City of Mt. Sterling

General Council Meeting

Police Training Center - #5 Jefferson Road

January 19, 2016 at 6:30 p.m.

 Mayor Flesner calls the general City of Mt. Sterling Council Meeting to order at 6:31 p.m. with roll call. ROLL CALL – Jim Jennings here, Schenk here, Myers here, Scranton here, Buss here, Lauren Jennings here.

 Fire Chief Brian Gallaher, Public Works Director Dusty Buss, City Treasurer Cheryl Flynn and, City Attorney Lonnie Dunn are present.

 Mayor Flesner- I would like to entertain a motion to approve December minutes.

 Alderman Jim Jennings makes a motion to approve the December minutes, seconded by Schenk. Schenk yes, Myers yes, Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes.

 Mayor Flesner-motion to pass the December minutes passes unanimously.

Mayor Flesner- I would like to entertain a motion to approve the December expenses with the addition of $1393.75 to Dunn Law Office. Scranton- the only question I had was about the ink, there is $1500.00 in ink? Stacy- yes, I got a new printer and the ink is very small and very expensive. Dane- will it last you awhile? Stacy- I would hope but I am not sure this is the first time I have had to order it.

 Alderman Jim Jennings makes a motion to approve the December expenses with the addition of $1393.75 to Dunn Law Office, seconded by Lauren Jennings. Myers no, Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes, Schenk yes.

 Mayor Flesner- motion to approve the December expense with that addition of $1396.75 to Dunn Law Office passes with 5 yes and 1 no.

 Mayor Flesner- Guest/Citizens opportunity to address the council- Action Brown County.

