(ACT) – ACTION NEEDED
(INF) – INFORMATION ONLY
(DIS) – DISCRETIONARY

A G E N D A
SPECIAL MEETING OF THE CITY COUNCIL
CITY OF NEEDLES, CALIFORNIA
TUESDAY, NOVEMBER 3, 2015 – 6:00 P.M.
CITY COUNCIL CHAMBERS
1111 BAILEY AVENUE, NEEDLES

Councilmember Richardson will be participating in this meeting via teleconference call from Hotel Extended Studio, 14786 Monarch Blvd., Victorville, CA 92395. The public shall be given an opportunity to address the legislative body directly from this teleconference location.

CALL TO ORDER
ROLL CALL

PUBLIC COMMENTS PERTAINING TO THE EXECUTIVE SESSION ITEM (A three minute time limit per person has been established.)

RECESS TO EXECUTIVE SESSION

a) Conference with Labor Negotiator pursuant to California Government Code §54957.6 – Personnel – Agency Representatives Attorney Tom Slovak and Mark Bennett via teleconference and City Manager Rick Daniels – Employee Organization: San Bernardino Public Employees Association (SBPEA) Teamsters Local 1932
b) Conference with Labor Negotiator pursuant to California Government Code §54957.6 – Personnel – Agency Representatives Attorney Tom Slovak and Mark Bennett via teleconference and City Manager Rick Daniels – Employee Organization: Needles Unclassified Employees Association (NUEA)

EXECUTIVE SESSION – Report by City Attorney

As a courtesy to those in attendance, we would ask that cell phones and pagers be turned off or set in their silent mode. Thank you.

PUBLIC APPEARANCE – Persons wishing to address the City Council on subjects other than those scheduled are requested to do so at this time. When addressing the Council, please come to the podium and give your name and address for the record. In order to conduct a timely meeting, a three minute time limit per person has been established by Municipal Code Section 2-18. Amendments to the California Government Code Section 54950 prohibits the City Council from taking action on a specific item until it appears on the agenda.

1) Employee Healthcare and other Benefits Plan for 2016 (ACT)

Pursuant to California Government Code §54956, this special meeting is being called by Mayor Edward T. Paget, M.D.

Mayor Edward T. Paget, M.D.

INTERNET ACCESS TO CITY COUNCIL AGENDAS AND STAFF REPORT MATERIAL IS AVAILABLE PRIOR TO CITY COUNCIL MEETINGS AT

http://www.cityofneedles.com

Posted: November 2, 2015

SB 343-DOCUMENTS RELATED TO OPEN SESSION AGENDAS -- Any public record, relating to an open session agenda item, that is distributed within 24 hours prior to the meeting is available for public inspection at the City Clerk's Office, 817 Third Street, Needles, CA 92363.

In compliance with the American with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 326-2113 ext 345. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-104 ADA Title II).

City of Needles, California
Request for Council Action

☒ CITY COUNCIL ☐ NPUA ☐ Regular ☒ Special

Meeting Date: November 3, 2015

Title: Healthcare and other Benefits Plan for 2016

Background: "This matter was continued from the 10/27 meeting. Since that meeting additional information has been distributed to both bargaining units. Meetings have been held with the SBPEA/Teamsters. A meeting has been scheduled with the NUEA on Tuesday, November 3rd.

Critical Timeline: Open enrollment extended to November 9, 2015

Fiscal Impact:

Recommendation: The City offer the Blue Shield PPO Gold and Blue Shield PPO Silver with 50% cost sharing for the increases and decreases for the upcoming year

Submitted By: City Manager Daniels

City Management Review: Rick **Date:** 11/2/15

Approved:☐ Not Approved:☐ Tabled:☐ Other:☐

Agenda Item: 1

NUEA

GOLD PLAN vs. SILVER PLAN (proposed for CY 2016)

