

**CITY OF BUCKEYE
COUNCIL WORKSHOP
JUNE 2, 2015
MINUTES**

**City Council Chambers
530 E. Monroe Ave.
Buckeye, AZ 85326
4:30 p.m.**

1. Call to Order/Roll Call

Mayor Meck called the meeting to order at 4:34 p.m.

Members Present: Councilmember Hess, Councilmember McAchran, Councilmember Heustis (excused at 5:35 p.m.; returned at 5:37 p.m.), Vice Mayor Orsborn (arrived at 4:36 p.m.), and Mayor Meck.

Members Absent: Councilmember Garza and Councilmember Strauss.

Departments Present: Assistant City Manager Roger Klingler, City Attorney Scott Ruby, City Clerk Lucinda Aja, Deputy City Clerk Summer Stewart, Assistant to Council Carol Conley, Water Resources Director Dave Nigh, Human Resources Director Nancy Love, Finance Director Larry Price, Community Services Director Cheryl Sedig, Economic Development Director Len Becker, Information Technology Director Greg Platacz, Planning Manager Terri Hogan, Government Relations Manager George Diaz, and Marketing and Communications Manager Jennifer Rogers.

2. Presentation and Discussion Regarding the City's Red Flag Program

Staff Liaison: Dave Nigh, Water Resources Director

Robyn Jacobs, Utility Billing Supervisor

District No. All

Health Insurance renewal discussion having been taken out of order and the discussion having continued; this presentation was moved to a later date.

3. Buckeye Main Street Coalition Annual Update

Staff Liaison: Cheryl Sedig, Community Services Director

District No. All

Ron Noble, President of Buckeye Main Street Coalition ("Main Street"), opened the presentation and introduced Lara Serbin. Ms. Serbin provide an overview of Main Street and stated Main Street is important because they help to make downtown Buckeye look good, which is good for economic development. The economic development Catalyst Program was discussed. Information was presented regarding the Main Street website, social media, and updated brochure and post cards. "Buckeye bags" were discussed; historic banners were sewn into bags and will be available at the Fourth of July celebration. Further discussion related to Main Street was held during the June 2, 2015 Regular Council Meeting.

4. Discussion and Possible Direction for Staff Regarding Cigna Health Insurance Renewal for Fiscal Year 2015/2016

Staff Liaison: Nancy Love, Human Resources Director

District No. All

It was requested this item be taken out of order. Ms. Love provided a history of insurance premiums paid by the city and employees; the city has realized an average 4.2% increase in premiums over the last five fiscal years (FY) with the city absorbing the full cost of increases. Premium renewal

components include organizational size, number of covered lives, age and gender, plan design, claims experience, trends, and mandates. Approximately 2% of the FY 2015/2016 increase is directly related to the Affordable Care Act. The insurance renewal plan presented includes a 18.6% premium increase equaling \$975,000; the largest component affecting premiums is 26 high dollar claims between \$25,000 and \$250,000. The city has budgeted a total of \$5,389,067 for insurance premiums in FY 2015/2016, an increase of \$821,000 from FY 2014/2015. The difference between the budgeted amount and the increase equals \$154,000. Three plan design options were presented; plans were reviewed by a benefits committee. Option 1) includes an 18.6% premium increase along with an increase in deductibles and out-of-pocket maximums; Option 2) includes a 14.12% premium increase, an increase in deductibles and out-of-pocket maximums, and a \$5.00 increase in frequently used co-payments; Option 3) includes a 14.69% premium increase, an increase in deductibles and out-of-pocket maximums, a \$5.00 increase in frequently used co-payments, and the option for a high-deductible plan. The committee recommends Option 1) with deductible and out-of-pocket maximum increases and an 18.6% increase in premiums; the committee also recommends the city absorb 100% of the premium increase costs. A table depicting current and proposed rates was displayed along with proposed cost sharing arrangements. Plan design options and changes were addressed. The option for providing a high-deductible plan with a health reimbursement account was presented. General discussion was held regarding employee wage adjustments and increased insurance premiums. Mr. Price clarified amounts budgeted for insurance premiums for FY 2015/2016 are based on budgeted positions, not based on current enrollment; premiums are spread across the city's operating funds.

5. Adjournment

A motion was made by Vice Mayor Orsborn and seconded by Councilmember Hess to adjourn the meeting at 5:44 p.m. Motion passed unanimously.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, City Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Council Workshop held on the 2nd day of June, 2015. I further certify that a quorum was present.

Lucinda J. Aja, City Clerk