 Old Business

 New Business-Employee health insurance renewal-Jerry Palmer- We currently have the health insurance for your employee’s with Health Alliance. We are in dire times with health insurance because of the affordable care act. And we had a 20% renewal, I have had about 13 renewals with Health Alliance for January/February with a 20% increase which is pretty typical with what we are seeing in the market place today. Blue Cross/Blue Shield of Illinois has come out just recently in the South part of the state meaning not Chicago that is the Southern part of the State with Blue Cross. They have come up with their choice preferred network. Choice preferred network is a more limited provider network, meaning there is fewer doctors in it. We have researched the doctor network in this area and have found that the network is very adequate for most services. The one hospital you won’t find in this network is Mayo’s and there are others but this is the most well-known. With the current plan and the current premium, if you see the monthly premium of $8,268.00 that is what we could call the expiring premium. After February 1st this is no longer going to apply and additionally the City contributes towards their HSA accounts. An HSA account is an account set up for each member with your local bank where the member can draw from that account to help pay medical claims. And that HSA account is essentially $1000 annually for each employee. So you see the $1166.66 that is for the 14 employees, so you are paying the $8268.00 and you are contributing the $1166.66 to a total cost of $9434.66. The Blue Cross plan not the next but the 3rd line, the alternative premium is $9,183.60 no contribution to the HSA so it would still be $9183.60. The reason we cannot have a contribution is because the plan that is quoted with this pricing is not a compliant plan HSA wise. It is a complaint plan ACA or Obamacare wise. At the end of this year we are going to have to go to Obamacare. There is no way to avoid it and I truly cannot find any reason from the standpoint of utilization why Obamacare of the ACA is not to be desired to go to. For instance, if we had a non HSA plan today a typical plan with doctors co pays and so forth your out of pocket maximum would be defined as your deductible and your co-insurance it would not include co-payments. Co-pays would be those doctor co-payments when you go see your primary or your specialist. Or when you pay for your RX at the pharmacy at the point of sale. Whereas today with Obamacare or ACA it is where your co-pays go towards your out of pocket. Now this plan at the $9183.60 is a $1000 deductible plan and with $3000 out of pocket it is a 80/20 after the $1000. And quite frankly a $1000 deductible today is a pretty good deductible. We have to make sure we make the plans available and easy to use for your employees though too. So, we can go to this Blue Cross plan it’s the G511 preferred choice plan with the more limited network. This premium looks really good compared to the renewal, if we were to stay put with our $2000 deductible HSA plan this premium looks real good, if we compare it to your expiring plan which you can’t keep it doesn’t look as good financially speaking. So, if you will take a look at the second line the renewal premium, the premium plus the contribution is $11,089.66 per month. The alternate if $9,183.60, one of things most of employers have been doing is adding in a flexible spending account. Using the premium savings, because this plan is less costly by a long shot over the renewals. So with the flexible spending account it is very similar to your HSA contribution. Flexible spending can be used to pay co-pays, contact solution, eye glasses, dental, whatever is medically necessary and not paid for by the insurance. Dane- you have to use that money every year though right? Jerry- yes use it or lose it, the employers that we discuss this with that is that the perceived cost is not always the true cost. For instance, employer in Rushville, they are putting $500 each month in the employees flex spending accounts. Of those accounts, I think in that group there are 11 of them, we predict that about 7 of them will be using it. You are going to have about 75% complete utilization and then the money goes back to the employer so that is the typical predication. Since we are able to get this premium down to the $9183.60, using part of the savings if you look below we have $1906.06 a month savings, that savings however is compared to your renewal not you’re expiring. What I would suggest is that we would take half of that maybe $800 or $600 and establish an account for each one of the employees, we can check with your local bank, I doubt they do flexible spending if they can’t do we can get Beth at Planning Consultants in Champaign or any number of others to do it for us. And they are probably going to charge you $5.00-$10.00 per month to do it, it is not a large fee. The money that is not spent from these accounts will be returned back to the City. The other thing with this is dependents. This is the most important, I am finding so many employees that don’t have enough income to pay for their dependents to have insurance whether it be through healthcare.gov or whatever, but this premium includes as many dependents children I could find in this group, I believe that there was either 11 or 12. So therefore, not only are you providing quality coverage, not only are your employees willing to take a little bit more out of pocket they are going to $3000.00 instead of $2000.00, but we are able to get those children on the plan. I think we will have to do this every year, there is no longer a long term solution. When a carrier comes out with rates that Blue Cross has done at this renewal time and for me and all of my other business partners moving