	Current monthly Gold rate	New monthly Silver rate	Monthly increase/ (decrease)	Current monthly contribution	New monthly contribution	Annual Savings to employee
Employee	627.30	480.42	(146.88)	77.88	4.44	881.28
50%			(73.44)			
Employee +1	1,255.62	958.80	(296.82)	134.78	(13.63)	1,780.92
50%			(148.41)			
Family	1,634.04	1,247.46	(386.58)	160.04	(33.25)	2,319.48
50%			(193.29)			

SBPEA

GOLD PLAN vs. SILVER PLAN (proposed for CY 2016)

	Current monthly Gold rate	New monthly Silver rate	Monthly increase/ (decrease)	Current monthly contribution	New monthly contribution	Annual Savings to employee
Employee	627.30	480.42	(146.88)	121.56	48.12	881.28
50%			(73.44)			
Employee +1	1,255.62	958.80	(296.82)	212.16	63.75	1,780.92
50%			(148.41)			
Family	1,634.04	1,247.46	(386.58)	255.14	61.85	2,319.48
50%			(193.29)			

City of Needles, California
Request for Council Action

☒ CITY COUNCIL ☐ NPUA ☒ Regular ☐ Special

Meeting Date: October 27, 2015

Title: Healthcare and other Benefits Plan for 2016

Background: Annually the City seeks proposals for healthcare, dental, vision, life, and disability coverage for it's employees. Healthcare costs have risen dramatically during the last decade. The four health plan options (attached) offer two plans which have increased and two plans that decrease City and employee costs.
Last year the City offered two health plan options:

Plan	Employees	Deductible	2016 Rate Change
Blue Shield PPO Gold	33	$500/1,000	$30,869
Blue Shield 10% HDHP	3	$1,300/2,600	$ 3,954

Because the 10% HDHP was $1,151 less expensive annually for an employee only and $2,326 less expensive annually for employee + 1, the City offered an annual $800/employee or $1,600/couple Health Savings Account contribution.
This year the other two options are:

Blue Shield PPO Silver	$2,000/4,000	-$115,350
Blue Shield 20% HDHP	$3,000/6,000	-$4,198

Offering the Blue Shield PPO Silver will save the City and employees $115,350. The current labor agreements includ a provision whereby the cost increases on a 50/50 basis. Last year the City paid between 10-20% of the total cost of insurance based upon whether the coverage was employee only, employee + 1, or employee + family. Sharing the decrease on the basis will save $57,675.

The impact to the employee will range in an annual savings from $828 - $2,719, depending on coverage. The effect is to reduce employee contribution by offering the Blue Shield HDHP 20%. Currently the employee contributes between $936 - $1,920 annually. The net effect of this plan is that employee may contribute less than last year.

The annual cost difference between the Silver Plan and the HDHP 20% plan is $24 - $61 depending upon coverage thus not warranting a City contribution to a HAS, but an individual pretax contribution HAS will be offered to allow employee payment of health care costs with pre-tax dollars.

Critical Timeline: Open enrollment concludes on October 30, 2015

Fiscal Impact:

Recommendation: The City offer the Blue Shield PPO Silver and the HDHP 20% health plans in addition to dental, vision, life and disability

Submitted By: City Manager Daniels

City Management Review: Rick **Date:** 10/22/15

Approved:☐ Not Approved:☐ Tabled:☐ Other:☐

continued to November 3 2e pm

Agenda Item: 11

SECTION III: 2016 MEDICAL RENEWAL

Medical Benefits	SDRMA - Blue Shield HDHP (10%) Current / Renewal		SDRMA - Blue Shield HDHP (20%) Option 1	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Calendar Year Deductible Individual / Family	$1,300 / $2,600		$3,00 / $6,000	
Deductible Applies to OOP Max	*Yes*		*Yes*	
Annual Out of Pocket Maximum Individual / Family	$5,000 / $10,000		$5,950 / $11,900	
Hospital Inpatient Services	10%	50% (limit $600 / day)	20%	50% (limit $600 / day)
Outpatient Services	10%	50% (limit $350 / day)	20%	50% (limit $350 / day)
Physician Services Physician Office Visit	10%	50%	20%	50%
Specialist Visit	10%	50%	20%	50%
Preventive Services	No Charge (ded waived)	Not Covered	No Charge (ded waived)	Not Covered
Emergency	$100 + 10% (copay waived if admitted)		$100 + 20% (copay waived if admitted)	
Ambulance	10%		20%	
PRESCRIPTION DRUGS	Generic / Brand		Generic / Brand	
Deductible	Calendar Year Deductible		Calendar Year Deductible	
Deductible Applies to	*Generic / Brand*		*Generic / Brand*	
Retail - 30 day supply	$7 / $25	$7 / $25	$7 / $25	$7 / $25
Mail Order - 90 day supply	$14 / $60	Not Covered	$14 / $60	Not Covered

