



City of North Port

4970 CITY HALL BLVD
NORTH PORT, FL 34286

Meeting Minutes - Final City Commission Special Meeting

CITY COMMISSIONERS
Vanessa Carusone, Mayor
Linda M. Yates, Vice-Mayor
Christopher B. Hanks, Commissioner
Jill Luke, Commissioner
Debbie McDowell, Commissioner

APPOINTED OFFICIALS
Peter Lear, City Manager
Amber L. Slayton, City Attorney
Patsy Adkins, City Clerk
Kathryn Peto, Deputy City Clerk

Monday, July 9, 2018

10:00 AM

CITY COMMISSION CHAMBERS

Review the Aquatic Center operating budget and moving to self-funding for Health Insurance

MINUTES APPROVED AT THE 10-09-2018 MEETING.

CALL TO ORDER/ROLL CALL

The North Port City Commission Special Meeting was called to order at 1:00 p.m. in City Chambers by Mayor Carusone.

Present: Mayor Carusone, Vice-Mayor Yates; Commissioners Hanks, Luke and McDowell; City Manager Lear; City Attorney Slayton, City Clerk Adkins; Deputy City Clerk Peto and Interim Police Chief Morales.

The Pledge of Allegiance was led by the Commission.

1. APPROVAL OF AGENDA – COMMISSION

A motion was made by Commissioner Luke, seconded by Vice-Mayor Yates, to approve the Agenda as presented. The motion carried by the following vote:

Yes: 5 - Mayor Carusone, Vice-Mayor Yates, Commissioner Hanks, Commissioner McDowell and Commissioner Luke

2. PUBLIC COMMENT:

There was no public comment.

3. GENERAL BUSINESS:

A. [18-456](#) Discussion regarding fee structure and operating budget for the North Port

Aquatic Center

City Manager Lear introduced General Services Director Pfundheller and Parks & Recreation Manager Wisner, who provided a PowerPoint presentation.

Discussion ensued: (1) during the off-peak season, only two lifeguards are needed at the pool due to the anticipated drop in attendance; (2) it was stated that the City's liability insurance: [a] has a \$100,000 limit per each claim paid out of the risk fund for being self-insured; [b] after the \$100,000 has been met, excess "umbrella" coverage is purchased for coverage up to \$2 million where extreme negligence can be proven; [c] the umbrella coverage will cost \$25,000-\$30,000 annually and will begin when the facility is open to the public; [d] a similar \$30,000 for liability insurance is charged as a cost allocation to Warm Mineral Springs because it is a special revenue fund; [e] the general liability coverage includes the property damage and personal/bodily injury; [f] statutory limitations on injuries were explained; (3) a change in the proposed fees or number of days the facility is open will affect the analysis regarding the pass cost per operational day; (4) a separate daily admission for lap swims only could be developed but would only be available for access when the other recreational amenities are not open; (5) at this time there is not a reduced fee for daily admission when the recreational amenities are not operating and it was suggested to keep the fee schedule as easy as possible; (6) during the time of year when the recreational facilities are open, lap swimming is allowed only during the morning hours. Between November 1st and April 1st, only the stretch pool and lap swim area is open from when the facility is open until closing; (7) the 29-hour recreational attendants receive a pro-rated vacation time but are not eligible for health benefits; (8) rental fees and times were explained; (9) unless there is a separate agreement, the proposed hourly lane rental fees would be charged to a swim team or other private individuals and lifeguards may or may not be included in the Agreement depending in the circumstances; (10) snowbird and lap swimmer passes were suggested; (11) the estimated fiscal year calculation for projected revenue from concessions was explained including clarification that the facility will only be open less than half of Fiscal Year 2019; (12) a full year's projected revenue was anticipated to be \$670,990 and the total operating impact for a full year of operations is negative cash flow of \$541,315; (13) closing the pool on Mondays, November through April will see a \$40,460 savings and if the facility is closed all Mondays year-round the savings would be \$92,360; (14) a sponsorship program could be developed to increase revenue; (15) the high school swim/diving/water polo season schedules were provided including regional meets; (16) the scoreboard and timer are part of the furniture, fixtures and equipment in the capital part of the expenses; (17) programs for the pool area will be similar to programming agreements for the Morgan Center and is different from the rate structure; (18) staff costs for the stretch pool only is estimated at \$124.89 per hour or \$1124 per day and when the facility is full open, staff costs \$457.85 per hour; (19) the add-on staffing for recreational amenities only is estimated at \$353.27 per hour; (20) staff pay differentials were explained along with staggering of Staff hours until the needs of the community are determined; (21) information provided by other area pools did not indicate a trend regarding the best hours of operation; (22) several ways to advertise unobtrusively were suggested; (23) a letter was sent to the Sarasota County School Board and they are open to discussions regarding use of the pool; (24) Sarasota County has shifted away from interlocal agreements and managing pools and the last payment of \$150,000 funding for the North Port YMCA will be made October 1, 2018; (25) after a request, City Manager Lear will get additional information about area swimming pools, contributions etc., and forward it to the Commission; (26) an update regarding the Letter of Determination from Sarasota County pertaining to County Parks & Recreation responsibilities was provided and it was stated that the City Manager and County Administrator are meeting later this week for additional discussions; (27) the legalities of the County's actions regarding park maintenance has not been investigated; (28) some of the North Port parks meet the

