

CITY OF FENTON COUNCIL PROCEEDINGS
Monday, June 8, 2015
City Hall Council Chambers
301 South LeRoy Street

Mayor Sue Osborn called the meeting to order at 7:31 PM.

The invocation for the evening was the Lord's Prayer and was followed by the Pledge of Allegiance.

Present: Bland, Grossmeyer, Jacob, King, Lockwood, McDermott, Osborn.
Absent: None.
Others Present: Lynn Markland, City Manager; Mike Burns, Assistant City Manager; Stephen Schultz, Legal Counsel and Steve Guy, Water Plant Supervisor.

MAYOR'S COMMENTS

Osborn would like to review the City Manager's evaluation now that the entire Council is available.

CITY MANAGER'S REPORT

Markland commented on the following:

- Gave an update on the Streetscape Project.
- Union negotiations took place today and a closed session has been added to the agenda to discuss the negotiations.
- He has been working on health insurance the last few months and an item has been added to tonight's agenda regarding this issue.

COUNCIL MEMBER COMMENTS

Grossmeyer commented he attended the 'Touch-a-Truck' event and fishing derby at Bush Park this past weekend and it was a great event.

Lockwood gave a Freedom Festival update and asked the status of the solid waste contract. Markland responded it should be on the next agenda.

King thanked everyone for their support during her absence while tending to a family matter.

Bland commented he also attended the 'Touch-a-Truck' event and that it was a fun event that had a good turnout.

LEGAL COUNSEL REPORT – Schultz commented his office has been working on a building code enforcement issue with a property locate on Shiawassee Avenue. He was in court today regarding the property and further court proceedings will take place.

CITIZEN COMMENTS – None.

CONSENT AGENDA

Osborn reviewed all items that were on the Consent Agenda.

A motion was made by Grossmeyer and seconded by King to approve the consent agenda containing the following items:

- Authorize payment of invoices in the amount of \$92,854.73.
- Approve and place on file the minutes of the April 20, 2015 Brownfield Redevelopment Authority meeting, the April 21, 2015 Downtown Development Authority meeting and the May 26, 2015 City Council meeting.
- Approve the request of the Fenton Firefighters Charities and the Fenton Education Foundation to conduct a 5/10K Run on Saturday, August 29, 2015.
- Approve a peddler's license for Dennis Meguiar and Andrew Aargus of Charter Communications.

YEAS: Bland, Grossmeyer, Jacob, King, Lockwood, McDermott, Osborn.
NAYS: None.
ABSENT: None. Motion carried by a roll call vote.

WATER PLANT COMPUTERS

Guy stated the City utilizes a supervisory control and data acquisition (SCADA) system to operate and monitor the water treatment plant equipment and processes. The current computers are over ten years old and the operating system used to run them (Windows XP) is no longer supported by Microsoft. A bid specification was created to provide, install and set up two new SCADA computers and both computers need to be able to operate as the primary computer should the other one go down for any reason. The following bids were received:

Commerce Controls, Incorporated	\$35,463
Utility Instrumentation Services	\$37,670

Guy stated Commerce Controls is the original supplier of the SCADA system at the water plant and have always been readily available to help with any problems or issues and he is recommending they be awarded the bid. He stated funds were budgeted this fiscal year for this purchase.

A motion was made by Bland and seconded by Jacob to award the bid to Commerce Controls Incorporated for the purchase, installation and set-up of two new SCADA computers in an amount of \$35,463. Motion carried by a voice vote.

POSTAGE METER CONTRACT

Burns stated the postage meter contract is currently with Pitney Bowes and expires on June 30, 2015. The current cost is \$210 per month. Pitney Bowes offered to replace the current postage meter with a new machine of the same model currently leased for a cost of \$137.60 per month for forty eight months.

Burns further stated Neopost offered to provide a model similar to what the City current has and provided options for a thirty-six, forty-eight or sixty month lease. The lowest price was the sixty month lease, which cost \$213.58 for the first twelve months of the lease and beginning with the thirteenth month, the price would increase to \$258.58 for the remainder of the lease. He is recommending Council approve a lease with Pitney Bowes.

A motion was made by Bland and seconded by Grossmeyer to enter into an agreement with Pitney Bowes to lease a DM400C Digital Meter System at a cost not to exceed \$137.60 per month for 48 months. Motion carried by a voice vote.

FREEDOM OF INFORMATION ACT (FOIA) POLICY UPDATE

Markland stated amendments to FOIA are effective July 1, 2015 which require the City's policies and procedures to be updated in order to comply with the changes. Since this was presented at last week's work session, language has been added to the first page of the Procedures and Guidelines to designate a FOIA coordinator specifically for the Police Department. All other FOIA requests and those that involve multiple departments will be coordinated by the City Clerk.

A motion was made by Jacob and seconded by Lockwood to adopt the FOIA Procedures and Guidelines, Public Summary of FOIA Procedures and Guidelines and the FOIA Fee Itemization Form for the City of Fenton as presented. Motion carried by a voice vote.

