

The Pledge was presented and Miller gave the invocation.

The City Council of the City of Lexington, Missouri met in Regular Session in the Council Chambers at the City Hall on Tuesday, January 9, 2018 at 6:30 p.m. with Mayor presiding.

The Mayor called the meeting to order and roll being called, the following members of the council answered as follows:  
Present: Harold Bonanomi, Justin Petray, Jeff Simpson, Carolyn Houseworth, Bill Miller, Earl Parris, Scott Lynn and Cary Beal. Absent: none. Also Present: City Clerk Carla Ghisalberty and City Administrator Joe Aull. Whereupon the Mayor declared a quorum present.

The Mayor moved #10, #11 and #12 after Consent Items. Motion by Parris seconded by Petray to approve the agenda as amended. Motion carried.

#### **Citizen's Participation:**

Chief Weber- Chief Weber introduced the new paramedics Josh Clevenger and Ethan Hooser, both have worked for the City in the past.

Nancy & Steve Wallace 1115 Main- There has been a lot of conjecture about a proposed boxing club, life treatment center, drug center going in the Snooze U Loose building – is there any more information that the council can share. Aull stated that there is a gentleman that is proposing putting something in that building, there is not a lot of details yet – he is requesting some type of drug rehabilitation center. The City will make sure after he officially applies that he complies with Planning & Zoning regulations, historic preservation regulations and City ordinances. When talking about drug issues if they are not handled correctly then there could be some significant issues to the community. Everything is in the preliminary stages now, there have been no final decisions and no permits have been issued. Wallace stated that on their website it states “what you do with your drugs is your business” so does that mean they will allow drug use in the facility. Wallace asked if the City has regulations for drug rehabilitation. Bonanomi stated that looking into the ordinances and what is allowed in a C-3 district they qualify for all except one. The one issue will have to go to P&Z. The individual will have to contact the City to get put on the P&Z agenda. There are still a lot of questions to be answered.

#### **Consent Agenda Items:**

Motion by Parris seconded by Bonanomi to approve the consent agenda items as presented. Motion carried.

1. Approve minutes of Regular Meeting of December 26, 2017 and Special Meeting of December 28, 2017.

#### **Discussion Items:**

Health Insurance Proposal: Kelley Trammell with Bukaty Companies was present. Kelley presented a written copy of their power point. Bukaty is currently the broker for the dental, life and vision plans and they were the brokers for the City when we were with BCBS 3 years ago. Bukaty can also provide employee benefits, property/casualty, benefit administration and Medicare supplements. They are a top health producer designation for BCBS, Aetna, Humana and UHC. Kelley will present a level based plan and an HSA plan that is consumer driven. The City pays 100% of the employees base plan. Bukaty will monitor the plan and educate the employees. The renewal for Lifestyles is coming in at an 8.8% increase but the agent may have gotten some rate relief. **Option 1** is BCBS HSA Plan, \$2700 deductible, 100% co-insurance and is \$483.24 per employee and BCBS PPO, \$3000 deductible, 100% co-insurance, maximum out of pocket is \$2700 and is \$552.27 per employee – Option 1 would be a 5.76% increase over what the City is currently paying. Under the HSA the employee will put money into an account as a pre-tax payroll deduction, it can be used for dental/vision expenses, the money always belongs to the employee - IRS has a limit on what can be put in. The employees would have to shop around to get the best cost for procedures. An employee can do a lump sum payment amount into the HSA because if there is no money there then you cannot use it. The PPO plan has \$40 copays for office visits, specialist and urgent care and maximum out of pocket is \$3000. HSA dollars can be invested once the employee reaches 55 years of age and do a bump up of \$1000 and once you become Medicare available you cannot contribute to HSA. The HSA moneys can be used to pay Medicare premiums. **Option 2** is BCBS PPO, \$5000 deductible, 80/20% co-insurance, \$6500 maximum out of pocket, \$40 copays and is \$448.73 per employee and BCBS PPO, \$3000 deductible, 80/20% co-insurance, \$5000 maximum out of pocket, \$40 copay and is \$462.53 per employee – Option 2 is a 6.14% decrease over what the City is currently paying. Once the out of pocket maximum is reached then BCBS will pay 100%. The City could consider a Flexible Spending account, the City would put a set amount of money in upfront, if the employee leaves before the set amount is spent the City would still have to pay the full amount and if the employee did not spend the entire amount the City would keep the balance. With option 1 the City would

see a \$361 monthly increase in premiums and with option 2 the City would see a \$640 monthly decrease. BCBS now offers a telehealth option with a \$40 copay. Should the City choose the online enrollment and benefit administration it is at a cost of \$1250. The Bukaty benefits are educating employees, helping HR department and claim resolution.

