CITY OF HOLLY HILL, FLORIDA

CITY COMMISSION

MINUTES ● MAY 17, 2016

City Commission Chamber	Special Meeting	6:00 PM

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448

1. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Arthur J. Byrnes	District 1 - Commissioner	Present	
Penny Currie	District 2 - Commissioner	Present	
John F. Capers	District 3 - Commissioner	Present	
Elizabeth Albert	District 4 - Commissioner	Present	
John Penny	Mayor	Present	

2. HEALTH BENEFITS UPDATES

1.

Health Benefits Update with Brown & Brown

(Requested by Diane Cole, Human Resources)
Jessica Scott, Vice-President Employee Benefits Division with Brown & Brown, Inc., and Brandon Savage with Risk Management from Brown & Brown, Inc., was present this evening to show a PowerPoint presentation to the Mayor and Commissioners regarding the 2016-2017 Benefits Review and Utilization Summary. Ms. Scott went through the PowerPoint presentation and informed the Mayor and Commissioners that the letter "G" in the plans stands for "grandfathered". The following information was discussed:

Executive Summary

- The City of Holly Hill offers three plans through Florida Health Care Plans (FHCP), consisting of the following:
- HMO (G23)
- HMO (G66)
- H.S.A. Plan (G95)
- Includes a contribution to members' Health Savings Accounts (H.S.A.).

- The richest HMO Option (G23) has been a heavily enrolled/utilized plan historically and continues to heavily impact overall plan experience.
- Plan experience for the most recent 12 months is included in total, and separated by plan option to highlight utilization by plan.

- Alternative plan options are included from FHCP as a way to encourage appropriate plan use and to align with current coverage standards.

- Benchmarking is provided as a line of sight to other local government plan options and coverage level standards.

Plan Utilization Overview - Monthly Experience - All Plans Combined

Plan Year	Month	Total Subscribers	Total Members	Capitation & Clinic	Inpatient Paid	Outpatient Paid	Professional	Pharmacy & Supplies	Other	Total Combined	Paid Premium
2015	April	104	156	$16,085	$0	$17,804	$9,623	$6,100	$80	$49,692	$75,263
2015	May	104	158	$8,619	$0	$18,618	$12,108	$6,837	$1,154	$47,336	$75,286
2015	June	104	155	$13,682	$0	$17,690	$12,003	$6,423	$707	$50,505	$75,057
2015	July	102	153	$13,615	$0	$25,914	$9,149	$6,231	$2,081	$56,990	$73,725
2015	August	104	155	$10,510	$0	$8,634	$9,619	$6,543	$276	$35,582	$74,897
2015	September	103	148	$13,868	$0	$5,980	$8,871	$7,683	$116	$36,518	$73,499
2015	October	102	147	$14,955	$10,011	$21,057	$11,427	$5,675	$71	$63,196	$82,206
2015	November	106	152	$15,253	$29,118	$20,147	$19,255	$6,353	$95	$90,221	$85,368
2015	December	108	157	$14,620	$6,657	$10,866	$13,155	$4,645	$182	$50,125	$86,254
2016	January	107	157	$14,882	$0	$15,890	$7,824	$6,670	$489	$45,755	$84,911
2016	February	107	157	$12,990	$0	$19,850	$7,869	$6,513	$404	$47,626	$86,106
2016	March	108	158	$13,535	$5,823	$13,044	$12,160	$5,131	$1,012	$50,705	$86,457
Totals				$162,614	$51,609	$195,494	$133,063	$74,804	$6,667	$624,251	$959,029
											65%

Monthly Experience - HMO Plan G23

Plan Year	Month	Total Subscribers	Total Members	Capitation & Clinic	Inpatient Paid	Outpatient Paid	Professional	Pharmacy & Supplies	Other	Total Combined	Paid Premium
2015	April	39	64	$9,369	$0	$13,554	$7,445	$3,849	$80	$34,297	$33,407
2015	May	40	64	$4,580	$0	$18,618	$10,957	$5,116	$1,143	$40,414	$33,600
2015	June	40	64	$9,782	$0	$6,074	$8,246	$3,860	$707	$28,669	$33,600
2015	July	38	62	$7,926	$0	$12,441	$5,524	$4,961	$2,081	$32,933	$32,268
2015	August	38	62	$6,029	$0	$6,030	$5,933	$5,233	$276	$23,501	$32,268
2015	September	37	55	$9,134	$0	$4,803	$6,020	$5,590	$116	$25,663	$30,870
2015	October	34	50	$7,737	$0	$15,161	$2,284	$3,438	$11	$28,631	$31,964
2015	November	34	50	$6,545	$0	$14,386	$15,013	$4,627	$78	$40,649	$31,964
2015	December	34	50	$6,853	$1,123	$10,193	$6,361	$3,184	$68	$27,782	$31,964
2016	January	34	50	$6,239	$0	$4,481	$3,972	$4,114	$100	$18,906	$31,964
2016	February	33	49	$6,833	$0	$7,294	$2,147	$5,050	$389	$21,713	$31,202
2016	March	33	49	$5,838	$0	$11,338	$4,237	$2,577	$32	$24,022	$31,202
Totals				$86,865	$1,123	$124,373	$78,139	$51,599	$5,081	$347,180	$386,273
Loss Ratio											90%

Monthly Experience - HMO Plan G66

Plan Year	Month	Total Subscribers	Total Members	Capitation & Clinic	Inpatient Paid	Outpatient Paid	Professional	Pharmacy & Supplies	Other	Total Combined	Paid Premium
2015	April	55	72	$6,398	$0	$4,250	$2,178	$2,163	$0	$14,989	$35,583
2015	May	54	74	$3,445	$0	$0	$736	$1,639	$11	$5,831	$35,413
2015	June	54	71	$3,671	$0	$11,351	$3,681	$2,500	$0	$21,203	$35,184
2015	July	54	71	$5,354	$0	$13,473	$3,625	$1,148	$0	$23,600	$35,184
2015	August	56	73	$4,308	$0	$1,634	$3,686	$1,226	$0	$10,854	$36,356
2015	September	56	73	$2,894	$0	$1,177	$2,851	$1,970	$0	$8,892	$36,356
2015	October	58	77	$6,857	$10,011	$5,896	$9,143	$2,188	$60	$34,155	$43,969
2015	November	62	82	$8,222	$29,118	$5,761	$4,242	$1,656	$17	$49,016	$47,131
2015	December	62	82	$7,312	$5,534	$673	$6,596	$1,415	$114	$21,644	$47,131
2016	January	60	80	$7,713	$0	$11,409	$3,852	$2,540	$389	$25,903	$45,788
2016	February	60	80	$4,503	$0	$12,556	$5,597	$1,332	$15	$24,003	$45,788
2016	March	60	79	$6,750	$5,823	$1,706	$7,501	$2,408	$980	$25,168	$45,311
Totals				$67,427	$50,486	$69,886	$53,688	$22,185	$1,586	$265,258	$489,194
Loss Ratio											54%

Monthly Experience - H.S.A. Plan G95

Plan Year	Month	Total Subscribers	Total Members	Capitation & Clinic	Inpatient Paid	Outpatient Paid	Professional	Pharmacy & Supplies	Other	Total Combined	Paid Premium
2015	April	10	20	$318	$0	$0	$0	$88	$0	$406	$6,273
2015	May	10	20	$594	$0	$0	$415	$82	$0	$1,091	$6,273
2015	June	10	20	$229	$0	$265	$76	$63	$0	$633	$6,273
2015	July	10	20	$335	$0	$0	$0	$122	$0	$457	$6,273
2015	August	10	20	$173	$0	$970	$0	$84	$0	$1,227	$6,273
2015	September	10	20	$1,840	$0	$0	$0	$123	$0	$1,963	$6,273
2015	October	10	20	$361	$0	$0	$0	$49	$0	$410	$6,273
2015	November	10	20	$486	$0	$0	$0	$70	$0	$556	$6,273
2015	December	12	25	$455	$0	$0	$198	$46	$0	$699	$7,159
2016	January	13	27	$930	$0	$0	$0	$16	$0	$946	$7,159
2016	February	14	28	$1,654	$0	$0	$125	$131	$0	$1,910	$9,116
2016	March	15	30	$947	$0	$0	$422	$146	$0	$1,515	$9,944
Totals				$8,322	$0	$1,235	$1,236	$1,020	$0	$11,813	$83,562
											14%

Current & Prior 12 Months - High Cost Conditions (>$50,000 in paid claims)

Reporting Summary	Current Plan Year
Dates Included	April 1, 2015 - March 31, 2016

Claimant #	Primary Diagnosis	Relationship to Employee	Total Paid Claims (Medical & Rx)
1	End Stage Renal Disease (ESRD)	Employee	$84,879

Reporting Summary	Prior Plan Year
Reporting Basis	April 1, 2014 - March 31, 2015

Claimant #	Primary Diagnosis	Relationship to Employee	Total Paid Claims (Medical & Rx)
1	Coronary Atherosclerosis of Native Coronary Artery	Employee	$120,621
2	Radiotherapy	Spouse	$118,901
3	End Stage Renal Disease (ESRD)	Employee	$66,939