all this business to Blue Cross or maybe to any other carrier represents risks that cannot be ascertained at the point of sale or enrollment it is only ascertained at the point of renewal. And many of the groups I have moved to other carriers have loss ratio’s up to 200%, meaning for every $1.00 of premium they take in they pay out $2.00,you can’t do that very long. Currently there is a formula from the Government where they are funding the insurance companies so they don’t lose, that is going to come to an end. Anyway, we are able to accomplish a couple of things here, save money, provide coverage to your employees that is very comprehensive, and provide coverage to their dependents and if you are willing and financially able we could set up the FSA account. So that they could have funds to help offset some of their cost upfront. Any questions at this point? Schenk- what is Blue Cross Blue Shield like a PPO? Jerry- it is a PPO, what you have in this point is their standard PPO is that what you are talking about? Schenk- I was out at Quincy Medical Group myself talking to them about the insurance they only insurance they will take is the Health Alliance HMO and Blue Cross Blue Shield PPO. Jerry- this is a PPO. Schenk- and they were a little iffy on that. Jerry- things are going to change sometime soon but this is what we have today, we have checked Dr. Schroeder did not show up the partner in that office did and I believe Dusty talked specifically to Quincy Medical Group and they stated that they are in this network. Dusty- we looked it up and Quincy you can get on Blue Cross Blue Shield and do a search of any doctor to see if they are covered in that and in Quincy there was 490 doctors that took that plan. Myers-Springfield Clinic are they in? Jerry- yes, we have the major hospitals, we have Springfield Clinic, Quincy Medical Group, within 100 miles from Havana there are 12,000 doctors. Jim Jennings- you are saying on the current Health Alliance we are not covering dependents right now? Jerry- we are not. Jim Jennings- that is big, and forgive me I didn’t catch, on the Blue Cross the alternative premium there are co-pays or are not co-pays? Jerry-there are co-pays we are going to a non-compliant with respect to HSA. Jim Jennings- so this plan is not compliant with HSA’s but it is FSA’s? Jerry- correct. Jim Jennings- is the FSA pre-taxed plan or it is it taxed dollars? Jerry- we can allow your employees to contribute if you wish to do so, but what most employers do when we look at these rates are they are saying I Mr. Employer am going to contribute $50.00 a month to that employees FSA account. Now if the employee has a planned surgery or whatever and they want to put more money in it they can, we can arrange it so they could also contribute money as pre-taxed. Dane- is there so much out of pocket then to the next step 80/20 and then the next step is 100% is that this plan? Jerry- yes a $1000.00 dollar deductible, 80/20 to $3000.00. Dane- is there a maximum out of pocket where we the City would cover 100% of everything? Jerry- Blue Cross after the maximum amount of $3000.00 is met then they cover covered charges at 100%. Keep in mind the good thing of the affordable care act is, one of very few good things, is that co-pays apply towards that also. It used to be I would say your maximum out of pocket was your deductible and your 80/20, now it is your deductible, your 80/20 and your co-pays. Dane- does that $3000.00 go up if you add dependents? Jerry- that is per member per family. Dane- so if you have 3 people you will have $9000.00 out of your pocket before it is 100% coverage? Jerry- yes sir. Dusty- it is $6000.00. Jerry- oh is it $6000.00 I am sorry. Dusty- you could have 40 dependents and it is $6000.00 per family. Dane- so the more people we the more the City could potently have to pay out correct? Jerry- yes next year, I can tell you when I come back next year I will be saying you will owe more money. If you want to keep employees and dependents on the policy we can ask employees to kick in like $25.00 a more to help offset the premium we can do that whenever you want. That is your contract with your employees and it is feasible they it looks today. Dane- because we don’t charge them anything right now. Jerry- right. Jim Jennings- now back to the family, here is says that a family with a participating doctor it is $9000.00. Jerry- let’s see, individual participating is $1000.00, don’t look at non participating we aren’t talking about that, family participating is $3000.00, out of pocket max limit individual participating is $3000.00 and family is $9000.00. Dane- so up to $3000.00 then $3000.00-$9000.00 is 80/20. Jerry-so you will have $3000.00 for individual, so say you have a family that the furnace breaks the carbon monoxide makes them all sick and they are all hospitalized, and you have 4 members. They will hit their out of pocket at $9000.00 because you are going to have, in just the hospital alone, you are going to have the husband and the wife each hit $1000.00 the deductible, then 1 of the kids and the other kid, we are going to combined them at that point with the deductibles because it is $1000.00 because we are going to hit the $9000.00 in the hospitalization. The reason I use that illustration is because it is not an accident that is someone else’s fault. It is something that will go towards the health insurance, so for that illustration if they had that hospitalization of their whole family once they hit the $9000.00 then they are at 100% for everybody in the family. Emily Buss- and wellness is covered too? Jerry- wellness is always covered at 100%. Jerry- one thing that is going to haunt us next year is, I have made some observations, and you have some tobacco user. Tobacco use is the only ratable issue isn’t not even a health condition it