

CITY OF BOX ELDER COMMON COUNCIL MEETING MINUTES
Tuesday August 15, 2017
7:00 pm – City Council Chambers, 420 Villa Drive, Box Elder

Public comments are welcomed, but no action will be taken by the Council on comments received for items not on this agenda. Anyone wishing to have the Council vote on a new item will need to fill out an agenda request item form for the item to be considered on the next council agenda.

1. Called meeting to order

2. Moment of Silence/Pledge of Allegiance

3. Roll Call

Mayor Larry Larson, Council Members Scott Allen, Steve Cowley, Bruce Hegel, Jeff Hollinshead, Rick McPherson, and Tricia Weathers were present. Also in attendance were Legal Counsel Rex Hagg, the Chief of Police Jason Dubbs, Public Works Director Bob Kaufman, Assistant Finance Officer Rebecca Davis, and City Administrator/Finance Officer Nicole Schneider

4. Approve Agenda

Motion by Hegel, seconded by Allen to approve agenda with contractual executive session. Vote aye: unanimous

CONSENT AGENDA: Agenda items 5 through 8 on the Consent Agenda are meant to be approved as a group with a single motion. Questions may be asked of any Consent Agenda items, but may not be debated. Any Consent Agenda item may be removed from the Consent Agenda for separate action at the request of any Council Member or anyone present. All questions are to be directed to the Department Head.

5. To approve the reading of the August 15, 2017 Common Council Meeting Minutes.

6. To approve Payroll 17 (July 23 to August 5) Total Payroll 17 \$61,229.13; General Government: \$2,550.38; Finance Office: \$9,830.71; Police Department: \$22,465.59; PW Street Maintenance: \$5,186.07; PW Parks \$7,148.89; Planning & Zoning: \$5,077.26; P & Z Board: \$750.00; PW Water Production \$3,059.04; PW Water Distribution: \$4,029.31 and PW Sewer Collection: \$1,131.88.

7. To approve the claims, loan payments, and hand checks.

8. Approve Special Event License for Box Elder Area Chamber of Commerce for August 22, 2017, 5-7:00 p.m.; to be held at the Villa Shopping Center.

To discuss and decide action on Consent Agenda Items 5-8.

Discuss Claims item 17) Hilt Construction: 2 Rental Crash Cushions

Motion by Allen, seconded by Cowley to approve Consent Agenda. Vote aye: unanimous

CITY BUSINESS:

10. CITIZEN – JENNIFER MOEN: Request to adjust sewer bill to leak in the water system during the November, December and January sewer rate setting months.

Motion by Allen, seconded by Hegel to approve adjusting sewer rate back to \$69.40 and credit account for \$711.80. Vote aye: unanimous.

11. DONALD HERRMANN INSURANCE BROKER: To speak to the Council about the grandfathered health insurance group plan and insurance estimates.

Requested to not be interrupted for 10 minutes at least and presented agent transfer letter to Mayor. Don indicated that he did not want to be an agent of this employer for the reasons of having 35+ years and had to do all of the COBRA administration which should have been done by the city, completed all of our enrollment forms and called employees to make corrections. They have worked with many employees over the years and they have provided more service to Box Elder than any other of their other groups that they have had and he says that they were lucky to even get compliance out her. Last October a new Finance Officer was hired where he thought that things would change. In all of his years he said, "I've never in 35 years as an agent, been treated with more disrespect, disconnected, polite rudeness in my entire career." After Jan 1st renewal, you have a grandfathered plan with a lot of claims with 12.5% spike and a 12% base rate but he said he was not privy to the information of Wellmark underwriters. After the renewal asked to meet 4-5 times with administrative staff but didn't receive a return call. In February received a call from Wellmark asking them why they were not servicing the City of Box Elder. He said he was told that a wrong email was used. They showed up; basically, a no show. Discussed administrative pieces of the insurance for two hours and asked if they understood and would relay the information but nothing happened. We went along and they received calls regarding the budget wanting the renewal rates 6 months

before renewal date and there was no way he could get that information. They went to Wellmark many times and Wellmark finally told them there were a couple large claims and the claim conditions. They were trying to figure out which employees had those conditions. Tried for another meeting; he thinks with Finance Assistant, Rachel for an hour and nothing. They then received a notice to cancel Guardian and he knows what plans the city went to and Guardian did not take a rate increase and haven't for quite a while and then received another email saying they would like to switch and look at recommendations of other plans- Rhetorically asked "Why would I do that, why would I go against everything I believe in that the grandfathered plans are still the best plans available because you have no idea what the Congress is going to do on affordable health care, we have no idea simply if they repeal it, what are you going to do if we switch to an ACA plan. Were asked/told 18-20K premium is looked at, knowledge of what was looked at it is dangerous he didn't want to be a part of that. Life insurance covered by half, claims the city isn't. If you go to an underwriter and we have 5-6 police officers the rate will increase especially if we aren't upfront with an underwriter. On health insurance, he will not do any comparisons or tie up any more of his staff time to work on insurance recommendations for the City of Box Elder. \$20 Office Co-Pays are different, maybe more per family, and you may save premium on a self-insured, partially-funded and each member has their own deductible taking their Affordable Healthcare Plan. Municipal League will set aside fund to pay difference but the employer will assume specific but self-funded run into issues in 5 years. They have worked 35+ years and believe the City will get stuck with the "sickies" when the healthy employees leave. Insurance companies are leaving the industries and for the grandfathered plan you may pay higher premiums and estimated 12-29% increase where some may take 0%-50% increase. Says he cannot make a comparison as the broker because he isn't privy to the information. He's been the agent for 33 years, lower rates/premiums. He isn't the underwriter, doesn't issue them, he services and sells the plans. Has 16 agents and more health clients than he cares to want and doesn't believe he deserves to be treated with dishonor and he has worked hard with the staff over the year. Gentleman, good bye, good luck, have fun.

