



CITY OF GRAIN VALLEY
BOARD OF ALDERMEN MEETING MINUTES
 Special Session

06/05/2017
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ITEM I: CALL TO ORDER

- The Board of Aldermen of the City of Grain Valley, Missouri, met in Regular Session on June 5, 2017 at 7:02 p.m. in the Winona Burgess Room located at Grain Valley Community Center
- The meeting was called to order by Mayor Mike Todd

ITEM II: ROLL CALL

- City Clerk Theresa Osenbaugh called roll
- *Present: Arnold, Bamman, Headley, Totton, West*
- *Absent: Coleman*

-QUORUM PRESENT-

ITEM III: CONSENT AGENDA

- May 22, 2017 Board of Aldermen Regular Meeting Minutes
- *Alderman West made a Motion to Approve Consent Agenda*
- *The Motion was Seconded by Alderman Arnold*
 - No Discussion
- *Motion to Approve Consent Agenda was voted on with the following voice vote:*
 - *Aye: Arnold, Bamman, Headley, Totton, West*
 - *Nay: None*
 - *Abstain: None*

-MOTION APPROVED: 5-0

ITEM IX: PREVIOUS BUSINESS

- 2017-2018 City of Grain Valley Employee Benefits
 - Mr. Hunt opened the second discussion of employee benefits for 2017-2018; Midwest Public Risk (MPR) is whom the City will be obtaining employee benefits through for the upcoming year; Deb Heishman, Benefits Underwriting Manager for MPR was introduced
 - Ms. Heishman gave an overview of MPR and the benefits the City will see by partnering with MPR; MPR is a self-funded insurance pool; insurance plans renew in July; enrollees in MPR are part of a group with approximately 8,000 members; final renewal rates are obtained in March; rates have been consistent with an average increase of 4-5% per year
 - MPR provides many services to enrollees; MPR attends employee benefit meetings; helps manage COBRA needs; provides a wellness credit in the form of a .05% of contributions back to use towards wellness projects/programs
 - Alderman Bamman asked if all wellness programs are voluntary; all programs

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with MPR are voluntary; some groups do regulate participation but MPR does not require enrollees participate in programming

- MPR also offers free immunizations (Flu shots, etc.) as well as biometric readings (blood pressure, blood sugar, etc.) and smoking cessation assistance
- Ms. Heishman reviewed the two plans which the City will offer:
 1. Open Access Plan: this is a traditional co-pay plan; no referral is needed to see a provider; \$30 fee for a regular physician visit; \$50 fee for a specialist visit; every hospital in the Kansas City Metro area is in Cigna’s network; Mr. Hunt shared that this is a replacement for the current PPO plan
 2. Choice Fund Plan: this is the qualified high deductible plan with a Health Savings Account (HSA); expenses will go towards the deductible; once deductible is met there is a co-insurance amount of 20% until the maximum out of pocket amount is reached
- Alderman Totton commented that she has experienced situations in the past where a doctor was in-network at one time and then became out-of-network, therefore becoming responsible for a bill; Alderman Totton wanted to know if this would be the situation with MPR; Ms. Heishman noted that she was not aware of any big network changes currently but if one were to occur, enrollees would receive a letter
- Ms. Heishman reviewed the Delta Dental plan; preventative services (cleanings, x-rays, etc) are covered and there is a \$1,250 allocation per year allowed for fillings and other work
- Ms. Heishman shared that through the Employee Assistance Program (EAP) three sessions are included as part of the medical plan for various employee needs
- Mr. Hunt reminded the Board of Aldermen that the goal is to provide better plans for employees; the plans presented are a step up from the current plan; deductibles are lower, maximum out of pocket amounts take longer to reach
- Mr. Hunt informed the Board of Aldermen that he and Mayor Todd discussed the services received from CBIZ and the service agreement has since been terminated
- Mr. Hunt reviewed the current plan, the current plan renewal options and the MPR options with the Board; monthly cost to employee is less; the benefits are more competitive; staff recommends employee premiums for both plans are covered at 100%
- Mr. Hunt reviewed the costs to the City; when employee dependent coverage is paid above the current covered amount of 50%, the city will see approximately \$8,200 more in costs per year for every five percent increase of city paid coverage; if City pays 75% of dependent premiums, it will cost the city

