



1111 Bayou
La Marque, Texas 77568
409.938.9202

**City of La Marque
Minutes
August 26, 2013**

Minutes of the City Council Special Meeting and Workshop of the City of La Marque, Texas that was conducted on Monday, August 26, 2013 at 3:00 p.m. at 1109-B Bayou Road for purpose of considering the following agenda:

(1) Mayor Hocking called the meeting to order at 3:00 pm.

(2) ROLL CALL

Mayor Hocking

Mayor Pro-Tem Bell

Councilmember Brown

Councilmember Trube

Councilmember Osteen

City Manager Buttler

City Clerk Eldridge

(3) Mayor waived the Invocation and Pledge of Allegiance.

(4) WORKSHOP

a. Discussion/possible action regarding health care plan options for the City of La Marque employees and provide direction to the City Manager.

Finance Director Ms. Kou met with members of the Benefits Committee (some employees) to discuss other health care plans and options pros/cons and costs to the City. She explained that funds were calculated within current proposed budget, with an estimated additional a 5% increase, but relayed that this was only a estimate, and said she had no way of knowing how much health premiums and insurance would go up, and that they are looking into other health care plans and options and will be bringing back those options and/or plans within the next few weeks.

Ms. Kou explained that the Benefit Committee was comparing two optional plans for employee health care. The first plan one would require an additional \$85,710.00 of the General Fund; \$12,456.00 of the Utility Fund; and \$950.00 of the EDC Fund. The alternative plan would require an additional \$108,310.74 of the General Fund; an additional \$17,848.27 out of the Utility Fund; and an additional \$1,125.04 out of the EDC Fund.

Ms. Buttler stated that certain options, such as TML (a co-op), and the Risk Pool, depending on the claims history, could entitle the City to receive a rebate. She stated that the Committee is trying to find a health care plan that could be palatable to the employees/retirees without putting a burden on the City. Ms. Kou explained that by segregating the retirees from current employees, it is noticeable, the vacant/ non-vacant positions and projects a truer picture of the risks.



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Discussion continued relating to the cost of the deductibles. In the first option plan, the deductible is \$750.00; the deductible in the alternative plan is \$1,500.00. In the alternative plan, an office visit costs \$25.00. In the first plan, the office visit is applied towards the deductible of \$750.00.

Ms. Kou stated that if the La Marque employee group out-performs estimates, the amount saved could be used to help with a health savings account next year. By staying healthy, cities are "rewarded" sometimes by a reduction in in cost of their premiums. It was said that the City of La Marques' employee claims have improved some since previous years, with employees going in for their checkups, eating healthier and some participating in the wellness program. The question arose as to what had changed or taken place for this idea of shopping for option health plans come up, and whether employees had stated their dislike in the present insurance coverage and plans?

A few on the Benefit Board had displayed their dislike and concern. The individuals that make up the Benefit Committee include a person from each of the collective bargaining groups, a person with family coverage, a person without family coverage, so the Committee is diversified. It was mentioned that last year, a City Councilmember was supposed to be on this Committee, but to everyone's knowledge this had not taken place yet.

Ms. Buttler continued the discussion by informing Council that the Committee is looking into a health care plan that will help all employees, by finding out what the employees are most in need of, and trying to come up with something that the city can also afford to provide.

It was said that that many companies and cities are having to cut back and can only provide affordable plans for employees and that we shouldn't expect tax payers to carry the load.

Ms. Kou continued by saying that by the year 2015, employers will be required to pay certain levels of employee health insurance, that it is possible that the Affordable Health Care Act will also have some effect and that that claims need to be controlled and lowered. It was then said that it isn't known whether or not the Health Reform Act will place a mandate on cities.

A few Councilmembers felt that the subject of health care plan options came out of the blue. During the budget workshops discussion included the possibility of a few employees receiving some type of compensation for additional functions and /or duties they had been performing that were outside of their normal job realms, due to the shortage of employees in some departments.

The question was asked as to whether this was a backdoor way to give employees their raises that had to be cut last year.

Ms. Kou said that raises and insurance are two completely different subjects. Premiums are bases on claims. Insurance plans are costing more, but they are not richer. We may have to stay with the current plan (s) because it is the best one.



