

# **TOWN OF GARNER**



## **TOWN COUNCIL WORK SESSION**

October 30, 2018  
6:00 P.M.

Garner Town Hall  
900 7th Avenue  
Garner, NC 27529

**Town of Garner  
Work Session Agenda  
October 30, 2018**

*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 7<sup>th</sup> Avenue.

A. CALL MEETING TO ORDER/ROLL CALL

B. ADOPTION OF AGENDA

C. REPORTS/DISCUSSION

1. Wake Transit Community Funding Area Program Management Plan Update.....Page 3  
Presenter: Het Patel, Senior Planner

This item provides an overview of the Wake Transit Community Funding Area Program (CFAP). It includes the recently completed program management plan for CFAP, the schedule and application process for submitting applications. The program allows for planning/technical support studies along with capital and operating projects.

Action: Council agreement on bringing CFAP application materials to Council for formal action in November or December.

2. Bond Fund Balances ..... Page 6  
Presenter: John Hodges, Assistant Town Manager - Development Services

Staff will provide an update on committed and uncommitted bond fund balances in preparation for the CIP discussion at the upcoming retreat. Updated project cost estimates are being compiled and materials for this discussion will be included in the Council Retreat Binder delivered later this week.

Action: Receive information and provide staff direction as needed.

3. Health Insurance Renewal Update ..... Page 7  
Presenter: BD Sechler, Human Resources Director

Update on efforts to date regarding the Town's health renewal for the 2019/2020 Fiscal Year.

Action: Receive information and provide staff direction as needed.

4. Benefit Data Follow-up ..... Page 18  
Presenter: Mike Franks, Budget & Special Project Manager

Follow up to the June 26, 2018 presentation on the results of the Benefits Study.

Action: No Action Required

D. MANAGER REPORTS

E. COUNCIL REPORTS

F. ADJOURNMENT

Town of Garner  
Town Council Meeting  
Agenda Form

Meeting Date: October 30, 2018		
Subject: Wake Transit Community Funding Area Program (CFAP) Update		
Location on Agenda: Discussion		
Department: Planning		
Contact: Het Patel, Senior Planner - Transportation and Land Use		
Presenter: Het Patel, Senior Planner - Transportation and Land Use		
<p><b>Brief Summary:</b></p> <p>This item provides an overview of the Wake Transit Community Funding Area Program (CFAP). It includes the recently completed program management plan for CFAP, the schedule and application process for submitting applications. The program allows for planning/technical support studies along with capital and operating projects.</p>		
<p><b>Recommended Motion and/or Requested Action:</b></p> <p>Council agreement on bringing CFAP application materials to Council for formal action in November or December.</p>		
<p><b>Detailed Notes:</b></p>    		
<p><b>Funding Source:</b></p>		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
<p><b>Manager's Comments and Recommendations:</b></p> <p>This is a prudent first step if Garner desires to provide a circulator route as a part of its overall transit services.</p>		
<p>Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/></p>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	JT	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

**TO:** Mayor and Town Council Members

**FROM:** Het Patel, AICP; Senior Planner – Transportation and Land Use

**SUBJECT:** ***Wake Transit – Community Funding Area Program Application***

**DATE:** October 30, 2018

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### **INTRODUCTION**

The purpose of this memorandum is to provide an overview of the Wake Transit Community Funding Area Program (CFAP) including the program management plan, schedule and application process. Since July 2018, Town staff has been attending Core Technical Team (CTT) meetings for CFAP discussion. The consultant working on Wake Transit implementation projects has outlined a program management plan for CFAP, this management plan was developed based on peer review of other programs including the Capital Area Metropolitan Planning Organization (CAMPO) Locally Administered Projects Program (LAPP).

### **CFAP Management Plan**

The program management plan identifies the 10 municipalities, plus Research Triangle Park (RTP), as eligible for funding through the program. Funding can be used to support community-based public transportation projects.

*PROGRAM OVERVIEW:* The program would provide an opportunity for towns and the RTP in Wake County, that otherwise have limited fixed-route transit services, to create or accelerate public transportation services and programs within their jurisdiction. Eligible municipalities or organizations would function as project sponsors under the program and could work with one of the transit providers in the region to gather input from residents and determine the best investments for their communities.

*PLANNING STUDIES FUNDING:* The program identified two sub-programs, with resources allocated towards funding planning/technical studies and other resources to fund capital and operating projects. The CFAP CTT recommended setting aside \$750,000 to fund planning and technical assistance projects with \$500,000 allocated for the first four years of the program (FY19-FY22) and \$50,000 for each year thereafter. Based on the DRAFT CFAP Management Plan, this funding schedule would support a minimum of 15 technical assistance grants.