Key Plan Performance Indicators

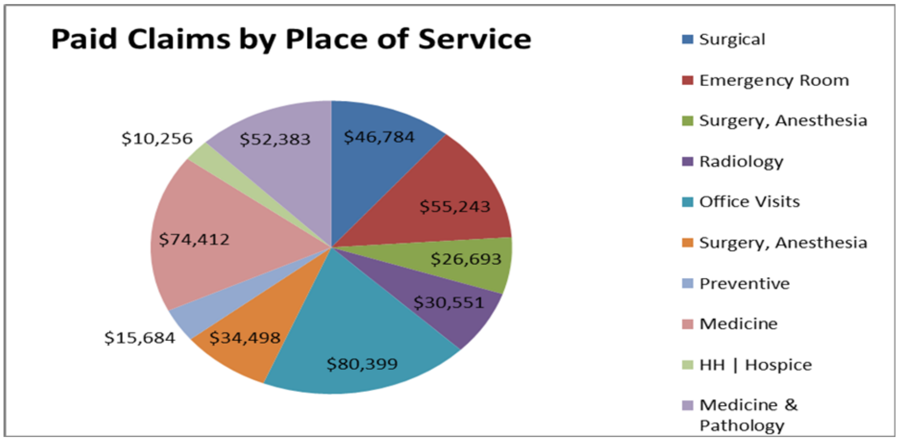
Summary Cost Per Employe / Member	April 1, 2015 - March 31, 2016	Δ from Prior Period	April 1, 2014 - March 31, 2015
Per Employee Per Year Payments	$5,950	($1,506)	$7,456
Per Member Per Year Payments	$4,044	($909)	$4,952
Average Employees Enrolled	105	0%	105
Average Members Enrolled (inc. dependents)	154	-2%	157

Summary of Payments by Place of Service	Total Charges	Per Member Per Month	Δ in Total Charges	Total Charges	Per Member Per Month
Inpatient Facility	$51,609	$28	($124,010)	$175,619	$93
Outpatient Facility	$195,495	$106	($40,110)	$235,605	$125
Professional	$272,748	$147	$15,656	$257,092	$136
Capitation	$22,933	$12	($2,559)	$25,492	$14
Other (DME, Injectables, Ambulance, etc.)	$6,666	$4	$227	$6,439	$3
Pharmacy	$74,806	40.38	($4,115)	$78,921	$42

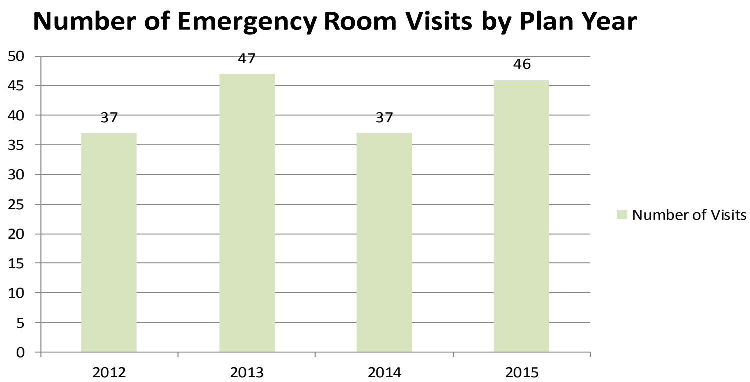
Utilization by Place of Service

Utilization Period	March 1, 2015 - Feburary 29, 2016			
Provider Service Type	Subcategory	Paid Claims	Visits	Cost per Visit
Hospital Outpatient	Surgical	$46,784	14	$3,342
Hospital Outpatient	Emergency Room	$55,243	44	$1,256
Professional | Institutional	Surgery, Anesthesia	$26,693	53	$504
Professional | Office	Radiology	$30,551	68	$449
Professional | Office	Office Visits	$80,399	266	$302
Professional | Office	Surgery, Anesthesia	$34,498	116	$297
Professional | Office	Preventive	$15,684	60	$261
Hospital Outpatient	Medicine	$74,412	355	$210
Hospital Outpatient	HH | Hospice	$10,256	71	$144
Professional | Office	Medicine & Pathology	$52,383	1549	$34

Opportunity for improvement in line item for paid claims $15,684 and 60 visits



Emergency Room Utilization



Emergency Room (ER) visits increased in 2015 to 46 visits (24% increase) in comparison to 2014 (46 visits in 2015 vs 37 visits in 2014), which raises concerns over potential misuse of the emergency room, when a more suitable / accessible option is appropriate (urgent or convenience care).

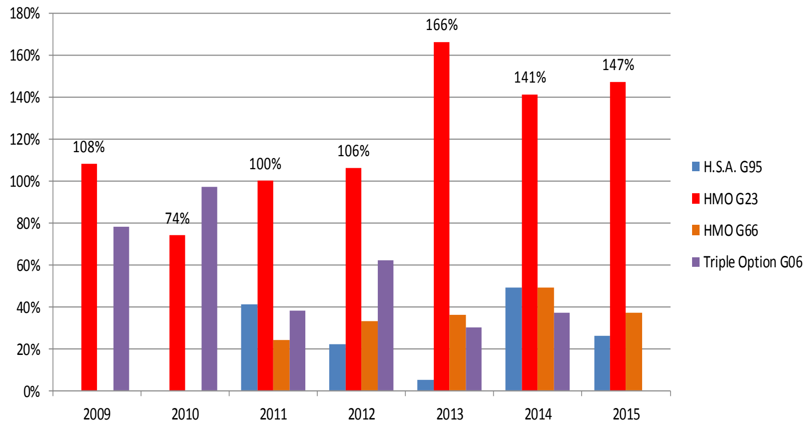
Highest Cost Utilized Medications

Utilization Period	October 1, 2015 - Feburary 29, 2016 (YTD)				
Ranking by Spend	Drug Name	Paid Claims	Associated Condition	# of Scripts	Cost per Script
1	Renvela	$3,027	Kidney Dialysis	2	$1,513
2	Novolin	$2,016	Diabetes	4	$504
3	Victoza	$1,961	Diabetes	4	$490
4	Levemir	$1,619	Diabetes	7	$231
5	Amitiza	$1,478	Laxative	2	$739
6	Lyrica	$1,326	Fibromyalgia	3	$442
7	Atrovent	$1,157	Bronchodilator	5	$231
8	Aripiprazole	$917	Antisychotic / Depression / Autism	6	$153
9	Bydureon	$847	Diabetes	2	$424
10	Omeprazole	$736	Proton Pump Inhibitor (PPI)	24	$31

Utilization Period	October 1, 2014 - September 30, 2015				
Ranking by Spend	Drug Name	Paid Claims	Associated Condition	# of Scripts	Cost per Script
1	Novolin	$6,730	Diabetes	15	$449
2	Bydureon	$5,256	Diabetes	14	$375
3	Humalog	$4,126	Diabetes	12	$344
4	Victoza	$2,966	Diabetes	6	$494
5	Amitiza	$2,877	Laxative	12	$240
6	Tanzeum	$2,819	Diabetes	10	$282
7	Atrovent	$2,739	Bronchodilator	9	$304
8	Renvela	$2,713	Kidney Dialysis	3	$904
9	Levemir	$2,132	Diabetes	10	$213
10	Dulera	$1,611	Bronchodilator	9	$179

Diabetes is a chronic condition that is highly prevalent at the City of Holly Hill - continued emphasis and education for membership on prevention and adherence to a treatment regimen is highly recommended.

Historical Plan Performance - Historical Loss Ratio by Plan



	Current Plans			Terminated Option
Plan Year	H.S.A. G95	HMO G23	HMO G66	Triple Option G06
2009	n/a	108%	n/a	78%
2010	n/a	74%	n/a	97%
2011	41%	100%	24%	38%
2012	22%	106%	33%	62%
2013	5%	166%	36%	30%
2014	49%	141%	49%	37%
2015	26%	147%	37%	n/a
Average	29%	120%	36%	57%

