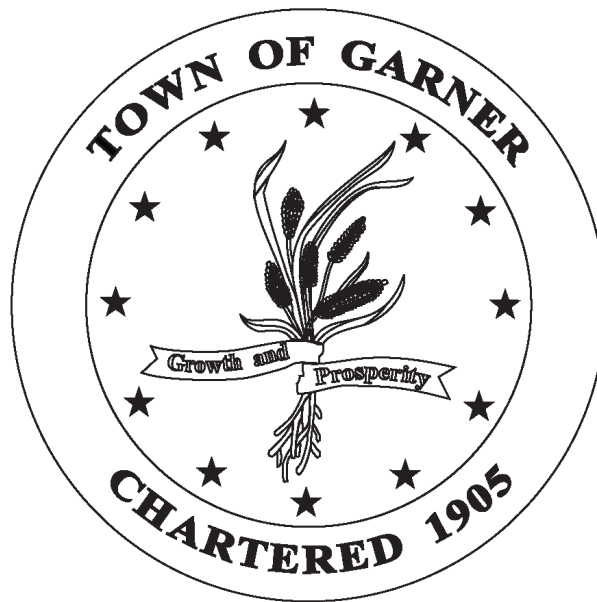


TOWN OF GARNER



TOWN COUNCIL SPECIAL MEETING

March 26, 2019
3:30 P.M.

Garner Town Hall
900 7th Avenue
Garner, NC 27529

Town of Garner
Town Council Special Meeting Agenda
March 26, 2019

The Town Council will conduct a Special Meeting at 3:30 p.m. to 5:00 p.m. on Tuesday, March 26, 2019 in the Town Hall Council Chambers located at 900 7th Avenue, Garner, NC.

1. Adoption of Agenda

2. 2013 Bond Program Update Page 2
Presented by: John Hodges, Assistant Town Manager – Development Services and Pam Wortham, Finance Director

Staff will provide an update on the 2013 bond funds and final bond sale.

3. Future Bond Planning Page 6
Presented by: Mike Franks, Budget and Special Projects Manager

Staff has prepared a presentation designed to educate Council and to allow for feedback to be provided on various decision points related to an upcoming bond referendum.

4. Other Retreat Follow Up Page 19
Presented by: Rodney Dickerson, Town Manager

Staff will provide responses to several miscellaneous items discussed at the November 2018 Council Retreat.

5. Adjourn

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 26, 2019		
Subject: 2013 Bond Program Update		
Location on Agenda: Discussion		
Department: Town Manager's Office		
Contact: John Hodges, Assistant Town Manager - Development Services		
Presenter: John Hodges, ATM & Pam Wortham, Finance Director		
Brief Summary: Staff will provide an update on the 2013 bond funds and final bond sale.		
Recommended Motion and/or Requested Action: Receive report and provide guidance to staff as needed.		
Detailed Notes:		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	JMH	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		



Town Manager's Office Memorandum

TO: Mayor and Council Members

FROM: John Hodges, Assistant Town Manger – Development Services
Pam Wortham, Finance Director

DATE: March 20, 2019

SUBJECT: 2013 Bond Program Update

Bond Fund Balance Update

At the November 2018 Council Retreat, staff presented an update on committed and available funds from the 2013 Street & Sidewalk and Parks & Recreation Bonds. The report has been updated to reflect commitments made and refined cost estimates received since that time.

As a reminder, the following reports summarize committed projects that are completed or in progress, committed projects that are in planning/design and unallocated bond funds. A list of projects or needs that have previously been identified is included for funding consideration.

Since the November 2018 Bond Update, several Street & Sidewalk project estimates have been refined and commitments have been made, changing the unallocated fund balance to \$334,756. These changes include:

- Committing \$1,300,000 for Jones Sausage Road design
- Removing \$1,100,000 for Hwy 70 Lighting and Landscaping (with a commitment to pursue a lighting plan with Duke Energy)
- Committing approximately \$250,000 for improvements to Lake Drive to be completed in conjunction with the Hwy 50 Bridge project (this is an early estimate)
- Changing the Main Street Streetscape commitment previously estimated at \$545,000 to \$600,000 to account for existing utility relocations (estimate only)

Since the previous update, the Parks & Recreation fund balance has changed to \$347,800. This change is due to the commitment of \$118,000 to offset a CDBG funding gap for the recreation center and \$130,000 to fund signage not originally included in the project budget. The original commitment of \$750,000 for the South Garner Greenway remains until a decision is made to repurpose those funds.

Bond Sale Update

We shared with Council at the retreat in November that our plan was to sell our remaining bonds in August 2019. The projects are lining up, and we will be ready to move forward on that schedule.

Our fourth and final bond sale for the 2013 bonds is scheduled for August 27. The closing date for the sale is September 17. We will be selling \$7,190,000. Of this amount \$6,591,000 is the remaining portion for the Streets and Sidewalks allocation, with the remainder of \$599,000 for Parks and Recreation allocation. This will bring the total amount borrowed from the GO bonds to \$35,715,000.