**CAPITAL AND OPERATING PROJECTS FUNDING:** The CFAP CTT recommendations included a project budget of \$8.5 million over the 9-year period (FY19-FY27). The recommendation funding level and annual allocation for capital and operating project would begin to implement projects in FY20 for the communities that are ready to implement a project without planning/technical study and analysis.

**FUNDING REQUIREMENTS:** The CFAP program requires all projects provide a minimum match of 50% of the total project costs. This requirement is the same for planning projects and for operating and capital projects. There is no restriction on the funding source used to match CFAP resources. Planning/technical assistance projects are restricted to a single study per municipality in a single fiscal year. For planning studies, the funding is restricted to up to 50% of the study costs or \$50,000 per study, whichever is lower.

- For example, CFAP would contribute up to \$25,000 towards a planning study/technical assistance effort that costs \$50,000 or up to \$50,000 for a planning study/technical assistance effort valued at \$100,000
- More points are awarded for higher match (for example, if the planning study that the Town wanted to complete was valued at \$80,000 – Town could match with \$50,000 (62%) and receive more points towards the scoring).

The funding matching requirements for operating and capital projects are also at 50%.

**SCHEDULE**

The schedule for CFAP for this year is as-follows:

<b>ACTION</b>	<b>DATE</b>
<b>APPLICANT TRAINING</b>	<b>OCTOBER 15 – NOVEMBER 9, 2018</b>
<b>CALL FOR PROJECTS (FYS 2019 AND 2020)</b>	<b>NOVEMBER 29, 2018</b>
<b>PRE-SUBMITTAL REVIEW MEETINGS</b>	<b>DECEMBER 3 – DECEMBER 14, 2018 JANUARY 7 – JANUARY 11, 2018</b>
<b>APPLICATIONS DUE</b>	<b>JANUARY 25, 2019</b>
CAMPO Staff Scores Submissions*	January 28 – February 15, 2019
Selection Committee Review*	February 25 – March 22, 2019
TPAC Recommends Projects in FY 2020 Work Plan*	April 23, 2019

**APPLICATION PROCESS**

The application requirements for CFAP projects vary based on the type of funding grant request (planning, operating and capital). For planning studies, the following requirements apply: Project overview, purpose and need, demonstrated support for committing to provide matching funds, work plan (scope of work).

**COUNCIL ACTION**

Council agreement on moving forward with gathering documentation for planning study application and bringing item back to Council for formal action towards CFAP application.

Town of Garner  
Town Council Meeting  
Agenda Form

Meeting Date: October 30, 2018		
Subject: Bond Fund Balances		
Location on Agenda: Discussion		
Department: Town Manager's Office		
Contact: John Hodges, Assistant Town Manager - Development Services		
Presenter: John Hodges, Assistant Town Manager - Development Services		
<p><b>Brief Summary:</b></p> <p>Staff will provide an update on committed and uncommitted bond fund balances in preparation for the CIP discussion at the upcoming retreat. Updated project cost estimates are being compiled and materials for this discussion will be included in the Council Retreat Binder delivered later this week.</p>		
<p><b>Recommended Motion and/or Requested Action:</b></p> <p>Receive information and provide staff direction as needed.</p>		
<p><b>Detailed Notes:</b></p>     		
<p><b>Funding Source:</b></p> <p>NA</p>		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
<p><b>Manager's Comments and Recommendations:</b></p> <p>N/A</p>		
<p>Attachments Yes: <input type="radio"/> No: <input checked="" type="radio"/></p>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	JMH	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		

Town of Garner  
Town Council Meeting  
Agenda Form

Meeting Date: October 30, 2018		
Subject: Health Renewal Update		
Location on Agenda: Discussion		
Department: Human Resources		
Contact: BD Sechler		
Presenter: BD Sechler		
Brief Summary: Update on efforts to date regarding the Town's health renewal for the 2019/2020 Fiscal Year.		
Recommended Motion and/or Requested Action: Receive information and provide staff direction as needed		
Detailed Notes: See attached memo and slides		
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:	BDS	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		



# Health Benefits Update

As of October 30, 2018

# Current Status NCHIP

- Proposal received by Gallagher recommending NCHIPs Board accept Garner
- If accepted, NCHIP proposal calls for a - 4.3% renewal, plus or minus 2 percent

# Current Status NCLM

- Preliminary proposal received from the NC League of Municipalities
- NCLM proposal call for a minimum of a -0.7% renewal with possibility of greater decrease after review of July through December 2018 claims data

