

CITY COMMISSION WORKSHOP MEETING
August 2, 2010
4:30 p.m.

Elected Officials Present:

Mayor Shirley Groover Bryant
Tamara Cornwell, Vice Mayor, Commissioner-at-Large 2
Mary Lancaster, Commissioner, Ward 1
Tambra Varnadore, Commissioner, Ward 2
Brian Williams, Commissioner, Ward 3

Elected Officials Absent:

Alan Zirkelbach, Commissioner-at-Large 1

Staff Present:

Jim Freeman, City Clerk
Allen Tusing, Public Works Director
Chief Wells
Scott Rudacille, City Attorney
Deanna Roberts, Administrative Assistant

The agenda was adjusted to move the Personnel Policy to item #1 and Health Insurance Update to item #2.

1 PERSONNEL POLICY

City Commission will continue the review of the revised Personnel Policy.

The review continued on page 95.

Page 95: Commissioner Varnadore asked why police officers worked eighty-six hours in a pay period and other employees worked eighty. Chief Wells explained that this was an existing policy. Mr. Freeman said eighty-six hours is a requirement because they are on shift work. These hours reduced the hourly rate, and officers must work the eighty-six hours before overtime is available which must then be approved. Chief Wells commented that morale over this issue is a big concern of his. Mr. Freeman explained that the yearly rate is the same, and certain benefits were derived from going to the twelve-hour shifts; an extra day off, e.g. Commissioner Cornwell commented that at the same time these hours were approved, salaries were raised to be equitable with the Sheriff's Office and officers were given take-home cars. The change was due to mandates from the State. In answer to Mrs. Cornwell's question, Chief Wells said approximately twenty-six officers take home cars within the six-mile allowed range.

Mrs. Varnadore opined that this does not seem fair to the officers. She asked for more clarification and asked when salaries were adjusted by Finance. Mayor Bryant asked for background on when this policy began.

Page 97: Regarding comp time, Mrs. Varnadore asked who gets it and what makes it comp time. Please explain for all employees: when is it overtime? Mr. Freeman said only non-exempt employees are eligible for comp time and overtime beyond eighty hours worked, calculated at time-and-a-half to be used at a future date. Flex time is time traded hour for hour in the same pay period.

Mr. Tusing remarked that at Public Works he tries to use flex time as much as possible to keep costs down. And, all time accumulated is at the discretion of the Department Head.

Mrs. Simpson said comp time is based on the Fair Labor Standards Act (FLSA).

Mrs. Cornwell said comp time is expensive to the City because it cost half again as much as flex time. She believes the School District went to flex time **only** for this reason. She asked for a review of comp time hours paid out and a change in policy as a potential savings to the City; emergency situations are different, but otherwise, use flex time. Mr. Freeman said the City is not paying more; the employee just has accrued time off.

Commissioner Williams pointed out that the police department has five times the amount of overtime as all of Public Works. He stated that for that amount, you could add two additional officers.

Page 99c: Alternate Duty. Commissioner Williams asked if a worker were out for a major medical event and was able work part time, would this allow the worker to work part time. He asked about short-term disability, and Mr. Freeman said the City does not offer that. Mr. Williams stated that, under worker's comp, an employee could come back part time, so why is this not available for an employee who has run out of sick leave? Mr. Towns was present for the meeting, and he cautioned the City about bringing people in part time. It must be documented and done up front. If it turns into 2-3 months, the health plan does not allow those workers to be on the plan. The City needs to develop a written policy.

2. HEALTH INSURANCE UPDATE (J. Freeman)

Mike Towns, Atlas Financial, will provide an update regarding the health insurance renewal.

The industry is waiting for provisions to evolve in the new health care bill. Many sections say "to be determined by the office of Health and Human Services (HHS)." Effective Sept. 23, 2010 or the first renewal after that, the City has to have dependent care extended up to age 30, although the state and federal regulations differ. Another piece says you can no longer have annual limits on any benefits, and no lifetime limits. All rates have to be refiled with the state of Florida. The number of plans to choose from went down from approximately fifty to fourteen. They are still waiting for regulations to come from HHS. Another piece of legislation goes into effect January 1 when everything changes again and everything has to be rerated. Having only fourteen plans will limit options.