STREET & SIDEWALK BONDS \$ 14,566,000

Updated: 3/20/2019

Committed - Completed or In Progress

Sidewalk Projects	\$ 2,820,000
Jessup Drive	\$ 375,000
Benson/Main Sidewalk	\$ 500,000
Underground Power (Rec)	\$ 250,000
Underground Power (Town Hall)	\$ 150,000
Neighborhood Improvement	\$ 150,000
Susan Drive Drainage	\$ 13,600
Hwy 50 Drainage	\$ 42,000
Bryan Road Shared Use	\$ 90,000
Raynor Road Bridge Enhancements	\$ 80,000

Total Completed/Committed \$ 4,470,600**Committed - In Planning/Design**

Montague Street	\$ 1,050,000
New Rand Road	\$ 2,500,000
Land for Road Projects	\$ 616,000
Main Street Streetscape	\$ 600,000
White Oak - Ackerman - Hebron	\$ 869,644
Hwy 50 Bridge Enhancements	\$ 300,000
Lake Drive (Hwy 50 Bridge Project)	\$ 250,000
Timber Drive LAPP Match	\$ 82,000
Hwy 401 Sidewalk Match	\$ 103,000
Spring Drive Sidewalk	\$ 840,000
Vandora Springs Sidewalk	\$ 1,150,000
Sidewalk Connectors (3)	\$ 100,000
Jones Sausage Road Design	\$ 1,300,000

Total Planned/Committed \$ 9,760,644**Unallocated Bond Funds**

Total Completed/Committed	\$ 4,470,600
Total Planned/Committed	\$ 9,760,644

Unallocated Bond Funds \$ 334,756**Projects/Needs for Funding Consideration**

Buffaloe Road Side Path	\$ 1,820,000
Stormwater Projects (Bond Eligible)	\$ 1,500,000
Hwy 401 Lighting	TBD
Hwy 70 Lighting	TBD
Frederick Rd Reimbursement to WCPSS	\$ 155,468
Spring Dr Reimbursement to WCPSS	TBD
Transit Study Match	\$ 50,000

Notes

Amounts in orange are estimates and need additional professional services guidance to develop final budget.

PARKS & RECREATION BONDS **\$ 7,150,000**

Updated: 3/20/2019

Committed - Completed or In Progress

Park Enhancements	\$ 1,215,000
GPAC Parking	\$ 352,000
Recreation Center	\$ 4,237,200
Recreation Center - CDBG Offset (if needed)	\$ 118,000

Total Completed/Committed **\$ 5,922,200**

Committed - In Planning/Design

South Garner Greenway	\$ 750,000
Signage for Recreation Center	\$ 130,000

Total Planned/Committed **\$ 880,000**

Unallocated Bond Funds

Total Completed/Committed	\$ 5,922,200
Total Planned/Committed	\$ 880,000

Unallocated Bond Funds **\$ 347,800**

Projects/Needs for Funding Consideration

Splash Pad at Garner Recreation Center	\$ 300,000
Playground at Garner Recreation Center	\$ 250,000

Notes

Amounts in orange are estimates and need additional professional services guidance to develop final budget.

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 26, 2019		
Subject: Future Bond Planning		
Location on Agenda: Discussion		
Department: Town Manager's Office		
Contact: Mike Franks, Budget and Special Projects Manager		
Presenter: Mike Franks, Budget and Special Projects Manager		
<p>Brief Summary:</p> <p>Staff requires Council feedback to continue planning efforts associated with an upcoming bond referendum. This presentation will allow staff to provide an overview of the key decision points and for Council to provide feedback.</p>		
<p>Recommended Motion and/or Requested Action:</p> <p>Discussion</p>		
<p>Detailed Notes:</p> <p>Staff will present pros and cons of various scenarios for the next bond referendum and potential projects.</p>		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input type="radio"/> No: <input checked="" type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	MR	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

TO: Town Council

FROM: Mike Franks, Budget and Special Projects Manager

DATE: March 26, 2019

SUBJECT: Future Bond Planning

Staff has prepared a presentation designed to share information with Council and to allow for feedback to be provided on various decision points related to an upcoming bond referendum. This information will allow staff to proceed in an appropriate manner. The key components of the presentation are summarized below:

- **Resource Requirements** – Staff has identified requirements that would enhance the Town's ability to successfully complete an upcoming referendum. The purpose of this section is to educate Council and to have an initial conversation regarding how these requirements should be prioritized in upcoming budgets given the Town's limited resources;
- **Bond Schedule** – Staff has identified two timelines that could be utilized for an upcoming referendum - November 2020 or November 2021. Staff will provide an overview of the potential timelines including a discussion of the positive and negative aspects of both. Staff requires Council feedback on the preferred timeline so planning efforts can continue;
- **Funding Options** – Staff will provide an overview of the various funding scenarios that were prepared by Davenport as part of the Council Retreat. In addition, staff will provide a brief overview of the identified requirements and some potential requirements for the upcoming referendum. The purpose of this section is to provide council context on the number of requirements and how much can realistically be funded. This is necessary as staff needs guidance regarding the preferred funding scenario to continue planning efforts.



FUTURE BOND REFERENDUM





Presentation Overview

- Resource Requirements
- Calendar Options
- Funding Scenarios
- Potential Projects

Resource Requirements

- Capital Project Manager (\$94k) – Position would oversee major capital projects and maintain quality of services for construction administration
- Transportation Design Software (\$5k) – Would allow staff to review alternatives analysis, estimate quantities/costs, and provide conceptual renderings/videos for internal purposes, Council review, and in initial project scoping with external consultants
- Temporary Financial/Communication Support (\$50k) – Would provide supplemental staffing during peak workload periods

Reimbursement Overview

- Preliminary expenditures are fully reimbursable with a reimbursement declaration
 - *Preliminary expenditures not covered by a reimbursement declaration can be reimbursed up to 20% of the amount borrowed for the project*
 - *Preliminary expenditures are for architectural, engineering, surveying, soil testing and similar expenditures that are incurred prior to actual construction, other than land acquisition and site preparation*

