MINUTES
WORKSHOP MEETING
DECEMBER 3, 2012

(1) CALL MEETING TO ORDER

Mayor Hocking called the meeting to order at 4:14 p.m.

(2) ROLL CALL

PRESENT:	ABSENT:
Councilmember Brown	
Councilmember Trube	
Councilmember Osteen	
Mayor Pro-Tem Bell	
Mayor Hocking	

(3) INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Hocking dispensed with the Invocation and Pledge of Allegiance to the Flag at this time.

(4) WORKSHOP

a. Discussion – proposed ordinance of the City Council of the City of La Marque, Texas, amending the Code of Ordinances, City of La Marque, Texas by adding a new Section 2-150 to modify health insurance eligibility for certain retirees; repealing all ordinances or parts of ordinances or resolutions inconsistent or in conflict herewith; and providing for severability. –City Manager C. Buttler

City Manager gave an overview of the proposed ordinance. At a budget workshop session and follow-up session, staff presented information about retiree health insurance. Council was asked to consider whether or not to continue paying premiums for health insurance for various groups of retirees without budgeting an appropriate level of funds.

Council requested this additional workshop session to further discuss the impact of this benefit.

October 22, 2012, I received a request from a couple of Councilmembers to propose additional changes to the ordinance to honor commitments by former Councils for current retirees, while removing the strain from the budget for future years.

1) Cap the current rate paid by the City for all retirees'; retirees will pay any difference if rates increase.
2) Only retirees who served specifically for the City of La Marque for 20 or more years (even if do not meet 80-points requirement) will receive health insurance even if they become employed somewhere else that provides health insurance.
3) No insurance will be paid for any retiree dependents.

To assist Council with reviewing the ordinance with proposed changes versus the original ordinance approved for a first reading, I am providing you with both ordinances.

1) Ordinance No. **O-2012-1069** was approved for a first reading on October 22, 2012.
2) Ordinance No. **O-2012-1069 b** was reviewed for changes and tabled on November 12, 2012.
3) Each ordinance has the sections for action itemized and any language differences are highlighted, which will be discussed at the workshop session.

City Manager Buttler asked City Council to go to page 1 of the handout which indicates the number of retirees that met the 80 point policy (under 65), retirees over 65 and retirees not meeting the 80 points city policy. City Manager Buttler continued by stating we are considering the employees but in good conscious and to be fair, City Council may want to consider capping the premium for retirees and abide by the 80 point policy.

Mayor Hocking stated that at the public hearing, one of the concerns addressed was the fact that new employees are included in this ordinance. Councilmember Osteen indicated concerns with an individual being years of age and working for the city 20 years and retiring at 38 years of age and qualifying for this benefit. There was discussion regarding that there are currently 4 or 5 individuals that have retired and are drawing this benefit. Mayor Hocking stated that we need to use our heart and brains that Council should consider the current employees that have been employed with the City for 15 years and allow the additional 5 years. This was proposed in the original ordinance.

Mayor Pro-Tem Bell stated that he and Councilmember Trube had concerns with the proposed ordinance which allowed retirement/benefits with 20 years. This issue has been kicked around for a long time and there have been major increases in health care during the last decade and a catastrophic illness could affect the city's costs tremendously. Mayor Pro-Tem Bell stated that he is not in favor of the 20 years, employees that have worked here 20 years and move on to another job and the potential for illness increases and is concerned with the 80 points policy.

Councilmember Trube stated that the 80 point policy was set for a reason, but we need to consider the economy and points Mayor Pro-Tem Bell brought up. The City is not in the employment business and it is our job to ensure that the city is able to operate. Councilmember Trube stated that we need to be fair to all of the employees.

City Manager Buttler stated that in her experience, the 80 point policy is a realistic standard,

Councilmember Osteen voiced concerns of the individuals not meeting the 80 point policy but 20 years of service. There was discussion regarding costs of premiums and increased costs to the city.

Mayor Pro-Tem Bell stated that Councilmember Trube's point of past practice of doing things for certain causes will place undue stress for current employees. We need to address current employees and get a handle on health insurance for retirees/current employees by establishing guidelines.
There was discussion regarding a policy on 20 years of service and 50 years of age vs. 20 years of service and 60 years of age. The concern for the unfunded liability was also discussed.

Councilmember Trube inquired if the city had a wellness program. City Manager Buttler stated that with the new health carrier does have a program which we will be kicking off in January after the holidays. Councilmember Trube voiced concerns with the City bearing the cost of the health benefits for retirees; it would be fair for retirees to pay 50% of the premiums.

Mayor Hocking called for a 10 minute break at 5:16 p.m.

Meeting reconvened at 5:26 p.m.

Councilmember Brown asked City Manager Buttler to clarify the numbers on the worksheet regarding the number of employees that would be reaching the 80 points in year 2013 and 2018.

Councilmember Osteen brought the option of modifying the 80 point policy to reflect 60 years of age and 20 years of service.

Mayor Pro-Tem Bell indicated that this would be fair.

Mayor Hocking recapped the discussion:

- Age 65 – no longer eligible for health benefits
- Supplement insurance would terminate January 31, 2013
- 80 point policy – 60 years of age plus 20 years of service plus must retire specifically from the City of La Marque
- Years of service do not need to be consecutive
- Cap the rate for current retirees (5-10) at the current premium and retiree must pay 50 percent of the current premium plus any future increases while they are enrolled. Staff will ensure that these individuals are informed at Open Enrollment that they will be responsible for these costs. If premiums are not paid by due date, the benefit will terminate.

(5) ADJOURNMENT

Councilmember Trube made a motion to adjourn the meeting. Councilmember Osteen seconded the motion. The meeting adjourned at 6:38 p.m.

Bobby Hocking, Mayor

Zina Tedford, City Clerk