



**MINUTES
OF THE MEETING OF THE
BENBROOK CITY COUNCIL
THURSDAY,
OCTOBER 15, 2009**

The regular meeting of the Benbrook City Council was held on Thursday, October 15, 2009 at 7:30 p. m. in the Council Chambers at 911 Winscott Road with the following Council members present:

Jerry Dittrich
Charlie Anderson
Keith Bailey
Rickie Allison
Jim Wilson
Mark Washburn
Ron Sauma

Also Present:

Andy Wayman, City Manager
Joanna King, City Secretary
Sherri Newhouse, Budget Director
David Ragsdale, Comptroller
Walter Shumac, Director Public Service

Others Present:

Ed Gallagher, City Planner
Cathy Morris, Public Involvement Director
Ron Rainey, EDC Director
Karen Barber, Benbrook News
Bill Smith
Dan Tully
Jess Jordan
Tammi Cauthen
John Castro
Mr. and Mrs. Al Griner
Sandy Rainey
Pat Taber
Carroll Crombie
Joel Peal
Debbie Watkins
Michael Hoffer
Bart Shaw
Don Raffaele

I. CALL TO ORDER

Meeting called to order at 7:30 p. m. by Mayor Dittrich.

**II. INVOCATION
PLEDGE OF ALLEGIANCE**

Invocation was given by Councilmember Mark Washburn.
The Pledge of Allegiance was recited.

III. MINUTES

1. Minutes of the regular meeting held October 1, 2009

Motion by Mr. Washburn, seconded by Mr. Sauma to accept the minutes of the regular meeting held October 1, 2009.

Vote on the Motion:

Ayes: Mr. Anderson, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

IV. CITIZEN PRESENTATION

V. PRESENTATION BY BENBROOK ECONOMIC DEVELOPMENT CORPORATION

EDC-2009-04 Ratify Benbrook Economic Development Corporation Budget for Fiscal Year 2009/2010

Ron Rainey gave the following report: Following a public hearing on August 17, 2009, the proposed Benbrook Economic Development Corporation budget for Fiscal Year 2009/2010 was approved by the Board of Directors. At the September 17, 2009 City Council meeting, City Council voted to delay the budget presentation until October 15, 2009.

The BEDC Board of Directors conducted a Special Meeting on October 5, 2009 to consider revising action toward the proposed budget. The action resulted in the acceptance of the City of Benbrook's recently adopted Payroll Matrix.

Budget items are:

1.	Personnel Services	225,969
2.	Supplies & Materials	11,650
3.	Contractual Services	175,250
4.	Repairs & Maintenance	2,500
5.	Capital Outlay	5,000
6.	Professional Services	32,500

The BEDC expects to begin the new Fiscal Year with a cash balance of \$3,417,404. Anticipated income for the new year will be \$1,142,936 with expenses of \$658,174 leaving revenues over expenses of \$484,762. This will be added to the year end fund balance leaving an estimated \$3,902,166 balance before anticipated land and gas production income estimated to be \$1,608,000. Total end of the year cash balance is anticipated at \$5,510,166.

Motion by Mr. Anderson, seconded by Mr. Allison to ratify the Benbrook Economic Development budget for fiscal year 2009/2010.

Vote on the Motion:

Ayes: Mr. Anderson, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

VI. REPORTS OF CITY MANAGER

A. GENERAL

G-1877 Accept finance report for month of September 2009

David Ragsdale gave the following report: General Fund Revenues for the month of September were \$345,823. Revenue collected through the end of September was \$13,814,881 or 102.87% of the original budget. Through the end of September, revenues are \$916,047 ahead of the amount received last year.

General Fund Expenditures for September were \$803,556. Total expenditures through the end of September amounted to \$12,535,624 or 93.49% of the original budget. Revenue exceeded expenditures by \$1,279,257.

Annual revenues for Debt Service amounted to \$1,535,955, while expenditures were \$1,035,718.