- All other costs – i.e. land acquisition and construction costs - are fully reimbursable with a reimbursement declaration
 - *Reimbursement of these expenditures must be made no later than 18 months after the later of (a) the date the original expenditure is paid or (b) the date the project is placed in service or abandoned, but in no event more than 3 years after the original expenditure is paid*

Transportation Calendar

Transportation Calendar	November 2020 Timeline	November 2021 Timeline
Review Transportation Plan Project List	March 2019 - April 2019	March 2019 - July 2019
Hold Staff Transportation Committee Meetings	April 2019 - May 2019	August 2019 - October 2019
Obtain Public Input	June 2019 - July 2019	November 2019 - December 2019
Review Identified Projects with Planning Commission	Aug-19	Jan-20
Review Projects with Council	Sep-19	Feb-20
Consultant Review of Identified Projects	October 2019 - February 2020	March 2020 - February 2021
Review Consultant Estimates with Council and Finalize Project List	March 2020 - May 2020	March 2021 - May 2021
Public Outreach and Other Bond Related Activities	May 2020 - November 2020	May 2021 - November 2021
Jones Sausage Calendar		
Consultant Review	March 2019 - April 2019	March 2019 - April 2019
Conceptual Design	May 2019 - August 2019	May 2019 - December 2019
Submit Jones Sausage to CAMPO	August 2019 - October 2019	August 2020 - October 2020
Receive Decision on Jones Sausage	January 2020 - February 2020	January 2021 - February 2021
Receive Funding for Jones Sausage	Oct-20	Oct-21
Right of Way Acquisition	October 2020 - June 2021	October 2021 - June 2022
Construction	Oct-21	Oct-22

Parks Calendar

Park Calendar	November 2020 Timeline	November 2021 Timeline
Continue Comprehensive Master Planning Process	March 2019 - January 2020	March 2019 - January 2020
Review Potential Park Projects	Jan-20	January 2020 - March 2020
Hold Staff Park Committee Meetings	Feb-20	April 2020 - May 2020
Obtain Public Input	Mar-20	June 2020 - July 2020
Review Identified Projects with the Parks and Recreation Advisory Committee	Apr-20	Aug-20
Review Projects with Council and Finalize Project List	May-20	September 2020 - May 2021
Public Outreach and Other Bond Related Activities	May 2020 - November 2020	May 2021 - November 2021
Major Park Project(s)		
Continue Comprehensive Master Planning Process *	March 2019 - January 2020	March 2019 - January 2020
Review Master Plan with Parks and Recreation Advisory Committee	Feb-20	February 2020 - April 2020
Review Master Plan with Council	Mar-20	May 2020 - July 2020
Review Project Scope and Obtain Additional Information on Projects (if necessary)	Apr-20	July 2020 - April 2021
Finalize Project Scope for Referendum	May-20	May-21

* Yergan Master plan may not be on the same schedule as Meadowbrook Master Plan

Debt Capacity Case Summary – Cases 1-3



A	B	C	D	E	F	G	H	I
Case			Case 1A	Case 1B	Case 2A	Case 2B	Case 3A	Case 3B
1	FY 2022 Equivalent Tax Impact		0.00¢	0.00¢	1.00¢	1.00¢	2.00¢	2.00¢
2								
3	Amortization							
4	August 2019 (FY 2020) Issuance		Structured Principal	Structured Principal	Structured Principal	Structured Principal	Structured Principal	Structured Principal
5	Future GO Debt		Level Principal	Structured Principal*	Level Principal	Structured Principal*	Level Principal	Structured Principal*
6								
7	Debt Issued							
8	August 2019 (FY 2020) Issuance		\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000
9								
10	FY 2021 - Future GO		13,430,000	15,840,000	16,320,000	18,810,000	19,210,000	21,810,000
11	FY 2023 - Future GO		6,715,000	7,920,000	8,160,000	9,405,000	9,605,000	10,905,000
12	FY 2025 - Future GO		6,715,000	7,920,000	8,160,000	9,405,000	9,605,000	10,905,000
13	Subtotal: Future GO		\$ 26,860,000	\$ 31,680,000	\$ 32,640,000	\$ 37,620,000	\$ 38,420,000	\$ 43,620,000
14								
15	Total		\$ 34,051,000	\$ 38,871,000	\$ 39,831,000	\$ 44,811,000	\$ 45,611,000	\$ 50,811,000
16								
17	Total Debt Service		\$ 52,240,278	\$ 63,660,994	\$ 61,054,778	\$ 72,945,834	\$ 69,869,278	\$ 82,374,916
18								
19	Debt Ratios (Worst Shown)		Existing	Policy				
20	10-Year Payout		56.10%	50.00%	54.29%	50.04%	53.99%	50.12%
21	Debt to Assessed Value		1.08%	2.00%	1.43%	1.50%	1.51%	1.57%
22	Debt Service to Expenditures		10.80%	15.00%	14.85%	14.81%	16.00%	15.92%
23	Years Out of Compliance		0	0	4	4	8	8
24								
25	Growth Assumptions							
26	Assessed Value - FY 2020 - 2024		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
27	Assessed Value - FY 2025 & Beyond		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
28	Expenditures - FY 2018 - 2024		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
29	Expenditures - FY 2025 & Beyond		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

