

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas met in work session at 6:30 p.m. at the Bedford Public Library in the Bonnie Finn Room, 1805 L. Don Dodson on the 21st day of July 2009 with the following members present:

Jim Story	Mayor
Roy Turner	Mayor Pro Tem
Chris Brown	Council Members
Ray Champney	
Roger Fisher	
Lori Nail	
Roy Savage	

Constituting a quorum.

Staff present included:

Beverly Queen	City Manager
Steve Johnson	Deputy City Manager
David Flory	Police Chief
Shanae Jennings	City Secretary
Jill McAdams	Director of Human Resources
Maria Redburn	Library Manager
Tom Ross	Director of Administrative Services
Bill Shelton	Public Works Superintendent
Mirenda McQuagge-Walden	Communications/Special Projects Manager

CALL TO ORDER

Mayor Story called the work session to order at 6:29 p.m.

WORK SESSION

- 1. Review and discuss FY 2009-2010 budget issues, including but not limited to the following items:**
 - Revenue Projections
 - Utility Rates
 - Capital Improvement Projects
 - Non-Operating Funds
 - Employee Retirement Plan/TMRS
 - Employee Health Insurance
 - Retiree Healthcare

City Manager Beverly Queen provided Council with a brief overview of items that will be discussed

tonight.

Council's budget work session will be held at the LEC beginning at 9:00 a.m. on Friday, August 7, 2009. Budget and tax rates will be adopted at the Council's September 8, 2009 meeting.

Revenue Projections:

This year the Council can expect to see a decrease of almost \$700,000 in Revenue. There will be no increase in property tax revenue but the tax rate will likely rise due to anticipated reduction in property values and sales tax collections. The full handout regarding revenue projections can be requested in the City Secretary's Office.

Utility Rates:

There is a rate study in progress. In the near future there will likely be a proposal for replenishing the water fund.

Capital Improvement Projects:

There will be minimal funding for the new Library since it does not open until next summer.

Non-Operating Funds:

Director of Administrative Services Tom Ross discussed various Non-Operating Funds that will be utilized within the next budget year. Items which come out of this fund include computer replacement, aquatic maintenance, facilities maintenance and equipment replacement. This handout can be requested in the City Secretary Office.

Employee Retirement Plan/TMRS:

Since Council last met with staff, the staff has conducted informational meetings with all employees as requested by Council. Precisely 328 out of 340 employees attended these meetings and those employees have voted on their preference for a retirement system. 302 out of 340 employees preferred to move to the TMRS/ICMA hybrid program at a 5% employee contribution rate with 2:1 matching funds upon retirement, while 4% will still be contributed to ICMA until all ICMA outstanding loans are paid off. This transition to TMRS includes 20% prior service credit and remains cost neutral to the City. Council directed staff to begin implementation of TMRS and fold it into the budget process for 2009-2010.

Employee Health Insurance:

Benefit plans up for renewal are life and disability, dental and health. The City received four bids for life and disability. The Insurance Committee selected Hartford for the life and disability insurance plan. The City received six bids for dental insurance. The Insurance Committee selected MetLife for the dental plan. This dental plan will provide a dual option plan for employees. The City received four bids for health insurance. The Insurance Committee selected to stay with CIGNA but suggested a modified plan to benefits in order to reduce premium costs to the City. Modifications include: Coinsurance being changed from a 90/70 to an 80/60, a maximum lifetime benefit decrease from 5 million coverage to 2 million coverage and preventative care changing from 100% to \$1,000 to 100% to \$500. This handout can be requested in the City Secretary Office.

An update for the Employee Health Clinic was provided to Council. The third party administrator group that was set to provide the office space for the clinic facility as well as purchase a certain number of hours for the City of Bedford to use for their benefit has withdrawn their offer. Unfortunately, the third party felt the poor economy was hindering their ability to partner with the City of Bedford and CareHere. The City is attempting to go to an existing provider that already has office space to see what it would take for them to provide clinic services to the City; therefore, the City is still working on alternate options.

Retiree Healthcare:

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The City is looking at doing the following: 1) Establishing a defined contribution retiree health plan; 2) revising the City's current retiree health policy to provide for retiree health savings accounts for employees with more than 10 years service but less than 20 years service; 3) grandfather current employees with over 20 years service, or who are 60 with at least 10 years of service into the City's existing plan; 4) establish an OPEB Trust for the qualifying grandfathered employees; and 5) fund the trust with sufficient funds to pay for the annual cost to the City for the next year which will be approximately \$20,000.

ADJOURNMENT

Mayor Story adjourned the meeting at 8:50 p.m.

Jim Story, Mayor

ATTEST:

Shanae Jennings, City Secretary