CHANGE IN HEALTH CARE PLANS

Markland stated Administration has been working on changes to the City's health care coverage. The City's health insurance is currently provided by HealthPlus and the policies currently in place are no longer available as of July 1, 2015. HealthPlus is no longer allowed to issue PPO policies, which the City has to provide to retirees who live out of state. He stated groups are designated as large or small and Priority Health is the only carrier that will recognize the City as a large group.

Tom Rupp and Doug Shepson from Brown and Brown presented the proposed changes to medical insurance coverage for active City employees and retirees under 65 years old. Mr. Rupp stated many carriers and options were looked at to try to fit employee needs and within the City's budget. A number of carriers classified the City as a small group, and with that distinction, there are a number of restrictions such as the City would not be allowed to have any sort of reimbursement arrangement to fund the deductible or customize plans. Those options are available to large groups. He stated what is proposed are four different plan options offered through Priority Health. Two conventional plans (PPO and HMO options) similar to the plans currently in place. Two options that are new to the City are Health Savings Account (H.S.A.) plans (with a PPO and HMO option) that are high deductible plans. With the savings in the cost of premium, the City can subsidize the majority of the deductible and place dollars into employees' H.S.A. account to offset the deductible and still be in compliance with the City's current policy that requires an employee pay 20% of their health care premiums. The 20% is based on the base HMO plan with the employee having the option to 'buy up' to the PPO plan and pay the difference in premium.

King asked if the coverage is comparable to what is currently in effect. Rupp responded it's difficult to make a comparison because every carrier has different coverage and networks. In his opinion, the proposed plan is every bit as good as the current HealthPlus plan.

Osborn asked how much money would be provided for the H.S.A. accounts. Rupp responded \$1260 for a single person policy and \$2520 for a couple or family policy.

Lockwood asked if the City has a contract with Fenton Insurance. Rupp responded the agency was split at the carrier level with HealthPlus with Brown and Brown and Fenton Insurance Group splitting the commission 50/50. He stated Priority Health does not allow a commission split and Brown and Brown is the agency that services the City's account 100%. Lockwood asked if a contract was signed with Fenton Insurance Group the last time health care was discussed by Council. Markland stated he is not aware of the City having any contract with Fenton Insurance Group.

Markland stated changes are also proposed for vision and dental coverage and offering that coverage through The Standard, who currently provide the City's long term disability and life insurance policies.

Osborn asked about the changes to the dental coverage. Rupp responded the current plan has a \$50 deductible and the new plan will have no deductible. The annual in-network benefit will increase from \$1,000 to \$1,500.

Osborn asked how the long contract with Priority Health would be for. Rupp stated the contract can be cancelled at any time, but carriers typically honor rates for one year. He stated Priority Health will allow the City to remain a large group for two years and at next year's renewal, rates through Priority Health are guaranteed to not go up more than 9.9%, and noted they could be lower.

Osborn asked if employees will be able to go to any hospital. Rupp responded the only hospital in the area that is out of network is McLaren Flint and Priority Health has gotten an exception to have McLaren Flint added to their PPO network, but that it is not included in the HMO network. Rupp stated employee meetings have already been held and this situation has been explained to them.

Grossmeyer asked if employees can make pre-tax contributions to the H.S.A. accounts. Rupp responded yes. They are allowed, combined with the City's contribution, to contribute up to the maximum allowed by the IRS, which is \$3350 for a single person and \$6650 for a two person or family policy.

Grossmeyer asked how the changes were received by employees. Markland stated most questions were along the lines of whether certain doctors or medications covered and those questions were answered by either Tom Rupp or a Priority Health representative.

Markland commented negotiations took place this morning with the Teamsters and Tom Rupp was available to answer questions from the business agent and union stewards when health care was discussed. Discussion continued about proposed health care changes. Tom Rupp will drop off printed information for each Council member that details the specifics of each plan option.

Schultz commented discussions are still ongoing with various bargaining units and stated action tonight should not be taken as foreclosing those discussions, but action is needed to allow the City Manager to sign the necessary documents to get a change in plans in place by July 1st.

A motion was made by Bland and seconded by McDermott to approve the New Group Application with Priority Health and the H.S.A. accounts and authorize the City Manager to sign the application. Motion carried by a voice vote.

CALL TO THE AUDIENCE – None.

CLOSED SESSION

A motion was made by Osborn and seconded by Lockwood to enter into a closed session to discuss union negotiations.

YEAS: Grossmeyer, Jacob, King, Lockwood, McDermott, Osborn, Bland.

NAYS: None.

ABSENT: None. Motion carried by a roll call vote.

Council recessed to Closed Session at 8:25 PM

Council reconvened to Open Session at 8:51 PM

Meeting was adjourned at 8:52 PM.

Mayor Sue Osborn

City Clerk, Renee Wilson

Date approved: June 22, 2015