

CITY OF SHREWSBURY
BOARD OF ALDERMEN
WORK SESSION OF THE BOARD OF ALDERMEN
November 25, 2014

A Work Session of the Board of Aldermen of the City of Shrewsbury, Missouri was held at 6:00 p.m. this 25th day of November, 2014 in the Aldermanic Chambers of City Hall for the transaction of such business that may come before the Board.

There were present:

Mayor Felicity Buckley
Alderman Elmer Kauffmann
Alderman Mike Travaglini
Alderwoman Chris Gorman
Alderman Sam Scherer
Alderman Ed Kopff
Alderman Rick Steingrubby

There were also present:

City Attorney Michael Daming
Director of Administration Jonathan D. Greever
Director of Finance Danielle Oettle
Director of Parks and Recreation Chris Buck
Street Superintendent Tony Wagner
Fire Chief Bill Fox
City Clerk Carly West

Roll Call

Mayor Buckley opened the meeting and City Clerk Carly West commenced with the roll call. The entire Board was present.

Approval of Minutes

Mayor Buckley introduced the minutes of the November 11, 2014 Board of Aldermen Regular Session meeting and opened the floor for discussion. There being no discussion, Alderwoman Gorman made a motion to accept the minutes. Alderman Travaglini seconded the motion, and it passed unanimously.

Mayor Buckley introduced the minutes of the November 12, 2014 Plan Commission meeting and opened the floor for discussion. There being no discussion, Alderwoman Gorman made a motion to accept the minutes. Alderman Travaglini seconded the motion, and it passed unanimously.

Hear Citizens

None.

Presentations

Joy Howard with WM Financial addressed the Board regarding the energy efficiency program. She stated that she was focusing not on the need for the improvements, but on the funding if they decided to go forward with it. She stated that contracts for energy efficiency were normally 15 year contracts, so she structured the financials around that same schedule. Ms. Howard stated that the improvements would not result in enough

savings to cover the debt service, so she structured it so that it would get blended with the existing certificates of participation, which would be getting paid off in three years, and the funds presently allocated could be appropriated for this new lease, and the payments would go down. She stated that she had worked closely with Ms. Oettle, and they felt comfortable with the City's ability to pay, especially if the Walmart project continued to progress at a good pace.

Ms. Howard stated that she ran the numbers based on the assumption that the City would not have a bond rating, although she recommended that they go for a bond rating, as her analysis showed that they would probably get an A+ rating. She stated that if her analysis was incorrect, it would only be incorrect down to an A- rating, which would result in a \$75,000 savings over the life of the issue. She stated that on an annualized basis it would not make or break the transaction, and that the worst-case scenario, without the rating, if interest rates go up, the rating would be a cushion against rising rates. She stated that the Board would have to decide both if they wanted to proceed with the project, and also decide if they wanted to proceed with getting the rating. She estimated that the cost for the rating cost around \$10,000, and she would recommend a confidential rating, since the City had never been rated before, if the rating is not what they are anticipating, it does not have to be made public.

Ms. Howard stated that her fees would be contingent on completing the project, as would bond counsel's fees. Mayor Buckley stated that there had been several leaks in the boiler system recently, and Mr. Buck stated that the cost to fix them had been right under \$1,000, and they had found more leaks while they were fixing the original leaks.

Mayor Buckley asked if the Board would like to move forward with soliciting bids. Alderman Scherer made a motion to direct Mr. Buck to move forward. Alderman Steingrubby seconded the motion, and it passed unanimously.

Mike Tabash with MRCT addressed the Board regarding the health insurance renewal rates. He quickly reviewed the census information, and highlighted the current plan. He stated that United Healthcare had presented a 13.5% increase in the renewal rate for the same benefit plan, which was driven by claims. He stated that he had shopped around in the insurance market for competitive rates which were presented in his materials, and noted that the rates listed for United Healthcare would be decreased by 1%. Mr. Tabash stated that some of the options had been highlighted, such as the plan from Coventry, which was comparable to the current plan. He stated that the rate was a proposed rate and that if the City decided to switch carriers, they would need to provide further data to solidify the actual cost, and it might come in higher than the amount listed. He explained that Coventry had a third-party underwriter, and if they did switch, the employees would not have to complete individual health profiles. He stated that he did not have much experience with their third-party underwriter, so he was unsure how close to the actual numbers the proposed rate was.