Capital Projects revenues were \$1,693,843 with \$1,037,829 coming from storm water and \$590,219 coming from TIF fees. Capital Projects expenditures were \$1,399,446 with debt payments making up \$807,634 of that amount.

At September 30, 2009, the City had \$14,137,674 invested at varying interest rates.

Motion by Mr. Allison, seconded by Mr. Bailey to accept the September 2009 finance report.

Vote on the Motion:

Ayes: Mr. Anderson, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

G-1878 Accept quarterly Hotel/Motel Bed Tax report

David Ragsdale gave the following report: Revenue collected during the fourth quarter was \$53,142. Year-to-date collections amounted to \$173,211. Bed tax made up \$139,811 of this amount.

Total expenses for the quarter were \$27,570. The Marketing and Visitor Center had charges of \$19,486. VSA has requested reimbursement of \$522 for art classes. The balance of expenditures was for the Heritage Festival.

The Hotel/Motel Tax Fund ended the period with a balance of \$460,034.

Motion by Mr. Anderson, seconded by Mr. Bailey to accept the Hotel Motel Tax report for the period ending September 30, 2009.

Vote on the Motion:

Ayes: Mr. Anderson, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

G-1879 Adopt Ordinance to make current and prior service contributions to the City's Texas Municipal Retirement System account at the actuarially determined rate of total employee contributions

Sherri Newhouse gave the following report: Texas Municipal Retirement System (TMRS) is the City's retirement program with mandatory enrollment for full-time employees. The employee contribute is 7% of salary with the City matching 2:1. The retirement plan is vested at five years and employees are eligible to retire at 5 years after age 60 or 20 years at any age.

The City's contribution rate is adjusted on an annual basis and is effective for the period from January 1 through December 31. The City's 2009 contribution rate is 15.42%. The 2010 rate is 16.44%. The 2009-2010 adopted budget includes \$1,150,081 to finance the City's TMRS matching contributions at 16.44%.

The TMRS Act provides a limit to the maximum rate that a municipality is required to contribute to a plan based on the combination of the employee deposit rate and the matching ratio. This maximum contribution rate limit, also known as the statutory maximum or "stat max", is not a limit of the cost of a plan, but rather a simple limit to the maximum a municipality is required to contribute to the plan. If the TMRS minimum required contribution rate exceeds this limit, the municipality

must adopt an ordinance to meet the minimum contribution requirements as determined by the TMRS actuary. Benbrook's 2010 minimum retirement contribution rate exceeds the statutory maximum contribution rate.

The City's maximum contribution rate limit is currently 15.50%. TMRS has advised Benbrook that the phase-in rate is 16.44%. The increased cost of the phase in rate for 2010 is \$38,609. Again, this cost is adopted in the 2009/2010 budget. Over a multi-year period, as determined by TMRS actuaries, the City will meet its full contribution rate of 20.39%.

The adoption of an ordinance is required for the City to remove this maximum contribution rate limit. By adopting the ordinance, Benbrook agrees to fully fund the cost of the pension benefits included in Benbrook's plan. Each year the TMRS actuary will perform a valuation of the City of Benbrook's plan of benefits and forward this information to the City.

Motion by Mr. Wilson, seconded by Mr. Washburn to adopt Ordinance 1297 with an effective date of January 1, 2010 electing for the City to make current and prior service contributions to the City's account in the municipal accumulation fund of the Texas Municipal Retirement System at the actuarially determined rate of total employee compensation.

Vote on the Motion:

Ayes: Mr. Anderson, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

G-1880 Make appointments to Boards and Commissions

Joanna King gave the following report: The odd numbered positions of the City's various Boards and Commissions will expire on October 31, 2009.

The City advertised a formal notice to accept applications for Boards and Commission appointments in the Benbrook News, the Fort Worth Star Telegram, the City Home Page, the City's Facebook, the City Channel on Charter Communications and the quarterly newsletter.

City Council was provided a copy of the applications received from both current members and other citizens wishing to serve the City at their October 1, 2009 regular meeting and scheduled interviews with those applicants. The interviews were conducted on October 7 and 8, 2009.