* Subject to review and discussion with LGC Staff

Debt Capacity Case Summary – Cases 4-6



A	B	C	D	E	F	G	H	I
Case			Case 4A	Case 4B	Case 5A	Case 5B	Case 6A	Case 6B
1	FY 2022 Equivalent Tax Impact		3.00¢	3.00¢	4.00¢	4.00¢	5.00¢	5.00¢
2								
3	Amortization							
4	August 2019 (FY 2020) Issuance		Structured Principal	Structured Principal	Structured Principal	Structured Principal	Structured Principal	Structured Principal
5	Future GO Debt		Level Principal	Structured Principal*	Level Principal	Structured Principal*	Level Principal	Structured Principal*
6								
7	Debt Issued							
8	August 2019 (FY 2020) Issuance		\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000
9								
10	FY 2021 - Future GO		22,100,000	24,800,000	24,990,000	27,810,000	27,880,000	30,770,000
11	FY 2023 - Future GO		11,050,000	12,400,000	12,495,000	13,905,000	13,940,000	15,385,000
12	FY 2025 - Future GO		11,050,000	12,400,000	12,495,000	13,905,000	13,940,000	15,385,000
13	Subtotal: Future GO		\$ 44,200,000	\$ 49,600,000	\$ 49,980,000	\$ 55,620,000	\$ 55,760,000	\$ 61,540,000
14								
15	Total		\$ 51,391,000	\$ 56,791,000	\$ 57,171,000	\$ 62,811,000	\$ 62,951,000	\$ 68,731,000
16								
17	Total Debt Service		\$ 78,683,778	\$ 91,746,336	\$ 87,498,278	\$ 101,222,464	\$ 96,312,778	\$ 110,463,836
18								
19	Debt Ratios (Worst Shown)		Existing	Policy				
20	10-Year Payout		56.10%	50.00%	53.17%	50.08%	52.48%	50.08%
21	Debt to Assessed Value		1.08%	2.00%	1.66%	1.78%	1.77%	1.90%
22	Debt Service to Expenditures		10.80%	15.00%	18.20%	18.06%	19.26%	19.10%
23	Years Out of Compliance				9	9	10	10
24								
25	Growth Assumptions							
26	Assessed Value - FY 2020 - 2024		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
27	Assessed Value - FY 2025 & Beyond		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
28	Expenditures - FY 2018 - 2024		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
29	Expenditures - FY 2025 & Beyond		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

* Subject to review and discussion with LGC Staff

Case 3A Scenario – 2¢ Increase with Structured Level Principal

- Funding of \$38,420,000
 - *Less \$8.0 million for Jones Sausage*
 - *Less \$4.0 million for sidewalks*
 - *Less \$20.0 million for park and greenway projects*

- *Remaining Balance of \$6.42 million*

Sample of Other Capital Requirements

- Other Transportation Requirements
- Fire Station 5
- Stormwater Projects
- Space Needs Assessment
 - *Public Works Facility*
 - *Police large evidence storage*
 - *Town records storage requirements*

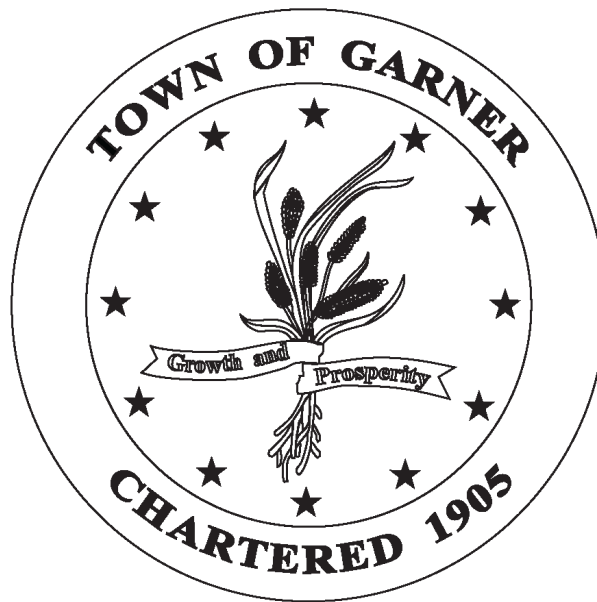


Questions?

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 26, 2019		
Subject: Retreat Follow Up		
Location on Agenda: Discussion		
Department: Town Manager's Office		
Contact: Rodney Dickerson, Town Manager		
Presenter: Rodney Dickerson, Town Manager		
Brief Summary: Staff will provide responses to several miscellaneous items discussed at the November 2018 Council Retreat.		
Recommended Motion and/or Requested Action: Receive report and provide guidance to staff as needed.		
Detailed Notes:		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	RD	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

TOWN OF GARNER



TOWN COUNCIL WORK SESSION

March 26, 2019
6:00 P.M.

Garner Town Hall
900 7th Avenue
Garner, NC 27529

**Town of Garner
Work Session Agenda
March 26, 2019**

Dinner will be served for town officials in the Conference Room at 5:15 p.m.

The Council will meet in a Work Session at 6:00 p.m. in the Council Chambers located at 900 7th Avenue.

A. CALL MEETING TO ORDER/ROLL CALL

B. ADOPTION OF AGENDA

C. REPORTS/DISCUSSION

1. Discuss Council Vacancy Page 2
Presenter: Ken Marshburn, Mayor Pro Tem

Council may discuss filling the vacant seat, with the possibility of a final vote.

2. Health Insurance Renewal Page 3
Presenter: BD Sechler, HR Director

Provide Council with an overview of our benefits renewals for FY19/20 and present to them our recommendations.

3. Third Quarter Update Page 9
Presenter: Mike Franks, Budget and Special Projects Manager

Review updated estimates for FY 2019 revenues and expenditures. In addition, explore funding options for identified savings.

4. Continue Retreat Update Page 20
Presenter: Rodney Dickerson, Town Manager

Continue Retreat Update from earlier special meeting, if necessary.

