

The City of West University Place

A Neighborhood City

CITY COUNCIL

Susan Sample, Mayor
Bob Kelly, Mayor Pro Tem
Burt Ballanfant, Councilmember
Brennan Reilly, Councilmember
Mardi Turner, Councilmember

STAFF

M. Chris Peifer, City Manager
Alan Petrov, City Attorney
Thelma Gilliam, City Secretary

CITY COUNCIL MEETING MINUTES

The City Council of the City of West University Place, Texas, met in workshop and regular session on **Monday, August 22, 2016**, in the Municipal Building, 3800 University, West University Place, Texas beginning at **6:00 p.m.**

SPECIAL MEETING/WORKSHOP

Agenda Items were as follows:

Call to Order. Mayor Sample called the meeting to order at approximately 6:10 p.m. in the Council Chambers. Council and Staff in attendance were: Councilmembers Reilly and Turner, City Manager Peifer, City Secretary Gilliam, City Attorney Petrov, Public Works Director Beach, Police Chief Walker, and HR Director Standorf. Mayor Pro Tem Kelly and Councilmember Ballanfant were absent.

Bob Treacy, Gallagher Benefits Consultants, was also present.

1. Employee Benefits

Matters related to employee group benefits (medical, dental, vision, life/AD&D and disability).

Human Resources Director Standorf and Bob Treacy, Gallagher Benefits Consultants, presented this item.

Mr. Treacy said the City's medical plan is still considered a point of service gold standard plan in the marketplace. He said West U has not yet broached a cost problem that would move the City to the bronze level plan built with high deductibles.

Mr. Treacy said in the last seven renewal periods, including the one the City is currently under right now, the City's costs have averaged about a 1.7% increase, which was partly due to being pooled together with three other cities (Dickinson, Friendswood, and Webster). He said last year, however, there were two cities in the pool that had adverse claims and it became apparent that West U could do better own its own.

Mr. Treacy said this year the City had a plan spike cycle, so when Blue Cross Blue Shield (BCBS) came in with a very strong negotiated renewal, he thought it was in the City's best interest to negotiate a fair and reasonable renewal at this point. He said soliciting bids and changing every single year is something he is all for if the market bears that, but he knew the City could renew with BCBS, remain under budget and retain a quality health plan for employees. He said BCBS has offered a 15% rate increase while still retaining a very, very strong plan.

Mr. Treacy said the recommendation tonight for the group medical plan will be to renew with BCBS under a 15% increase and making some amount of adjustments, mainly increasing the deductible from \$750 for each person (two per family) to \$1,500. He said the plan is being restructured for stabilization in the long haul. Mr. Treacy said out-of-pocket will also increase approximately \$1,000 annually and co-pays for prescriptions will increase approximately \$10. He said all other benefits will remain the same.

Mr. Treacy said what separates the City's plan from the thundering herd is that out of 280 members on the plan about 200 of them have far less than \$1,000 worth of expenses.

Mr. Treacy said next year he will probably do a full blown RFP.

As requested by Mayor Sample, Mr. Treacy explained the premium projections.

Mayor Sample asked Mr. Treacy if the Affordable Health Care for America Act (AHCAA) taxes of 3% had been suspended. Mr. Treacy said the City was still paying that tax in full.

Councilmember Reilly confirmed with Mr. Treacy that the City is on its own for 2016-2017 and not pooled with the other cities. Mr. Treacy said even though the cities are not all under one contract they will still work together, which provides the City leverage to get the best deal.

Councilmember Reilly said despite the 63% hike in claims last year, the City still paid more in premiums to BCBS than BCBS paid out in total claims. Mr. Treacy responded by saying in addition to looking at the claims, one has to take the claims dollar and add administrative and other costs, so at the end of the day, he would say that BCBS was losing money on the deal.

Mayor Sample revisited the discussion regarding the AHCAA tax and said for 2017 she believes that the AHCAA tax was suspended. Mr. Treacy responded that there are portions of the tax that remain. He said there is a research fee that will go away in 2018, but that it still applies in 2016 and will apply in a part of 2017.

Councilmember Reilly asked whether the City is a candidate to go fully self-insured with stop loss. Mr. Treacy said he doesn't think so at all, because the stop loss market is too volatile and said it would be a big gamble for the City due to its size. He said a better solution would be to do a retention based contract where the City would still stay fully insured, but be charged a little more premium for the risk margin.

Councilmember Reilly confirmed that the City does not have a tobacco component to its wellness program at this time.

Mayor Sample asked how much of the premium does an employee (only) pay. Human Resources Director Standorf said an employee only currently pays \$16.43 per month, which is approximately 97 percent of the costs.

Councilmember Reilly confirmed that the City's contract rate for employee only healthcare for 2016-2017 is \$601.50 per month and that the employee's portion is \$16.43 per month, which Mr. Treacy said is customary in the public arena.

Councilmember Reilly confirmed with Mr. Treacy that employees are sharing in the cost increase for the 2016-2017 premiums.

