

**Garner Town Council  
Council Work Session Minutes  
January 30, 2018**

The Council met in a Work Session at 6:00 p.m. on Tuesday, January 30, 2018 in the Town Hall Council Chambers located at 900 7<sup>th</sup> Avenue.

**CALL MEETING TO ORDER/ROLL CALL**

Present: Mayor Ronnie Williams, Mayor Pro Tem Ken Marshburn, Council Member Kathy Behringer, Council Member Buck Kennedy, Council Member Gra Singleton and Council Member Jackie Johns.

Staff Present: Rodney Dickerson-Town Manager, Matt Roylance-Asst. Town Manager-Operations, John Hodges-Asst. Town Manager- Development Services, Pam Wortham-Finance Director, Rick Mercier-Communication Manager, Joe Stallings-Economic Development Director, Mike Franks-Budget & Special Projects Manager, Lori Smith-Police Captain, BD Sechler-HR Director, Sonya Shaw-PRCR Director, Rob Smith-Asst. PRCR Director, Marcelle Williams-Recreation Program Supervisor, Jack Baldwin-Center & Program Manager, Thad Anderson-Interim Town Attorney, and Rebecca Schlichter-Deputy Town Clerk.

Also Present: Parks and Recreation Advisory Board Members, Lisa Sullivan, Ernestine Durham, Darlene Duncan, and Althea Boone

Mr. Dickerson introduced the new Budget & Special Projects Manager, Mike Franks.

**ADOPTION OF AGENDA**

Mayor Pro Tem Marshburn requested to add a closed session concerning a personnel issue.

Motion: Marshburn  
Second: Singleton  
Vote: Unanimous

**REPORTS/DISCUSSION**

**Health Benefits Overview**

Presenter: BD Sechler, Human Resources Director

Mr. Sechler introduced John Gasiorowski & Paul Sydor from Independent Benefit Advisors who presented a health care update.

**Affordable Care Act**

- Regulations continue to drive costs up
- Estimated increase of 2.7% in 2018 for the Health Insurance Tax (HIT) to subsidize the federal and state ACA Insurance Exchanges

**Pharmacy Benefits**

- Generally, pharmacy cost consumes 25% of the total cost of health care.
- Garner's FY16/17 pharmacy cost was 23% of the total cost of health care.

- Expensive new “Specialty” and “Biologic” drugs:  
Example: Hepatitis C drug is \$90,000 - \$125,000 per person

#### Strategies to Manage Medical Cost – Value Based Care

- Accountable Care Organizations (ACO)  
Outcomes based medical care by providers that are incentivized by their contracts to enhance quality of care and coordinate care
- Addressing the health and wellness of employees  
Incentivizing healthy lifestyle changes and preventive care compliance with differential employee paycheck deduction for health insurance

#### Insurance Carrier Options

- Aetna
- BCBSNC
- Cigna
- United Healthcare
- Other

#### Insurance Carrier Relationships

- Over the last 5 years, the health insurance carriers are looking for 3-5 year relationships with employers
- Insurance carriers do not want to submit proposals to employers that have terminated relationships less than 3 years long

#### Autonomy of Town of Garner’s Health Insurance Plan

- Control Your Destiny  
Fully-Insured Financial Arrangement  
Self-Funding Financial Arrangement
- Partial Control  
NC League of Municipalities
- No Control  
State Health Plan

#### Renewal Projection Format in the Health Insurance Industry

- Town of Garner’s projected renewal costs are based on the amount of claims paid by the health insurance carriers, previously BCBSNC and currently Aetna.
- The Town’s claims in FY15/16 and FY16/17 far exceeded the premiums paid for the health insurance causing loss ratios of approximately 130% for FY15/16 and 116% for FY16/17.
- Insurance carriers consider 78% - 82% a tolerable loss ratio.
- Insurance carriers increase health insurance premiums when actual loss ratios exceed tolerable loss ratios.  
BCBSNC issued a 44% rate increase for FY16/17  
Aetna’s proposal was better with a 30% renewal for FY16/17  
Aetna’s issued a 38% rate increase for FY17/18

(For FY17/18, the Town switched to Aetna's ACO with a 19% increase to avoid the 38% increase on the Aetna PPO.)

#### Timeline for Upcoming Health/Benefits Related Items

- Recommendations to Town Manager on Comprehensive Benefits Survey – Late February
- Aetna Initial Renewal due to Town - Mid/late-March
- Comprehensive Benefits Survey Presentation to Council – Mid-March
- Final Decision on FY18/19 Health Care – Mid-April
- Deadline for Staff to Complete Health Risk Assessment Questionnaire – April 20th
- Open Enrollment – May
- FY 18/19 Health Plan & Rates Effective – July 1

#### **New Recreation Center Operational Plan**

Presenter: Sonya Shaw, PRCR Director

Ms. Shaw introduced the members of the Advisory Board present and then gave a presentation on the Garner Recreation Plan.

#### Guiding Principles

- Relocating current programming from WCPSS to Town facilities
- Maximizing use of new facility to expand programs and leagues
- Increasing hours of public access
- Hosting tournaments

Ms. Shaw also stated this plan incorporates the input of PRCR staff and Advisory Committee and examines the following:

- Industry Trends
- Current Operating Model (Garner)
- Operational Hours
- Access Fees
- Public Access
- Programming
- Weekend Tournaments
- Staffing

Council Member Singleton requested that the weekday hours be consistent throughout the week and recommended installing new lighting at Avery Street with savings from delay in construction of Recreation Center.

#### **COUNCIL REPORTS**

##### Behringer

- Requested an update on the business storing granite slabs on Garner Road and if they were in compliance.

- Reported that the depot had been hit by a truck this weekend. The building inspector was looking at the depot today to see if the damage will have an effect on moving the depot. Ms. Behringer would like the Town to expedite the move.

Singleton

- Reported that Weston Road needs to be milled and repaired.
- Requested an update on New Bethel Church Road Bridge replacement. Mr. Hodges reported that the TIP date was pushed out.

Johns

- Requested that Hwy 50 bridge be repaired while we wait for new bridge.

Kennedy

- Reported that truckloads of dirt have been delivered to property on Highway 50.
- Asked where are the Town's biggest challenges when it comes to hiring? Mr. Dickerson reported we have an offer out for a senior planner, we have a planner 1 position open and the inspection position has received a limited applicant pool.

**MANAGER REPORTS**

- Updated Council on the status of Meadowbrook. The septic distribution field needs to be replaced and staff is currently getting estimates.
- Ribbon cutting for YMCA is scheduled for February 20<sup>th</sup> at 11:00 a.m.

**CLOSED SESSION**

Pursuant to N.C. General Statutes 143-318.11(a)(6) to discuss the qualifications, competence, performance, character, fitness, or conditions of appointment of an individual public officer or employee.

Pursuant to N.C. General Statutes 143-318.11(a)(4) to discuss economic development.

**ADJOURNMENT:**

Motion: Kennedy  
Second: Marshburn  
Vote: Unanimous

**RETURN TO REGULAR SESSION AND ADJOURNMENT:** 9:22 P.M.