

July 12, 2016
City Council
Workshop Meeting
7:00 p.m.



Julie Masters, Mayor
Charles Suderman
Bruce Henderson
Walter Wilson

AGENDA
City of Dickinson
CITY COUNCIL
SPECIAL WORKSHOP
MEETING

Wally Deats, Mayor Pro Tem
Louis Decker
William H. King III
Julie M. Robinson, City
Administrator

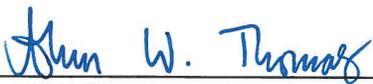
July 12, 2016

NOTICE is hereby given of a **SPECIAL WORKSHOP MEETING** of the City Council for the City of Dickinson, County of Galveston, State of Texas, to be held on **TUESDAY, JULY 12, 2016, at 6:00 p.m.** at: 4403 Highway 3, Dickinson, Texas 77539 for the purpose of considering the following numbered items. The City Council of the City of Dickinson, Texas, reserves the right to meet in a closed session on any of the below items should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

- ITEM 1.) CALL TO ORDER AND CERTIFICATION OF A QUORUM**
- ITEM 2.) BRIEFING, DISCUSSION AND DIRECTION CONCERNING:** FY 2017 Budget With Regards To Dickinson Volunteer Fire Department ("DVFD") Request To Increase Monthly Pension Rate.
- ITEM 3.) BRIEFING, DISCUSSION AND DIRECTION CONCERNING:** FY 2017 Budget And The City's Contribution To Health Insurance For City Employees.
- ITEM 4.) BRIEFING, DISCUSSION AND DIRECTION CONCERNING:** Structure of Operations and Staffing for Bayou Animal Services Corporation.
- ITEM 5.) ADJOURN**

CERTIFICATION

This is to certify that a copy of the Notice of the City Council Workshop Meeting for **TUESDAY, JULY 12, 2016**, was posted on the bulletin board at City Hall, 4403 Highway 3, Dickinson, Texas, on this the 7th day of July, 2016, prior to 6:00 p.m.



Alun W. Thomas, City Secretary



In compliance with the Americans with Disabilities Act, the City of Dickinson will provide reasonable accommodations for disabled persons attending City Council Meetings. Requests should be received at least 24 hours prior to the scheduled meeting, by contacting the City Secretary's office at 281-337-6217, or by FAX at 281-337-6190.

City Council Meeting

CALL TO ORDER

Roll Call

**CITY OF DICKINSON, TEXAS
CITY COUNCIL MEETING
ATTENDANCE LIST**

MEETING DATE July 12, 2016

Workshop Meeting

| <u>MAYOR/COUNCIL</u> | <u>PRESENT</u> | <u>ABSENT</u> |
|---|-----------------------|----------------------|
| MAYOR JULIE MASTERS | _____ | _____ |
| POS. 1: COUNCILMEMBER CHARLES SUDERMAN | _____ | _____ |
| POS. 2: COUNCILMEMBER BRUCE HENDERSON | _____ | _____ |
| POS. 3: COUNCILMEMBER WALTER WILSON | _____ | _____ |
| POS. 4: COUNCILMEMBER WALLY DEATS | _____ | _____ |
| POS. 5: COUNCILMEMBER LOUIS DECKER | _____ | _____ |
| POS. 6: COUNCILMEMBER WILLIAM KING | _____ | _____ |
| <u>ALSO IN ATTENDANCE:</u> | | |
| CITY ATTORNEY David W. Olson | _____ | _____ |
| CITY ADMINISTRATOR Julie M. Robinson | _____ | _____ |
| City Secretary Alun W. Thomas | _____ | _____ |
| Administrative Services Manager Stephanie Russell | _____ | _____ |
| Director of Community Dev. Zachary Meadows | _____ | _____ |
| Public Works Director Paul Booth | _____ | _____ |
| Library Director Vicki McAllister | _____ | _____ |
| Fire Marshal Lee Darrow | _____ | _____ |
| Police Chief Ron Morales | _____ | _____ |
| EMS Director Derek Hunt | _____ | _____ |

**Dickinson City Council
Agenda Item Data Sheet**

MEETING DATE July 12, 2016

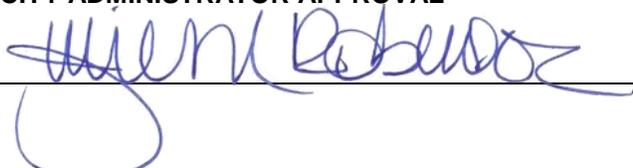
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|--------------|---|
| TOPIC | BRIEFING, DISCUSSION AND DIRECTION CONCERNING: FY 2017 Budget With Regards To Dickinson Volunteer Fire Department (“DVFD”) Request To Increase Monthly Pension Rate. |
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| BACKGROUND | <p>DVFD has requested an increase in the pension rate paid per volunteer per month. The City currently contributes \$44 per month per participant with a maximum of \$23,000 contributed annually. At the current rate and maximum contribution, the City budgets for 44 participants – the DVFD currently has 37 active.</p> <p>The City’s current contribution is ranked in the top 28% percent across the State with the majority cities contributing the minimum of \$36. However; several of our neighboring cities contribute in the top 20% or above. Therefore, Staff proposes increasing the current rate to \$65 per participant. This is about a 48% increase which has a budgetary impact of less than \$11,000 annually.</p> |
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| RECOMMENDATION | Staff seeks direction from Council regarding the proposed increase in the monthly pension rate for Dickinson Volunteer Fire Department. |
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| ATTACHMENTS | <ul style="list-style-type: none"> • Comparison of Pension Contributions Across the State • Comparison of Monthly Pension Contributions Across the Region |
|--------------------|---|