# Current Status

## AETNA

- Request for a preliminary proposal from Aetna made on October 22<sup>nd</sup>
- Aetna attempting to provide preliminary proposal by Council retreat in November

# Next Steps

- Town of Garner will need to make a decision by November 20th for presentation to NCHIP Board
- Approval from NCHIP Board is not binding on Garner
- Formal proposal from NCLM will be submitted to Garner in late January timeframe
- Formal proposal from Aetna will be submitted to Garner in late January timeframe

# Questions, Concerns, Comments





To: Rodney Dickerson, Town Manager

Fm: BD Sechler, HR Director

Dt: October 23, 2018

Sj: Agents Fees Collection Agreement

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Independent Benefits Advisors (IBA) is our broker of record for the Town of Garner. They have acted in this capacity for over 9 years. As our broker, a fundamental aspect of their role is to negotiate the best health care vendor and rates for the Town.

The Town and IBA does not have a traditional contractual relationship. There is no agreement directly between the Town and IBA for services rendered and cost. IBA receives compensation for the services they provide to the Town directly from the health care vendor. This type of relationship and agreement is typical in the insurance industry. The payment structure would be unchanged for the Town, regardless of broker and would likely be unchanged whether the Town had a fully funded health plan or a self-funded independent or pool plan.

Our current health care vendor is Aetna. Our relationship with Aetna was established largely through the efforts of staff at IBA. Rates were established and negotiated directly with Aetna by IBA with direct consultation with Town of Garner staff.

Based on the final rates agreed to by Aetna and the Town, Aetna and IBA then entered into an Agents Fees Collection Agreement. This agreement is between Aetna and IBA. Each month, the Town pays Aetna for our monthly premiums. Once Aetna receives our check, they then write a check to IBA based on the agreed upon terms.

The current agent's fees for IBA are \$16.65 per member per month. (PMPM). This fee is the only fee IBA receives for the work completed by them on behalf of the Town of Garner. The current fee for IBA is unchanged since at least the 2011/12 fiscal year.

I have a copy of the formal agreement which is currently in force if you would like to see it.

Please let me know if you have any questions or would like to discuss further.

## BILLING AND COLLECTION AGREEMENT

This Billing and Collection Agreement (“Agreement”) is entered into as of the effective date below among Aetna Health Management, LLC, a Delaware limited liability company, Customer (specified below) and Producer (specified below). Aetna Health Management, LLC and its affiliates are collectively referred to as “Aetna.” Aetna, Customer and Producer are collectively referred to as the “Parties”.

### RECITALS:

1. Customer has certain medical insurance product(s) from Aetna (“Medical Products”);
2. Producer is an independent contractor and not an employee of Customer or Aetna;
3. Customer has engaged Producer in connection with such purchase to provide services (“Services”) in connection with the Medical Products for agreed-upon compensation (“Service Fees”) in compliance with applicable state law; and
4. Customer and Producer acknowledge and agree that Aetna has no involvement in providing the Services or determining the amount of the Service Fees.

IN CONSIDERATION OF THE ABOVE, the Parties agree to the extent permitted by applicable law:

1. Customer will pay Producer the Service Fees as specified below.
2. Aetna will collect the Service Fees as Producer’s agent for this limited purpose. Customer’s payment of the Service Fees in valid funds to Aetna discharges Customer’s Service Fees payment obligation. Producer constructively receives such funds when Aetna receives them, and Producer thereafter has a right to payment only from Aetna.
3. The Service Fees are neither consideration for nor a condition of receiving insurance coverage from Aetna. Notwithstanding this distinction, for administrative convenience Aetna may include the Service Fees in the same bill Aetna sends Customer to collect insurance premiums.
4. Aetna shall pay the Service Fees to Producer within thirty (30) days following the end of the calendar month in which Aetna receives valid funds from Customer. If Customer pays Aetna less than the sum of the premium and Service Fees then due, Customer may instruct Aetna on how to divide the payment between premium and Service Fees. Absent such instruction, Aetna shall apply the payment pro rata between premium and Service Fees.
5. Producer acknowledges that Aetna will keep any income earned on the Service Fees before Aetna pays the Service Fees to Producer, and that will be Aetna’s sole compensation under this Agreement.