Health Insurance Proposal: Kevin Casey & Brooke Phelps with Holmes Murphy were present. Holmes will be presenting BCBS plans, they do as brokers the same things as Bukaty and offer the same programs. Holmes has acquired Charlesworth Consulting. They work for the City of Lee's Summit and Raymore – they do the employee benefits and property/casualty programs. Lifestyle renewal was 8.8%, BCBS initial offer came in at over 20-25% increase depending upon the plan selected. Casey went back to BCBS and sent in a merit based argument to get a lower rate – he was the only agent that did this. BCBS rates were released at 6.5% under the current plan which is about \$10k saving to the City. To move to an HSA plan it would take hours of communication, materials and they are hard to understand so they did not present something that the employees would not understand. Option 1 is BCBS PPO, \$5000 deductible, 80/20% co-insurance, \$40 copays and \$6500 out of pocket maximum for \$448.73 and Option 2 is BCBS PPO, \$3000 deductible, 80/20% co-insurance, \$40 copays and out of pocket maximum is \$5000 for \$462.54. The BCBS PPO with the 100% co-insurance is \$90 higher per employee per month. The people that hit the \$3000 deductible in a year are less than 10% probably less than 5%. The options presented will decrease 6.5 % over the current plan. Holmes Murphy is a blue chip broker. If the City would continue to purchase the base plan then the employee would pay \$13.81 a pay period to buy up to the 3000 deductible versus \$16.07. Under both options the cost to the employee for spouse, children or family coverage would decrease – this would give the employees an opportunity to consider this. With the options presented the City could see an annual savings of about \$8000. If the City would want the HSA plan Holmes can offer the same plan but with the timeframe they do not think this is a good idea. Holmes has taken many clients from the Lifestyles plan, they do not pay their claims timely. Any deductible paid by an employee during the month of January Holmes can get transferred to BCBS so the employee will receive that deductible credit. BCBS will divide rates into admin, stop loss insurance and a claims bucket. The City's claim bucket based on our enrollment annually would allow \$47,605 in pay out for claims. If they do not pay out that amount, then next year the City would get a refund. If the City pays less than \$47,605 then BCBS gives the City a \$10,000 surplus. BCBS needs everything in their hands by January 22<sup>nd</sup> to be able to write a February 1<sup>st</sup> plan. On-line service will be provided at no cost to the City, the City can be added at any time. Holmes will monitor claims, customer service second to none, help HR, they have their own compliance department, and they will look at all qualified carriers each year and bring ideas on different benefits. Holmes added a benefit schedule for both plans so a more in depth description of the plans can be seen. For the City to participate in an FSA it would be about \$6 per month per employee participating, the City is at risk with this because the funds are put in upfront, the City can cap the amount as well as an IRS cap, if the employee does not spend the amount allocated within 2 ½ months past the plan end then the City keeps the money. FSA the City pays the full amount upfront and HSA the employee pays the amount.

