

CITY OF LAKE WORTH
Minutes for
City Council Special Meeting
Tuesday, November 15, 2016
6:30 P.M. – City Hall Conference Room
3805 Adam Grubb • Lake Worth, Texas

1. Call to Order.

Mayor Walter Bowen called the Council meeting to order at 6:30 p.m.

2. Invocation and Pledge of Allegiance.

Council member Gary Stuard gave invocation. Attendees recited the pledge of allegiance.

3. Roll Call.

Council members present were Mayor Walter Bowen, Jim Smith, Geoffrey White, Gene Ferguson, Ronny Parsley, Pat O. Hill, Gary Stuard, and Clint Narmore.

Staff present was Brett McGuire, City Manager; Debbie Whitley, Assistant City Manager/Director of Finance; Linda Rhodes, City Secretary; and Danielle Hackbusch, HR/Risk Management. Rodney Dryden with Wellspring Insurance Agency, Inc. was also present.

4. Discussion/Action Items:

- a. Consider approval of Resolution #1012- Establishing an Insurance Trust Fund, Authorizing a Trust Agreement, and Appointing Trustees for the City of Lake Worth, Texas.

Brett McGuire explained that, pursuant to Section 222.002 of the Insurance Code, cities may pay insurance premiums through a trust fund which shelters them from paying taxes on the premiums. This will help save on taxes and will not hurt the City in any way.

Gene Ferguson made a motion, seconded by Ronny Parsley, to approve Resolution #1012 as presented. Motion passed with all in favor and none opposed.

- b. Award contracts for employee group health, dental, vision, and basic life/AD&D insurance for calendar year 2017.

Danielle Hackbusch noted that proposals for group health, dental, vision, and life insurance were solicited by the City's agent of record, Rodney Dryden. Mr. Dryden was present to brief Council on the proposals. He explained that the current provider for health care, Blue Cross Blue Shield, presented a renewal quote with a 37% increase; after negotiations the renewal was only reduced to a 27% increase. United Healthcare submitted a similar base plan (AG21 EPO) with an EPO (Exclusive Provider Organization- in network only) with no increase.

They also offered two alternates- Alternate #1 is the buy-up option (AG19 EPO) that offers a lower deductible, and Alternate #2 is a Health Savings Plan (HSA) option (AGX7 EPO HSA) with a higher deductible. Should an employee choose the EPO HSA plan, the monthly savings to the City is \$100 per month. The \$100 difference in premium will be deposited in the employee's EPO HSA account. Employees may also opt to deposit more money into their account. At the end of the year, the balance will roll over to the next year. Staff recommendation is to select the United Healthcare (AG21 EPO) as the City's base plan and to also offer the two alternates which will allow the employee to choose the best option for them.

The current dental insurance provider, Met Life, has proposed to renew with about a \$2,000 per year increase. The current vision insurance provider, Superior Vision, has proposed to renew with a 4% increase. The current life/AD&D insurance provider has offered to double the existing employee basic life benefit from \$25,000 to \$50,000 for about a \$3,000 per year increase. Staff recommends renewing with the current providers for dental, vision, and life/AD&D.

Jim Smith made a motion, seconded by Pat Hill, to award the health insurance to United Healthcare at the rates quoted for base plan 'AG21 EPO', buy up plan 'AG19 EPO' (Alternate #1), and the 'AGX7 EPO HSA' (Alternate #2); the dental insurance renewal to Met Life at the quoted rates; the vision insurance renewal to Superior Vision at the quoted rates, and the basic life/AD&D insurance renewal to Met Life at the quoted rates and authorize the City Manager to execute the contract documents. Motion passed with all in favor and none opposed.

c. Consider City participation in insurance costs for employee dependent coverage.

Brett McGuire explained that for the past several years, Council has approved participation to help defer the cost of employee dependent health insurance. Last year the participation was a 30% contribution; staff is recommending to participate with the same percentage, based upon the base plan premiums, for 2017.

Jim Smith made a motion, seconded by Geoffrey White, to approve a 30% City contribution towards employee dependent health care based upon dependent premiums for the base plan. Motion passed with all in favor and none opposed.

Mayor Walter Bowen closed the Open Session of the meeting and opened the Executive Session at 6:53 p.m. as authorized by Chapter 551 of the Texas Government Code to discuss items pursuant to Section 551.074, City Manager position.

5. Executive Session:

As authorized by Chapter 551 of the Texas Government Code, the City Council reserves the right to convene into executive session as necessary during the course of this meeting to discuss the following:

- a. **Pursuant to Section 551.074- Deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.**
 - 1. **City Manager position.**

Mayor Walter Bowen closed Executive Session and reconvened into Open Session at 7:07 p.m.

6. Reconvene into Regular Session:


- a. **Take any action necessary pursuant to Executive Session Item(s) as listed above.**

Gary Stuard made a motion, seconded by Gene Ferguson, to approve the contract for City Manager with Stacey Almond as discussed and presented in Executive Session. Motion passed with all voting for and none opposed.

7. Adjourn.

There being no further business, Mayor Walter Bowen closed the Council meeting at 7:07 p.m.

APPROVED:



 Walter Bowen, Mayor

ATTEST:



 Linda Rhodes, TRMC/MMC
 City Secretary