6. Aetna shall have no duties or obligations except as explicitly set forth in this Agreement. Without limiting the foregoing, Aetna shall not have any duty (a) to pay Producer any amounts except valid funds that Aetna actually receives from Customer or (b) to oversee Producer's performance of the Services.
7. Absent Customer's written instruction to the contrary, Aetna shall, with respect to the Services, (a) issue the appropriate Form 1099 to the Producer and file the information on such Form with the appropriate federal and state taxing authorities under the Aetna name and Employer Identification Number; and (b) if applicable for Customer, give Customer a summary of Service Fees paid to Producer on Customer's behalf for use in Form 5500 reporting. Customer may not seek liability against Aetna under any legal theory for any action Aetna takes pursuant to this paragraph.
8. Any Party may terminate this Agreement upon thirty (30) days prior written notice to the other Parties, but otherwise it shall continue in full force and effect as long as Customer purchases Medical Products. If Customer notifies Aetna in writing of a change in producers, this Agreement shall terminate automatically as to Producer. The new Producer may become a party to this Agreement, and in that event Aetna shall bill and collect the Service Fees for the new Producer beginning the calendar month after Aetna receives notice of such change.
9. No Party may assign its rights or duties under this Agreement without the prior written consent of the other Parties, except that Aetna may assign this Agreement upon thirty (30) days prior written notice to the other Parties.
10. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both oral and written, between the Parties with respect to the subject matter hereof. Nothing contained in this Agreement will require any Party to violate any applicable law.
11. Aetna may amend or modify any provision in this Agreement upon thirty (30) days prior written notice to the other Parties. Otherwise, this Agreement may be amended or waived only in writing. In the case of an amendment, the written amendment must be signed by each Party, and in the case of a waiver, the written waiver must be signed by the Party against whom the waiver is to be effective.

SERVICES FEE: Flat \$16.65 PEPM % of Total Amount Due [Medical Premium Plus Services Fee]

EFFECTIVE DATE: 07/01/2016  
(MM/DD/YYYY)

GROUP NUMBER(s): 486 131

CONTROL NUMBER (s): 486 131

AETNA HEALTH MANAGEMENT, LLC [PRODUCER MUST INSERT NAME HERE]

Signature: [Signature]

Print Name: Todd E. Slawter

Title: National Head of Distribution

Date: 10/16/2013

Signature: [Signature]

Print Name: John Gasiorowski

Title: President

Date: 5-16-16  
(MM/DD/YYYY)

Tax ID/SSN/NPN: 57-1219889

Georgia Counselor License # \_\_\_\_\_  
Resident and non-resident required for Georgia Insured business

Town of Garner

Signature: BD Sechler

Print Name: B.D. Sechler

Title: Human Resources Director

Date: 05-17-2016  
(MM/DD/YYYY)

Producers and customers may complete the Billing and Collection Agreement to specify the fee amount, to identify the parties and to add associated identifying information such as control numbers. Aetna does not agree to and will not be bound by any other additions or changes to the template agreement.

Town of Garner  
Town Council Meeting  
Agenda Form

Meeting Date: October 30, 2018		
Subject: Benefit Data Follow-up		
Location on Agenda: Discussion		
Department: Administration		
Contact: Mike Franks, Budget & Special Projects Manager		
Presenter: Mike Franks, Budget & Special Projects Manager		
Brief Summary: Follow up to the June 26, 2018 presentation on the results of the Benefits Study.		
Recommended Motion and/or Requested Action: No action required		
Detailed Notes: Council asked several data related questions during the June 26, 2018 presentation on the results of the benefits study. Staff will present answers to Council's original questions and provide some additional data related to benefits.		
Funding Source:		
Cost:	One Time: <input type="radio"/>	Annual: <input type="radio"/> No Cost: <input checked="" type="radio"/>
Manager's Comments and Recommendations: N/A		
Attachments Yes: <input checked="" type="radio"/> No: <input type="radio"/>		
Agenda Form Reviewed by:	Initials:	Comments:
Department Head:	MR	
Finance Director:		
Town Attorney:		
Town Manager:	RD	
Town Clerk:		