Motion by Mr. Sauma, seconded by Mr. Wilson to make the following appointments to the Boards and Commissions to be effectively immediately:

Planning and Zoning Commission

Place 1 David Ramsey
Place 3 Alfredo Valverde
Place 5 Sanjiv Shah
Place 7 Bob Pesce
Place 9 Jess Jordan

ZBA/Appeals Board

Place 1 Renee Kimball
Place 3 Sam Ousley
Place 5 Jacquie Messer
Alt. A Alicia Hunter
Alt. D Janet Collard
Alt. B Diana Overstreet
Alt. C Tony Rutigliano
Alternate B and C being a one year term

Park & Recreation

Place 1 Daniel Reilley
Place 3 Vanessa Adia
Place 5 Lizbeth Sowell
Place 7 Carol Stacy

Tax Increment Financing Board

Place 1 Charlie Anderson
Place 3 Kathy Culbertson

Economic Development Corporation

Place 1 Will Higgins
Place 3 John Castro
Place 5 Jim Wilson
Place 7 Dennis Wood
Place 6 Rickie Allison for one year term

Vote on the Motion:

Ayes: Mr. Bailey, Mr. Wilson, Mr. Sauma

Noes: Mr. Anderson, Mr. Allison, Mayor Dittrich, Mr. Washburn

Motion fails 4-3

Motion by Mr. Allison, seconded by Mr. Anderson to make the appointments from the slate in previous motion to become effective November 1, 2009.

Vote on the Motion:

Ayes: Mr. Anderson, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn

Noes: Mr. Sauma

Motion carries 6-1.

B. CONTRACT

C-253 Award contract for Employee Health Insurance

Sherri Newhouse gave the following report: The City's group health insurance coverage has been provided by Aetna from October 1996 through September 2006 and from November 2007 through October 2009. Health Insurance was provided by United HealthCare from October 2006 through October 2007.

Aetna currently provides group health insurance coverage for City employees and their eligible dependents. Two Preferred Provider Organization (PPO) plans are available through Aetna: a base plan PPO and a buy-up PPO plan. The City pays all premium expenses for full-time employees who are enrolled in the base plan PPO. Employees who are enrolled in the buy-up PPO pay the difference in premium costs between the base plan and the buy-up plan.

Optional coverage is available for eligible dependents. Employees are responsible for payment of dependent premiums; the City subsidizes a portion of the dependent premium. Of the City's current one-hundred ten employees, forty-four have dependent coverage: twenty-four have family coverage, twelve have coverage for their children, and eight have coverage for their spouse. Sixty-five employees have employee only coverage; one employee has waived coverage.

The City's group plan is available to City retirees, Benbrook Economic Development (BEDC) employees and dependents, and Benbrook Library District (BLD) employees and dependents. Retirees pay the actual premium costs for the retiree plus the costs of any covered dependents. The BEDC and BLD reimburse the City on a monthly basis for actual premium costs. The BLD's monthly payment includes an administrative fee based on indirect costs.

The current base plan PPO rates are: \$385.47 for an employee, \$921.53 for an employee and spouse, \$745.61 for an employee and children, and \$1,182.80 for an employee and family. Currently ninety-three employees are enrolled in the base plan. Sixty employees have employee only coverage and thirty-three employees have dependent coverage. Sixteen employees have family coverage, five have spouse only coverage, and twelve employees have children only coverage. Eight retirees are enrolled in the base plan; all have retiree only coverage. Both EDC employees are enrolled in the plan. One Library employee is enrolled the base plan.

The current buy-up PPO rates are \$442.86 for an employee, \$1,058.74 for an employee and spouse, \$856.63 for an employee and children, and \$1,358.92 for an employee and family. Sixteen employees are enrolled in the buy-up plan. Five employees have employee only coverage, eight have family coverage, and three have spouse only coverage. Three of the Benbrook Library employees are enrolled in buy-up plan.