criteria of being defined as regional and the classifications need to be corrected; (29) following a request to provide an update to the Commission concerning the status of an economic development grant through the Community Redevelopment Agency, clarification was provided that a Warm Mineral Springs Master Plan document is needed to submit with the grant application; (30) it was suggested to open the "resident" status for the pool to Sarasota County in exchange for a monetary contribution from the County to help with maintenance and perhaps adjust the resident/non-resident fees; (31) after it was suggested that the facility has overstaffed the lifeguards and additional research is needed to determine what other facilities do, it was explained that many of the lifeguards are placed based on line-of-sight; (32) the software system keeps track of attendance counts; (33) re-entry ability will depend on whether the facility has reached maximum capacity; (33) operating the facility to accommodate school-year breaks can be calculated in the operating costs.

PUBLIC COMMENT

Joan Morgan: the pool amenities and County contributions.

Discussion continued: (1) possible concessions will consist of hotdogs, pizza, chips, nachos, and other sundry non-food items, etc.; (2) lifeguard stands are included in the furniture, fixtures and equipment.

PUBLIC COMMENT

Joan Morgan: obtaining extra lifeguards from school-age youth.

After concern was expressed that savings will not be realized on the holidays between April and September because the report did not account for the facility being open during that time and having to pay time-and-a-half to staff, it was stated that other than July 4th, there were no holidays that would fall on a Wednesday during that time frame and school in-service meetings are usually on Friday or Monday. Staff will come back with adjustments for Spring Break for the coming years.

A motion was made by Commissioner McDowell, seconded by Commissioner Luke, to approve closing on Wednesdays all year unless it is a Holiday and or a school closing from April to Labor Day. The motion and second were withdrawn and Mayor Carusone passed the gavel to Vice-Mayor Yates.

A motion was made by Mayor Carusone, seconded by Commissioner Luke, to close the facility on Wednesdays all-year around; to make sure that the facility is open on holidays and school-recognized closings and in-service, during the times of April until September. The motion carried by the following vote:

Yes: 5 - Mayor Carusone, Vice-Mayor Yates, Commissioner Hanks, Commissioner McDowell and Commissioner Luke

After concern was expressed that savings will not be realized on the holidays between April and September because the report did not account for the facility being open during that time and having to pay time-and-a-half to staff, it was stated that other than July 4th, there were no holidays that would fall on a Wednesday during that time frame and school in-service meetings are usually on Friday or Monday.

A motion was made by Vice-Mayor Yates, seconded by Commissioner Luke, for Staff to put together a sponsorship a program for sponsorship opportunities for the facility, and memorial bricks or items at the facility. The motion carried by the following vote:

Yes: 5 - Mayor Carusone, Vice-Mayor Yates, Commissioner Hanks, Commissioner McDowell and Commissioner Luke

A motion was made by Commissioner McDowell, seconded by Vice-Mayor Yates, to change hours for the stretch pool only, from November through April to four hours on alternating days.

Vice-Mayor Yates did not support the motion due to the diversified opportunities for the pool, suggested to split the hours during the day, that alternating days would be confusing, and that any savings would not be realized.

