

**MINUTES  
OF THE  
MEETING OF THE  
BENBROOK CITY COUNCIL  
THURSDAY, SEPTEMBER 1, 2005**

The regular meeting of the Benbrook City Council was held on Thursday, September 1, 2005 at 7:30 p. m. in the Council Chambers at 911 Winscott Road with the following Council members present:

Jerry Dittrich  
Rickie Allison  
Keith Bailey  
John Vander Pan  
Ron Sauma  
James Schull  
Larry Stowe

Also Present:

Cary Conklin, City Manager  
Joanna King, City Secretary  
Andy Wayman, Assistant City Manager  
Sherri Newhouse, Budget Director

Others Present:

Ed Gallagher, City Planner  
Dorcas Neuman, Benbrook News  
Valerie Stowe  
Bill Smith  
Daniel Tully  
Tammi Cauthen  
Whitney Cauthen  
Riley Cauthen  
Karen Ellis  
Ron Rainey  
Patty Bissey  
Wesley Cleveland

**I. CALL TO ORDER**

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

**II. INVOCATION  
PLEDGE OF ALLEGIANCE**

Pastor Gary Oliver with Tabernacle of Praise gave the Invocation.  
The Pledge of Allegiance was recited.

**III. CONSENT AGENDA (Items listed under the Consent Agenda are considered routine and are enacted in one motion. The exception to this rule is that a Councilmember, citizen or City Manager may request one or more items to be removed from the Consent Agenda for separate discussion and action.)**

- 1. Minutes of the regular meeting held August 18, 2005**
- 2. Interlocal Agreement with City of Fort Worth for Household Hazardous Waste Program**
- 3. Interlocal Agreement with Benbrook Water Authority for Street Repair Services**
- 4. Interlocal Agreement with Benbrook Water Authority for Refuse Billing and Payment Collection**
- 5. Interlocal Agreement with Tarrant Regional Water District for Construction of 96-inch Water Line**

Following overview of Item 5, Interlocal Agreement with Tarrant Regional Water District, motion by Mr. Vander Pan, seconded by Mr. Bailey to approve the consent agenda as presented.

Vote on the Motion:

Ayes: Mr. Schull, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Vander Pan, Mr. Stowe, Mr. Sauma

Noes: None

Motion carries unanimously.

**IV. PRESENTATION BY BENBROOK ECONOMIC DEVELOPMENT CORPORATION**

**EDC-2005-02 Ratify Benbrook Economic Development Corporation Budget for FY 2005-2006**

Mr. Ron Rainey, EDC Director gave the following overview of the BEDC proposed budget for FY 2005-2006:

BEDC Board of Directors conducted a public hearing on August 15, 2005, and approved the Fiscal Year 2005-2006 budget.

Revenues are projected to be \$4,342,876 with the bulk of the income to come from Land Sales in Benbrook Towne Crossing. The EDC anticipates \$625,000 will be generated from the one-half cent sales tax collections that fund EDC projects and activities. Additional income of \$13,700 will come from interest earned on notes carried by the EDC as well as from interest-bearing bank accounts. Industrial Park entrance sign rental fees will produce \$900. Railroad Controls Limited will pay

\$195,356 in Lease/Note payments to the BEDC and T&J Ford Properties, Inc. will pay the Benbrook EDC \$7,920 in principal reduction on the note for the six-acre land sale for the new 30,000 square feet distribution center.

Expenses are expected to be \$4,175,289 with the majority of the expenses relating to payment to Bank of Texas following the sale of land in Benbrook Towne Crossing and noted as EDC Professional Services. The EDC expects to pay Bank of Texas \$3,000,000 in FY 2005-2006 which will dramatically reduce the \$4,300,000 loan. Additional expenses will be for Personnel Services, budgeted to be \$177,869; Supplies & Materials for \$7,560; Contractual Services at \$349,290, much of which will be reimbursable from BBT Crossing, Ltd. And Richpen Resources International, Inc. for funds advanced on Benbrook Towne Crossing development costs. Repair & Maintenance has been budgeted at \$700 and Capital Outlay is set at \$380,000. The majority of the Capital Outlay expense will be in acquisition of property, street improvements and realignment.

The EDC expects to have \$250,000 in the Projected Fund Balance on October 1, 2005, the beginning of the fiscal year. Revenues over expense are projected to be \$167,587 and unallocated reserve at the end of the fiscal year of \$417,587.