Aetna's base plan PPO has a \$1,000 deductible for an individual and a \$2,000 deductible for a family. The annual maximum out-of-pocket for an individual is \$3,000 and \$6,000 for a family. The co-payment for an office visit is \$25 for an

internist, general physician, family physician or pediatrician; the co-payment for a specialist office visit is \$35. The co-insurance rate is 20% for hospitalization and out-patient procedures. The co-payments for prescriptions are \$15 for generics, \$35 for brand name drugs and \$50 for non-formulary drugs. Aetna's mail order prescription plan provides a 90 day supply for two monthly co-payments. The emergency room co-payment is \$100 and the urgent care co-payment is \$50.

Aetna's buy-up plan PPO has a \$500 deductible for an individual and a \$1,000 deductible for a family. The annual maximum out-of-pocket for an individual is \$2,000 and \$4,000 for a family. The co-payment for an office visit is \$15 for an internist, general physician, family physician or pediatrician; the co-payment for a specialist office visit is \$25. The co-insurance rate is 10% for hospitalization and out-patient procedures. The co-payments for prescriptions are \$10 for generics, \$25 for brand name drugs and \$50 for non-formulary drugs. Aetna's mail order prescription plan provides a 90 day supply for two monthly co-payments. The emergency room co-payment is \$100 and the urgent care co-payment is \$50.

The City has subsidized dependent coverage for the past twenty-plus years. For the November 2008 contract with Aetna, the City Council approved an increase in the dependent subsidy to absorb the rate increase. The 2008-09 monthly dependent subsidy amounts are: \$247.99 for spouse-only coverage, \$151.01 for children-only coverage, and \$319.16 for family coverage. The dependent subsidy is the same amount for the base plan PPO and for the buy-up PPO plan.

Prior to 2001, the City's group health insurance plan was an HMO that did not have co-payments for out-patient procedures and for hospitalization. During the City's renewal process, Staff recommended selection of a group health plan that included co-payments for hospitalization and out-patient procedures; this change was implemented to avoid a significant increase in premium rates. Staff recommended that the savings be used to reimburse employees for these two co-payments.

The current reimbursement rate for out-patient procedures and surgery is a maximum of \$750 per occurrence. The reimbursement rate for hospitalization is a maximum of \$1,500 per admission. Employees and covered dependents are eligible for the reimbursements.

The City contributes up to \$300 to the Section 125 plan account (also known as a cafeteria plan and/or flexible spending account) for full-time employees who do not have dependent health insurance coverage through the City of Benbrook. Employees are required to enroll in the City's cafeteria plan each year to be eligible for reimbursements. Employees may request reimbursement for co-payments for office visits, prescriptions, emergency room; deductibles; co-insurance; and other eligible health care expenses. For the 2009 cafeteria plan, full-time employees, who have dependent health insurance through the City's group plan, are eligible for an up to \$100 reimbursement for vision services. The maximum reimbursement is \$300 per calendar year.

The 2009-10 Budget allocation for group insurance reflects a 15% increase over the amount budgeted in 2008-09. The 2009-10 Budget includes \$867,158 for health insurance premiums for one-hundred-ten employees, subsidy for

dependent premiums, funds to reimburse hospitalization and surgery, funds to reimburse employees without dependent coverage for up to \$300 in eligible medical expenses, and funds to reimburse employees with dependent coverage up to \$100 for vision expenses (glasses and/or contact lenses).

In September 2009, Aetna proposed to continue current coverage, services, deductibles, co-insurance, and co-payments with an increase of 25% in premiums for employees and dependents. This increase was for both the base PPO and the buy-up PPO plans. The 25% percent increase is based on the claims loss ratio experienced for the last twelve months.

City Staff and the City's Agent of Record requested that Aetna provide rates for alternate types of coverage. Aetna provided options for the buy-up plan and the base plan. These plan options do provide premiums that are slightly lower than the proposed renewal rates; however, the rate increases range from 13.67% to 17.72% and feature significantly higher deductibles and co-payments.