A vote was taken and the motion failed by the following vote. Vice-Mayor Yates was the only Commissioner to provide a reason for dissenting.

No: 5 - Mayor Carusone, Vice-Mayor Yates, Commissioner Hanks, Commissioner McDowell and Commissioner Luke

A motion was made by Commissioner McDowell, seconded by Mayor Carusone, that non-resident rate to be increased by \$1.00.

Discussion ensued: (1) Commissioner McDowell did not support raising rates further and would rather see smaller increases; (2) clarification was provided that the season pass is calculated based on the daily admission fee and if that fee is changed, Staff would adjust the other fees accordingly.

A motion was made by Commissioner Hanks, seconded by Mayor Carusone, to amend the motion, to raise rates \$2.00 for non-residents. Thereafter the motion and second were withdrawn.

A motion was made by Commissioner Hanks, seconded by Mayor Carusone, to amend the motion to raise the rates \$2.00 on the daily passes for non-residents, with a proportional increase adjustment for the non-resident annual pass. The motion carried by the following vote with Commissioner McDowell dissenting for reasons provided.

Yes: 4 - Mayor Carusone, Vice-Mayor Yates, Commissioner Hanks and Commissioner Luke

No: 1 - Commissioner McDowell

A vote was taken on the main motion as amended, to amend the motion to raise the rates \$2.00 on the daily passes for non-residents, with a proportional increase adjustment for the non-resident annual pass. The motion carried by the following vote:

Yes: 5 - Mayor Carusone, Vice-Mayor Yates, Commissioner Hanks, Commissioner McDowell and Commissioner Luke

A brief discussion ensued for staff to provide additional updates and discussion ensued: (1) City Manager Lear stated that information regarding the list of regional parks, their definition, their location in the County as soon as possible, regardless of when the workshop is scheduled; (2) the process of the changing the Parks & Recreation Services Interlocal Agreement with Sarasota County was explained; (3) a copy of the Interlocal Agreement was requested.

A motion was made by Commissioner McDowell, seconded by Commissioner Luke, to direct the City Manager to schedule a workshop to discuss County taxes, park fees and what defines a regional park. The motion carried by the following vote:

Yes: 5 - Mayor Carusone, Vice-Mayor Yates, Commissioner Hanks, Commissioner McDowell and Commissioner Luke

Recess 1:08 p.m. - 1:49 p.m.

PUBLIC COMMENT:

Gid Pool: pool operation suggestions and cautions.

B. [18-457](#)**Approval of Self-Funded Program for Group Medical Insurance Renewal for Fiscal Year 2019.**

City Manager Lear and Human Resources Director McDade introduced Shawn Fleming of the Gehring Group who provided a PowerPoint presentation regarding the City's Self-funded Group Medical Coverage for Fiscal Year 2019.