results in the consequence of health conditions obviously but it is not a health condition but it is ratable. An employee or dependent spouse that uses tobacco will have a 50% rate up of their premium. All plans now are age rated as well. Jim Jennings- you say with Health Alliance we do have a 30 day grace period? So that would be the end of February the end of the 30 day grace period? Or is that January 31st? Jerry- its February 29th this is leap year. Do you cover dependents now? No we do not. Dane- would you be available if we threw one committee meeting together would you be available to come back? Then I think we could pass something to where, Lonnie, can we ok it upon my or the committee? Jim Jennings- let me ask, I am not sure I am totally clear, we only have 1 council meeting a month so we wouldn’t have another one until the 3rd Monday in February, if we wait and make a decision then would we still be covered by Health Alliance? Jerry- but then you will have to go to the high premium, February 1 the high premium kicks in. Myers- I feel like we need more time to look at this especially if we are going to covering our dependents, which I don’t have a problem with, but I don’t want to see an absorbent amount where we have to pull the rug out from under our dependents. If we are going to put the dependents on I don’t see any reason to continue with the flex account or anything. At the same time if we are going to add dependents, I think it may or prior to when we do our budget process we will have to look at the generous raises that we will want to give, and continue to give every year. So I think there ought to be some give and take if that’s what the council wants to do. Jerry- the city does not have to contribute to that, but you can make so an employee can if they so choice to, or none at all. Myers- I am not aware of anyone around here that just gives their employees free insurance. Jerry- it is becoming pretty limited. Myers- like I said if we are going to do this then we can’t be giving 3 or 4% raises every year. Jerry- I truly believe that the numbers are so skewed right now with every carrier that it is going to go up next year. It is very seldom that I come out to employers and say hey your rates are going down. It doesn’t happen very often but we are in such a volatile mix of legislation and nonsense right now that it’s hard to say. But, we happen to fall in the gap right now where it works and premium is, if you take the HSA contribution out, it is actually less than current. Myers- well I am more concerned about adding dependents, which I have no problem doing, but then this time next year or December we find out we have our dependents now and it is going to cost us X amount of dollars more because of our dependents. Emily Buss- I think with the huge savings it makes sense even if for just a year, then I think we need to plan and prepare that next year we revisit it early and be prepared with what we may be faced with for next year, and that may also include a contribution. But a $22,000.00 savings and dependents. Dane- I think we have all shared our points unless someone has something else, I agree with what everybody is saying, the savings looks good to me moving forward I would like to start this conversation 3 months ahead of time. You may not have numbers nailed down at that time but if you would have some type of idea, since you are an expert in the field, of where it is going at least we can prepare our employees to start looking and maybe even have to go out for bids. Jerry- I have all the bids here for you if you would like me to share them and I can show you every other company out there. Jim Jennings- one more question, if we did not, because they are wanting more time to look at this thoroughly, and we went to the renewal premium with the higher premium February 1st but we made our decision at the council meeting on the 15th, would it prorated? Jerry- no, it’s per month. Jim- would it be worth it to us to spend $1700.00 extra dollars to look at this before next month’s meeting? Schenk- it this guaranteed premium for a year? Jerry- it is a guaranteed rate for one year, however during the year it will have some small adjustments. For instance, a 39 year old is a couple of dollars less than a 40 year old. Schenk- I just didn’t want to get into 6 months, then they come back and say there is a price increase. Jerry- well that is not what the plan is but I will not say that is not going to happen. I just heard today the Coventry Insurance is no longer paying commission to the agents on the individual book of business and what does that tell me? They are losing, they are trying to cut whatever they can cut because they are losing too much money. It is a 123 month contract but who knows what is in store for us. Jim- what I was thinking over here, before I make a motion, I would like to get an informal poll, if by February 1st we don’t make any changes it goes to the higher premium with Health Alliance, if we do that and give us time for next month’s meeting we would have about a month to look at this. It would basically be $1700.00 that it would cost us to have a month to look at this. In my opinion, that money spent would be worth it to have a committee meeting or 2 to look at this more thoroughly. Does anybody agree with me on that? Dane- looking at that we also need to make a decision on where we are going to add to a flex account as a City. Jim- exactly there is a lot to this. Lauren- the price is going to stay the same if we wait a month? Jerry- no the rate is a monthly change and we don’t know what those changes are. My guess would it be it probably won’t be a lot but I don’t know. I would recommend you not wait until March, I would recommend you set up a meeting and authorize a few certain people before February 1 and let’s get this done.