Mr. Tabash noted that United Healthcare presented an option that was similar to the current plan, with some increases in copays for specialists. That plan was a 7.6% increase over the current cost. He stated that they had looked at a health reimbursement arrangement where they would buy a higher deductible plan and then reimburse the difference, but that the numbers were in between on that kind of plan, and it wouldn't be much better than the 7.6% plan.

Alderman Kauffmann asked if Mr. Tabash was referring to claims made by Shrewsbury employees when he spoke about the claims in the past year. Mr. Tabash answered that he was. Alderman Kauffmann asked if the City had quite a few claims, and Mr. Tabash said there were.

Ms. Oettle noted that there were several options to consider when making their decision. Mr. Tabash stated that there were strong options that maintained similar benefits but still kept the single-digit increase.

Alderman Scherer asked if the City contributed to a health savings account. Ms. Oettle stated that it could be set up as an alternative if people would be willing to agree to a plan with a higher deductible as an incentive.

Alderman Scherer asked if that could be attached to one of the plans listed, and Ms. Oettle stated that it could.

Mr. Tabash pointed out that the City pays the premium and the employee is responsible for the plan costs, and the out-of-pocket maximums were higher than they had been, but those amounts are driven by co-pays, so even though the number is higher, if someone hit the maximum, they would not have to pay co-pays.

Alderman Kauffmann asked how long it would take to get an answer back from Coventry about what the actual rates would be. Ms. Oettle answered Mr. Tabash was waiting for information from her, and that if the Board chose to pursue the application process with Coventry, she would be able to have the information to Mr. Tabash the following day. Mr. Tabash stated that once the information had been submitted, it generally takes around seven business days. Ms. Oettle stated they probably wouldn't have the information by the December 2nd meeting, but would by the December 16th meeting.

Mr. Tabash noted that there was no increase in the life insurance rates and the rates were competitive. He stated that the dental insurance was a popular benefit with the employees, and that the increase was 6%. He explained that Assurant was an option as a carrier, and that it was similar to the current plan, except that it adds an orthodontia benefit, and that there were many families on the plan who would probably like to have that benefit. He also stated that it had slightly better out-of-network coverage, and he recommended that they consider moving away from United Healthcare from Assurant and noted that most of the family configurations dropped in cost with Assurant.

Alderman Kauffmann asked how large the Assurant network was in Missouri. Mr. Tabash stated that it was a strong network and noted that there would be essentially the same providers in the network. He stated that dental networks were not as large as medical, which have almost complete overlap, and that since dental networks are not as large, there was the possibility of a provider not being in the network. He noted that dental plans had strong out-of-network benefits to compensate for this, and also noted that the Assurant network was different than United Healthcare, but was actually a bit larger.

Mr. Tabash stated that there was no increase in voluntary vision coverage.

Mayor Buckley stated that the CBIZ study is based off the current benefits package, so it could be problematic to alter the benefits very much. She noted that Danielle had given them some alternatives, and that in past years, there have always been discussions about moving to a marketplace type of program that includes things such as health savings accounts, and they might be a better benefit to certain employees. She stated that it would be difficult on employees to change this year, and then change again after the CBIZ report is finalized. She stated that if Coventry comes back with essentially the same plan and a significant savings, and while it might be a hassle, it might be worth it. She stated that she didn't want the plan to change very radically.

Mayor Buckley noted that the plan with the 7.6% increase was fairly comparable. She asked Ms. Oettle how much of an increase was budgeted for, and Ms. Oettle answered that it was 10%. Mayor Buckley stated that Ms. Oettle could find out for the Board how much the City would be saving if it went with the 7.6% increase, and if it would be possible to assist the employees with the areas where their costs would be increasing. She noted that the City's benefits were very strong.