MONTHLY RATES	EE's	Current	Renewal	Option 1
Employee	0	$531.42	$581.40	$478.38
Employee + 1	2	$1,061.82	$1,161.78	$955.74
Family	1	$1,380.06	$1,509.60	$1,242.36
	3			
MONTHLY PREMIUM		**$3,504**	**$3,833**	**$3,154**
ANNUAL PREMIUM		**$42,044**	**$45,998**	**$37,846**
ANNUAL DOLLAR CHANGE			**$3,954**	**($4,198)**
ANNUAL PERCENT CHANGE			**9.4%**	**-10.0%**

This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the event information in this summary differs from the Plan Document, the Plan Document will prevail.

Note: Enrollment is as of 8/2/2015

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SECTION III: 2016 MEDICAL RENEWAL

Medical Benefits	SDRMA - Blue Shield PPO (GOLD) Current / Renewal		SDRMA - Blue Shield PPO (SILVER) Option 1	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Calendar Year Deductible	$500 / $1,000		$2,000 / $4,000	
Individual / Family				
Deductible Applies to OOP Max	*Yes*		*Yes*	
Annual Out of Pocket Maximum	$2,000 / $4,000		$5,000 / $10,000	
Individual / Family				
Hospital				
Inpatient Services	20%	50% (limit $600 / day)	20%	50% (limit $600 / day)
Outpatient Services	20%	50% (limit $350 / day)	20%	50% (limit $350 / day)
Physician Services				
Physician Office Visit	$20 (ded waived)	50%	$30 (ded waived)	50%
Specialist Visit	$20 (ded waived)	50%	$30 (ded waived)	50%
Preventive Services	No Charge (ded waived)	Not Covered	No Charge (ded waived)	Not Covered
Emergency	$100 + 20% (copay waived if admitted)		$100 + 20% (copay waived if admitted)	
Ambulance	20%		20%	
PRESCRIPTION DRUGS	Generic / Brand / Non Formulary		Generic / Brand	
Deductible	None		$200 / $500	
Deductible Applies to	*N/A*		*Brand*	
Prescription Out of Pocket Maximum	$4,600 / $9,200		$1,600 / $3,200	
Retail - 30 day supply	$5 / $30 / $45	$5 / $30 / $45	$10 / $20 / $45	$10 / $20 / $45
Mail Order - 90 day supply	$10 / $75 / $112.50	Not Covered	$20 / $40 / $90	Not Covered

MONTHLY RATES	EE's	Current	Renewal	Option 1
Employee	9	$627.30	$667.08	$480.42
Employee + 1	11	$1,255.62	$1,335 18	$958.80
Family	13	$1,634.04	$1,737.06	$1,247.46
	33			
MONTHLY PREMIUM		**$40,700**	**$43,272**	**$31,088**
ANNUAL PREMIUM		**$488,400**	**$519,270**	**$373,051**
ANNUAL DOLLAR CHANGE			**$30,869**	**($115,350)**
ANNUAL PERCENT CHANGE			**6.3%**	**-23.6%**

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SECTION V: ANCILLARY RENEWALS

Vision Benefits	VSP Current / Renewal In-Network	Out-of-Network
	Copay:	**Pays Up To:**
Exam	$10	$50
Lenses		
Single	$25	$50
Bifocal	$25	$75
Trifocal	$25	$100
Frames		
Frames	$120 Allowance; 20% off amount over allowance	$70
Contact Lenses[1]		
Elective	$120 Allowance; Copay does not apply	$105
Frequency of Services		
Eye Examination	12 Months	
Lenses	12 Months	
Frames	24 Months	
Contact Lenses*	12 Months	
Rate Guarantee	**1 Year (Until January 1, 2017)**	