Councilmember Reilly said if the City makes the premiums more meaningful, some employees would probably shift to their spouse's coverage. He said this could remove some employees off the plan that really are not using it, but elect to have it because of the low premiums.

Mayor Sample said she did a quick survey of the City's benchmark cities and they all seem to have about three plans to entice people to pick a less expensive plan or high deductible plan which are both less costly for a company, so it makes sense to offer options to West U employees.

Human Resources Director Standorf said the City continues to say it wants to be an employer of choice and part of that choice is the compensation and the benefits the City employees.

Mayor Sample asked why the City doesn't have options for employees to self-select. She said if there is a cheaper plan and people want it, then that's the one the City should subsidize for and thinks it is something the City should have been doing for a while. She said the City needs options to push down the costs, because that's one of the City's biggest expenses.

Councilmember Turner said it's too late to do anything for the year 2017, so at what point next year does the City run up the flag and say let's do the full study and look at options.

Human Resources Director Standorf said staff will do what Council wants and it can direct staff at the Budget Workshop on how to proceed next year with insurance benefits.

City Manager Peifer said unless something catastrophic happens next year the City will go out for requests for proposals with specifications that include other options and tiers.

Councilmember Reilly said there are 20 out of 135 retirees on the plan and confirmed with HR Director Standorf that they pay the same premiums as employees. Ms. Standorf pointed out that if a retiree has dependents on the plan then the retiree is required to pay the full amount for the dependent(s).

Councilmember Reilly said given the numbers, his guess is that there are some employees buying the employee coverage insurance offered by the City just because it is \$16 per month. He said he would like to see the City pare back some of its exposure to the costs by increasing the charge to the City's employees, because he feels it will sway employees and retirees who really don't need the City's coverage as primary coverage to get off the plan and move toward other options.

HR Director Standorf said as of 2009, the City's insurance is no longer offered to retirees and that retirees that have gone to work somewhere else are also not eligible for the City's retiree coverage.

2. Adjourn Special Meeting

At 6:50 p.m., Mayor Sample closed and adjourned the Special Meeting/Workshop.

REGULAR MEETING

Agenda Items were as follows:

Call to Order. Mayor Sample called the meeting to order at approximately 6:55 p.m. in the Council Chambers. Council and Staff in attendance were: Councilmembers Reilly and Turner, City Manager Peifer, City Secretary Gilliam, City Attorney Petrov, Public Works Director Beach, Human Resources Director Standorf, and Police Chief Ken Walker. Mayor Pro Tem Kelly and Councilmember Ballanfant were absent.

Bob Treacy, Gallagher Benefits Consultants, was also present.

Boy Scout Surya Ram, Troop 266, lead the Pledge.

City Secretary Gilliam confirmed that the notice of this meeting was duly posted in accordance with the Texas Government Code, Chapter 551.

3. Public Comments

This was an opportunity for citizens to speak to Council relating to agenda and non-agenda items.

Alida Drewes, 6112 Fordham Street, spoke to say she attended the workshop meeting regarding the City's insurance for employees and she agrees with Mayor Sample that the employees should have several level options for insurance. She said the City refuses to support its seniors by giving them an exemption, but the City wants all of the employees to get gold standard healthcare that the taxpayers are paying for even though they may have other options via spousal insurance, the Veteran's Administration, Medicare, etc. Ms. Drewes said when will this Council wake up and think about the taxpayers and the senior citizens and when are the senior citizen's going to get anything. She said the City has spent so much on parkland and exercise equipment, but there is no exercise area for seniors. She said the seniors need something from this City because they have been supporting the City by paying taxes for their lifetime.

4. Funding Request for New Lighting System at Wier Park Tennis Courts

Matters related to a request for Council to authorize funding for staff to proceed with the purchase and replacement of the Wier Park lighting system. *Recommended Action: Authorize funding from the City's Equipment Replacement Fund for staff to proceed with the purchase and replacement of the lighting system at the Wier Park Tennis Courts.*

Parks and Recreation Director O'Connor presented and said during the course of the City's annual park lighting systems assessment it was discovered that 3 of the 5 light poles at the tennis courts at Wier Park were showing signs of distress at the bases to the point that staff solicited an assessment from an engineering firm. He said staff consulted with the Finance Director and determined that the lighting replacements could be funded through the Equipment Replacement Fund and confirmed that the funds were available to facilitate the project.

Mr. O'Connor said the City's preferred lighting system vendor is Musco Lighting, which is an approved Buy Board member so it makes the need to solicit additional bids unnecessary; However, staff did exercise some due diligence by means of pricing other tennis lighting systems and determined that Musco Lighting has no equal in regards to the quality of their product and their unprecedented 25-year parts and labor warranty. He said the new lights will be energy efficient and staff estimates a minimum of 50% reduction in utility costs over the old system. He said in addition the quality of the new lights will exceed the foot-candles required by the United States Tennis Association.