D. MANAGER REPORTS

E. COUNCIL REPORTS

F. ADJOURNMENT

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 26, 2019		
Subject: Council Vacancy		
Location on Agenda: Discussion		
Department: Town Council		
Contact: Ken Marshburn, Mayor Pro Tem - Chair of HR Committee		
Presenter: Ken Marshburn, Mayor Pro Tem		
Brief Summary: Council may discuss filling the vacant seat. There is also a possibility that Council could vote on the applicants if all the interviews are concluded.		
Recommended Motion and/or Requested Action:		
Detailed Notes:		
Funding Source:		
Cost:	One Time: <input checked="" type="radio"/>	Annual: <input type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input type="radio"/> No: <input checked="" type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:		
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 26, 2019		
Subject: Benefits Renewal Recommendations		
Location on Agenda: Discussion		
Department: Human Resources		
Contact: BD Sechler, HR Director		
Presenter: BD Sechler and Paul Sydor		
Brief Summary: Provide Council with an overview of our benefits renewals for FY19/20 and present to them our recommendations.		
Recommended Motion and/or Requested Action: Discuss and consider with approval at the April 1 meeting.		
Detailed Notes:		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input checked="" type="radio"/> No Cost: <input type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input type="radio"/> No: <input checked="" type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	BDS	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		



MEMORANDUM

To: Rodney Dickerson
From: BD Sechler
Date: March 20, 2019
Re: FY 19/20 Health & Benefits Recommendations

Working together with Paul Sydor and the Independent Benefits Advisors (IBA) team, I am pleased to provide you with our analysis and recommendations for our health plan as well as other benefits plans for the upcoming 2019-2020 fiscal year.

Over the past three months, the team requested bids from our current vendor, Aetna as well as three additional health care vendors, Blue Cross Blue Shield of North Carolina (BCBSNC), the League of Municipalities and United Health Care (UHC).

Each of the vendors were asked to provide a bid based upon (or as closely as they could align) to our current health plan coverage, including but not limited to the deductibles, co-pays, out of pocket maximums and prescription drug coverages. In addition, Aetna, BCBSNC and UHC were asked to provide two additional coverage levels which represented a “one step” reduction in benefits coverages (medium plan) and a two-step reduction in benefits coverages (low plan).

Each of these plans are considered single option plans. We also considered dual option plans, allowing for more than one coverage level option. For example, we analyzed a combination of our current benefits levels coupled with either the medium plan or with the low plan. Having a dual option available to staff allows the staff member to make a choice of benefits coverage level based on his or her personal needs.

All of the actual data representing the detailed coverage levels for each vendor as well as the final proposals from each vendor for each option discussed above is included in the attached exhibits.

It is our recommendation that we continue the use of our current health care vendor Aetna. However, we recommend that we change to a dual option plan that includes the current coverage levels coupled with the medium coverage levels. We recommend that the Town continue to pay 100% of the premium for the staff member and 33.7% for dependent coverage. Staff members will be required to choose which of the two coverages levels is most appropriate for them rather than just having the one single option chosen for them.

This recommendation will result in a decrease in the total amount paid to Aetna in premiums. It will allow for both lower employee and employer costs.

In addition to our health plan, the team also reviewed our dental plan, which is self-insured, our dental administrative provider, our life insurance plan, Accidental Death and Dismemberment

(AD&D), Short-term Disability plan (STD) through Reliance Standard, and our COBRA and flexible spending account (FSA) program through Infinisource.

We are recommending a 15% increase to our dental plan, based on our actual claim's history over the past 12 months. While the percentage appears high, it represents an increase of just over \$13,000. Our dental administration, provided by Delta Dental, will not increase in cost and is guaranteed for the next 3 years.

Our book of business through Reliance Standard (Life, AD&D and STD) also will not increase for the next two years based on a negotiated rate hold.

Our COBRA and FSA administration through Infinisource will increase by 3%. This is the first increase we have seen from this vendor in over 3 years and is reflective of the additional number of staff we have added.

Overall, I hope you find the recommendations provided as a positive. Please know that IBA and our HR team worked diligently to provide a number of reasonable options as well as looking at creative ways to reduce costs and maintain the best level of benefits possible.

I appreciate all your support, guidance and confidence as we moved through the process. I am more than happy to answer any questions you may have or to further discuss at your convenience.



Town of Garner

High / Medium Dual Option Health Plan Renewal Rate & Contribution Comparison

Town Funds High Option - Employee Chooses Benefit Level

Aetna vs. BCBSNC vs. UHC

Renewal Effective Date: July 1, 2019

Report Date: March 20, 2019

Plan Year			Employee	Employee & Spouse	Employee & Children	Family	Percent Change
Aetna Current 2018 - 2019 Single Option (Baseline)	January 2019	Enrollment	149	5	31	7	NA
	Single Option 2018 - 2019 (33.7% Town Contribution for Dependents)	Premium	\$935.66	\$2,197.66	\$1,620.59	\$2,907.96	NA
		Employee Contribution	\$0.00	\$836.71	\$454.11	\$1,307.63	NA
		Employer Contribution	\$935.66	\$1,360.95	\$1,166.48	\$1,600.33	NA