A new feature has been added to the BEDC marketing program. BEDC will produce Benbrook Spotlight, a 30-minute monthly television magazine program which will be aired on Cable channel 7, on the BEDC and City of Benbrook web pages and will also be available on VHS or CD for "on the road" showing or for purchase by anyone interested in a particular segment. Benbrook Spotlight has been budgeted in Marketing Venues at a cost of \$8,620 for the 12 monthly telecasts.

Following discussion, motion by Mr. Vander Pan, seconded by Mr. Sauma to approve the Benbrook Economic Development Corporation budget for FY 2005-2006.

Vote on the Motion:

Ayes: Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Vander Pan, Mr. Stowe, Mr. Sauma, Mr. Schull

Noes: None

Motion carries unanimously.

## **V. PRESENTATION BY PLANNING AND ZONING COMMISSION**

## **VI. REPORTS OF CITY MANAGER**

### **A. GENERAL**

#### **G-1582 Appointment to Boards and Commissions**

Joanna King gave the following report: City Council has received applications from citizens interested in serving on the various boards and commissions of the City. These terms are for 2005-2007.

The City advertised a formal notice to accept applications in the Benbrook News, the City's official newspaper, as well as the Fort Worth Star-Telegram. The announcement was also placed on the City Channel of Charter Communications, City Home Page and the quarterly Newsletter. The deadline for receiving applications was August 20, 2005.

During pre-council, the dates of September 21 and 22, 2005 were discussed as possible dates to conduct interview sessions with the candidates. Staff is recommending that City Council determine the process for applicant evaluations; schedule that process; or make appointments to the various boards and commissions for a term to expire October 31, 2007.

Motion by Mr. Sauma, seconded by Mr. Schull to schedule interview sessions for September 21 and 22, 2005 beginning at 6:00 p.m.

Vote on the motion:

Ayes: Mr. Allison, Mayor Dittrich, Mr. Vander Pan, Mr. Stowe, Mr. Sauma, Mr. Schull, Mr. Bailey

Noes: None

Motion carries unanimously.

### **B. CONTRACTS**

#### **C-2115 Award Contract for Employee Health Insurance**

Ms. Newhouse gave the following report: Since October 1, 1996, group health insurance for City employees and their eligible dependents has been provided by Aetna. The City pays all premium expenses for full-time employees. Optional coverage is available for eligible dependents and employees are responsible for payment of dependent premiums; the City subsidizes a portion of the dependent premium. Of the City's current one-hundred employees, forty-three have dependent coverage: eighteen have family coverage, fifteen have coverage for their children, and ten have coverage for their spouse. Fifty-seven employees do

not have dependent coverage.

**Aetna HMO current plan benefits include:**

\$40 office visit –PCP  
\$50 office visit – Specialist, OB/GYN, & Eye Doctor  
\$75 Urgent Care Center  
\$20 Generic Prescription  
\$40 Name-Brand Prescription  
\$70 Non-Formulary Prescription  
Mail order prescription 90 day supply at 60 day supply cost  
\$200 emergency room co-payment  
No co-payment for ambulance  
\$1,500 co-payment for hospital  
\$500 co-payment for out patient surgery and procedures

**Aetna HMO current plan monthly premiums**

Employee	\$305.09 (paid 100% by City)
Family	\$569.25 (\$124.64 paid by City)
Spouse	\$408.31 (\$133.33 paid by City)
Children	\$254.36 (\$59.32 paid by City)

Aetna proposed nine versions of their PPO plan (Preferred Provider Option) with benefits available in network and out of the PPO network. Members who are treated by doctors who participate in the PPO pay considerably less for office visits, prescriptions, surgery, hospitalization, and emergency room services. Members who are treated by doctors outside of the network pay higher co-payments and deductibles for treatment and services. Aetna provided a report that listed all employees and covered dependents and their PCP; only two people (an employee and one dependent) currently use a PCP who does not participate in Aetna's PPO; this employee and dependent would be charged the out of network rates and co-payments unless they change doctors.