Health Insurance Proposal: Jeannie Cunningham with Mike Keith Insurance was present. Jeannie has been the agent for the City for the last 3 years, they specialize in cities, counties and schools and they are the agent you want in the City. Lifestyle is a level-funded self-funded product, this product was created 5 years ago when no one else had one – thinking outside of the box. Mike Keith tried to fill a need for cities and school with less than 50 lives and get a better rate. Mike Keith has 2000 lives with Lifestyles, however their top carrier is BCBS. Jeannie stated that all agents got the high BCBS rates and probably all agents went back and were given the lower rates. The City needs to find an agency they trust, one that will give the City good service and then put that agency to work to get what the City wants. Jeannie can quote any BCBS plan or any other carrier. Lifestyle premium increase of 8.8%, BCBS premium decrease of 7.97%, Humana –ACA premium increase of 24.04%, UHC – ACA premium increase of 28.19%, Aetna –ACA premium increase of 39.5% and Cigna declined. The ACA rates have driven Lifestyle and BCBS to come up with a level funded plan. The ACA rates are age banded, no questions asked and if less than 50 employee you are stuck with their rates. Lifestyle would go from \$470.79 to \$512.22 per employee per month. Option 1 is BCBS PPO, \$4000 deductible, 100% co-insurance, \$40 copays, \$4000 out of pocket maximum for \$483.24, Option 2 is BCBS HSA \$4000 deductible, 80/60% co-insurance, no copays, \$5500 out of pocket maximum for \$414.21 and Option 3 BCBS PPO \$3000 deductible, 100% co-insurance, \$40 copays, \$3000 out of pocket maximum for \$552.27. Jeannie is recommending that the City select BCBS, allow her to keep the City business, they want to do the work, continue to do the work and will watch out for the City. HSA is a plan of the future, it is worth discussing and if the City chose the HSA plan this would save the City \$69.03 per employee which could be placed in the HSA plan for the employee. Mike Keith is a Royal Blue broker because of the number of clients. One half of the City employees are on the base plan and the other half having chosen the buy up plan. All information does have to be to BCBS by January 22<sup>nd</sup>. The cost for the employee spouse, children or family plans will also be a decrease. The copays for office visits – do they go towards the deductibles. Based on the timeframe Jeannie recommended selecting 1 plan this year, pay 100% of premium and if we do a buy up plan everyone will have to do open enrollment and pick a plan – not much time to pick. The majority of the claims (67%) are for outpatient services.

The Administrator, Clerk, Department Heads and available council members will get together to discuss the plan options on Wednesday, January 10th at 1:00 p.m. Some of the BCBS options have come in lower than what we are currently paying.

Ultimately it is going to be the broker selection that the City feels most comfortable with because they all can quote the same plans. A special council meeting on Friday, January 12, 2018 at 5:00 p.m. to make a final decision.

**Financial:**

1. Approve Financial Reports for December 2017: City Collector’s Report - \$742,688.71, City Treasurer’s Report - \$4,588,630.75 and the Municipal Court Report \$2,810.94. More extensive reports are available upon request. Motion by Parris seconded by Bonanomi to approve the monthly reports as presented. Motion carried.

2. Approve the payment of the bills:

General Fund	Dec. 13-31, 2017	\$227,623.11	Council approval required for \$61,920.84 for checks written on 1/09/18
	Jan. 1-9, 2018	<u>\$113,378.28</u> \$341,001.39	
Sewer Fund	Dec. 13-31, 2017	\$ 13,543.73	Council approval required for \$13,136.97 for checks written on 1/09/18
	Jan. 1-9, 2018	<u>\$ 18,713.74</u> \$ 32,257.47	
Water Fund	Dec. 13-31, 2017	\$ 13,708.27	Council approval required for \$73,729.17 for checks written on 1/09/18
	Jan. 1-9, 2018	<u>\$ 83,293.53</u> \$ 97,001.80	

Simpson asked if the Bartlett & West bill copied for council was part of the bills being approved – yes. Miller asked about the check for Paladin EMS at \$3600 – this is for the Medical Director of the ambulance service, he is on a contract renewed annually and we operate under his license. Miller asked about the check for Odessa Fire & Rescue 20 pagers – the pagers will be carried in conjunction with the hand held radios. The pagers can only hear calls and the radios allow for communications between employees. Motion by Miller seconded by Houseworth to approve the bills as presented. Motion carried.

**Discussion Items:**

Sewer Rates: This 2 tier billing rate schedule was approved by council on September 26, 2017 with the second tier starting at 6,000 gallons. The rate increase went into effect January 1<sup>st</sup>. This ordinance formally approves the rates that will be placed in the ordinance book. Council members have been receiving calls about the percentage of the increase. This has nothing to do with the computer glitch where penalty was added to those that paid on December 26<sup>th</sup> – Peggy has removed those penalties. Petray presented Ordinance No. 2018-01 AN ORDINANCE AMENDING CHAPTER 28 “WATERS AND SEWERS”, SECTION 28-139, PARAGRAPH C “USER CHARGE RATES” OF THE CITY OF LEXINGTON, MISSOURI. Motion by Houseworth seconded by Bonanomi to read the ordinance the first time. Motion carried. ROLL CALL VOTE was answered as follows: Aye: Bonanomi, Petray, Simpson, Houseworth, Miller, Parris, Beal and Lynn. Nay: none. Ordinance read the first time. Motion by Petray seconded by Bonanomi to read the ordinance the second time. Motion carried. Ordinance read the second time. Motion by Petray seconded by Lynn to place the ordinance on it’s final passage. Motion carried. ROLL CALL VOTE was answered as follows: Aye: Bonanomi, Petray, Simpson, Houseworth, Miller, Parris, Beal and Lynn. Nay: none. Whereupon the Mayor declared the ordinance duly passed.