Ms. Oettle asked for confirmation that the Board would like her to spend the time it would take to collect all of the records needed to pursue the Coventry application, which would be futile if the Board was going to simply stay with United Healthcare. Alderman Kauffmann stated that it would be worth the time to find out what Coventry's actual rates would be.

Alderman Travaglini asked if it was correct that the savings would be around \$2,000 per month, and Ms. Oettle noted that that was true if the rates held or came in lower. Mayor Buckley stated that she would be surprised if the Coventry rate stayed as low as was quoted.

Alderman Scherer stated that he felt it would be better to just stay with United Healthcare, considering that the rate increase was due to claims, and Ms. Oettle noted that when Coventry learned of the number of claims, the amount was likely to go up significantly. Alderman Travaglini stated that there was time to at least research the option. Chief Fox stated that in the past, Ed Tabash had discouraged this kind of shopping around, and Alderman Scherer noted as it affected the rates when the insurance companies saw that an entity was asking for detailed quotes every year, similar to how credit scores were affected when too many reports are requested. Alderman Scherer noted that the United Healthcare cost was guaranteed, and the only increase to the employees was the \$30 increase in specialist co-pay. Mayor Buckley noted that a \$30 increase in co-pay was significant to some people, and she would like to know how much the City would be saving by going with the 7.6% increase plan, and what that would mean as far as savings and the possibility of covering some of the increased cost.

Ms. Oettle noted that the property and casualty insurance quote had come in approximately \$5,000 over what was budgeted, so that might be a factor in their decision. Alderman Travaglini noted that Coventry was half the cost according to the quote, and that he would like to explore the option just to be on record as doing their due diligence.

Alderman Scherer asked if there was any cost involved, and Mayor Buckley answered that there was not, and that they would have to make a decision and include that number in the budget that they then passed all at the same meeting.

Alderman Kopff asked how long it would take Ms. Oettle to gather the information needed. Ms. Oettle answered that she estimated it would take an hour. Alderman Kopff stated that if the City decided not to change to Coventry, if it would make sense to have that kind of information on record for future reference. Ms. Oettle stated that when she had completed the application process in 2013 she had gathered this information, and she would need to update any employees that had come to or left the City since then, as well as any new dependents that were being covered.

Alderwoman Gorman asked what kind of information needed to be gathered. Ms. Oettle answered that it was information such as date of hire, date of birth, gender, and information for their dependents.

Mayor Buckley stated that general consensus was that Ms. Oettle should complete the application process for Coventry, although most Board members were inclined to stay with United Healthcare. She asked how much staying with the current plan would increase the budget. Alderman Scherer answered that it was \$17,860. She stated that the \$17,860 was ultimately not going to make or break the budget, and that while she normally wouldn't suggest adding anything to the budget, she felt that employee benefits were something that they should think very carefully about how this affects the employees. She noted that some people had to see specialists regularly, and that \$30 might be significant to some people.

Alderwoman Gorman asked if the property and casualty insurance the previous year had gone down, and Ms. Oettle answered that it hadn't, but it hadn't gone up nearly as much as they had expected. Mayor Buckley noted that in most years, they over budget for insurance, and this year they had tried to estimate closer, and it hadn't worked out as expected.

Ordinances

(Bill No. 2802)

Mayor Buckley introduced Bill No. 2798, a bill updating the City's hiring procedures. She noted that while she and the Department Heads had reviewed the ordinance extensively, the Aldermen had not had as much time and would be open to only having one reading and having the second and the consideration at the next meeting. Alderman Kauffmann made a motion to amend the agenda to remove the second reading and consideration of Bill No. 2802. Alderman Travaglini seconded the motion, and it passed unanimously.