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Mayor Hocking asked for nominees to serve on this Committee. Councilmember Osteen volunteered.

Mayor Hocking nominated Mr. Osteen for the Committee and Councilmember Trube seconded.

By the consensus of City Council, Mr. Osteen was made a member of the Benefit Committee to help further deliberate to maybe come up with an alternate plan.

The third party company that the City currently uses (Rush Ewing) charges a fee for them to look for available affordable health care. We have been looking for another third party company for a while, even before the budget process. We are limited to the number of reports that we are given by the third party company.

Insurance claims always have an impact on the premiums. Ms. Kou said that it is wise to control the variables as best we can. Health care cost is difficult to predict. She said she was afraid to give you any predictions on future health care. A 5% increase was built into the employee benefits line in the proposed budget.

Councilmember Bell would like to see the minutes of the Benefits Committee meetings from now on.

Council expressed that they want to be made aware that the City is looking at other options for employee health care. They want to know that the City is financially on track.

Mayor Hocking recessed the Special Meeting and Workshop at 4:09 p.m. for a break.
Mayor Hocking reconvened the Special Meeting and Workshop at 4:13 p.m.

b. Discussion and continue review of FY 2013-2014 proposed budget.

City Manager had received a request to recap of discussions for the increases for a few employees and discuss the financials of the vehicles and radios.

Finance Director Ms. Kou advised that originally, all items (vehicles and radios) were placed together in one financial plan. We have since then segregated patrol units with a five year life financial plan and placed the radios separate in a ten year financial plan and non-patrol included in the Enterprise Fleet replacement plan.

In an earlier discussion, there were duplications in the number of radios and vehicles that has been corrected.

There should be 65 radios for the Police Department, 16 radios for the Fire Department with the stipulation that some radios would be handed down to Public Works and capped at \$350,000.00 for total expenditure to radios.



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Upgrading radios in all emergency vehicles has been statewide mandated, and discussion continued on the age and maintenance history of the current patrol vehicles. Sharing or "hot seating" of patrol vehicles was mentioned, and Chief Aragon advised that this practice normally wears down the vehicle that much quicker. The mileage on the fleet, patrol and individual vehicles was discussed, and the need to replace the higher mileage vehicles first. In an earlier workshop the Council voted on Plan Option Two, which is the lease of seventeen vehicles to start with Council deciding on those seventeen vehicles was agreed upon. This item will be brought back again with a final total amount, after negotiating and proposing other options. The lease/purchase concept is what is being proposed. A member of Council wanted to make sure that the Police Chief was included in one of those that would be receiving a new vehicle.

c. Discussion/possible action regarding proposed changes to the FY 2013-2014 proposed Budget and provide direction to the City Manager.

It was determined at the last meeting there was a salary discrepancy in Development Services, which was corrected. The salaries line item in the Utility Budget, was also corrected after running another report.

The question of whether certain employees were to be receiving raises, or adjustment to job titles based on new job duties was discussed. Ms. Buttler clarified her intention, which was not considered raises, but proposing compensation on very certain individuals that have had to take on or expected to take, other duties as another person or individual, for instance a \$1.00 an hour step up pay; which can be done under a reclassification. A Compensation Study to evaluate all employees' positions will determine whether salaries are in line.

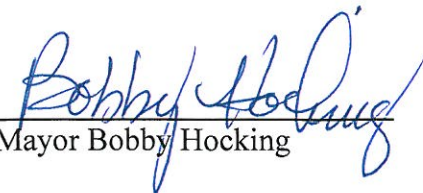
The City Manager has control over the employees, and will be allowed to do a total reorganization of the Public Works Department. Council will give CM direction to evaluate those few positions or for Council to make the decision not to give any raises to anyone. It was determined that further discussion on this subject will still need to take place in another workshop.

(5) ADJOURNMENT

****Councilmember Trube moved to adjourn at 5:27 pm.**

Seconded by Councilmember Osteen. Motion approved unanimously.

The City Council for the City of La Marque, Texas reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized the Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.086 (Economic Development)


Mayor Bobby Hocking

ATTEST:



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Robin Eldridge, TRMC
City Clerk

Robin Eldridge