



City of Grand Island

Tuesday, August 27, 2013

Council Session

Item G-3

Approving Minutes of August 13, 2013 City Council Study Session

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

August 13, 2013

Pursuant to due call and notice thereof, a Study Session of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on August 13, 2013. Notice of the meeting was given in the *Grand Island Independent* on August 7, 2013.

Mayor Jay Vavricek called the meeting to order at 8:25 p.m. The following Councilmembers were present: Vaughn Minton, Mike Paulick, Scott Dugan, John Gericke, Peg Gilbert, Mitch Nickerson, Julie Hehnke, Chuck Haase, Linna Dee Donaldson, and Bob Niemann. The following City Officials were present: City Administrator Mary Lou Brown, City Clerk RaNae Edwards, City Attorney Robert Sivick, City Treasurer and Finance Director Jaye Monter, and City Engineer and Public Works Director John Collins.

SPECIAL ITEMS:

Health & Dental Benefits, Insurance Reserve Fund. Human Resources Director Brenda Sutherland reported that the City provided health and dental benefits to their employees, which was partially a self-funded plan. Blue Cross Blue Shield of Nebraska was a paid third party to administer, pay claims and provide stop loss coverage. Currently the stop loss was \$150,000 per participant.

Ms. Sutherland stated the City's health plan experienced a heavier than usual claims year in 2012-2013, with over \$6.5 million in medical and dental claims. The higher claims and the impact of the implementation associated with Affordable Care Act influenced the higher costs for the City's health plan for 2013-2014.

In order to slow down the rising health care costs and still offer employees a quality health care plan, the following changes were proposed:

- Move the dental insurance to become a stand-alone voluntary benefit. Employees who elect this benefit will pay 30% of the premium cost.
- Increase the cost of the traditional health plan benefit by 13.5% (\$11.66/single/month).
- Increase will be closer to 24% (\$20.34/single/month) if the same level of dental is chosen.
- Add a more competitively priced Qualified High Deductible Health Plan with an HSA option.

Discussed was the increase in single health coverage at \$11.66/single/month. The total would be \$29.00 with the City picking up the difference.

Ms. Sutherland compared the current plan to the qualified high deductible health plan proposed as follows:

Traditional Plan:

- Deductible: \$500/\$1,000
- Dr. Office Copay: \$35 - \$50 Specialist
- Drug Copays: \$10/\$25/\$40/\$50 + 20% (\$100 max.)
- Maximum out of pocket (In Network): \$1,800/\$3,600

Qualified High Deductible Health Plan:

- Deductible: \$3,000/\$5,500
- Maximum out of pocket (In Network): \$3,000/\$5,500
- Initial seed money into HSA - \$1,000 single/\$2,000 family
- No increase over current premium

Ms. Sutherland explained the Health Savings Account (HSA) which was like a flex account; allowed employees to put money into this account tax deferred and could be accumulated over time. Reviewed were the cost to employees for health and dental insurance. Introduced was Chad Svoboda with Strong Financial who answered questions regarding the HSA account.

It was recommended that the dental insurance continue with Delta Dental. Administrative fees had been reduced per participating employee with a 3 year guarantee on fees. Dan Quick, 1019 Kennedy Drive, representative of the Health Committee, spoke in support of the HSA if the seed money was adequate and not put the employee at a high risk.

Council recessed at 9:40 p.m. and reconvened at 9:50 p.m.

Finance Director Jaye Monter reviewed the Insurance Reserve Fund cash balance, Insurance Reserve Fund claims/fees history. Also reviewed were the Health Insurance Cash Reserve, Work Comp Insurance Cash Reserve and General Insurance Cash Reserve.

2013-2014 Proposed Budget Presentation - FTEs. Finance Director Jaye Monter reviewed the Full-Time Equivalent (FTE) positions included in the 2013-2014 proposed budget. A total of 12.50 FTEs were proposed in the amount of \$936,000. Seven FTEs in the Police Department, one FTE for the Metropolitan Planning Organization, two in the Public Works Department, 1/2 FTE in the Parks – HPSP, and two FTEs in the Electric Utilities Department.

Mentioned was the new array for the FOP and non-union employees for 2014 because of the Metropolitan Statistical Area (MSA) designation. Existing contract increases were as follows: IAFF – 2.5%, AFSCME – 1.5% and IBEW – 2.75%.

Emergency Management Director Jon Rosenlund and Police Chief Steve Lamken explained their requests for FTEs. Parks and Recreation Director Todd McCoy answered questions concerning the hours of operation for the Heartland Public Shooting Park (HPSP) with an additional FTE. He stated the hours would not change. Discussion was held regarding the funding for the extra 0.50 employee. Mentioned was having a fiscal policy for subsidized programs. Requested was data from the new Lincoln Pool. Utilities Director Tim Luchsinger commented on the 2 FTEs requested. Total cost of the additional FTEs to the City would be \$936,000.

Councilmembers Gericke, Haase, and Gilbert stated they would like a hard copy of the budget. City Administrator Mary Lou Brown stated the Budget in Brief would be available next week, which was the same as last year.

ADJOURNMENT: The meeting was adjourned at 11:00 p.m.

RaNae Edwards
City Clerk