Current & Alternate Plan Design Options - H.S.A. G95 Plan

	Current | Expiring	Alternate	Benchmark - Government
Plan Name	HDHP H.S.A. G95	LG HDHP POS T95	
Plan Type	HDHP w/ Health Savings Account	HDHP w/Health Savings Account	30% offer a CDHP alongside other options
H.S.A. Seed	$1,894 Annually	TBD	72% of Employers Contribute Median Seed: $500 Single | $1,200 Family
Plan Details	*Network*	*Network*	
Plan Deductible	$1,300 Single | $2,600 Family	$1,300 Single | $2,600 Family	$1,500 Single | $3,000 Family
Embedded Deductible:	No	No	
Calendar or Policy Year:	Calendar	Calendar	
Coinsurance:	20%	20%	Median: 20% Coinsurance
Maximum Out-of-Pocket:	$3,000 Single | $6,000 Family	$3,000 Single | $6,000 Family	$3,000 Single | $6,000 Family
(Includes Deductible, Copay, Rx)	Yes, Yes, Yes	Yes, Yes, Yes	
Physician Services			
Workforce Wellness Provider:	$5	$5	
Office Visit Copay:	Deductible + Coinsurance	Deductible + Coinsurance	
Specialist Copay:	Deductible + Coinsurance	Deductible + Coinsurance	
Chiropractic Copay:	Deductible + Coinsurance	Deductible + Coinsurance	
Hospital | Emergency Services			
Inpatient Hospital Per Admission Copay:	Deductible + Coinsurance	Deductible + Coinsurance	
Emergency Room Copay:	Deductible + Coinsurance	Deductible + Coinsurance	
Urgent Care Copay:	Deductible + Coinsurance	Deductible + Coinsurance	
Workforce Wellness Provider:	$5	$5	
All Other Urgent Care Locations	Deductible + Coinsurance	Deductible + Coinsurance	
Outpatient Surgical Facility Copay:	Deductible + Coinsurance	Deductible + Coinsurance	
Ambulatory Surgery Center:	Deductible + Coinsurance	Deductible + Coinsurance	
Diagnostic Services			
Lab, X-Ray & Diagnostics Outpatient:	Deductible + Coinsurance	Deductible + Coinsurance	
Lab, X-Ray & Major Diagnostics Outpatient:	Deductible + Coinsurance	Deductible + Coinsurance	
Prescription Drug			
Deductible:	Calendar Year Deductible	Calendar Year Deductible	
Tier 1:	$3	$0 (Ded Waived) / $3	
Tier 2:	$10	$10 / $15 (Walgreens)	Median: $10 Copay
Tier 3:	$30	$30 / $35 (Walgreens)	Median: $25 Copay
Tier 4:	$55	$55 / $60 (Walgreens)	Median: $45 Copay
Tier 5:	$100	$125 (Specialty)	Median: $105 Copay
Mail Order Prescription:	$6/$27/$87/$162 (3 mth Supply)	$0/$6/$27/$87/$162 (3 mth Supply)	Median: $20 / $60 / $100 Copay

Notes

Alternative proposed plans with changes are highlighted in red (less rich) or green (richer) text.

Benchmark Notes

Highlights a benefit less rich than benchmark.

Highlights a benefit richer than benchmark.

Current & Alternate Plan Design Options - HMO G23 Plan

	Current | Expiring	Alternate	Benchmark - Government
Plan Name	Premium HMO G23	LG HMO T28-MOD	
Plan Type	HMO	HMO	33% offer at least one HMO
Plan Details	*Network Only*	*Network Only*	
Deductible:	$0	$0 ($0 Family)	39% Require Plan Deductible
Embedded Deductible:	N/A	N/A	
Calendar or Policy Year:	Calendar	Calendar	
Coinsurance:	n/a	n/a	
Maximum Out-of-Pocket:	$1,500 Single | $3,000 Family	$2,000 ($4,000 Family)	
(Includes Deductible):	n/a	Yes	
(Includes Copay):	Yes	Yes	
(Includes Rx):	No	Yes	
Physician Copay			
Workforce Wellness Providers	$5	$5	Median: $20 Copay
Office Visit Copay:	$10	$20	Median: $20 Copay
Specialist Copay:	$20	$35	Median: $30 Copay
Chiropractic Copay:	$10	$15	
Hospital / Emergency Services			
Inpatient Hospital Per Admission Copay:	$200	$250 / Day (Days 1-5)	Median: $250 Deductible
Emergency Room Copay:	$75	$200	Median: $100 Copay
Urgent Care Copay:			
Workforce Wellness Copay:	$5	$5	
All Other Urgent Care Providers:	$25	$75	
Outpatient Surgical Facility Copay:	$0	$200	61% Req. Copay|Median: $125 Copay
Ambulatory Surgery Center:	$0	$200	
Diagnostic Services			
Lab, X-Ray & Diagnostics Outpatient:	$0	$0	
Lab, X-Ray & Major Diagnostics Outpatient	$0	$25	
Preventive Adult Wellness	100% Covered	100% Covered	
Prescription Drug Deductible:	n/a	n/a	
Tier 1:	$3	$0 (Preventive) /$3	
Tier 2:	$10 ($15 Walgreens)	$10 / $15 (Walgreens)	Median: $10 Copay
Tier 3:	$30 ($35 Walgreens)	$30 / $35 (Walgreens)	Median: $25 Copay
Tier 4:	$55 ($60 Walgreens)	$55 / $60 (Walgreens)	Median: $45 Copay
Tier 5:	$100	$125 (Specialty)	Median: $105 Copay
Mail Order Prescription:	$6/$27/$87/$162 (3 mth Supply)	$0/$6/$27/$87/$162 (3 mth Supply)	Median: $20 / $60 / $100 Copay

Notes

Out of Network Benefits not offered with the exception of Emergency Room Services.

Alternative proposed plans with changes are highlighted in red text.

Benchmark Notes

Highlights a benefit less rich than benchmark.

Highlights a benefit richer than benchmark.

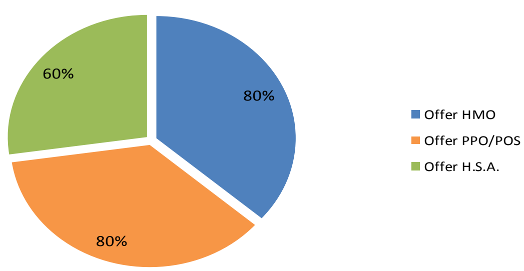
Current & Alternate Plan Design Options - HMO G66 Plan

	Current | Expiring	Alternate	Benchmark - Government
Plan Name	Balance HMO G66	LG HMO T39	
Plan Type	HMO	HMO	
Plan Details	***Network Only***	***Network Only***	
Deductible:	$250 Single | $750 Family	$250 ($500 Family)	39% Require Plan Deductible
Embedded Deductible:	Yes	Yes	
Calendar or Policy Year:	Calendar	Calendar	
Coinsurance:	10%	10%	
Maximum Out-of-Pocket:	$2,000 Single | $4,000 Family	$3,500 ($7,000 Family)	
(Includes Deductible):	Yes	Yes	
(Includes Copay):	Yes	Yes	
(Includes Rx):	No	Yes	
Physician Copay			
Workforce Wellness Provider Copay	$5	$5	Median: $20 Copay
Office Visit Copay:	$20	$20	Median: $20 Copay
Specialist Copay:	$35	$40	Median: $30 Copay
Chiropractic Copay:	$20	$20	
Hospital / Emergency Services			
Inpatient Hospital Per Admission Copay:	Deductible + Coinsurance	Deductible + Coinsurance	Median: $250 Deductible
Emergency Room Copay:	$100	$350	Median: $100 Copay
Urgent Care Copay			
Workforce Wellness Locations	$5	$5	
Non-Workforce Wellness Locations	$50	$100	
Outpatient Surgical Facility Copay	Deductible + Coinsurance	Deductible + Coinsurance	61% Req. Copay| Median: $125 Copay
Ambulatory Surgery Center	Deductible + Coinsurance	Deductible + Coinsurance	
Diagnostic Services			
Lab, X-Ray & Diagnostics Outpatient	$0 (Lab), $35 (X-Ray)	$0 (Lab), Deductible + Coinsurance (X-Ray)	
Preventive Adult Wellness			
Prescription Drugs			
Deductible:	n/a	n/a	
Tier 1:	$3	$0 (Preventive) /$3	
Tier 2:	$10 ($15 Walgreens)	$10 / $15 (Walgreens)	Median: $10 Copay
Tier 3:	$30 ($35 Walgreens)	$30 / $35 (Walgreens)	Median: $25 Copay
Tier 4:	$55 ($60 Walgreens)	$55 / $60 (Walgreens)	Median: $45 Copay
Tier 5:	$100	$125 (Specialty)	Median: $105 Copay
Mail Order Prescription:	$6/$27/$87/$162 (3 mth Supply)	$0/$6/$27/$87/$162 (3 mth Supply)	Median: $20 / $60 / $100 Copay

Notes
Out of Network Benefits not offered with the exception of Emergency Room Services.
Alternative plans with changes are highlighted in red (downgrade) or green text (enhancement).

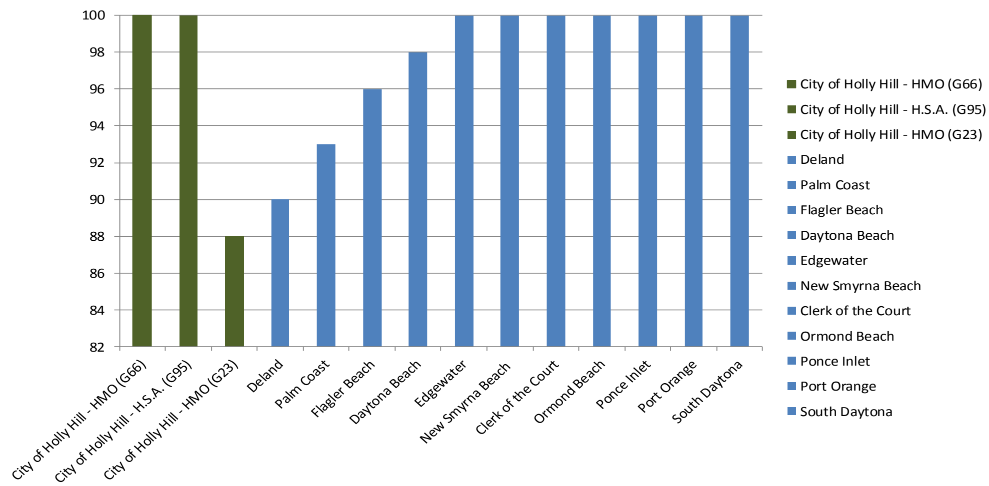
Benchmark Notes
Highlights a benefit less rich than benchmark.
Highlights a benefit richer than benchmark.