| | |
|-----------------------|---|
| FUNDING ISSUES | <input type="checkbox"/> Not applicable <input checked="" type="checkbox"/> Not budgeted <input type="checkbox"/> Full Amount already budgeted. <input type="checkbox"/> Funds to be transferred from Acct.# - - |
|-----------------------|---|

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| SUBMITTING STAFF MEMBER Stephanie Russell, Administrative Services Manager | CITY ADMINISTRATOR APPROVAL  |
|--|--|

| ACTIONS TAKEN | | |
|---|--|--------------|
| APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO | READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | OTHER |

DIVIDER PAGE

Comparison of Pension Contributions Across the State
Dickinson highlighted in Yellow

| Monthly Contribution | # Departments | Percentile |
|----------------------|---------------|-------------------|
| 290 | 1 | |
| 200 | 1 | |
| 187 | 1 | |
| 175 | 1 | |
| 145 | 1 | Top 10% |
| 140 | 2 | |
| 132 | 1 | |
| 125 | 2 | |
| 120 | 2 | |
| 100 | 8 | |
| 93 | 1 | |
| 90 | 1 | |
| 86 | 1 | |
| 84 | 2 | |
| 80 | 2 | Top 10-20% |
| 75 | 2 | |
| 74 | 1 | |
| 70 | 1 | |
| 65 | 1 | |
| 60 | 4 | |
| 57.5 | 1 | |
| 55 | 3 | |
| 52 | 1 | |
| 50 | 10 | |
| 48 | 2 | |
| 46 | 1 | |
| 45 | 1 | Top 21-32% |
| 44 | 1 | |
| 43 | 1 | |
| 42 | 2 | |
| 41 | 1 | |
| 40 | 3 | |
| 36 | 136 | Bottom 68% |
| Grand Total | 199 | 100.00% |

DIVIDER PAGE

Comparison of Monthly Pension Contributions Across the Region
Dickinson highlighted in Yellow

| Rate/City |
|------------------|
| 175 |
| ALVIN |
| 132 |
| PASADENA |
| 100 |
| DEER PARK |
| SANTA FE |
| 90 |
| PEARLAND |
| 86 |
| LEAGUE CITY |
| 84 |
| FRIENDSWOOD |
| 60 |
| SOUTH HOUSTON |
| 57.5 |
| BRAZORIA |
| 55 |
| LA PORTE |
| 44 |
| DICKINSON |
| 36 |
| GALENA PARK |
| HUNTSVILLE |
| ROTAN |
| SEABROOK |
| SEALY VFD |

**Dickinson City Council
Agenda Item Data Sheet**

MEETING DATE July 12, 2016

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|--------------|---|
| TOPIC | BRIEFING, DISCUSSION AND DIRECTION CONCERNING: FY 2017 Budget And The City's Contribution To Health Insurance For City Employees |
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| BACKGROUND | <p>The health insurance market continues to change. Based on the City's recent activity, our insurance Broker has received preliminary proposals from our current provider, Blue Cross Blue Shield, starting at an increase of 20%. An increase of this magnitude will force the City to issue a Request for Proposals and re-evaluate our current plan.</p> <p>The City currently has what may be considered a "Gold Standard Plan" which, as rates continue to rise, may no longer be sustainable. Additionally, our current structure does not allow employees any options other than to opt in or out. To address this, staff proposes moving towards defined contribution this coming fiscal year – in which the City contributes the exact same amount per employee but the employees are given options.</p> <p>Under defined contribution, the City would fully fund a standard plan, and employees would have the option to buy-up to a higher ("Gold Standard") plan or choose a high-deductible plan in which the City contributes the difference from the standard plan to a Health Savings Account (HSA). The specifics of this have yet to be determined but staff seeks direction from Council regarding the concept.</p> <p>A modified approach can be implemented in FY 2016-2017 to allow for the City to continue paying 15% of dependent healthcare on the standard plan. FY 2016-2017 is the last year planned for the phase out of the City's contribution towards dependent healthcare.</p> <p>Staff should have a firm proposal for a renewal from Blue Cross Blue Shield by the Workshop.</p> |
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| RECOMMENDATION | Staff seeks direction from Council regarding the City's contribution to health insurance for FY 2017. |
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| ATTACHMENTS | • N/A |
|--------------------|-------|