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approximately \$41,000 (based on current enrollment); all calculations presented are based off renewal numbers for Blue Cross Blue Shield, not rates that are expiring this month

- Alderman Headley asked if the City were to stay with Blue Cross Blue Shield of Kansas City, would the City be paying more; Mr. Hunt confirmed and noted that the City is paying for the small group’s individual experience and therefore more dollars are spent for the same coverage
- Alderman Totton shared she had spoken with employees from another department who are happy with Blue Cross Blue Shield Coverage, however, they have more employees to effect rates; Mr. Hunt shared the employer Alderman Totton was referring t also pays more of the premiums
- Mr. Hunt recommend that the Board consider covering 65% of dependent care premiums; it would be great to cover 75% or 80% of care, however, it is also important not to overshoot and find coverage to be unsustainable; with HSA contributions increased it is still a better package; 65% is sustainable without a budget amendment in the current year; Alderman West asked for the cost if the City covers 65%; Mr. Hunt shared the cost would be \$24,000
- Alderman Headley asked if the cost to the City was \$8,200 per every 5% increase from the current coverage provided; Mr. Hunt confirmed; Alderman Headley asked for clarification as to whether or not that cost included the HSA increase; this cost does not include the HSA increase
- Mr. Hunt reviewed Delta Dental current, renewal and MPR plans; in years past, dental has not been treated the same as medical in regards to the percentage of dependent premiums that were covered; the MPR plan gives employees an increase of annual maximum benefit for dental care; Mr. Hunt asked the Board to consider covering the dental plan premiums at the same percentage as the medical plans
- Alderman Headley clarified that the Board is being asked to consider a 65% premium coverage for dependents on dental; Mr. Hunt confirmed; Alderman Headley asked what the breakout of cost to the city per five percent was for dental; the cost will be approximately \$2,000 to the City
- Mr. Hunt discussed the Health Savings Contribution (HSA) and reviewed the deductible reset; currently, deductibles reset in January, however, renewals occur in July; in past years, Blue Cross Blue Shield has honored deductibles since the plan remained with the company; it is not possible to switch plans and roll over the deductible; the IRS will not allow a deductible to go past one year; CBIZ shared they were unable to provide deductible amounts to date; Mr. Hunt asked the Board to consider, instead of the special contribution previously discussed,

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increasing the HSA amounts to \$150/month for an individual and \$200/month for a family; Mr. Hunt would like the Board to pre-load the first 6 months on July 1st into the HSA to help with the deductible reset issue (\$900/individual, \$1,200/family); no other HSA contributions will be made until January 1st, 2018 when monthly allocations would begin again; adjustments will have to be made by employees individually so they do not go over the IRS allowable amount

- Alderman Headley asked if the \$99,000 shown on the spreadsheet was the total amount per year for the HSA; Mr. Hunt confirmed and reviewed the HSA costs to the City based on \$50 incremental increases
- Mr. Hunt reviewed the 2017 fiscal budget with the Board in regards to insurance; the available balance is \$280,988; the anticipated cost in this budget year is \$246,000 if dependent premiums are covered at 65%; this is based off of current enrollment if employees elect the same plan; this included the HSA increase; the Board should expect a 10% increase for future budgets in healthcare with the discussed plan
- Mr. Hunt reminded the Board that the proposal tonight will provide better health insurance for employees, reduce out of pocket maximums and deductibles and lower premiums; the amount left in the current budget is attributed to vacant positions; in the past, paying only 35% of dependent coverage worked fine for the City but it is time to continue to move forward in bettering the plan so issues such as employee retention becomes less of a problem
- Mr. Hunt reviewed the current fiscal health of the City; overall, budgets are meeting or exceeding revenues and expenses are under budget; sales tax is up by 10%; property tax is up 3%; permits are level but are expected to exceed the expected amount; court fines are down but this is to be expected with unfilled police officer positions; water and sewer revenues are steady; some areas are hard to forecast as revenues come in seasonally
- Alderman West asked if the coverage of dependent care is increased, what is the percentage of benefits to pay; Mr. Hunt shared that this number is approximately 35% and the national average is 37%
- Alderman Arnold reminded the Board that, going into this increase, the Board will need to be aware of what will happen if rate increases are seen year after year; the costs to the City could increase significantly if high increases are seen
- Alderman Headley noted that other agencies are also experiencing the increases and the Board needs to remember the need to be competitive without getting too aggressive in benefits
- Alderman Totton asked how long the term of the contract would be with MPR; Mr. Hunt said it is year to year but the idea of a pool is for members to stay in and