MONTHLY RATES	EE's	Current / Renewal
Employee Only	6	$10.57
Employee + 1	15	$15.33
Employee + Family	13	$27.49
	34	
MONTHLY PREMIUM		**$651**
ANNUAL PREMIUM		**$7,809**

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1. Contact lenses are in lieu of spectacle lenses and frame

Note: Enrollment is as of 6/10/2015.

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SECTION V: ANCILLARY RENEWALS

Dental Benefits		Delta Dental PPO (CSAC EIA) Current/Renewal	
		In-Network	Out-of-Network
Calendar Year Maximum		$1,000 (Per patient per calendar year)	
Calendar Year Deductible			
Individual/Family		$50 / $150 (Waived for Preventive)	
Diagnostic and Preventive		100%	
Oral Exam X-Rays Teeth Cleaning Fluoride Treatment Space Maintainers			
Basic Services		80%	
Amalgam/Composite Fillings Periodontics (Gum disease) Endodontics (Root Canal) Extractions & Other Oral Surgery			
Major Services		50%	
Crowns Inlays and Onlays Prosthodontics Implants			
Orthodontics		Not Covered	
Eligible for Benefit Lifetime Maximum			
Out-of-Network Reimbursement		Fee Schedule	
RATE GUARANTEE		**1 Year (Until January 1, 2017)**	
MONTHLY RATES	EE'S	**Current**	**Renewal**
Employee Only	6	$37.80	$36.40
Employee + Family	27	$99.60	$95.90
	33		
MONTHLY PREMIUM		**$2,916**	**$2,808**
ANNUAL PREMIUM		**$34,992**	**$33,692**
ANNUAL DOLLAR CHANGE			**-$1,300**
ANNUAL PERCENT CHANGE			**-3.7%**

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SECTION V: ANCILLARY RENEWALS

Basic Life/AD&D Benefits	Mutual of Omaha Current / Renewal	
Eligibility		
Class 1	NUEA - Unclassified	
Class 2	SBPEA - Classified	
Life/AD&D Benefits		
Class 1	2x Salary up to $200,000	
Class 2	$50,000	
Class 1 Spouse	100% of employee amount to $100,000	
Class 2 Spouse	$25,000	
Class 1 Child	100% of employee amount to $10,000[1]	
Class 2 Child	$10,000[1]	
Benefit Reduction On Account of Age	**Age**	**% of Original Benefit**
	65	65%
	70	50%
Accelerated Death Benefit	75% up to $200k (class 1) or $37.5k (class 2)	
Seat Belt Benefit	10% up to $50,000	
Air Bag Benefit	10% up to $50,000	
Waiver of Premium	Included	

Rate Guarantee	**1 Year (Until January 1, 2017)**

Employee Rates	**Current / Renewal**
Estimated Insurance Volume	$2,514,500
Basic Life Rate per $1,000	$0.250
AD&D Rate per $1,000	$0.022
Monthly Premium	**$684**

Supplemental Spouse Rates	**Current / Renewal**
Estimated Insurance Volume	$1,050,000
Rate per $1,000	$0.317
Monthly Premium	**$333**

Supplemental Child Rates	**Current / Renewal**
Estimated Insurance Volume	$0
Rate per $1,000	$0.040
Monthly Premium	**$0**

MONTHLY PREMIUM	**$1,017**
ANNUAL PREMIUM	**$12,202**

This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the event information in this summary differs from the Plan Document, the Plan Document will prevail.

[1]Children from 14 day to 6 months are eligible for a $1,000 benefit

Note: All volumes reflect the amounts stated in the most recent invoice that was provided on 8/2/2015 by Mutual of Omaha; actual amounts may differ.