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| FUNDING ISSUES | <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Not budgeted <input type="checkbox"/> Full Amount already budgeted. <input type="checkbox"/> Funds to be transferred from Acct.# - - |
|-----------------------|--|

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| SUBMITTING STAFF MEMBER Stephanie Russell, Administrative Services Manager | CITY ADMINISTRATOR APPROVAL  |
|--|--|

ACTIONS TAKEN

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|---|--|--------------|
| APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO | READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | OTHER |
|---|--|--------------|

**Dickinson City Council
Agenda Item Data Sheet**

MEETING DATE July 12, 2016

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| TOPIC: | Discussion and Direction Concerning Structure of Operations and Staffing for Bayou Animal Services Corporation. |
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| BACKGROUND: | <p>On February 23, 2016, the City Council created Bayou Animal Services as a local government corporation and authorized filing a Certificate of Formation with the Texas Secretary of State to create the corporation. The City Council was also appointed as the initial Board of Directors for the corporation. Since that time, Stephanie Russell, David Olson and I have proceeded with the necessary filings to establish the corporation, and we have had discussions with both Santa Fe and Clear Lake Shores concerning the operations of the service. We are also working to obtain from Santa Fe and Clear Lake Shores the names of individuals who will be appointed to the Board of Directors on behalf of those two cities, and we anticipate bringing those appointments to the City Council in July or August and then updating the Board information with the Secretary of State.</p> <p>The Cities of Dickinson, Santa Fe and Clear Lake Shores continue to agree that we will fund the operations of Bayou Animal Services Corporation, with each City paying a pro-rata share based on population. However, since Dickinson created the local government corporation, Bayou Animal Services Corporation will fall under the City's umbrella of entities as a component unit much like Dickinson Economic Development Corporation for both audit and legal purposes until an Interlocal is put in place. Ideally, the Interlocal would be structured to have all participating cities share the assets and liabilities according to their pro-rata share.</p> <p>In the past, Council has discussed Bayou Animal Services operating separately from the City. However, after discussions at the staff level concerning how this would function, this may not be the most efficient or cost effective way of setting up the staffing and operations.</p> <p>The City is currently absorbing the costs associated with administrative services such as IT, payroll, accounts payable, accounting, etc. While the Corporation should ultimately pay for these services, it is not in position to do so currently and charging the Corporation would only result in a greater transfer from the General Fund. Additionally, the time spent on these services is minimal as they are currently treated like any other department.</p> |
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ACTIONS TAKEN

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|--|--|--------------|
| APPROVAL | READINGS PASSED | OTHER |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | |

**Dickinson City Council
Agenda Item Data Sheet**

If the operations and administrative functions are shifted completely to the Corporation, then an entirely separate system would need to be established thus requiring additional staff time. Another option is retaining a third party company to provide accounting and payroll functions. However, involving a third-party company would only increase the costs associated with providing the services.

Additionally, the staffing structure needs to be considered. The City currently has one employee on its payroll that is being funded by the Corporation, similar to that of the DEDC. Should that employee and future employees move under the Corporation, the structure would need to change and there would be a direct impact to the employees. As employees of the City, they are offered the same benefits. If moved under the Corporation, they would no longer be eligible for retirement through TMRS, and the Corporation would need to enter into an Interlocal with the City to obtain healthcare benefits – creating more administrative work.

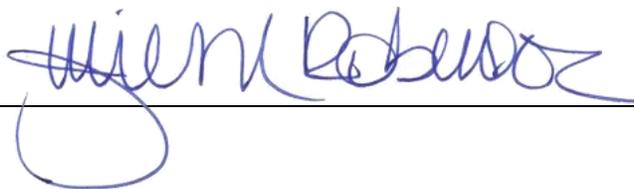
From a staffing perspective, staff recommends that the current and future employees of Bayou Animal Services Corporation remain employees of the City of Dickinson assigned to the Corporation, and the costs of salaries and benefits be shared with Santa Fe and Clear Lake Shores just as DEDC pays for all or a portion of the salaries and benefits of different employees.

Staff would like direction from Council on whether the Corporation should operate completely separate of the City or similar to other Corporations, such as the DEDC.

RECOMMENDATION: Staff requests direction from Council regarding the structure of operations and staffing for Bayou Animal Services Corporation.

ATTACHMENTS: • N/A

FUNDING ISSUES Not applicable
 Not budgeted
 Full Amount already budgeted.
 Funds to be transferred from Acct.# - -

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|---------------------------------------|--|
| SUBMITTING STAFF MEMBER | CITY ADMINISTRATOR APPROVAL |
| Julie M. Robinson, City Administrator |  |

| ACTIONS TAKEN | | |
|---|--|--------------|
| APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO | READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | OTHER |

ADJOURN

TIME: _____

MOTION: _____

SECOND: _____

VOTE _____