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maintain stability; the City has seen premiums raise by 60% over the past few years and MPR's rates have been kept to a 12% increase

- Mayor Todd noted that what hasn't been considered is the cost to the City when employees are trained, specialized equipment is purchased, and the costs of the hiring process in general are spent but employees are not retained
- Alderman West asked if short term disability is included in the numbers presented; Mr. Hunt shared that these were not included; CBIZ was to include those numbers but now that the City is working with MPR, the numbers are still being obtained; short term disability plans can be adopted at any point throughout the year; the Board can expect an approximate \$9,000-\$11,000 in cost when that is adopted; Mayor Todd asked if this could be adopted in January with the new budget year; Mr. Hunt confirmed that it is not related to open enrollment and can be adopted at any time
- Alderman Arnold asked if percentages from other municipalities were obtained; Mr. Hunt shared that in regards to dependent premiums-Blue Springs covers 75% of premiums, Oak Grove covers 80% of premiums; Lee's Summit covers 80% of premiums; premiums from other municipalities were also shared although the municipalities were kept anonymous; MPR was unable, due to time constraints, to obtain permission to share openly
- Alderman Headley asked for confirmation that overall, the city was spending approximately \$25,000 more but getting extra benefits than the current plan renewal rates; Mr. Hunt confirmed; Renewal Spending and not changing plans would cost \$467,000 and with the increase in premium coverage, HSA increase and better insurance will cost \$492,000
- Alderman Headley noted that if things stay static, the Board of Aldermen can continually look at potential increases in the future; Mr. Hunt stated there is a positive growth trend
- Alderman Arnold asked if there was discussion with employees to contribute to their HSA as well-he would like to see this as a team effort; Ms. Heishman shared that she has heard of companies who made the HSA a match benefit but felt that was risky; Mr. Hunt said it is an incentive but what they do with the funds is the employees choice; Mr. Murphy noted that this was shared at open enrollment meetings as well as the pre-tax benefits; MRP will include a worksheet in their packet for planning purposes
- Alderman West asked if the wellness program includes immunizations; Ms. Heishman shared that a preventative guideline was available and showed coverage; coverage includes immunizations such as flu, pneumonia, shingles, child vaccines, etc. at 100%

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- Board of Aldermen were asked for a consensus on the amount of coverage they were comfortable providing for dependent premiums; Alderman Bamman showed interest in learning more about the cost to move to 70% of premiums; it would be another \$8,000 to increase to 70%; Mayor Todd asked Alderman Bamman if he was thinking 70% was feasible; Alderman Bamman stated that he would like the City to be closer to other communities but was unaware of the feasibility at this time; Alderman Headley noted he would support 70% but was also ok if this was not the consensus of the group; Alderman West would like to see the premiums covered at 65%; Alderman Totton asked how many employees the City is currently short; 4 FTE's are unfilled; Alderman Totton was comfortable at 65%; Alderman Arnold stated that costs would increase when those positions are filled and with the future of ACA, the insurance market is unstable-he would like to cover 65% this year
- The consensus of the Board of Aldermen was to cover 100% of the employee's premiums, on both plans, and 65% of the premiums for dependent coverage on the plans

ITEM XIII: ORDINANCES

Bill No. B17-08: An Ordinance by the Board of Aldermen of the City of Grain Valley, Missouri Annexing Certain Adjacent Territory Into the City of Grain Valley, Missouri for Logan Sousley and Larry Yancik

- City Administrator Ryan Hunt read **Bill No. B17-08** for its first reading by title only
- *Alderman Arnold moved to accept first reading of **Bill No. B17-08** bringing it back for a second reading by title only*
- *The Motion was Seconded by Alderman Totton*
 - Mr. Murphy reminded the Board that the public hearing for this annexation was completed a few weeks ago; this is the area on Duncan Road between Rust Road and Rosewood Hills subdivision; no opposition has been received; a zone change will still need to occur for single family occupancy
- **Bill No. B17-08** was voted upon with the following roll call vote:
 - *Aye: Arnold, Bamman, Headley, Totton, West*
 - *Nay: None*
 - *Abstain: None*