Discussion ensued: (1) a value based insurance model was explained to be based on healthier results rather than appointment activity; (2) in the transition to being self-insured, the employee would see no impact regarding co-pays, using the insurance card, etc. and using network physicians; (3) being self-insured the City can override some coverages that Cigna may have otherwise not allowed; (4) the third-party costs of administering the program is streamlined and now there is very little burden on City Staff time to do more than they already do and no additional staff will be needed; (5) the contract with the Third Party Administrator (TPA) will have performance metrics and accuracy guarantees regarding claims payments and provide for an outside audit upon the City's request; (6) at this time, the current carrier takes all the risk for claims and covers the cost of any excessive amounts by internally allocating a certain level of the premiums toward those events; (7) in setting the plan rates, the City will consult actuaries who will recommend what is needed to fund the program for the upcoming year and from that recommendation, rates are revised; (8) the process of setting insurance rates was explained and the overall concern is that there is sufficient money in the fund, how it gets divided between City and employee is a Commission decision; (10) Client Specific Networks puts specific providers in a network that weren't there already, so if a primary care physician no longer accepted Cigna, this plan can override that, include him in the network and then reimburse him the same as if he accepted Cigna; (11) the Onsite/Near site clinics means that if the City chose to do that; (12) the options of Client Specific Networks, Onsite/Near site Clinics, Direct Primary Care opportunities, etc., are available but are not built in the proposals; (13) Charlotte County's clinic was explained; (14) details were provided regarding what it means to be fully insured, the regulated appeal process when a claim is denied and the ability of the City to override a denial; (15) when there is a benefit change in a procedure that has not been covered previously, the Third Party Administrator will typically pull all claims for a set time period and reprocess those claims; (16) the City's annual cost for Cigna to be the Third Party Administrator (TPA) was estimated at \$231,222 and the City's annual cost for the Reinsurance [Specific Stop Loss and Aggregate Stop Loss] was estimated at \$735,090; (17) in addition to the last two figures, the only other pay-out the City will be making is for claims as they come in; (18) the maximum annual claims are anticipated to be \$6.5 million but the actual expected amount is only \$5.2 million; (19) the total maximum cost added to the \$6.5 million plus the \$966,312 equals approximately \$7.5 million; (20) if the City considers reducing the deductible, a calculation would be needed based on utilization to determine how that will impact the plan as a whole, then the Commission can make a decision; (21) based on discussions, it was proposed that the City absorb the 10% increase and not split it 50/50 between employer and employee; (22) today's presentation was purely the medical side of insurance coverage; (23) Staff had discussions with the Epiphany Group regarding on-site clinic; (24) pros for moving to self-insurance are the customization, lower costs for claims and the cons included added risk for the potential total maximum annual cost for the catastrophic event; (25) the process was explained of how to move from fully insured to self-insured at the end of the fiscal year; (26) if the City contributes anything above what the audit reviews that will make things easier down the road; (27) the advantage of being self-insured is the ability to build reserves with the

assumption that the City will pay out less than the suggested \$6.5 million in claims costs (28) the \$6.5 million needed to fund the insurance is within the amount budgeted for the next fiscal year and includes an anticipated 10% increase from last year; (29) there is no requirement to follow any set formula for premiums, the only obligation at the end of the year is that the actuary attests to the soundness of the plan; (30) confirmation was provided that the dental, vision and life insurances are separate arrangements and at this time the premiums have not changed; (31) direction was requested from the Commission so that the budget and the Open Enrollment books can be prepared; (32) after concern was expressed that the program might become unsustainable because it is underfunded, it was stated that \$550,000 is collected monthly and if the fund dipped into negative figures, it would be replenished the next month with another \$550,000.

A motion was made by Commissioner Hanks, seconded by Commissioner Luke, to approve the Self-Funded Program for renewal from Group Medical Insurance for Fiscal Year 2019. The motion carried by the following vote:

Yes: 5 - Mayor Carusone, Vice-Mayor Yates, Commissioner Hanks, Commissioner McDowell and Commissioner Luke

Discussion ensued: (1) Staff has begun exploring options regarding an onsite clinic but the step of being self-insured was needed first; (2) it was suggested that different options are needed to know how the 10% increase in insurance can be divided 50/50 between the City and the employees or if the Commission wants to absorb the whole 10%; (3) clarification was provided that a 10% increase is needed to keep the fund actuarially and fiscally sound and it helps build the reserves.

A motion was made by Vice-Mayor Yates, seconded by Commissioner Luke, to direct Staff to present the insurance coverage, splitting the projected increase 5% from the City and 5% from the employees.

Thereafter, the motion and second were withdrawn.

A motion was made by Vice-Mayor Yates, seconded by Commissioner McDowell, to have the City Manager provide the information during the budget workshops regarding the projected actuarial increases and changes in the premium for the health insurance. The motion carried by the following vote.

Yes: 5 - Mayor Carusone, Vice-Mayor Yates, Commissioner Hanks, Commissioner McDowell and Commissioner Luke

4. PUBLIC COMMENT:

There was no public comment.

5. COMMISSION COMMUNICATIONS:

There were no Commission communications.

6. ADMINISTRATIVE AND LEGAL REPORTS:

There were no Administrative or Legal reports.

7. ADJOURNMENT:

Mayor Carusone adjourned the North Port City Commission Special Meeting at 4:09 p.m.

City of North Port, Florida

By: _____
Vanessa Carusone, Mayor

Attest: _____
Kathryn Peto, Interim City Clerk

Minutes approved at the City Commission Regular Meeting this ____ day of _____, 2018.