Aetna Alternate 2019 - 2020 High / Medium Dual Option	High (Higher Percentage of Town Contribution for Dependents Using Aetna Rebate Dollars)	Premium	\$917.25	\$2,154.42	\$1,588.71	\$2,850.75	-4.0%
		Employee Contribution	\$0.00	\$802.89	\$435.76	\$1,254.78	-4.0%
		Employer Contribution	\$917.25	\$1,351.53	\$1,152.95	\$1,595.97	-4.0%
	Medium (High Option Town Contribution for Dependents)	Premium	\$856.95	\$2,012.78	\$1,484.25	\$2,663.32	-10.5%
		Employee Contribution	\$0.00	\$661.25	\$331.30	\$1,067.35	-23.2%
		Employer Contribution	\$856.95	\$1,351.53	\$1,152.95	\$1,595.97	-4.0%

BCBSNC Alternate 2019 - 2020 High / Medium Dual Option	High (Higher Percentage of Town Contribution for Dependents Using BCBSNC Rebate Dollars)	Combined Health & Vision Premium	\$915.38	\$2,100.84	\$1,563.08	\$2,775.54	-3.2%
		Employee Contribution	\$0.00	\$799.85	\$437.99	\$1,248.08	-4.0%
		Employer Contribution	\$915.38	\$1,300.99	\$1,125.09	\$1,527.46	-3.1%
	Medium (Higher Percentage of Town Contribution for Dependents Using BCBSNC Rebate Dollars)	Combined Health & Vision Premium	\$839.06	\$1,923.71	\$1,431.74	\$2,541.09	-11.3%
		Employee Contribution	\$0.00	\$622.72	\$306.65	\$1,013.63	-28.1%
		Employer Contribution	\$839.06	\$1,300.99	\$1,125.09	\$1,527.46	-3.1%

UHC Alternate 2019 - 2020 High / Medium Dual Option	High (33.7% Town Contribution for Dependents)	Premium	\$858.13	\$2,015.56	\$1,486.31	\$2,667.00	-8.3%
		Employee Contribution	\$0.00	\$767.38	\$416.48	\$1,199.28	-8.3%
		Employer Contribution	\$858.13	\$1,248.18	\$1,069.83	\$1,467.72	-8.3%
	Medium (High Option Town Contribution for Dependents)	Premium	\$768.25	\$1,804.45	\$1,330.63	\$2,387.66	-17.9%
		Employee Contribution	\$0.00	\$556.27	\$260.80	\$919.94	-36.9%
		Employer Contribution	\$768.25	\$1,248.18	\$1,069.83	\$1,467.72	-8.3%

The Aetna renewal includes a one-time \$55,000 rebate from Aetna to Garner. Applying the rebate to the health premiums and contributions results in the rates shown.

The BCBSNC renewal alternate includes a one-time \$10,000 rebate from BCBSNC to Garner. Applying the rebate to the health premiums and contributions results in the rates shown.

The exhibit above does not show annual totals because the proposed benefit and contribution changes provide yet unknown employee enrollment choices that impact total cost. For example, it is not known how many employees that currently cover dependents will choose the lower of the two dual options, which impacts Premium and Employee Contribution totals, but not Employer Contribution total. Furthermore, it is not known how many employees that currently do not cover dependents might choose to add dependents effective July 1, 2019, which impacts Premium, Employee Contribution, and Employer Contribution totals.



Town of Garner

Health Insurance In-Network Renewal Benefits & Cost Comparison

High Benefit Level (Closest Match to Current Aetna ACO Benefits)

Effective Date: July 1, 2019

Report Date: March 20, 2019

Company	Aetna		BCBSNC	NC League	UHC
Rate Change (Relative to Current Rates)	-4.0%		-2.9%	3.2%	-10.1%
Network Description	Two different provider networks with two different insurance benefit levels. The benefit level is determined by the network in which the provider is contracted. ACO: Duke and WakeMed POS: UNC		One provider network with one insurance benefit level for all network providers. Better benefits for UNC and other non-Duke and non-WakeMed providers.	One provider network with one insurance benefit level for all network providers. Better benefits for UNC and other non-Duke and non-WakeMed providers.	One provider network with one insurance benefit level for all network providers. Better benefits for UNC and other non-Duke and non-WakeMed providers.
Network	ACO Narrow Network	POS Broad Network	BCBSNC Broad Network	MedCost Broad Network	UHC Broad Network
Annual Deductible (Individual / Family)	\$750 / \$1,500	\$2,000 / \$4,000	\$500 / \$1,000	\$750 / \$1,500	\$750 / \$1,500
Out-of-Pocket Maximum* (Individual / Family)	\$2,250 / \$4,500	\$4,000 / \$8,000	\$2,500 / \$5,000	\$2,250 / \$4,500	\$2,250 / \$4,500
Crossover Credit	Amounts paid toward the ACO deductible and OOP Max are credited toward the POS deductible and OOP Max. Amounts paid toward the POS deductible and OOP Max are credited toward the ACO deductible and OOP Max.		NA	NA	NA
Physician Office Services					
Primary Care	\$25 copay	\$35 copay	\$25 copay	\$25 copay	\$25 copay
Specialist	\$50 copay	\$65 copay	\$50 copay	\$50 copay	\$50 copay
Preventive Care					
Primary Care	100% covered	100% covered	100% covered	100% covered	100% covered
Specialist	100% covered	100% covered	100% covered	100% covered	100% covered
Hospital Services					
Inpatient & Outpatient	20% after deductible	40% after deductible	20% after deductible	20% after deductible	\$500 copay in addition to 20% after deductible
Emergency & Urgent Care					
Urgent Care Centers	\$50 copay	\$75 copay	\$50 copay	\$50 copay	\$50 copay
Emergency Room Visit	\$150 copay		\$150 copay	\$150 copay	\$150 copay
Prescription Drugs					
Tier 1 Preferred Generic (30 Day Supply)	\$5 copay	\$5 copay	\$4 copay	\$5 copay	\$10 copay
Tier 2 Preferred Brand (30 Day Supply)	\$35 copay	\$35 copay	\$35 copay	\$35 copay	\$35 copay
Tier 3 Non-Preferred Generic & Brand (30 Day Supply)	\$60 copay	\$60 copay	\$50 copay	\$60 copay	\$75 copay
Tier 4 Preferred Specialty (30 Day Supply)	25% (Max \$100)	25% (Max \$100)	25% (Min \$50. Max \$100.)	25% (Max \$100)	\$150 copay
Tier 5 Non-Preferred Specialty (30 Day Supply)	35% (Max \$100)	35% (Max \$100)	25% (Min \$50. Max \$100.)	35% (Max \$100)	\$150 copay
Mail Order (90 Day Supply)	2X copay	2X copay	3X copay	2X copay	2.5X copay
Diabetic Supplies, Inhaler Spacers, & Peak Flow Meters	Covered as durable medical equipment, 20% after ded.	Covered as durable medical equipment, 40% after ded.	Covered as durable medical equipment, 20% after ded.	Covered as durable medical equipment, 20% after ded.	Covered as durable medical equipment, 20% after ded.
Diagnostic Tests (Non-Preventive)					
MRI, MRA, CT Scan, & PET Scan	20% after deductible	40% after deductible	20% after deductible	20% after deductible	\$500 copay in addition to 20% after deductible
Therapies					
Physical, Occupational, & Chiropractic (Various quantity limits on visits based on type)	\$50 copay	\$65 copay	\$50 copay	\$50 copay	\$25 copay
Autism Behavioral Therapy	\$50 copay	\$65 copay	\$50 copay	\$50 copay	\$25 copay
Vision Services					
Routine Annual Eye Exam	100% covered	100% covered	100% covered (Separate Vision Policy)	(Not covered)	(Not covered)

