the Council as a whole of the proposed budget.

With there being no further business, the Committee adjourned the meeting at 5:01 p.m.

Clerk of Council's Office

Donna Constance