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GOLD PLAN	SBPEA			Current	New
Current Rates	Current	New	Monthly	Montly	Monthly
	Rate	Rate	Increase	Contribution	Contribution
Employee	$627.30	$667.08	$39.78	$121.56	$161.34
Employee +1	$1,255.62	$1,335.18	$79.56	$212.16	$291.72
Family	$1,634.04	$1,737.06	$103.02	$255.14	$358.16

HDHP PLAN				Current	New
Current Rates	Current	New	Monthly	Montly	Monthly
	Rate	Rate	Increase	Contribution	Contribution
Employee	$531.42	$581.40	$49.98	$121.56	$171.54
Employee +1	$1,061.82	$1,161.78	$99.96	$181.92	$281.88
Family	$1,380.06	$1,509.60	$129.54	$203.12	$332.66

SILVER PLAN				Current	New
Current Rates	Current	New	Monthly	Montly	Monthly
	Rate	Rate	Increase	Contribution	Contribution
Employee		$480.42	-$146.88	$121.56	-$25.32
Employee +1		$958.80	-$296.82	$212.16	-$84.66
Family		$1,247.46	-$386.58	$255.14	-$131.44

HDHP 20% PLAN				Current	New
Current Rates	Current	New	Monthly	Montly	Monthly
	Rate	Rate	Increase	Contribution	Contribution
Employee		$478.38	-$148.92	$121.56	-$27.36
Employee +1		$955.74	-$299.88	$212.16	-$87.72
Family		$1,242.36	-$391.68	$255.14	-$136.54

GOLD PLAN	NUEA			Current	New
Current Rates	Current	New	Monthly	Montly	Monthly
	Rate	Rate	Increase	Contribution	Contribution
Employee	$627.30	$667.08	$39.78	$77.88	$117.66
Employee +1	$1,255.62	$1,335.18	$79.56	$134.78	$214.34
Family	$1,634.04	$1,737.06	$103.02	$160.02	$263.04

HDHP PLAN				Current	New
Current Rates	Current	New	Monthly	Montly	Monthly
	Rate	Rate	Increase	Contribution	Contribution
Employee	$531.42	$581.40	$49.98	$121.56	$171.54
Employee +1	$1,061.82	$1,161.78	$99.96	$181.92	$281.88
Family	$1,380.06	$1,509.60	$129.54	$203.12	$332.66

SILVER PLAN				Current	New
Current Rates	Current	New	Monthly	Montly	Monthly
	Rate	Rate	Increase	Contribution	Contribution
Employee		$480.42	-$146.88	$77.88	-$69.00
Employee +1		$958.80	-$296.82	$134.78	-$162.04
Family		$1,247.46	-$386.58	$160.02	-$226.56

HDHP 20% PLAN				Current	New
Current Rates	Current	New	Monthly	Montly	Monthly
	Rate	Rate	Increase	Contribution	Contribution
Employee		$478.38	-$148.92	$77.88	-$71.04
Employee +1		$955.74	-$299.88	$134.78	-$165.10
Family		$1,242.36	-$391.68	$160.02	-$231.66

Medical Insurance Rates			Per	Total	Percentage of Total Cost
2011			Pay Period	Monthly	
Employee	$474.76		$25.00	$50.00	
Employee+1	$949.54		$35.00	$70.00	
Employee+Family	$1,234.40		$35.00	$70.00	
2012					
Employee	$519.41		$36.50	$73.00	14.1%
Employee+1	$1,038.81		$57.50	$115.00	11.1%
Employee+Family	$1,350.46		$64.00	$128.00	9.5%
2013					
Employee	$576.80		$50.84	$101.68	17.6%
Employee+1	$1,153.60		$86.19	$172.38	14.9%
Employee+Family	$1,500.71		$101.56	$203.12	13.5%
2014					
Employee	$587.52		$50.84	$101.68	17.3%
Employee+1	$1,176.06		$86.19	$172.38	14.7%
Employee+Family	$1,530.00		$101.56	$203.12	13.3%
2015					
Employee	$627.30		$60.78	$121.56	19.4%
Employee+1	$1,255.62		$106.08	$212.16	16.9%
Employee+Family	$1,634.04		$127.57	$255.14	15.6%