**Pros to Aetna's HMO Renewal**

- Continuation of current benefits
- Retention of doctors, hospitals and facilities
- No disruption of services
- Option of offering current HMO as an alternate plan

**Cons to Aetna's HMO Renewal**

- Exceeds 2005-2006 budget allocation by \$38,776
- Dependent premium increase

### **Pros to Aetna's PPO Option**

- Lower co-payments for PCP office visit, specialist office visit, OB/GYN visit and routine eye exam for in-network doctors
- Lower co-payments for prescriptions for in-network services
- Mail order prescriptions available at lower co-payments
- PPO pool of doctors, specialists, hospitals, medical facilities and pharmacies almost identical to HMO pool
- No restriction on doctors, specialists, hospitals and pharmacies if willing to pay out-of-network rates
- Maximum out-of-pocket decrease
- Premium increase of only 11.37%-below the 2005-2006 budget estimate of 15%
- City's potential savings for 2005-2006 are approximately \$38,576 without adjustments for subsidies and co-payments
- Can offer PPO as primary plan with HMO as alternate

### **Con to Aetna's PPO Option**

- Higher co-payments, deductibles and maximums for out-of-network services
- One employee and one dependent must change doctors or pay out-of-network rates
- No vision materials benefit
- Deductible of \$1,000 per individual and \$2,000 per family required for hospitalization and out patient surgery and procedures (in-network)
- Deductible of \$3,000 per individual and \$6,000 per family for hospitalization and out patient surgery procedures (out-of-network)
- Employee pays \$250 co-payment plus 30% of actual cost for hospitalization and surgery (in-network)
- Employee pays \$500 co-payment plus \$50% of actual costs for hospitalization (out-of-network)
- Co-insurance rate of 30% for emergency room and urgent care

Staff asked the City's Agent of Record to request proposals from other insurance carriers. The City was interested in maintaining the current level of services with a similar pool of providers at comparable or lower costs. Eleven carriers responded. Three of the major health insurance companies: CIGNA, Guardian, and Pacific Life and Annuity declined to submit proposals and stated that they could not be competitive with Aetna's rates. Blue Cross/Blue Shield and Mutual of Omaha declined based on underwriting guidelines; both carriers reviewed the City's claims history and expressed concern at accepting a new group with Benbrook's claims experience over the past two years. Pacific Care and United Health Care declined based on the City's health conditions. Principal Financial Group and Uni Care declined because they do not offer insurance to governmental entities. Humana, Inc. and TML submitted proposals. However,

rates with both companies were higher than Aetna's PPO rates and had a limited pool of physicians. TML required separate retire rates.

## **Review of Proposals**

The City Manager appointed a Health Insurance Committee in January 2004. The committee met in August 2005 with the City's Agent of Record and reviewed the proposals presented by Aetna, Humana, and TML.

## **Committee Recommendation**

The committee recommends contracting with Aetna effective October 1, 2005 and offering two plans: PPO 9 as the primary plan and the current HMO as an option. The City will continue to pay for the entire employee premium for those employees who enroll in the PPO. Employees who enroll in the HMO will be required to pay \$64.46 per month for the employee premium; employees with dependent coverage will pay a supplement of \$86.29 for spouse coverage, \$53.75 for children coverage, and \$120.29.

The committee recommends that the City continue to reimburse employees and covered dependents for surgery and outpatient procedures; the current HMO co-payment is \$500. Employees who remain in the HMO will be eligible for \$500; employees who enroll in the PPO will be eligible to receive \$750. The additional \$250 for PPO participants is to cover the \$250 co-payment with the initial \$500 applied as one-half of the \$1,000 deductible.

The committee recommends that the City continue to reimburse for hospitalization co-payments at the increased level of \$1,500 for HMO and PPO participants.

The committee also recommends that the City allocate up to \$300 per year, effective January 1, 2006, to the cafeteria plan (Section 125) account for each employee who does not have dependent health insurance coverage through the City's group plan. Employees may request reimbursement for co-payments for office visits, prescriptions, and the employee-share of hospitalization. This benefit will be available for PPO and HMO participants. However HMO participants will be limited to \$200. PPO participants will be eligible for an additional \$100 for eyeglasses and contact lens costs; the \$100 vision reimbursement benefit offered by Aetna will continue to be available for HMO participants. This reimbursement is projected to cost an additional \$2,000.

The committee also recommends that the subsidy for dependent insurance be increased for employees with dependent coverage. The monthly subsidy for spouse coverage will increase by \$33.33 from \$133.33 to \$166.66. The monthly subsidy for children coverage will increase by \$14.83 from \$59.32 to \$74.15. The monthly subsidy for family coverage will increase by \$31.16 from \$124.64 to

\$155.80. This subsidy adjustment is projected to cost an additional \$13,000 based on current enrollments.