Yellow highlights indicate benefit decreases. Green highlights indicate benefit increases.

*The Out-of-Pocket Limit includes medical and Rx deductible, coinsurance, and copays.



Town of Garner

Health Insurance In-Network Renewal Benefits & Cost Comparison

Medium Benefit Level

Effective Date: July 1, 2019

Report Date: March 20, 2019

Company	Aetna		BCBSNC	UHC
Rate Change (Relative to Current Rates)	-10.5%		-10.9%	-19.5%
Network Description	Two different provider networks with two different insurance benefit levels. The benefit level is determined by the network in which the provider is contracted. ACO: Duke and Wakemed POS: UNC		One provider network with one insurance benefit level for all network providers. Better benefits for UNC and other non-Duke and non-WakeMed providers.	One provider network with one insurance benefit level for all network providers. Better benefits for UNC and other non-Duke and non-WakeMed providers.
Network	ACO Narrow Network	POS Broad Network	BCBSNC Broad Network	UHC Broad Network
Annual Deductible (Individual / Family)	\$1,500 / \$3,000	\$3,500 / \$7,000	\$1,500 / \$3,000	\$1,500 / \$3,000
Out-of-Pocket Maximum* (Individual / Family)	\$3,000 / \$6,000	\$6,000 / \$12,000	\$3,000 / \$6,000	\$4,000 / \$8,000
Crossover Credit	Amounts paid toward the ACO deductible and OOP Max are credited toward the POS deductible and OOP Max. Amounts paid toward the POS deductible and OOP Max are credited toward the ACO deductible and OOP Max.		NA	NA
Physician Office Services				
Primary Care	\$25 copay	\$35 copay	\$25 copay	\$25 copay
Specialist	\$50 copay	\$65 copay	\$50 copay	\$50 copay
Preventive Care				
Primary Care	100% covered	100% covered	100% covered	100% covered
Specialist	100% covered	100% covered	100% covered	100% covered
Hospital Services				
Inpatient & Outpatient	20% after deductible	40% after deductible	20% after deductible	\$500 copay in addition to 20% after deductible
Emergency & Urgent Care				
Urgent Care Centers	\$50 copay	\$75 copay	\$50 copay	\$50 copay
Emergency Room Visit	\$150 copay		\$300 copay	\$350 copay
Prescription Drugs				
Tier 1 Preferred Generic (30 Day Supply)	\$5 copay	\$5 copay	\$4 copay	\$10 copay
Tier 2 Preferred Brand (30 Day Supply)	\$35 copay	\$35 copay	\$35 copay	\$35 copay
Tier 3 Non-Preferred Generic & Brand (30 Day Supply)	\$60 copay	\$60 copay	\$50 copay	\$75 copay
Tier 4 Preferred Specialty (30 Day Supply)	25% (Max \$100)	25% (Max \$100)	25% (Min \$50. Max \$100.)	\$150 copay
Tier 5 Non-Preferred Specialty (30 Day Supply)	35% (Max \$100)	35% (Max \$100)	25% (Min \$50. Max \$100.)	\$150 copay
Mail Order and Retail (90 Day Supply)	2X copay	2X copay	3X copay	2.5X copay
Diabetic Supplies, Inhaler Spacers, & Peak Flow Meters	Covered as durable medical equipment, 20% after ded.	Covered as durable medical equipment, 40% after ded.	Covered as durable medical equipment, 20% after ded.	Covered as durable medical equipment, 20% after ded.
Diagnostic Tests (Non-Preventive)				
MRI, MRA, CT Scan, & PET Scan	20% after deductible	40% after deductible	20% after deductible	\$500 copay in addition to 20% after deductible
Therapies				
Physical, Occupational, & Chiropractic (Various quantity limits on visits based on type)	\$50 copay	\$65 copay	\$50 copay	\$25 copay
Autism Behavioral Therapy	\$50 copay	\$65 copay	\$50 copay	\$25 copay
Vision Services				
Routine Annual Eye Exam	100% covered	100% covered	100% covered (Separate Vision Policy)	(Not covered)

Yellow highlights indicate benefit decreases. Green highlights indicate benefit increases.