Mayor Buckley opened the floor for discussion. There being no discussion, a motion was made by Alderman Kauffmann, seconded by Alderman Travaglini, and unanimously passed in accordance with Section 79.130 as approved by the General Assembly of the State of Missouri, to read the Bill by Title only for the first time.

Purchase Requests

Fire Chief Bill Fox addressed the Board and stated that included in the 2015 Capital Budget were funds allocated for the purchase of ten ballistic vests. He stated that with fire personnel being sent to areas such as Ferguson and Clayton where there was civil unrest, he would like to move ahead with the purchase so that the firefighters were prepared, noting also that Shrewsbury City Code allowed for such emergency purchases. He stated that he had researched vendors, and the one he was recommending, Defensor Tactical, LLC, quoted the lowest price and had been able to obtain the vests by November 19th. Alderman Kauffmann made a motion that the Board approve the purchase request of 10 ballistic vests from Defensor Tactical, LLC in the amount of \$4,880.00. Alderman Steingrubby seconded the motion, and it was approved unanimously.

Police Chief Jeff Keller addressed the Board and stated that included in the 2015 budget was a new patrol car, and due to the fact that it takes a while for the vehicle to be delivered, that he can get the same price until December 31st, and they can take delivery after the first of the year, he would like to go ahead and order it. He stated that Lou Fusz in Chesterfield has the state contract, and the cost would be \$29,677.00 plus \$1,987 minus \$3,600 for the Crown Victoria trade-in, making the net purchase price \$28,064.00. Alderman Scherer made a motion to move ahead with the purchase of the new police vehicle from Lou Fusz in the amount of \$28,064.00. The motion was seconded by Alderman Scherer and it was approved unanimously.

Chief Keller stated that the equipment for the new car would need to also be ordered ahead of time, so that they received the car and equipment at the same time, and they would be able to go ahead and outfit the car and begin using it immediately. He stated that \$8,636.08 was budgeted, and the previous year, they had purchased the new equipment off the competitive bid contract from Jackson County, which had been awarded to Ed Roehr Safety Products in St. Louis, and he would like to do the same this year, and take delivery and pay for the equipment after the first of the year. Alderman Steingrubby made a motion to purchase the police vehicle equipment from Ed Roehr Safety Products off the Jackson County cooperate contract in the amount of \$8,636.08. The motion was seconded by Alderman Kauffmann and it was approved unanimously.

New Business

Chief Keller stated that Pete Bommarito was retiring and taking a job out near St. Clair where he lives. He stated that it would be effective December 20th, and there would be a retirement party for him after the first of the year.

Mayor Buckley stated that on Thursday, December 18th, there would be a Holiday Open House from 5:00pm to 7:00pm in the Aldermanic Chambers.

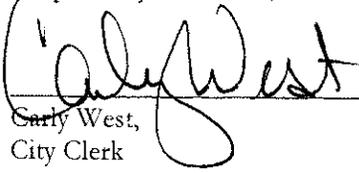
Old Business

Mayor Buckley stated that they had been working on determining the owners of the lake near Kenrick Plaza, and while they had not been able to locate who exactly was currently involved with the affairs of the former Trianon Association, they would continue to work on it.

Closed Session

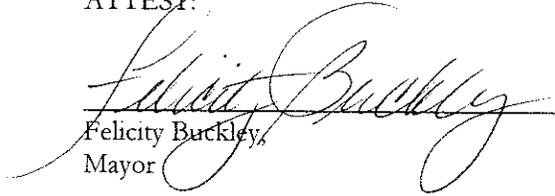
Alderman Travaglini made a motion to enter into a closed session pursuant to RSMo 610.021 (3, 9, 12, 18). Alderman Scherer seconded the motion and upon roll call, the following vote was recorded: Alderman Kauffmann, "Aye"; Alderman Travaglini, "Aye"; Alderwoman Gorman, "Aye"; Alderman Scherer, "Aye"; Alderman Kopff, "Aye"; Alderman Steingrubby, "Aye".

Respectfully submitted,



Carly West,
City Clerk

ATTEST:



Felicity Buckley,
Mayor