Mr. O'Connor said the project will include the lighting of the one-half court basketball facility that is located to the immediate south of the tennis courts.

Mayor Sample questioned the prices from other companies. Mr. O'Connor said there was approximately a \$12,000 difference.

In response to Councilmember Reilly's question as to the shut-off time, Mr. O'Connor responded that the lights automatically cut off at 10:00 p.m. He said staff can also turn lights on or off by the phone anywhere there is a Wi-Fi signal.

Councilmember Reilly moved to approve the expenditure of \$81,000 for the new Musco Lighting system at the Wier Park Tennis Court and Basketball Court and authorize the City Manager to enter into a contract for the same. Councilmember Turner seconded the motion. **MOTION PASSED.**

Ayes: Sample, Reilly, Turner
Noes: None
Absent: Kelly and Ballanfant

5. RECESS REGULAR MEETING OF THE CITY COUNCIL AT 6:35 P.M. TO CONVENE A MEETING OF THE CITY OF WEST UNIVERSITY PLACE EMPLOYEE BENEFITS TRUST FOR WHICH A SEPARATE EBT AGENDA HAS BEEN POSTED.

Mayor Sample recessed the regular meeting at approximately 7:10 p.m. to convene the Employee Benefits Trust Meeting. See separate Minutes for Council action.

RESUME REGULAR MEETING AFTER ADJOURNING EBT MEETING

Councilmember Reilly moved to reconvene the regular meeting at approximately 7:20 p.m. Councilmember Turner seconded the motion. **MOTION PASSED.**

Ayes: Sample, Reilly, Turner
Noes: None
Absent: Kelly, Ballanfant

6. Transfer of Funds to Employee Benefits Trust

Consideration and action on authorizing the transfer of funds from the City of West University Place to the City of West University Place Employee Benefits Trust to pay for employee-related benefits. *Recommended Action: Authorize the transfer of funds.*

Councilmember Turner moved to authorize the continued transfer of funds on a monthly basis from the City of West University Place to the City of West University Place Employee Benefits Trust beginning with the October 2016 contribution. Councilmember Reilly seconded the motion. **MOTION PASSED.**

Ayes: Sample, Reilly, Turner
Noes: None
Absent: Kelly, Ballanfant

7. Emergency "On-Call" Debris Monitoring Contract

Matters related to a contract for emergency "on-call" debris monitoring services. *Recommended Action: Approve contract for emergency "on-call" debris monitoring services.*

Public Works Director Beach presented and said as part of the City's Emergency Management Plan the city outsources to third party contractors for debris clearing and debris monitoring during disasters. He said the job of the debris monitoring company is to ensure that the City is going to maximize its ability to seek refunds from FEMA. He said the recommended contractor was used by the City during Hurricane Ike and is the only contractor that submitted a bid. He said the pricing is comparable to market and staff is asking Council to approve the on-call contract with Tetra-Tech for on-call debris monitoring services. Mr. Beach clarified that their services are only provided when staff calls on them and so there is no cost to the City for the contract if their services aren't used.

Councilmember Turner moved to approve the agreement with Tetra-Tech for on-call debris monitoring services and authorize the City Manager to implement the contract. Councilmember Reilly seconded the motion. **MOTION PASSED.**

Ayes: Sample, Reilly, Turner
Noes: None
Absent: Kelly, Ballanfant

8. Future Agenda Items

Matters related to future agenda items. *Recommended Action: Discuss and take any desired action. City Council* [see Future Agenda Items List]

Councilmember Reilly requested that an item to receive an update from the City Attorney regarding pending litigation be added to an upcoming agenda. Mayor Sample said she would add it to the agenda items list.

9. Consent Agenda

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member requests in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

A. City Council Minutes

Approve City Council Minutes of the August 8, 2016 Council meeting. *Recommended Action: Approve Minutes.*

B. Reappointment of Members to the Friends of West U Parks Fund, Inc.

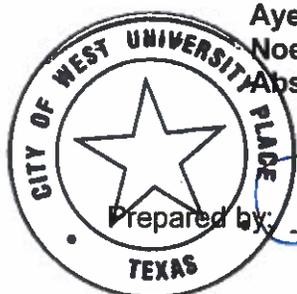
Matters related to the adoption of a resolution reappointing members to the Friends of West U Parks Fund, Inc. *Recommended Action: Adopt resolution reappointing members to the Friends of West U Parks Fund, Inc.*

Councilmember Turner moved to approve the Consent Agenda as presented. Councilmember Reilly seconded the motion. **MOTION PASSED.**

Ayes: Sample, Reilly, Turner
Noes: None
Absent: Kelly, Ballanfant

10. Adjourn

Councilmember Reilly moved to adjourn the regular meeting at approximately 7:30 p.m. Councilmember Turner seconded the motion. **MOTION PASSED.**



Ayes: Sample, Reilly, Turner
Noes: None
Absent: Kelly, Ballanfant

Prepared by:

Theresa Williams

Approved by Council on: 09/13/16