*The Out-of-Pocket Limit includes medical and Rx deductible, coinsurance, and copays.

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 26, 2019		
Subject: FY 2019 Third Quarter Review		
Location on Agenda: Discussion		
Department: Town Manager's Office		
Contact: Mike Franks, Budget and Special Projects Manager		
Presenter: Mike Franks, Budget and Special Projects Manager		
Brief Summary: Review updated estimates for FY 2019 revenues and expenditures. In addition, explore funding options for identified savings.		
Recommended Motion and/or Requested Action: Discussion		
Detailed Notes: Staff has finalized estimates for FY 2019 revenues and expenditures and identified potential funding options with the identified balance. Staff requires Council's feedback on the identified funding options so a comprehensive budget amendment can be prepared for the April, 16th Regular Council Meeting.		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: 		
Attachments Yes: <input type="radio"/> No: <input checked="" type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	MR	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		



Town Manager's Office Memorandum

TO: Town Council

FROM: Mike Franks, Budget and Special Projects Manager

DATE: March 26, 2019

SUBJECT: FY 2019 Third Quarter Review

Staff has finalized their review of FY 2019 revenues and expenditures. In total, staff anticipates an operating balance of \$922,780 based on higher than anticipated revenues of \$557,648 and lower than anticipated expenditures of \$365,132. Based on a review of upcoming requirements, staff has recommended that two items be funded with this balance:

1. Staff recommends utilizing higher than anticipated interest income revenue to fund the Town Attorney overages;
2. Staff recommends utilizing higher than anticipated inspection revenue to fund a vehicle and equipment for the Inspections position funded mid-year.

In addition, staff has identified several other funding options for council to consider:

- Take no further action which will allow operating savings to fall to fund balance;
- Utilize savings associated with the delayed opening of the Recreation Center to fund signage and other requirements;
- Utilize higher than anticipated interest income revenue to fund the Transportation Design Software. This software would allow staff to review alternatives analysis, estimate quantities/costs, and provide conceptual renderings/videos for internal purposes, Council review, and in initial project scoping with external consultants;
- Utilize anticipated operating savings in Communications and Economic Development to fund a portion of the WRAL campaign. This campaign would allow staff to work with WRAL Digital Solutions on a six-month run of promotional articles about Garner on the WRAL website;
- Utilize anticipated savings in Parks, Recreation and Cultural Resources to fund security improvements. This would allow for security cameras to be installed at Avery Street and GPAC and for the development of a plan to improve the outdoor lighting at Avery Street, GPAC and the Senior Center;
- Utilize anticipated savings in Public Works to fund an Asset Management System. This system would replace the current obsolete Work Order System with a web-based software that would streamline the Department's operations and improve communication between those in the field and the office.



FY 2019 THIRD QUARTER REVIEW





Presentation Overview

- Review Revenue and Expenditure Estimates
- Review one-time Requirements
- Finalize Funding Decisions

Revenue Estimates

- FY 2019 revenues are projected to be \$37,094,709 which is an increase of \$557,648, or 1.5 percent, over the current budget
 - *Additional revenue primarily related to higher than anticipated development related revenues, Interest Earnings and Real Estate revenue*

- This total does not include revenue associated with Fee in Lieu of Parkland

Expenditure Estimates

- FY 2019 expenditures are projected to be \$36,171,929 which is a decrease of \$365,132, or 1.0 percent, from the budgeted level
 - *Savings primarily based on position turnover, utility savings, and miscellaneous operating savings*
 - *In total, the delayed opening of the Recreation Center is responsible for \$138,735 of this total*

Financial Position Summary

- Additional revenue and lower than anticipated expenditures are projected to result in an operating balance of \$922,780

- This projection is somewhat conservative as additional miscellaneous operating savings are likely
 - *Staff focused their review on Personnel savings and significant operating requirements*



Funding Recommendations

- Utilize interest income revenue to fund Town Attorney overages (\$64k)
- Utilize inspection revenue to fund a vehicle and equipment for the Inspections position funded mid-year (approx. \$30k)

Other Funding Options

- No other adjustments
- Utilize savings associated with the delayed opening of the Recreation Center to fund signage and/or other requirements (up to \$139k)
- Utilize interest income revenue to fund the Transportation Design Software (\$5k)
- Utilize anticipated savings in Communications and Economic Development to fund a portion of the WRAL campaign (\$18k)

Other Funding Options Cont.

- Utilize anticipated savings in Parks, Recreation and Cultural Resources to fund security improvements (\$30k)
- Utilize anticipated savings in Public Works to fund an Asset Management System (\$47k)



Questions?

Town of Garner
Town Council Meeting
Agenda Form

Meeting Date: March 26, 2019		
Subject: Continue Retreat Update		
Location on Agenda: Discussion		
Department: Town Manager's Office		
Contact: Rodney Dickerson, Town Manager		
Presenter: Rodney Dickerson, Town Manager		
Brief Summary: Continue Retreat Update from earlier special meeting, if necessary.		
Recommended Motion and/or Requested Action:		
Detailed Notes:		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations:		
Attachments Yes: <input type="radio"/> No: <input checked="" type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	RD	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		