Following discussion, motion by Mr. Sauma, seconded by Mr. Schull to award the employee health insurance contract as presented in the staff report to Aetna effective October 1, 2005 offering two plans: PPO 9 as the primary plan and the current HMO as an option.

## **VII. OTHER MATTERS OF BUSINESS**

### **1. Public Hearing on Proposed Budget for Fiscal Year 2005-06 and 2005 Property Tax Rate**

Ms. Newhouse gave the following budget overview for Fiscal Year 2005-2006 and 2005 Property Tax Rate:

#### **Revenues:**

General Fund	\$10,953.307
Debt Service Fund	\$ 1,404.929
Operating Fund	\$12,358,236

#### **Expenditures:**

General Fund	\$11,093,080
Debt Service Fund	\$ 1,569,415
Operating Fund	\$12,662,495

#### **Proposed Use of Reserves:**

General Fund	\$139,773
Debt Service Fund	\$164,486
Operating Fund	\$304,259

#### **Projected Ending Fund Balances:**

General Fund	\$3,887,777
Debt Service Fund	\$ 62,638
Operating Fund	\$3,947,415

#### **Base Budget – Department Request**

- Continuation of current services
- Step increase for eligible employees
- Up to 15% increase in employee insurance
- Replacement of four (4) police vehicles

- Debt service principal and interest as of 10-01-05

**Decision Packages – Funded in City Manager’s Proposal**

• Document Imaging Software	\$ 15,000
• Drapes for Council Chambers	\$ 4,450
• New Server/SAN	\$ 15,000
• Web Site, CRM, & E-Commerce	\$ 22,000
• Citizen Relationship Management Software	\$ 10,000
• Police Vehicle Light Bars	\$ 6,900
• Four (4) hand held radios for Police	\$ 3,000
• Code RED Emergency Telephone Notification	\$ 14,000
• Jury Service Fees for Court of Record	\$ 1,296
• Benbrook Entry Sign	\$ 5,000
• 18’ tandem axel trailer for Public Works	\$ 2,500
• Additional salary for part-time employee	\$ 5,000
• Pesticide spray rig for Parks	\$ 2,700
• 60” zero turn mower for Parks	\$ 7,000
• Increase salary for part-time fleet service	\$ 5,119
• Benbrook Blvd. Corridor Plan	\$ 20,000
• BCC/YMCA Plan	\$ 15,000
• Increase salary for CAD/GIS Intern	\$ 2,500
• Debt Service Adjustment – Sale of CO’s For TIF and re-financing of current debt	\$197,490

**City Council Review**

Reduction of Property Tax Rate from the current rate of \$0.7625 to \$0.7425

Approval of cost of living salary adjustment for full-time employees of 2.5%

Additional projects and/or programs as recommended by City Manager and/or City Council:

• Internet Service for City Council	\$ 3,608
• Additional funds for document imaging	\$ 5,000
• Funds for Safer Grant – Additional Fire Fighter Position	\$ 78,132
• Funds for signal for Winscott & Lakeside	\$100,000
• Adjustment of Debt Service	
• Additional funds for City Attorney Services	\$ 10,000
• Funds for fuel reserve	\$ 35,000

Mayor Dittrich declared the public hearing open at 8:55 p.m. No one from the audience spoke on the proposed budget or tax rate. Mayor Dittrich closed the public hearing at 8:56 p.m.

**VIII. INFORMAL CITIZEN PRESENTATION**

**IX. EXECUTIVE SESSION – Pursuant to Texas Government Code Section 551-074, Personnel Matters**

**1. City Manager Performance Evaluation Including Salary Determination**

Mayor Dittrich announced that the City Council would adjourn the regular meeting at 8:57 p.m. to go into executive session.

**X. RECONVENE INTO OPEN SESSION – Take necessary action from Executive Session**

Mayor Dittrich reconvened the regular meeting at 10:45 p.m. Motion by Mr. Stowe, seconded by Mr. Schull to authorize a 5.2% increase in the City Manager compensation, which includes a cost of living adjustment.

Vote on the Motion:

Ayes: Mr. Schull, Mr. Bailey, Mr. Allison, Mayor Dittrich, Mr. Vander Pan, Mr. Stowe, Mr. Sauma

Noes: None

Motion carries unanimously.

**IX. ADJOURNMENT**

Meeting adjourned at 10:47 P.M.

**APPROVED:**

\_\_\_\_\_  
**Jerry B. Dittrich, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Joanna King, City Secretary**