The City pays the premium amount for the employee at the base PPO rate. Employees who opt for the high-option coverage pay the difference in premium costs between the two PPOs. Thus, the City's costs for employee premiums are based on the base PPO rate.

Aetna's proposed base plan PPO rates are: \$481.84 for an employee, \$1,151.91 for an employee and spouse, \$932.01 for an employee and children, and \$1,478.50 for an employee and family. The proposed buy-up PPO rates are \$553.58 for an employee, \$1,323.43 for an employee and spouse, \$1,070.79 for an employee and children, and \$1,698.65 for an employee and family. Retiree rates are the same as employee rates.

Continuation of current coverage is estimated to cost \$636,026 for premiums for the one-hundred-ten employees included in the City's 2009-10 Budget based on the base plan monthly employee rate of \$481.84. Continuation of the co-payment reimbursement plan is projected to cost \$25,000 (based on a five year average). Continuation of the City contributions to the cafeteria plan is estimated at \$24,100. Continuation of the dependent subsidy (based on current dependent coverage) is estimated at \$137,471. The total City cost for renewal is estimated at \$822,596; this amount is below the 2009-10 Budget allocation by \$44,562. The cost to adjust the dependent subsidy to absorb the premium increase is an additional \$83,238. These additional costs increase the total to \$905,834; this amount is over the 2009-10 Budget allocation of \$867,158 for health insurance by \$38,676.

Staff asked the City's Agent of Record to request proposals from other insurance carriers. Proposals were sent to: Blue Cross Blue Shield of Texas, CIGNA, Humana, and United HealthCare. United HealthCare did not provide a quote; CIGNA and Humana stated that they could not compete and declined to quote.

Blue Cross Blue Shield (BCBS) provided competitive quotes for the base plan PPO and for the buy-up plan PPO; BCBS's PPO networks are extremely similar to Aetna's networks of physicians, facilities, and providers.

BCBS proposed three base plan PPO options. The plan most similar to the City's current plan has a \$1,000 deductible for an individual and a \$3,000 deductible for a family. The annual out-of-pocket maximum for an individual is \$2,500 and \$7,500 for a family. The co-payment for an office visit is \$20 for a primary care physician and for a specialist. The co-insurance rate is 20% for hospitalization and out-patient procedures. The co-payments for prescriptions are \$15 for generics, \$30 for brand name drugs and \$45 for non-formulary drugs; a mail-order program is offered but at the same cost as using a local pharmacy. The emergency room co-payment is \$100 and 20% of expenses. The urgent care co-payment is \$45.

BCBS's proposed base plan PPO rates are: \$393.45 for an employee, \$761.04 for an employee and spouse, \$940.61 for an employee and children, and \$1,207.28 for an employee and family.

BCBS's proposed two buy-up plan PPO options. The recommended option has a \$500 deductible for an individual and a \$1,500 deductible for a family. The annual maximum out-of-pocket for an individual is \$2,000 and \$6,000 for a family. The co-payment for an office visit is \$15 for a primary care physician or a specialist. The co-insurance rate is 10% for hospitalization and out-patient procedures. The co-payments for prescriptions are \$15 for generics, \$30 for brand name drugs and \$45 for non-formulary drugs; a mail-order program is offered but at the same cost as using a local pharmacy. The emergency room co-payment is \$100 and 10% of expenses. The urgent care co-payment is \$40.

The proposed buy-up PPO rates are \$466.18 for an employee, \$901.73 for an employee and spouse, \$1,114.49 for an employee and children, and \$1,430.47 for an employee and family.