Water Bond Issue: Aull handed out a schedule of meeting dates and times for groups/clubs/organizations/committees where he will be giving a presentation on the water bond issue. There have been 16 scheduled including the 3 already done. There are still some that have to be scheduled and if council members have any others let him know. Let Joe know of any issues that council is hearing so he can address those. A public meeting has been scheduled for each ward and asked council members to encourage as many from their ward to attend. The water bond issue will not affect the sewer rate. The sewer rates are averaged based on water used for the months of January, February and March. The average is then applied to the sewer rate chart not on the cost of the water bill. The Mayor presented council a schedule of the water system improvement timeframe.

**Reports:**

Administration: Next meeting on January 23, 2018 at 6:00 p.m.

Municipal Services: Next meeting on February 13, 2018 at 6:00 p.m.

**Department Heads:**

Fire- Chief Weber thanked the council and Administrator for holding the health insurance proposals tonight.

Police- Acting Chief Wells informed the council of the active shooting training. Wells has contacted Alice, which sponsors the active shooter training, to host a 2 day training at the Bell School on July 16<sup>th</sup> & 17<sup>th</sup>. This training is to teach people to

be instructors. From now on instead of paying we can send our guys for them to instruct us - we will have at least 2 maybe 4 of our own instructors. We can then sponsor locally for free and are able to provide for other agencies without any cost. Andrew Beckfield stated that this gets the department more active within the community. It gives the department the opportunity to have officers on staff certified as instructor. It gives them the opportunity to train the hospital, churches, schools in the event of an active shooter. The cost is \$600 for 1 officer to go to training without this opportunity. If the department can get 25 paid parties they get 2 free slots in the training and if we get 45 paid parties they get 4 free slots in the training. The closest training for Alice is 3 hours away – we can help other agencies.

**Committee/Board Reports:** none.

**Grants:** none.

**Administrator:** Aull looks forward to working with everyone, started last week and appreciated all the help he has been given. He is working on the water issue, getting up to speed on the budget, trying to visit the businesses in town and working on insurance.

**Mayor:**

- a. Council meeting dates- January 23, 2018 and February 13, 2018 at 7:00 p.m.
- b. Snow Ball- January 12, 2018 at The LEX from 6 pm to 9 pm.
- c. City Hall Closed- January 15, 2018 for Martin Luther King Day
- d. General Election- Deadline is January 16, 2018 at 5:00 p.m.
- e. MML Central Division Meeting- January 17, 2018 at Booneville at 6:00 pm. If you want to attend contact Carla.
- f. MML Legislative Conference- February 13-14, 2018 in Jefferson City.
- g. Elected Officials Conference- June 7-8, 2018 in Columbia.
- h. MML Annual Conference- September 16-19, 2018 in Branson.

**City Attorney:** none.

**Items from Prior Council Meeting:**

- a. Financial Software RFP- Deadline for proposals is Jan. 30<sup>th</sup>.
- b. Waverly Ambulance Contract- The attorneys are discussing.
- c. Water/WWTP Software – Proposals reviewed/evaluated – complete – ready for presentation.
- d. Train City Personnel to Operator Equipment (Backhoe)- Process has started. Backhoe training coming along.
- e. Contractor Equipment & Operator Costs- List to be developed – in work. No response back yet.

**Council Concerns/Comments:**

Police Report- Parris read the police report last month and noticed that there have been 3 suicide attempts and there are 2 more in this month's report. The individuals are different ages, some are the same people, some are actual attempts and some are not. Parris stated with a town this size this seems like quite a few. Karen Schachtele works for the Children's Division in Ray and Carroll Counties, she stated that calls are astronomical and it is not just kids, its parents. Some are taking their own medications – probably 50/50. It is the society now and the location of the County seat.

Budget- Miller stated that the budget committee will meet after Carla has received the property tax payment which is the big portion and it will have the new levy rate.

**Mayors Comments:** none.

Motion by Parris seconded by Bonanomi to adjourn. Motion carried. Council adjourned at 9:00 p.m.

Carla Ghisalberty  
City Clerk  
01/09/18

Jerry E. Brown  
Mayor