 Alderman Jim Jennings makes a motion to give the finance committee the authority to accept a quote as presented if the committee deems it prudent doesn’t mean we have to if we get together and there is too much confusion we can go ahead and ask him if the rates will go up and make that decision then, meeting on Tuesday, January 26th at 4:30, seconded by Schenk. Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes, Schenk yes, Myers yes.

 Treasurer’s Report

 Public Works- Dusty, the first thing I have is water/sewer training down in Effingham we try to go every year. Price is $145.00 per employee, there are 3 guys going and $80 per hotel room per night, 2 rooms for 2 nights. I just wanted to make sure everyone knew we were going to that training and it will be the night of the council meeting next February. Jim Jennings- do we need to motion on that Lonnie? Lonnie- yes.

 Alderman Jim Jennings makes a motion to give Dusty the authority to spend the money for the needed water and sewer training, seconded by Schenk. Buss abstain, Lauren Jennings yes, Jim Jennings yes, Schenk yes, Myers yes, Scranton yes.

 Mayor Flesner- the motion to give Dusty the authority to go to the water and sewer training in Effingham passes with 5 yes and 1 abstention.

 Dusty- the other thing I had was public works building engineering discussion, we have been putting this off for the past year because of the fire at the lab, and we are getting the lab up and going within the next 3 weeks we should be in good shape. So, it is time to start working on our new building, the council has already approved doing the engineering on it, I just wanted to let everybody know that I was going to be moving forward. I don’t believe Hutchinson does the engineering but they have a company that does steel buildings that does the engineering for them. So I will talk to Anthony and find out how that will work exactly, but we are going to be moving forward at this point to try to get some plans together for the building, I just wanted everybody to be on the same page. The only other thing I had is they started work up at City Hall, all the dry wall is hung on the ceiling and the first coat of mud is on by the end of the week they should finish the ceiling and get it painted. The lights are going in either Monday or Tuesday next week. And then we will just have paint and the floor left. Dane- have you got ahold of the flooring company and told them Dusty? Dusty- I haven’t because we are waiting for the last, right before we get everything else done. Myers- who is doing the work? Dusty- Dennis Wenger is doing the dry wall. Myers- what about the rest of it? Dusty- we are going to paint and Moore’s Floors is doing the flooring and Bruce McCullough is doing on the lighting. Myers- I hope they address the door situation too. Dusty- that will probably have to be spring time now, but yes it is getting new windows and doors.

 Committee Reports

 Ad Hoc

 Airport

 Cemetery

 City Planning

 Finance/budget

 Fire

 Personnel-Vada, ok everybody has had ample time to go through the proposed personnel handbook and if they were any issue, I have had a couple aldermen get with me about those and we have tried to work those out so are there any other concerns that anybody would have at this time? Myers- I would like to see the finished product that we are going to be voting on. Vada- ok I didn’t print up a fresh one everybody had those prior to tonight like 2 months ago.

 Alderman Jim Jennings makes a motion to accept the proposed personnel policy, seconded by Lauren Jennings. Lauren Jennings yes, Jim Jennings yes, Schenk yes, Myers no, Scranton yes, Buss yes.

 Mayor Flesner- motion to approve the new proposed personnel policy for the City of Mt. Sterling passes with 5 yes and 1 no.

 Plan Commission

 Police- Brandon, first I mentioned to you last month with the vacation roll over, I didn’t realize vacation was on the first of the year I thought it was on anniversary date so that is why I didn’t ask to roll it over last month. I spoke with Stacy I have 20 hours left on the books, I would just ask that the council would approve that I roll that over. And I will be aware for next year and I will get that used up by the end of the year.

 Alderman Scranton makes a motion to allow Brandon to roll over his 20 hours of vacation, seconded by Myers. Jim Jennings yes, Schenk yes, Myers yes, Scranton yes, Buss yes, Lauren Jennings yes.

 Mayor Flesner- motion to approve vacation hours roll over for the Chief of Police passes unanimously.

 Brandon, the next thing I have is a full time officer, we have an open full time position I would ask that we go ahead and hire Jordan Post. When we hired our last 2 full time guys back in May, Jordan had come in a close tie with those guys. We went ahead and put him in the part time academy at that time and he kept his full time job at the factory. He has been riding with us when he can and attending his academy classes. So, I would like to move him up to that full time position we have. Jim- will we be fulling staffed at that time? Brandon- yes. Myers- and how many? Brandon-4 full time guys and myself, and we are down to 5 part time guys if we need them to fill in.

 Alderwoman Buss makes a motion to hire Jordan Post and the new full time police officer, seconded by Schenk. Schenk yes, Myers abstain, Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes.

 Mayor Flesner- motion to hire Jordan Post as a full time police officer for the City of Mt. Sterling passes with 5 yes and 1 abstention. And Brandon if you could request that he come her next meeting that way he could meet everyone that would be great.

 Street and Alley- Myers, I want to get a street and alley meeting prior to Spring. Jim- real quick I just wanted to ask Mick what on street and alley? Myers- street cuts. Jim- can we throw sidewalk program on there too? Myers- yes

 TIF- Vada, I have another application, a new one from Dan Reische. I will be getting that information back from Steve Klien’s office soon and see what we can do and call a TIF meeting. Myers- where is that at? Vada- he is looking into buying the old coin wash that his sister and brother-in-law own there South of the auto parts store there. Next to the Mason’s building, wanting to make an apartment and a garage out of it.

 Water/Sewer- Myers did we ever get paid by the State? Dusty- they paid $50,000.00 when I called we did get that. They probably owe us another $40,000.00 so we are probably down around 260 or 270,000.00. I will call them again this month and see what I can get done.

 Zoning

 Zoning Board of Appeals

 Other Business

 Executive Session

 Motion to Adjourn.

 Alderman Myers makes a motion to adjourn at 7:37 P.M., seconded by Schenk. Myers yes, Scranton yes, Buss yes, Lauren Jennings yes, Jim Jennings yes, Schenk yes.

SoSo

Respectfully submitted,

Stacy Dunlap, City Clerk / Collector