BCBS's proposed base plan PPO is estimated to cost \$519,354 for premiums for the one-hundred-ten employees included in the City's 2009-10 Budget based on the base plan monthly employee rate of \$393.45. Continuation of the co-payment reimbursement plan is projected to cost \$25,000 (based on a five year average). Continuation of the City contributions to the cafeteria plan is estimated at \$24,100. Continuation of the dependent subsidy (based on current dependent coverage) is estimated at \$137,471. The total City cost for renewal is estimated at \$705,925; this amount is below the 2009-10 Budget allocation by \$161,233. The cost to adjust the dependent subsidy to absorb the premium increase is an additional \$6,890. These additional costs increase the total to \$712,815; this amount is below the 2009-10 Budget allocation of \$867,158 for health insurance by \$154,343.

Funds are budgeted in account 5007 in each activity's 2009-10 Budget allocation. The total budget allocation for group health insurance is \$867,158.

Staff recommends that the City Council approve a one year contract with Blue Cross Blue Shield for provision of the City of Benbrook's group health insurance. The contract, effective November 1, 2009, includes the base plan PPO as the City's primary plan; the buy-up PPO option is available to employees who choose to upgrade to the higher-option PPO and are willing to pay the difference in premium costs.

Staff recommends that the City Council increase the subsidy for employees with dependent coverage to offset the increase in premiums.

Staff recommends that the City Council continue the reimbursement program. Employees and covered dependents will be eligible to receive up to \$750 for surgery and out-patient procedures and up to \$1,500 for hospitalization co-payments. The City will continue to allocate up to \$300 per year, effective January 1, 2010, to the cafeteria plan (Section 125) account for each employee who does not have dependent health insurance coverage through the City's group plan; these employees may request reimbursement for co-payments for office visits, prescriptions, and the employee-share of hospitalization. All full-time employees who have dependent health insurance through the City's group plan will be eligible for \$100 for eyeglasses and contact lens costs.

Motion by Mr. Allison, seconded by Mr. Wilson to approve a one year contract with Blue Cross Blue Shield effective November 1, 2009 offering the Base Plan PPO as the primary plan and offering the Buy-Up PPO as an alternate plan; and to accept Staff recommendations as stated in the staff report.

Vote on the Motion:

Ayes: Mr. Anderson, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

C-254 Award contract for Benbrook Community Center/YMCA Expansion

Walter Shumac gave the following report: The Benbrook Community Center/YMCA (BCC/YMCA) officially opened in June, 2000. Since that time, Benbrook's citizenry have embraced the YMCA management concept, community based programming and the facility itself. As a result of this success, the YMCA is frequently overcrowded during peak use times, making it difficult to utilize exercise equipment without a significant wait. Additionally, the child-watch center is dramatically undersized and usually overcrowded. As a result, frustrated parents often leave the building without exercising or drop their membership outright.

In 2008, Chesapeake Energy made a \$500,000 commitment to help expand the BCC/YMCA. Chesapeake will make 5 annual payments of \$100,000. The City received \$100,000 during the Heritage Festival last year and expects the next payment at the end of this month.

Following City Council direction, Staff worked with Hahnfeld Hoffer Stanford Architects Planners Interiors and the YMCA staff to implement a two phase design approach. The first phase included conceptual design. The second phase completed construction plans and documents. The project includes

renovating/expanding the fitness area and the child-watch area and adding a dividable, 3,500 square feet multi-use room. Plans were completed and the project was advertised for bid in September.

Bids were opened on October 7, 2009, and 10 bids were received. Pete Durant and Associates submitted the low bid of \$814,900. Hahnfeld Hoffer Stanford has previously worked with this firm and reports very positive experiences on similar and much larger projects. The Architect's recommendation letter is attached. The construction time is 200 days.

Motion by Mr. Anderson, seconded by Mr. Sauma to accept and award the construction contract with Pete Durant and Associates at a cost of \$814,900.

Vote on the Motion:

Ayes: Mr. Anderson, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

VII. INFORMAL CITIZEN COMMENTS

VIII. ADJOURNMENT

Meeting adjourned at 8:28 P.M. followed by a worksession to discuss Hotel/Motel Distribution for 2009/2010.

APPROVED

Jerry B. Dittrich, Mayor

ATTEST:

Joanna King, City Secretary