Local Benchmarks - Plan Type Offered by Entity (%)

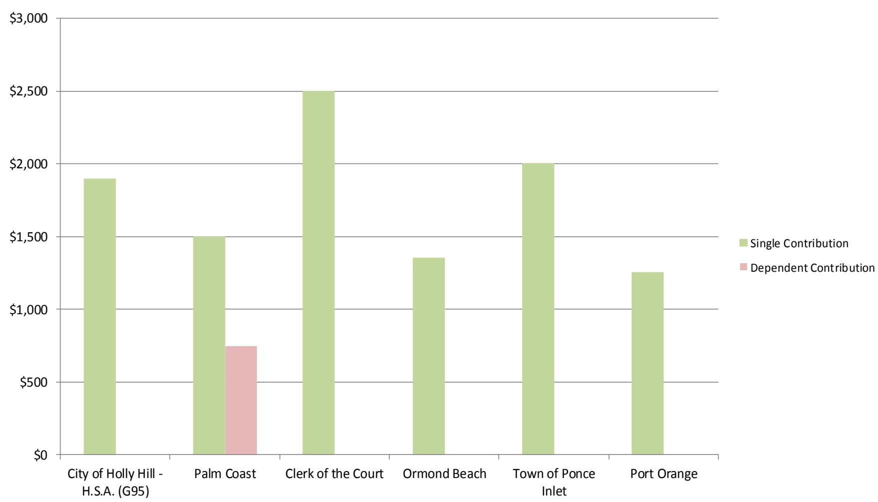


Government Entity	Offer HMO	Offer PPO/POS	Offer H.S.A.
Holly Hill	Yes	No	Yes
Daytona Beach	Yes	Yes	Yes
Deland	Yes	Yes	No
Palm Coast	No	Yes	Yes
Edgewater	Yes	Yes	No
Flagler Beach	Yes	Yes	No
New Smyrna Beach	Yes	Yes	No
Volusia County Clerk of the Court	Yes	Yes	Yes
Ormond Beach	No	Yes	Yes
Town of Ponce Inlet	Yes	No	Yes
Local Government Entities that Offer	8	8	6
Total Entities	10	10	10

Local Benchmark - Employer Contribution for Single Coverage (%)



Local Benchmark - Contribution to Health Savings Account ($)



Mr. Forte stated the Mayor and Commissioners have to start thinking about plan modification, behavior modification otherwise, the city is going to run into a problem with healthcare. Healthcare is going to be their number one burden as an organization.

Mayor Penny stated he thinks its only prudent that they research the options, the money is going to make the decision for them, probably.

Mr. Forte stated they have a very short window and he needs to get some direction from them as to whether or not they want him to consider the alternate plans that they have on here.

Mayor Penny stated he thinks its less prudent if they don't consider it. If they don't consider it, they are going to keep getting what they got. They are going to be stuck to that rate increase, whatever it is.

Mr. Forte asked Ms. Scott if she has the city's proposed rate increase for this year?

Ms. Scott stated, yes. It's 5%.

Mayor Penny asked, 5% of what? That's the number.

Mr. Forte stated this year, the city's premium rate increase is 5% and its primarily because some big ticket claims are falling off their claims history. Historically, the city has averaged about 11% increase over time. He can almost assure them that next year they are going to see double digit increases in their insurance premiums. That's what is going to happen so they have to prepare for those future rate increases now.

Mayor Penny stated he knows that some of these changes seem drastic to some of you but five years from now the plan is going to look nothing like this. Its going to be a $10,000 deductible, its only going to be catastrophic and you will plug with some supplemental policy to help with the deductible.

Commissioner Albert stated nobody has a crystal ball and nobody knows what is going to happen. She doesn't think they need to make a knee-jerk reaction to something that they don't know is going to occur. She is not interested in being the pill police. She thinks they should offer opportunities to have healthier lifestyles but she's not interested in tracking that. She doesn't think that's their position as a legislative body. She understands they have to look at the numbers and they have to look at making hard decisions based on revenue but she thinks they are getting into the slippery slope there.

Mr. Forte stated in this case they are not serving the roll as the legislative body. The legislative body makes decisions for the general public. In this case, they are the Board of Directors who are providing a benefit to its employees and they have to manage that benefit. There's a difference. A knee-jerk reaction is coming in with a proposal by putting everybody on the high deductible plan. He's not knee-jerk reacting. He's making them aware of potential cost increases, almost guaranteed cost increases, and how they can start to make some gradual changes in behavior and plan modification in order that doesn't have an affect on their budget. A huge affect on their budget. Mr. Forte stated he will ask about including medications into the plan, its the plans provider decision to make that call, not the city's. The city will inquire about that, absolutely. Mr. Forte stated knowing what they know tonight, moving into next year's budget, health insurance premiums will increase 5% and while that's a good number, its going to go up next year and if they don't start to get ahead of it, its like all the other benefits, its like pension benefits, if they don't start watching what's happening with them down the road its going to cost them more and although they are all sitting here concerned about today, they should be more concerned about the future. He needs to get some kind of direction on where they want to go. He's thinking if they can tweak these plans a little bit, they might get it down to a zero rate increase from Florida Health Care.

Commissioner Albert asked Mr. Forte what is his idea on tweaking.

Mr. Forte stated consider the alternative approach.

Mayor Penny stated he thinks it only makes sense to pursue it right now. They don't have to take it but they need the costs.

Mr. Forte stated staff and Ms. Scott can do that and then come back to the Commission closer to budget and see if they want to go with column A current plan or column B alternative plan maybe a zero percent increase.

Mayor Penny stated he thinks that's the wisest decision they can make tonight.

Commissioner Capers stated its the only decision they can make tonight.

Mayor Penny stated to make any other decision tonight is not practical.

Commissioner Albert stated, correct.

Mr. Forte stated they're in a good spot because the increase is only at 5%. The city is in a good position but don't take it for granted that its going to last, its not and while they gave pay increases, keep that in mind, all those compound and those rate increases compound year after year. Its not just a one-time expense. Mr. Forte stated they will work on putting the prescription plan on the high deductible plan, they will look at lowering the G23 plan emergency visits from $350 down to $250 and then as they get closer to their budget presentations, staff will give them option A as going with the current plans with whatever that rate is, or go with option B alternative plans and see what that rate is based on those two options.

3. MID-YEAR BUDGET REVIEW

1.

Mid Year Budget Review

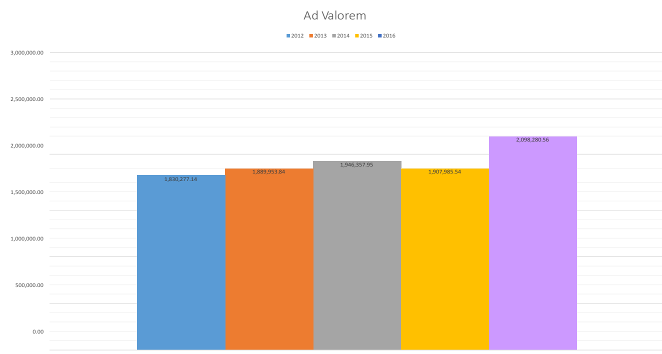
(Requested by Kurt Swartzlander, Finance)
Mr. Swartzlander showed a PowerPoint presentation on the FY 2015-2016 Mid-Year Budget Review to the Mayor and City Commissioners. The following information was

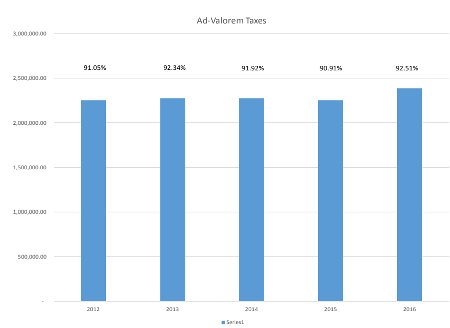
shared and discussed with them and staff:

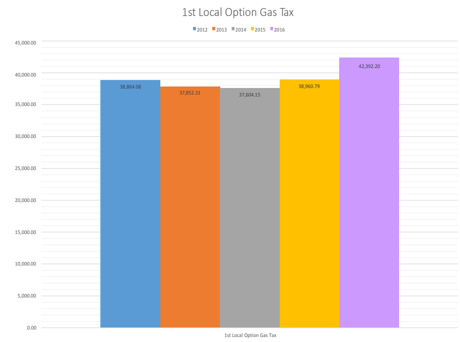
Setting the Stage

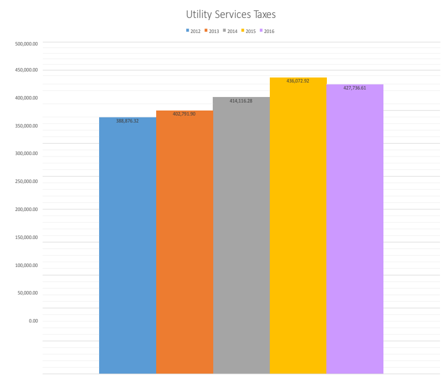
- October through February revenues/expenditures for each fund/year.
- Approximately 42% of the year complete.
- Last five years data for Revenue and One Year v. Budget for Expenditures.
- Scale is different on each slide.
- Only Major Funds
- Review Revenues
- Review Expenditures
- Review Capital Expenditures

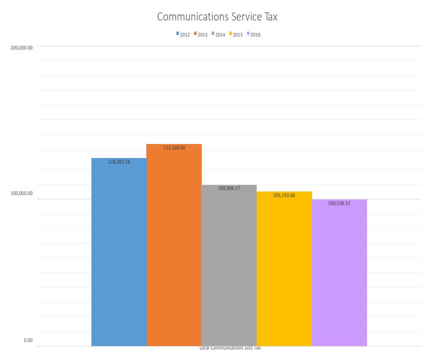
Revenues



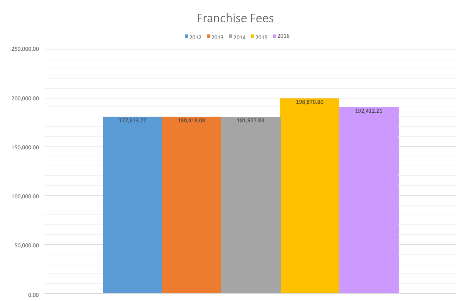



1st Local Option Gas Tax
2012 2013 2014 2015 2016
45,000.00
40,000.00
35,000.00
30,000.00
25,000.00
20,000.00
15,000.00
10,000.00
5,000.00
0.00
38,864.08
37,852.31
37,604.15
38,960.79
42,392.20
1st Local Option Gas Tax


Utility Services Taxes
2012 2013 2014 2015 2016
500,000.00
450,000.00
400,000.00
350,000.00
300,000.00
250,000.00
200,000.00
150,000.00
100,000.00
50,000.00
0.00
388,876.32
402,791.90
414,116.28
436,072.92
427,736.61


Communications Service Tax
2012 2013 2014 2015 2016
200,000.00
100,000.00
0.00
128,082.18
133,360.90
109,894.17
105,192.68
100,338.53
Local Communications Svcs Tax


Local Business Tax
2012
2013
2014
2015
2016
250,000.00
200,000.00
150,000.00
100,000.00
50,000.00
0.00
181,173.19
183,912.82
195,572.88
190,104.63
195,198.59
Local Business Tax


Franchise Fees
2012
2013
2014
2015
2016
250,000.00
200,000.00
150,000.00
100,000.00
50,000.00
0.00
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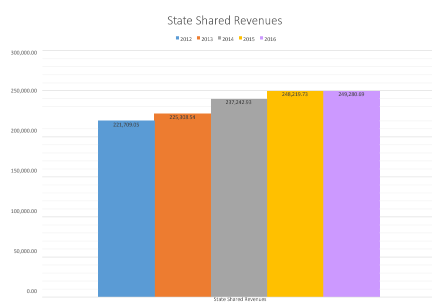
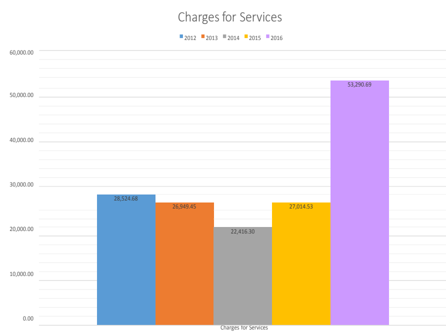
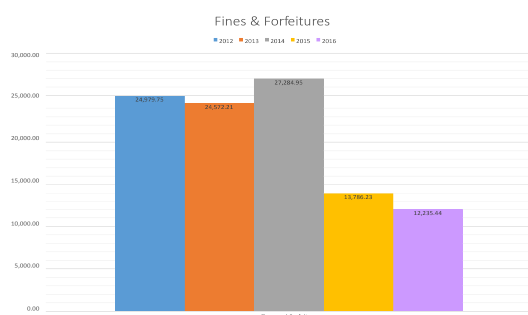
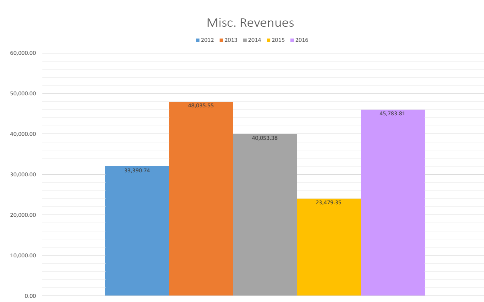
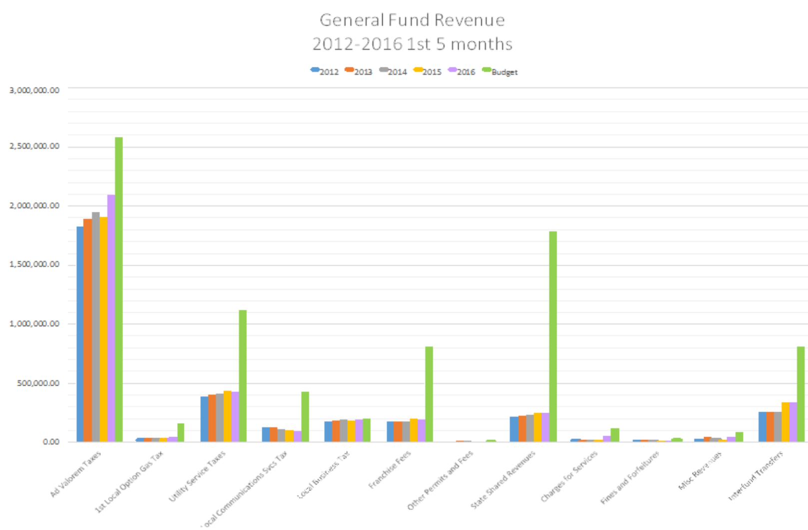
180,418.08
181,927.83
198,870.80
192,412.21
Franchise Fees

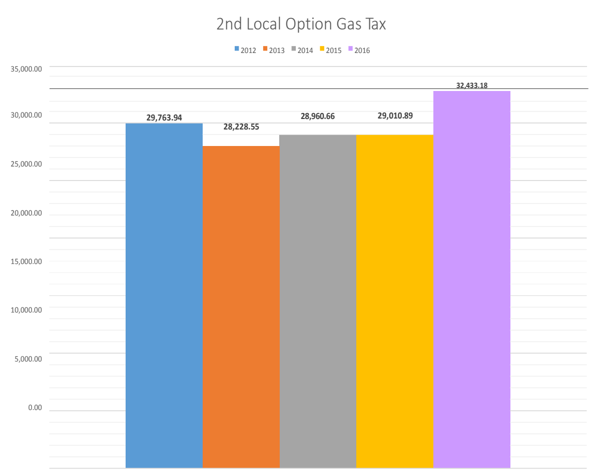

State Shared Revenues
2012
2013
2014
2015
2016
300,000.00
250,000.00
200,000.00
150,000.00
100,000.00
50,000.00
0.00
221,709.05
225,308.54
237,242.93
248,219.73
249,280.69
State Shared Revenues

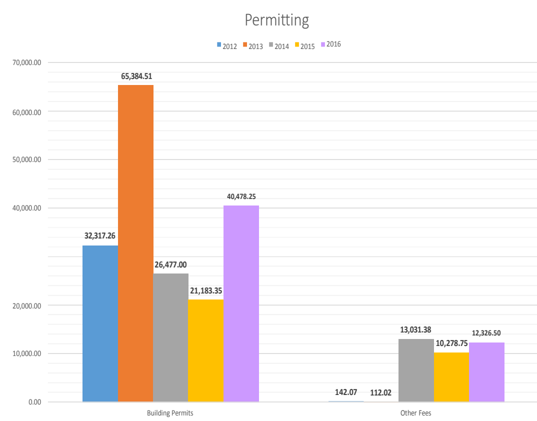

Charges for Services
2012
2013
2014
2015
2016
60,000.00
50,000.00
40,000.00
30,000.00
20,000.00
10,000.00
0.00
28,524.68
26,949.45
22,416.30
27,014.53
53,290.69
Charges for Services