Sandy from the SD Municipal League Health Pool is was also present on the phone with the understanding that the plan expires on Oct 1. Clarified the following: She does respect what Don had to say regarding the Congress. They are self & fully funded since 1995. Grandfathered and Non-Grandfathered plan and the SDML Health Pool is fully compliant with the Grandfathered Plans and rules except for they have no way of controlling what the individual groups rates are passed on to the employees. That is basically the only difference between the two plans. Happy to address any questions that anyone has on the Wellmark benefit comparison summary sheet for review.

Jeff Hollinshead mentions that we have plenty of time to discuss and review. The most important thing is the getting the best value in something that is going to be consistent as consistent as this market can be now going forward so that we can make budgets that are going to be support making sure that our employees are taken care of.

Sandy is available 7-4 PM every day; feel free to call her. She is more than happy to assist.

12. FINANCE: To discuss and decide action on first reading of Ordinance 579, 2018 Budget.

The Ordinance is written not assuming payments that the city may receive in the future. It is based on money we currently have since we are Cash Basis. We are aware we are spending over 800K out of 211 fund, paying off debt, the 2011 Series Bond, and purchasing land/building for new Public Works building. Everything else is based on a flat budget. Discussion included: premium quotes, reporting concerns to the Journal, second reading Sept 5th, Motion by Allen he has about 3 hours of questions based on information that came to light, seconded by McPherson to defer to 9/5/17. Hollinshead asked about deadlines and when due dates are. Second motion to move to 15A by Allen, seconded by McPherson for legal to review deadline statues. Vote aye: unanimous.

13. PUBLIC WORKS: Thunderbird Drainage Study presentation and discussion by ACES Engineering. Discussed drainage options with a Power Point hand-out presentation. There was discussion of needing to set up meeting with residents of the area to discuss resolution options and costs they would be willing to contribute towards.

14. PLANNING & ZONING: Discuss and decide action on Minor Plat #170125 for Lot 8A, 8B, 9A & 9B of Block 2, Creekside Estates Subdivision.

Motion by Allen, seconded by Hegel to approve. Vote aye: unanimous.

15. PLANNING & ZONING: Discuss and decide action on second reading of zoning for new subdivisions Liberty Park and Phase 2 of Freedom Landing referencing Ordinance #578.

Motion by Weathers, seconded by Cowley to approve. Vote aye: unanimous.

15A. FINANCE: To discuss and decide action on first reading of Ordinance 579, 2018 Budget.

Under 921-2, the Governing body of each Municipality shall no later than its the 1st Regular Meeting in September of each year or within 10 days thereafter introduce the Annual Appropriation Ordinance for the issuing fiscal year... Legal representation agrees it has been introduced and could defer or pass 1st reading.

Motion by Allen, seconded by McPherson to defer 2 weeks. Vote aye: unanimous.

16. DEPARTMENT HEAD REPORTS:

Mayor: Attended Col. Boswell farewell dinner. Went to Harvest Time church to welcome them back after their facility burned down.

Police: Gave two hand-outs for calls, ammunition break-down. 2017 Explorer had second accident and was repaired at Abra no injuries submitted to other drivers' insurance. Gunner Grass attending ALICE training for active shooters specific to schools.

Public Works: Creekside Water Main 95% complete. Connections are complete and going well with pressure testing coming this week. Street Maintenance Project going on now with J&J Asphalt on Bennet road and then going to Radar Hill road. Water leak on Line Road in a T and replacing valves on Douglas road.

Finance: Provided insurance packets, and summary page, with the Union Contract language regarding Wellness exam and Life Insurance requirements. Provided update on RC Journal press release update. Current copy of the financials with sales tax and property tax are up. Update document provided regarding migration and department projects.

Planning & Zoning: Not Present

City Attorney: Advised AG opinion has been provided and was sent to Roger will be on 9/5/17 City Council Meeting

17. COUNCIL REPORTS:

Allen: N/A

Cowley: N/A

Hegel: N/A

Hollinshead: N/A

McPherson: N/A

Weathers: N/A

18. OTHER REPORTS:

Economic Development: Having a Meeting Thursday about two loans.

19. CITIZEN INPUT:

Roger Tellenuesin on behalf of Atlantis, LLC requesting another BID District to build an event center and feasibility study and approving the resolution of intent.

20. EXECUTIVE SESSION: For contractual, session started at 8:30 pm; Out of Executive Session at 8:56 pm. Motion by Allen, seconded by Weathers to enter executive session. Vote aye: unanimous.

21. ADJOURNMENT: 8:56 pm.

Motion by Allen, seconded by Cowley. Vote aye: unanimous.