-Bill No. B17-08 Approved for a Second Reading: 5-0-

Bill No. B17-09: An Ordinance by the Board of Aldermen of the City of Grain Valley, Missouri Authorizing the City Administrator to Amend the 2017 Budget to Allocate Funding

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From Park Reserves for the Dillingham Walking Trail Project

- City Administrator Ryan Hunt read **Bill No. B17-09** for its first reading by title only
- *Alderman Headley moved to accept first reading of Bill No. B17-09 bringing it back for a second reading by title only*
- *The Motion was Seconded by Alderman West*
 - Mr. Davies shared that this is the beginning of the process to complete the Dillingham Trial Project; the second read will be on the 12th allowing the City to proceed; the trail project is a priority and it connects two larger neighborhoods in the City; there is currently no crosswalk when crossing Duncan; \$37,000 needs to be allocated to fund the project
 - Alderman Totton asked if there was lighting built in to the project; Mr. Davies shared that there are lights on Dillingham and Duncan road already
 - Alderman Arnold asked where the fund would be coming from; the fund will come from park reserves-this will allow an amendment to the budget, pulling the funds from the reserves; Alderman Arnold asked if the Park Board was ok with the change; it was confirmed that they were in agreeance with moving the funds
- **Bill No. B17-09** was voted upon with the following roll call vote:
 - Aye: Arnold, Bamman, Headley, Totton, West
 - Nay: None
 - Abstain: None

-Bill No. B17-09 Approved for a Second Reading: 5-0-

ITEM XIV: RESOLUTIONS

Resolution No. R17-13: A Resolution Authorizing the City Administrator to Provide One Hundred Percent (100%) Health Care Premium Rate Coverage for Each Eligible Employee and Sixty-Five Percent (65%) of Remaining Premium Coverage for Employee Dependents, When Applicable

- City Administrator Ryan Hunt read **Resolution No. R17-13** by title only
- *Alderman Headley moved to accept Resolution No. R17-13 as read*
- *The Motion was Seconded by Alderman Arnold*
 - No Discussion
- *Resolution No. R17-13 was voted upon with the following voice vote:*
 - Aye: Arnold, Bamman, Headley, Totton, West
 - Nay: None
 - Abstain: None

-Resolution No. R17-13 Approved: 5-0-

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Resolution No. R17-14: A Resolution Authorizing the City Administrator to Enter Into an Agreement with Midwest Public Risk (MPR) for Employee Health, Dental and Vision Benefit Coverage for the 2017-2018 Benefit Plan Year

City Administrator Ryan Hunt read **Resolution No. R17-14** by title only

- *Alderman Headley moved to accept Resolution No. R17-14 as read*
- *The Motion was Seconded by Alderman West*
 - No Discussion
- *Resolution No. R17-14 was voted upon with the following voice vote:*
 - *Aye: Arnold, Bamman, Headley, Totton, West*
 - *Nay: None*
 - *Abstain: None*

-Resolution No. R17-14 Approved: 5-0

ITEM IX: EXECUTIVE SESSION

- None
- Alderman Arnold asked for a status update on rental property registration; Mr. Hunt shared that he will prioritize this; Alderman Arnold shared that Independence has started inspections on rental property; Mr. Murphy shared that there is dedicated staff in Independence to this program and in Independence there are approximately 8,000 rental properties and 4,000 landlords; Alderman Arnold thought that when a change of occupancy occurred it would be a good time to have a property register-having multiple properties is a business and a residential property should not be treated different just because it is residential; Alderman Totton asked if this was for business and residential properties; Alderman Arnold noted it would be just for residential rentals as businesses are already seen by the inspector; Alderman Arnold stressed that he doesn't want rental properties that are not taken care of to effect the value of the City; Alderman Totton asked if the City would get the landlord's perspective; Mr. Hunt shared that first a discussion would occur and then the Board could decide whether to pursue this; Mr. Hunt shared that he would have the discussion on the July 24th Board of Aldermen agenda

ITEM XX: ADJOURNMENT

- The meeting adjourned at 8:38PM

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Minutes submitted by:

 Theresa Osenbaugh
City Clerk

 Date

Minutes approved by:

 Mike Todd
Mayor

 Date

Non-Official

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