# BENEFITS FUNDING COMPARISON



# Summary of Personnel Spending By Locality

Organization	Full Time Equivalent Employees	Tax Base	Total Budget (All Funds)	Payroll (Salaries, OT, Salaries PT, Temp, Longevity)	Total Benefits (Retirement and Insurance)	Insurance Benefits	Total Payroll Per Employee	Insurance Benefits Paid Per \$1,000 of Tax Base	Insurance as a % of Payroll	Insurance Cost Per Employee
Cornelius	119.50	\$5,085,620,782	\$32,123,206	\$6,383,902	\$1,889,175	\$1,029,799	\$53,422	\$0.20	16.13%	\$8,618
Fuquay - Varina	247.50	\$3,377,000,000	\$46,774,687	\$14,798,020	\$3,377,408	\$1,735,347	\$59,790	\$0.51	11.73%	\$7,012
Morrisville	184.00	\$4,721,089,237	\$38,590,470	\$11,989,900	\$2,100,300	\$1,851,800	\$65,163	\$0.39	15.44%	\$10,064
Asheboro	345.00	\$5,290,036,863	\$42,851,051	\$15,892,229	\$5,236,757	\$3,853,000	\$46,064	\$0.73	24.24%	\$11,168
Holly Springs	318.00	\$4,664,000,000	\$56,161,991	\$19,239,944	\$4,487,563	\$2,090,832	\$60,503	\$0.45	10.87%	\$6,575
Wake Forest	275.00	\$5,160,500,000	\$65,871,080	\$16,974,870	\$5,046,260	\$2,965,365	\$61,727	\$0.57	17.47%	\$10,783
<b>Garner</b>	<b>178.12</b>	<b>\$3,496,264,000</b>	<b>\$35,232,082</b>	<b>\$11,536,741</b>	<b>\$3,597,222</b>	<b>\$2,225,020</b>	<b>\$64,769</b>	<b>\$0.64</b>	<b>19.29%</b>	<b>\$12,492</b>
Average	238.16	\$4,542,072,983	\$45,372,081	\$13,830,801	\$3,676,384	\$2,250,166	\$58,777	\$0.50	16.45%	\$9,448
Wake County Average	240.52	\$4,283,770,647	\$48,526,062	\$14,907,895	\$3,721,751	\$2,173,673	\$62,390	\$0.51	14.96%	\$9,037

# Summary of Benefits Spending By Employee

Plan	Garner	Wake Forest	Holly Springs	Fuquay - Varina	Morrisville (Base) <sup>1</sup>	Morrisville (Buy-up) <sup>1</sup>
Single	\$0	\$0	\$0	\$0	\$0 / \$40	\$50 / \$90
Employee & Children	\$454	N/A	\$415	\$337	\$216 / \$256	\$290 / \$330
Employee & Spouse	\$837	N/A	\$636	\$526	\$430 / \$730	\$528 / \$568
Employee + 1 (Spouse or Children)	N/A	\$458	N/A	N/A	N/A	N/A
Family	\$1,308	\$1,058	\$1,105	\$789	\$730 / \$770	\$852 / \$892
<b>Average</b>	<b>\$650</b>	<b>\$505</b>	<b>\$539</b>	<b>\$413</b>	<b>\$344 / \$384</b>	<b>\$430 / \$470</b>

<sup>1</sup> Morrisville assesses a "wellness" fee for employees that don't participate in the Town's wellness program

# Benefits Coverage Summary

Benefits for In-Network/Premium Plan Offered	Garner	Morrisville (Buy-up)	Holly Springs (FY 17-18 Coverage)	Wake Forest
Average Cost (Wellness Participant / Non Participant)	\$650	\$430 / \$470	\$539	\$505
Annual Deductible (Individual / Family)	\$750 / \$1,500	\$2,500 / \$5,000 <sup>1</sup>	\$1,750 / \$3,500	\$1,750 / \$3,500
Out-of-Pocket Maximum (Individual / Family)	\$2,250 / \$4,500	\$3,500 / \$7,000	\$4,750 / \$9,500	\$3,750 / \$7,500
Primary Care	\$25 copay	\$20 copay	\$30 copay	\$25 copay
Specialist	\$50 copay	\$40 copay	\$60 copay	\$50 copay
Preventive Care	100%	100%	100%	100%
Inpatient	80% after deductible	100% after deductible	70% after deductible	80% after deductible
Outpatient	80% after deductible	100% after deductible	70% after deductible	80% after deductible
Urgent Care	\$50 copay	\$40 copay	\$60 copay	\$50 copay
Emergency Room	\$150 copay	\$300 copay	\$300 copay	\$500 copay
Prescription Drugs	\$5/\$35/\$60/75% (\$100 max)/65% (\$100 max)	\$10/\$40/\$55/25%	\$10/\$45/\$60/\$25% (\$100 max)	\$4/\$40/\$55/25% (\$100 max)

<sup>1</sup> Employees are provided with a Health Reimbursement Account which helps pay for medical costs before the deductible is met. For individuals, the first \$500 of the deductible is paid by the employee and the HRA reimburses the next \$2,000. For families, the first \$1,000 is paid by the employee and the HRA reimburses the next \$4,000.