Last year the City changed to BCBS. The City had a huge claim right off the bat. He has negotiated the renewal rate with BCBS down from an estimated 50-60 % increase to 20%.

Mr. Towns said that the City's health plan is one of the best of any of his clients, possibly due to some of the pay scales and this is in an effort to help employees out. The City can look at plan changes and increase costs to employees. The City's dependent-coverage subsidy is one of the highest at 55%.

Mr. Freeman interjected that last year the City went to a two-tiered plan to help reduce the cost to the City. Currently the total renewal is at about 15%, and this is where the City needs to be with respect to the budget.

Mr. Towns asked for direction. He asked if 15% is where the City wants to be, or would Commission like to go lower and make plan changes, or ask employees to pay more. He said that he and Mr. Freeman will be attending a seminar on the new law tomorrow (August 3, 2010). They will look at something called "grandfathering." If no significant changes are made in the City's plan, we will not have to comply with certain pieces of the new law until 2014; it's a phase-in period, and it can be worth 8 or 9 points over the next three or four years. HHS had projected a 1% increase in premiums, but he expects 5-7% with just what they know so far. Doing away with pre-existing conditions will be very expensive. The City can avoid a majority of those phase-ins by not making significant changes at this time. He recommends looking at the 15% increase.

BCBS will consider a contingent premium. They will reduce the premium by 5% on the assumption that your claims will be less. If you go over, the cost will be 5% the other way.

Commissioner Williams asked Mr. Towns to come back and show Commission how to get the increase down to 10% and how that would affect the employee.

Mrs. Varnadore commented that without hard numbers, it is hard to give direction. The City needs to look at a plan that balances what is good for both the City and the employee.

Mr. Freeman said he will have some options for Commission by the next couple of workshops. Mr. Towns said he will be providing something user-friendly for Commission to look at. Mrs. Varnadore asked for a breakdown of what the employees are currently paying for health care in a spreadsheet format.

3. BUDGET POLICY (J. Freeman)

Initial review of a proposed formal Budget Policy.

Finance Director Karen Simpson explained the policy establishes guidelines approved by Commission for formulating the budget each year. Based on comments over the past few years, the policy could call for a reserve policy for a pay-as-you-go plan; no new debt. The plan includes several other new concepts including carried forward purchase orders.

Referring to page 2, Enterprise Funds, section D, Commissioner Lancaster asked if the policy was to provide reclaimed water to all of the City or just parts. Mrs. Simpson said she can change the sentence and delete water for irrigation to parts of the City so that it will read ... to provide reclaimed water for irrigation in the City.

Page 3, D. Balanced Budget: Mr. Williams stated the definition of a balanced budget should read 95% of the total anticipated revenues. Mrs. Simpson explained that not all of the revenues are budgeted at 95%. Discussion ensued on the practice of calculating the budget based on 95% of the projected revenue from property taxes. Mr. Freeman interjected that there was a significant decrease in property taxes last year, and by budgeting at 95% the City was able to absorb the additional reduction and not have to adjust the millage. Other revenue sources may fall below expectations, so budgeting property taxes at 95% does not ensure that there will be an excess in budgeted revenues that could be used to balance the budget or help employees. This was Mr. William's concern and the reason for the discussion.

Mr. Williams asked about multi-year forecasting of combined revenues and disbursements covered on page 4. Mrs. Simpson said this is new and a way of forecasting revenues for long-term financial planning to do a better job of budgeting for the future. She is trying to buy software out of this year's budget and hopes to begin use by January 2011.

Commissioner Cornwell asked to add "during the budget process" at the end of line d. on page 5.

Mr. Williams referred to the first sentence on page 6D regarding communicating with citizens. Mrs. Simpson replied that communication could come through the City newsletter and the web site. She stated that the most important step to her is to come up with performance measurements and include them in the 2011 budget document.

Mayor Bryant adjourned the meeting at 6:00 p.m. stating that, time permitting, the discussion will continue at the 7:00 p.m. meeting.

Minutes approved: August 16, 2010

James R. Freeman

James R. Freeman, City Clerk