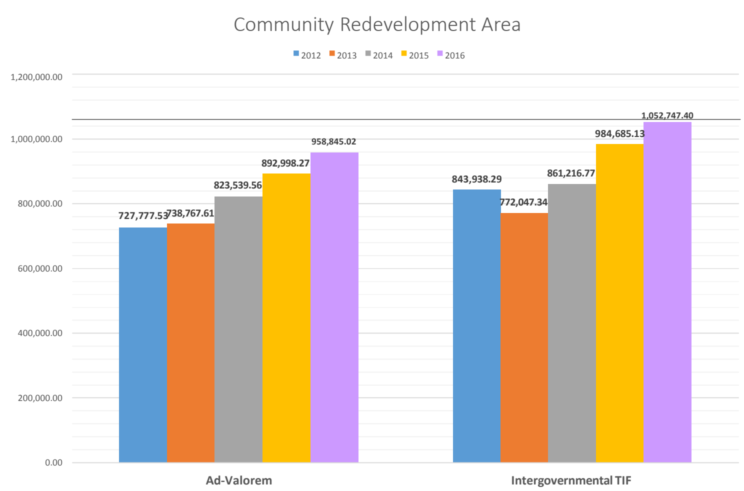

Fines & Forfeitures
2012
2013
2014
2015
2016
30,000.00
25,000.00
20,000.00
15,000.00
10,000.00
5,000.00
0.00
24,979.75
24,572.21
27,284.95
13,786.23
12,235.44
Fines and Forfeitures

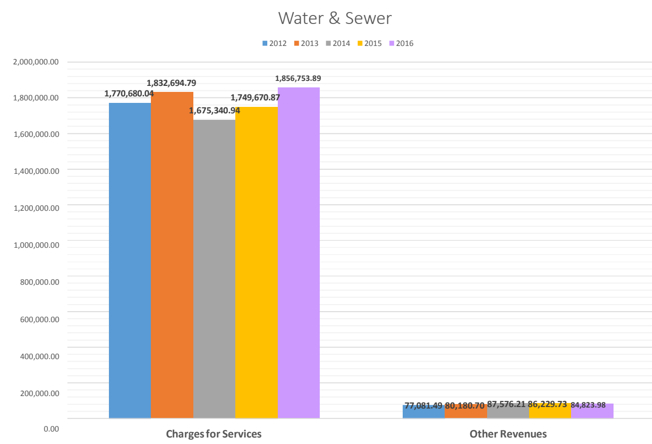

Misc. Revenues
2012
2013
2014
2015
2016
60,000.00
50,000.00
40,000.00
30,000.00
20,000.00
10,000.00
0.00
33,390.74
48,035.55
40,053.38
23,479.35
45,783.81
Misc Revenues

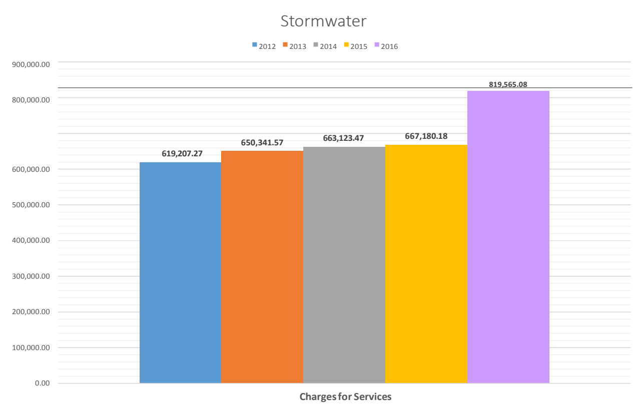

General Fund Revenue
2012-2016 1st 5 months
2012
2013
2014
2015
2016
Budget
3,000,000.00
2,500,000.00
2,000,000.00
1,500,000.00
1,000,000.00
500,000.00
0.00
Ad Valorem Taxes
1st Local Option Gas Tax
Utility Service Taxes
Franchise Fees
Other Permits and Fees
State Shared Revenues
Charges for Services
Fines and Forfeitures
Interfund Transfers

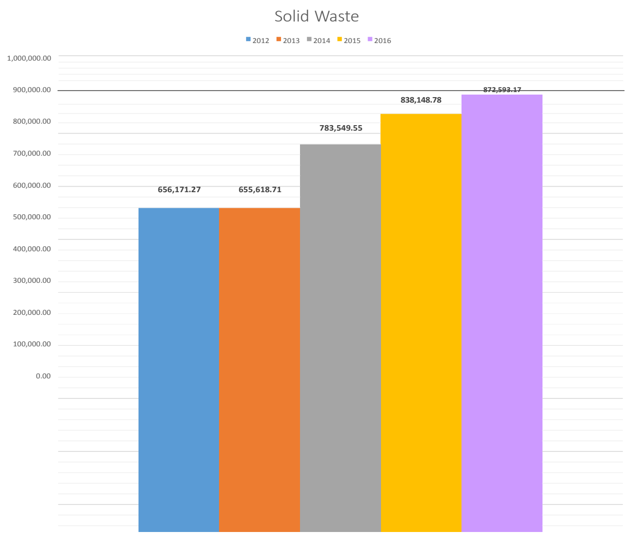

2nd Local Option Gas Tax
2012
2013
2014
2015
2016
35,000.00
30,000.00
25,000.00
20,000.00
15,000.00
10,000.00
5,000.00
0.00
29,763.94
28,228.55
28,960.66
29,010.89
32,433.18


Permitting
2012
2013
2014
2015
2016
70,000.00
60,000.00
50,000.00
40,000.00
20,000.00
10,000.00
0.00
65,384.51
32,317.26
26,477.00
21,183.35
40,478.25
142.07
112.02
13,031.38
10,278.75
12,326.50
Building Permits
Other Fees

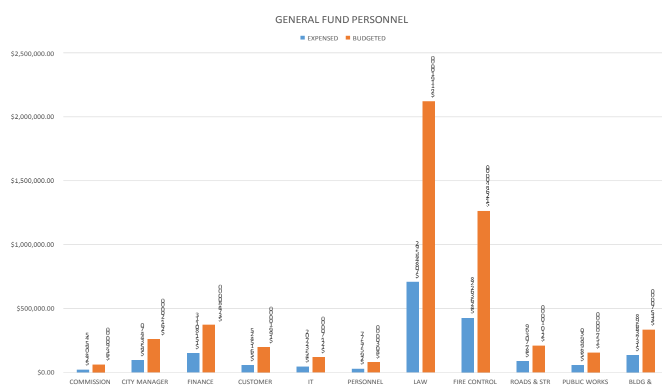

Community Redevelopment Area
2012
2013
2014
2015
2016
1,200,000.00
1,000,000.00
800,000.00
600,000.00
400,000.00
200,000.00
0.00
727,777.53
738,767.61
823,539.56
892,998.27
958,845.02
843,938.29
772,047.34
861,216.77
984,685.13
1,052,747.40
Ad-Valorem
Intergovernmental TIF

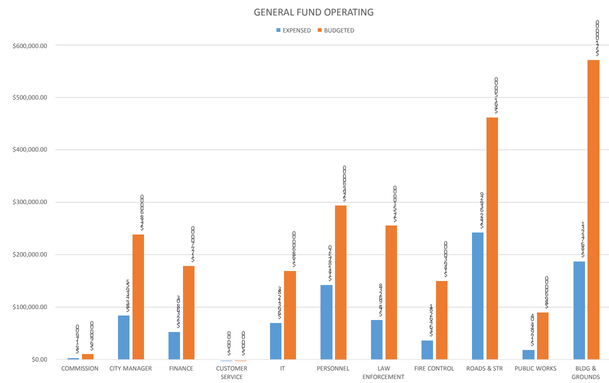

Water & Sewer
2012
2013
2014
2015
2016
2,000,000.00
1,800,000.00
1,600,000.00
1,400,000.00
1,200,000.00
1,000,000.00
800,000.00
600,000.00
400,000.00
200,000.00
0.00
1,770,680.04
1,832,694.79
1,675,340.94
1,749,670.87
1,856,753.89
77,081.49
80,180.70
87,576.21
86,229.73
84,823.98
Charges for Services
Other Revenues

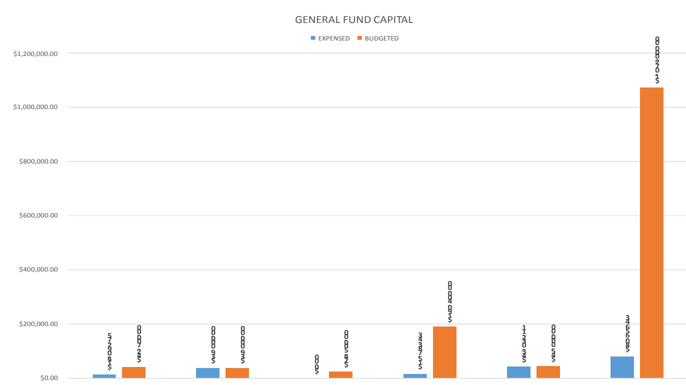

Stormwater
2012
2013
2014
2015
2016
900,000.00
800,000.00
600,000.00
500,000.00
400,000.00
300,000.00
200,000.00
100,000.00
0.00
619,207.27
650,341.57
663,123.47
667,180.18
819,565.08
Charges for Services

