

MINUTES
SPECIAL COUNCIL MEETING
CITY OF NICEVILLE, FLORIDA
AUGUST 20, 2015

The Niceville City Council met in special session at 6:00 PM, August 20, 2015 in the Council Chambers, 208 N Partin Drive. All Council members were present. The Mayor was unable to attend because of minor surgery. Also present were City Manager, Lannie Corbin; City Clerk, Dan Doucet; Public Works Director, Bruce Price and Technology Department, Chad Morris. Mayor Pro-tem Schaetzle called the meeting to order at 6:00 PM.

PUBLIC HEARING

PRESENTATION:

Health Insurance – Update Mr Kevin Locht, Corporate Benefits

Mr Locht stated that his office is located in the Fort Walton Beach area and he was asked to come tonight to answer any questions the council may have regarding the City's health plan renewal. He stated that we had a very difficult year since we are a large enough group that some of our claims helped to drive some of our rates. He stated we had a very good year the year before last and through the bid process we were able to reduce our premiums by over 5% while maintaining very good benefits for the employees. This year was not so good on claims and it resulted in an initial 20% premium increase. When we looked at the claim data we deleted employees that were no longer with us. After completion of this review they gave us a 5% reduction to renew the current plan at 15% vs 20%. They have offered a plan with 5 options. The City has settled for an option that would allow employees an option to buy up to keep the current plan that is in place now. Councilman Nodjoman asked to share some of the details of the new plan. Mr Locht stated that currently if you check around the panhandle the City enjoys a \$750 co-pay and a \$3,000 out of pocket but they still have the office co-pays in place. So, in lieu of meeting a deductible employees can go and seek care at a regular doctor with just a co-pay and never touch their deductible. When we look at the deductible credits very few people meet their deductible. If the visit is to a regular physician the fee is \$25.00 a visit. If the visit is to a specialty type physician then the fee is \$60.00 a visit. The proposed plan would be \$75.00 for that specialist co-pay. The deductible would go up from \$750 to \$2,000. Once the deductible is paid up by the employee goes to an 80/20. Blue Cross pays 80% and the employee pays 20%. Once the employee has spent their deductible and their 20% and that adds up to \$3,500 Blue Cross/Blue Shield will pay 100% of the claim for the remainder of the calendar year. They consider \$3,500 the maximum out of pocket costs. The maximum out of pocket cost when considering the new plan will be \$6,350. Councilman Schaetzle asked if these values for the City employee or the family coverage? Mr Locht stated these

costs are only for the employee. The family deductible is currently \$2,250. That will go to \$6,000. The maximum out of out of pocket is currently \$7,000. Under the proposed plan alternate it would be \$13,000. Councilman Nodjomian asked if he could share how the proposed plan we plan to buy for next year compares to other Cities stating from what he understands we are more generous. Mr Locht stated that not only do we have a rich plan we pay 100% for the employee. Some Cites are paying 75% of the single rate and the employee pays 25%. He stated the proposed plan will be going from one extreme to the other. The proposed plan will be a little less rich if you will. Some Cities have a \$1,000 deductible. City of Crestview remains at a \$1,000 deductible; Valparaiso has a \$ 250 deductible; the City of Fort Walton Beach has a \$1,000 deductible; and they have an alternate plan that has a \$2,000 deductible that we would fall right in line with what we are planning to do. The county has a couple of plans in effect. Mr Locht stated we are not getting much of a return if going form a \$750 deductible to a \$1000. When increasing it to \$2,000 it will affect approximately 10% of your employees. Blue Cross came to us when the City was self-insured and the City was dipping into reserves to pay claims. Blue Cross kept the City on the Self Insured plan and the City just had to pay for the administration costs. The City worked out of a hole if you will and soon became fully insured. We experienced favorable rates for the last 7 or 8 years. Blue Cross treated us very fair last year since we participated in a cost share refund. We had a 5% rate reduction last year and received a \$35,000 refund. Discussion followed. Mr Corbin stated we are looking at an alternate/buy up plan in that if an employee wanted to keep the same coverage they can pay approximately an additional \$10 or \$15 a week and keep the same plan with a higher deductible. The council asked if we would be in compliance with the new healthcare law if we moved forward with a new plan. Mr Locht stated that anything we go to must be compliant. Mr Locht stated that Blue Cross/Blue Shield will renew the plan on September 1, 2015 with 2 Plan options for employees to choose from and allow 1 month for employee decisions. After the decisions are made, the City will be changing their anniversary date to October 1st to coincide with the new fiscal year. Discussion followed.

Community Redevelopment Agency (CRA)

Mr Doucet stated that based on the value of the property within the CRA it will take a number of years to receive enough Tax Increment Financing (TIF) funds to be able to complete any projects. We anticipate receiving a total of \$13,490 next January based on CRA property values. A total of \$6,490 from the County and \$7,000 from the City. The City needs to decide and rate what projects can be completed that will give us enough bang for the TIF funds. Some Cities have issued bonds to move forward sooner to redevelop the CRA area. We would have to look at what area (funds) within our budget would issue the bonds. For example in the General Fund we have pledged a certain portion of our Gas Tax and Sales Tax

Revenue to support the two bonds we currently have on the books. Patience is the key with CRA's. Mr Corbin stated that issuing bonds would be a mistake until we have our revenues built up to support such a move. Other Cities have gotten themselves in trouble for bonding CRA development. Mr Corbin stated that the people who have purchased the Tisa property should bring in future CRA funds since its location is right in the CRA footprint and he spoke about the improvements that are being done to the landing will help the CRA program. Mr Corbin stated he has spoken to the Spence family and they are excited on how to develop their property located in the Oak Creek Shopping Center and other property they own within the CRA. Discussion followed.

Capital Improvement Plan (CIP) for Turkey Creek

Mr Price stated that during our last meeting he provided information to the Council on the CIP. He asked for council approval since the Capital Improvement Plan (CIP) element is part of a Grant Application they are seeking. Councilman Henkel moved approval. Councilman Rominger seconded. Discussion followed. Council Vote: Nodjomian-yes; Boudreaux-yes; Henkel-yes; Schaetzle-yes; Rominger-yes Motion passed

Budget Schedule Change:

Three of our Council members advised that they will not be available for our August 25, 2015 meeting. After further discussion it was decided to move Aid to Organizations to September 3, 2015 at 6:00 PM and move discussions on Sanitation and Stormwater to the August 27 meeting along with the Water and Sewer Fund and the proposed changes to the Water and Sewer rates.

The meeting adjourned at 7:20 PM.

MAYOR

ATTEST:

CITY CLERK