

**Town of Garner  
Council Work Session Minutes  
March 26, 2019**

The Council met in a Work Session at 6:00 p.m. in the 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 and Council Member Gra Singleton.

Staff Present: Rodney Dickerson-Town Manager, John Hodges-Asst. Town Manager-Development Services, Matt Roylance-Asst. Town Manager-Operations, Chris Johnson-Town Engineer, Jeff Triezenberg-Planning Director, Het Patel-Senior Planner, Joe Stallings-Economic Development Director, Mike Franks-Budget & Special Projects Manager, Mari Howe-Downtown Development Manager, Sonya Shaw-PRCR Director, Joe Binns-Police Captain, Lorie Smith-Police Captain, Rick Mercier-Communications Manager, William E. Anderson-Town Attorney, and Rebecca Schlichter-Deputy Town Clerk.

**ADOPTION OF AGENDA**

Motion: Kennedy  
Second: Singleton  
Vote: 4:0

**REPORTS/DISCUSSION**

**Discuss Council Vacancy**

Presenter: Ken Marshburn, Mayor Pro Tem

Mayor Pro-Tem Marshburn announced that Mr. Elmo Vance has been selected to fill the Council Vacancy and will be sworn at the second meeting in April.

**Health Insurance Renewal**

Presenter: BD Sechler, HR Director

Mr. Sechler and Mr. Sydor provided Council with an overview of our benefits renewals for FY19/20. It was their recommendation that the Town continue the use of current healthcare vendor Aetna.

Plan Year		Employee	Employee & Spouse	Employee & Children	Family	Percent Change	
<b>Aetna Current 2018 - 2019 Single Option (Baseline)</b>	January 2019	Enrollment	149	5	31	7	NA
	<b>Single Option 2018 - 2019 (33.7% Town Contribution for Dependents)</b>	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

<b>Aetna</b> Alternate 2019 - 2020 High / Medium Dual Option	<b>High</b> (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%
	<b>Medium</b> (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%

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 above.

In addition to the 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.

Staff recommended 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.

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

### Third Quarter Update

Presenter: Mike Franks, Budget and Special Projects Manager

Mr. Franks reviewed updated estimates for 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 recommended utilizing higher than anticipated interest income revenue to fund the Town Attorney overages;
2. Staff recommended 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.

Council requested to set aside some committed fund balance to be used next year.

Council consensus to move forward and bring back budget amendment.

#### **Continue Retreat Update if necessary**

Presenter: Rodney Dickerson, Town Manager

Mr. Dickerson reported that this item would not be needed.

Mr. Dickerson requested to add Pennington Grove Property Tax Fee in lieu of property tax.

#### **Pennington Grove Property Tax Fee in lieu of property tax**

Presenter: Rodney Dickerson, Town Manager

Mr. Dickerson reported a couple years ago DHIC built Pennington Grove I, a senior income-based apartment off Heather Park Drive. It now has plans to build another building adjacent to it known as Pennington Grove II.

The Town required DHIC to pay property taxes on phase 1 and anticipated taxes being paid on phase 2. The legislation at the time allowed us to levy taxes until the investors were paid and were out of the deal. We currently receive \$25,000 a year in property taxes from phase 1. Subsequently, in a new financing structure that DHIC had set up, they had to get the property tax removed from their proforma. Since DHIC promised to pay Garner taxes, we entered into an agreement in 2018 that they would pay us a fee in lieu of property taxes that would equal the same amount.

Now DHIC are trying to secure funding for phase 2 from Wake County but Wake County does not want to use their funding to subsidize Garner taxes. Also, since the first building was built, legislation has changed to make the development of housing by charitable entities exempt from property taxes regardless of the financing structure.

The bottom line is that DHIC would like for us to remove the fee in lieu of taxes payment from Pennington Grove II or Wake County will remove \$500,000 (approximately 18-20 years of taxes) from their financing model. According to DHIC that would make the project infeasible.

Council consensus to release fee in lieu for phase II and invite executive director of DHIC or a member of its staff to a regular session meeting.

## **MANAGER REPORTS**

## **COUNCIL REPORTS**

### **Behringer**

- Reported she will be attending the Southern Woman and Public Service 2019 Conference.

### **Singleton**

- Thanked staff that helped with the Jackie Johns Pancake breakfast.

### **Kennedy**

- Thanked staff that helped with the Jackie Johns Pancake breakfast.
- Reported that Council received excellent candidates to fill Mr. Johns Council seat.
- Would be interested in seeing the Construction Manager job description.

**ADJOURNMENT:** 7:25 p.m.

Motion: Kennedy  
Second: Marshburn  
Vote: 4:0