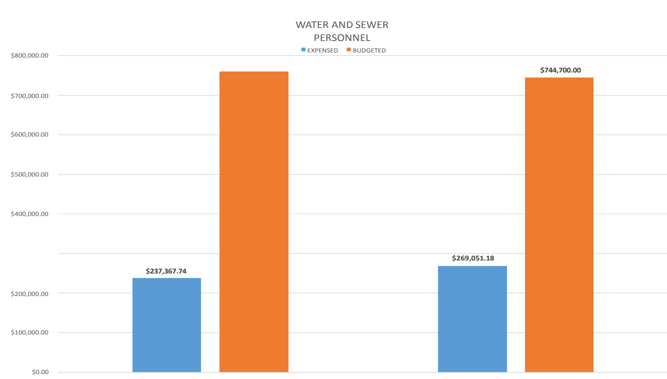

Solid Waste
2012 2013 2014 2015 2016
1,000,000.00
900,000.00
800,000.00
700,000.00
600,000.00
500,000.00
400,000.00
300,000.00
200,000.00
100,000.00
0.00
656,171.27
655,618.71
783,549.55
838,148.78
872,593.17

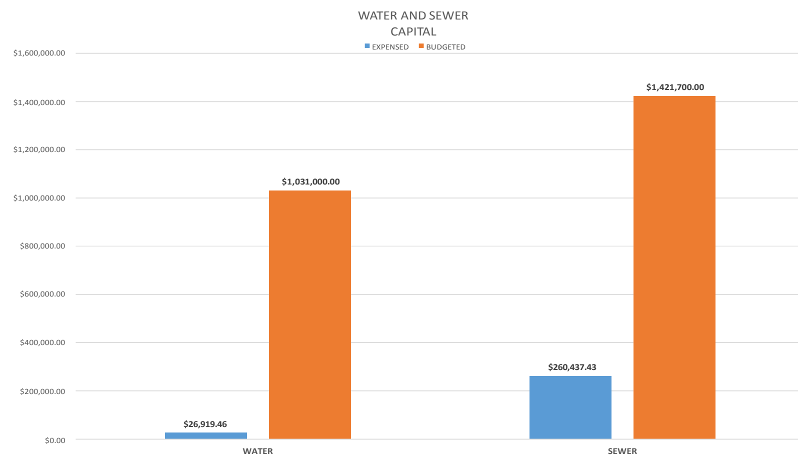
<u>Expenses</u>


GENERAL FUND PERSONNEL
EXPENSED BUDGETED
$2,500,000.00
$2,000,000.00
$1,500,000.00
$1,000,000.00
$500,000.00
$0.00
COMMISSION
CITY MANAGER
FINANCE
CUSTOMER SERVICE
IT
PERSONNEL
LAW ENFORCEMENT
FIRE CONTROL
ROADS & STR
PUBLIC WORKS
BLDG & GROUNDS


GENERAL FUND OPERATING
EXPENSED
BUDGETED
$600,000.00
$500,000.00
$400,000.00
$300,000.00
$200,000.00
$100,000.00
$0.00
COMMISSION
CITY MANAGER
FINANCE
CUSTOMER SERVICE
IT
PERSONNEL
LAW ENFORCEMENT
FIRE CONTROL
ROADS & STR
PUBLIC WORKS
BLDG & GROUNDS


GENERAL FUND CAPITAL
EXPENSED
BUDGETED
$1,200,000.00
$1,000,000.00
$800,000.00
$600,000.00
$400,000.00
$200,000.00
$0.00
IT
LAW ENFORCEMENT
FIRE CONTROL
ROADS & STR
PUBLIC WORKS
BLDG & GROUNDS


WATER AND SEWER
PERSONNEL
EXPENSED
BUDGETED
$800,000.00
$700,000.00
$600,000.00
$500,000.00
$400,000.00
$200,000.00
$100,000.00
$0.00
$237,367.74
$269,051.18
$744,700.00
WATER
SEWER


WATER AND SEWER
CAPITAL
EXPENSED
BUDGETED
$1,600,000.00
$1,400,000.00
$1,200,000.00
$1,000,000.00
$800,000.00
$600,000.00
$400,000.00
$200,000.00
$0.00
$26,919.46
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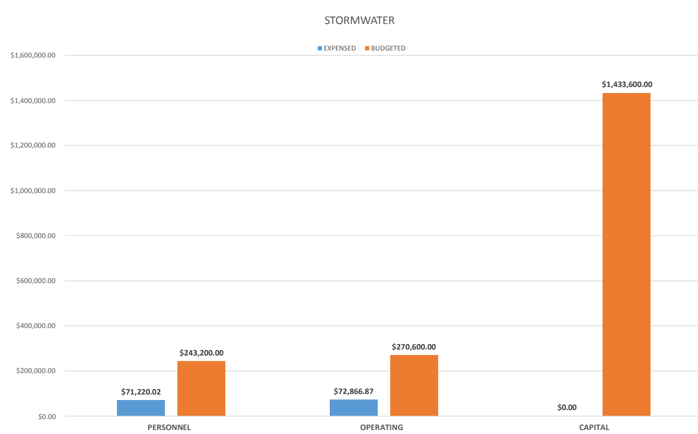
$260,437.43
$1,421,700.00
WATER
SEWER


STORMWATER
EXPENSED
BUDGETED
$1,600,000.00
$1,400,000.00
$1,200,000.00
$1,000,000.00
$800,000.00
$600,000.00
$400,000.00
$200,000.00
$0.00
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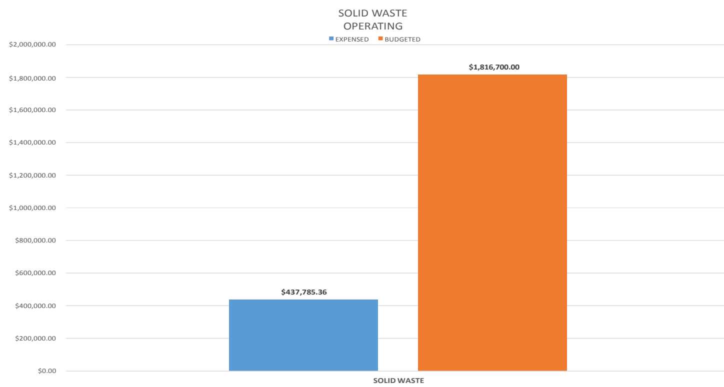
$1,433,600.00
PERSONNEL
OPERATING
CAPITAL



TOTAL YTD EXPENDITURES

Fund Name	Fund	YTD Expense	Budget	% Expensed
GENERAL FUND	001 Total	$2,981,738.34	$9,157,700.00	32.56%
LOCAL OPTION FUEL TAX	002 Total	$0.00	$274,600.00	0.00%
PERMITTING	004 Total	$100,810.31	$285,000.00	35.37%
COMMUNITY REDEVELOPMT	130 Total	$580,650.64	$5,122,100.00	11.34%
CDBG FUND	140 Total	$298.79	$97,300.00	0.31%
WATER & SEWER FUND	400 Total	$2,598,932.48	$6,843,100.00	37.98%
PROPRIETARY R&R FUND	407 Total	$398,333.38	$588,000.00	67.74%
STORMWATER FUND	460 Total	$144,086.89	$513,800.00	28.04%
RENEWAL & REPLACEMENT	480 Total	$287,356.89	$2,452,700.00	11.72%
SOLID WASTE ENTERPRISE	495 Total	$496,410.36	$2,380,100.00	20.86%
	Grand Total	$7,588,618.08	$29,148,000.00	26.03%

Capital Projects

Account	Dept	Item Description	Budgeted Amount	Completed	In Progress (Estimated completion Date)	Not Started (Estimated Start and Finish Dates)	Not Doing
001-2210-522-64-00	FD	SCBA CARRYOVER	36,000.00	X			
001-1306-516-64-00	IT	PC REPLACEMENT PROGRAM	16,000.00	X			
001-1306-516-64-00	IT	EXAGRID NAS BACKUP DEVICE	14,500.00	X			
001-1306-516-64-00	IT	NETWORK SECURITY FIREWALL REPLACEMENT	24,000.00	X			
001-2110-521-64-00	PD	USED PATROL VEHICLES	15,000.00	X			
001-2110-521-64-00	PD	POLICE MOTORCYCLE	24,000.00	X			
110-2120-521-64-00	PD	SPEED TRAILER	12,000.00				X

Account	Dept	Item Description	Budgeted Amount	Completed	In Progress (Estimated completion Date)	Not Started (Estimated Start and Finish Dates)	Not Doing
001-4141-541-63-00	PW	CARRYOVER -- CALLE GRANDE SIDEWALK RR PED XING	27,700.00	X			
001-4141-541-63-00	PW	FEC TRACK CROSSING REHAB ANNUAL ESTIMATE	90,000.00			Unknown	
001-4141-541-63-00	PW	FLOMICH ST SIDEWALK CONSTRUCTION EST 10% TPO MATCH	52,000.00			Carryover - TBD	
001-4141-541-63-00	PW	CENTER AV SIDEWALK (NORTH) STUDY EST 10% TPO MATCH	5,000.00			Carryover - TBD	
001-4141-541-63-00	PW	CENTER AV SIDEWALK (SOUTH) STUDY EST 10% TPO MATCH	5,000.00			Carryover - TBD	
001-4141-541-63-00	PW	1831 N NOVA DEVELOPMENT AGMT CONTRIBUTION	9,000.00	X			
001-4141-541-63-00	PW	CARRYOVER -- ROADWAY RESURFACING	340,000.00	X			
001-4141-541-64-00	PW	STIHL SAW (FOR CUTTING STREETS)	1,700.00	X			
001-4160-519-64-00	PW	WELDER (REPLACES #2006002023)	5,000.00	X			
001-4160-519-64-00	PW	EQUIPMENT LIFT (FOR FIRE TRUCK, DUMP TRUCK, ETC)	30,000.00	X			
001-4172-572-62-00	PW	SET ASIDE FOR AIR CONDITIONER REPLACEMENTS	10,000.00			Unknown	
001-4172-572-62-00	PW	SICA HALL GENERAL REPAIRS	35,000.00		May-16		
001-4172-572-62-00	PW	RENOVATIONS TO PD FRONT RECEPTION AREA	10,000.00		Jun-16		
001-4172-572-62-00	PW	UTILITY BILLING RELOCATION	25,000.00	X			
001-4172-572-63-00	PW	CARRYOVER-DOCK REPAIRS-SUNRISE & ROSS POINT PARKS	100,000.00		Carryover - TBD		
001-4172-572-64-00	PW	72" DECK Z-TURN MOWER (REPLACING #753)	9,500.00		Jul-16		
001-4172-572-64-00	PW	60"DECK Z-TURN MOWER(REPL #757,771,843) @ $9400 EA	28,200.00		Jul-16		
001-4172-572-65-00	PW	SUNRISE PK S BOAT RAMP IMPRV DESIGN/PERMITTING	65,300.00		Sep-16		
001-4172-572-65-00	PW	SUNRISE PK S IMPRV CONSTRUCTION	650,000.00		2018		
001-4172-572-65-00	PW	SUNRISE PK S IMPRV CONST GRANT WRITING/ADMIN (EST)	31,000.00		Sep-16		
001-4172-572-65-00	PW	7TH ST NEIGHBORHOOD PARK IMPROVEMENTS	60,000.00		Sep-16		

Account	Dept	Item Description	Budgeted Amount	Completed	In Progress (Estimated completion Date)	Not Started (Estimated Start and Finish Dates)	Not Doing
002-4141-541-63-10	PW	STREET RESURFACING	114,600.00	X			
130-5510-552-62-00	PW	REROOF MARKET PHASE 1 (OF3) IN PROGRESS	150,000.00		May-16		
130-5510-552-62-00	PW	REROOF MARKET PHASE 2(OF3)	300,000.00				X
130-5510-552-63-00	PW	CRA DIST. OVERHEAD TO UNDERGROUND UTIL CARRYOVER	2,884,800.00		Carryover - TBD		
130-5510-552-65-00	PW	TRAFFIC MAST ARM(6TH OR 8TH STREET)TPO MATCH	30,000.00			Carryover - TBD	
139-5590-552-65-00	PW	CRA DIST.CONV OVERHEAD TO UNDERGROUND CARRYOVER	4,135,000.00		Carryover - TBD		
140-3020-535-63-00	PW	CDBG WW LIFT STATION #12 IMPROVEMENTS	57,300.00		Sep-16		
140-4172-572-63-00	PW	CDBG ROSS POINT PARK PLAYGROUND EQUIPMENT	15,000.00		Sep-16		
460-3080-538-61-00	STW	STORMWATER MASTER PLAN LAND ACQUISITION	500,000.00				X
460-3080-538-63-00	STW	STORMWATER MASTER PLAN IMPROVEMENT PROJECTS	795,600.00		Carryover: Sep-17		
460-3080-538-64-00	STW	REPLACEMENT VAN (V#47 - INMATES)	25,000.00		May-16		
460-3080-538-64-00	STW	REPLACEMENT MINI DUMP TRUCK (V#756)	28,000.00		Jun-16		
460-3080-538-64-00	STW	REPLACEMENT END LOADER (V#886)	85,000.00	X			

Account	Dept	Item Description	Budgeted Amount	Completed	In Progress (Estimated completion Date)	Not Started (Estimated Start and Finish Dates)	Not Doing
480-3020-535-63-00	SWR	CARRYOVER -- REHAB TO LIFT STATION #17	230,000.00		Jun-16		
480-3020-535-63-00	SWR	CLEANING OF BACTERIOLOGICAL TREATMENT UNIT #1	142,000.00		Carryover: TBD		
480-3020-535-63-00	SWR	SMOKE TESTING (LS #2, #11, #14, #24)	25,000.00	X			
480-3020-535-63-00	SWR	SANDBLAST & PAINT D.A.F. UNIT	55,000.00		Carryover: TBD		
480-3020-535-64-00	SWR	CARRYOVER -- WA & WW PLANT GENERATOR UPGRADE @ 50%	155,000.00		Aug-16		
480-3020-535-64-00	SWR	BELT PRESS ROLLER REPLACEMENT/RECOATING	40,000.00		Sep-16		
480-3020-535-64-00	SWR	2 TON ELECTRIC CHAIN HOIST FOR CHEMICAL STORAGE	4,200.00	X			
480-3020-535-65-00	SWR	SCADA SYSTEM UPGRADE ENGINEERING @ 50% WA/WW	37,500.00		Sep-16		
480-3020-535-65-00	SWR	REHABILITATION OF LIFT STATION #16	380,000.00		Sep-16		
480-3020-535-65-00	SWR	REHABILITATION OF LIFT STATION #12	305,000.00		Sep-16		
480-3020-535-65-00	SWR	RE-ROUTE OF LIFT STATION #14 FORCE MAIN	48,000.00		Sep-16		
480-3010-533-63-00	WTR	WATER SYSTEM IMPROVEMENTS PHASE 2 - RIVERSIDE DRIVE	400,000.00		Sep-16		
480-3010-533-63-00	WTR	CARRYOVER -- WELL #12A REHABILITATION	30,000.00	X			
480-3010-533-63-00	WTR	SHELTER STRUCTURE FOR CO2 TANK	6,000.00	X			
480-3010-533-64-00	WTR	CARRYOVER -- WA & WW PLANT GENERATOR UPGRADE @ 50%	155,000.00		Aug-16		
480-3010-533-64-00	WTR	REPLACEMENT UTILITY TRAILER (V#28)	2,500.00	X			
480-3010-533-64-00	WTR	GENERATOR FOR WESTERN WELLFIELD	325,000.00		Carryover: Dec-16		
480-3010-533-64-00	WTR	GENERATOR & CONTROLS FOR WELL #11 & ELEVATED TANK	75,000.00		Carryover: Dec-16		
480-3010-533-65-00	WTR	SCADA SYSTEM UPGRADE ENGINEERING @ 50% WA/WW	37,500.00		Sep-16		
487-3010-533-63-00	WTR	RAW WATER LINE RELOCATION DUE TO LPGA WIDENING	85,000.00		Carryover: TBD		

Mr. Forte stated he thinks overall the Mayor and Commissioners can see that the departments are handling their budgets pretty well. They're staying within their budgets, they're proportionally where they should be, he thinks they are doing a really good job at managing what little budgets they have. He gives them a lot of credit for the work that they do. Mr. Forte stated he is looking for some direction from the Commission as they go forward to start to establish the budgets for next year, do they have any guidance or guidelines that they need for staff to stay within. For example, last year, from the operations side, we did a little better from the Commission than I had anticipated. They were able to get both a little bit of an ad valorem increase as well as a stormwater increase and he appreciates their leadership and guidance on that so moving into next year, obviously they're not looking for stormwater increases. They will likely come back, not necessarily at budget time, but they will be looking to do something with the local business tax receipts because he thinks they are lagging and they should be right-sized a little bit but as far as ad valorem taxes, he is seeking the Commissions direction on where's the target they are looking for him to hit. The Commission has the options of the current rate which will be reflective of a tax increase, they have the opportunity of the rollback rate which would be holding the same revenues from last year plus any new construction that's come in or they have a flat out tax millage increase. Typically, he would tell them because of the generosity of the Commission showed last year, we would probably be looking toward something between the current rate and the rollback rate.

Commissioner Albert asked when do the preliminary numbers come out? What month is that?

Mr. Swartzlander stated June 1st. They get pre-preliminary numbers and then July 1st they get the preliminary number. One big issue there is on June 1st the city doesn't get CRA number. Staff tries to get an estimate from the data base but they don't the CRA number until July 1st. What true rollback is, is July 1st.

Commissioner Albert stated she thinks, like what the Commission said about the health insurance, she thinks its premature to even entertain this conversation until they know what the number is or trending towards, at least for her. She would like to see the pre-preliminary to get a conceptual idea of what they are looking at.

Commissioner Byrnes stated he would like to see them stay at or below their current rate. There would have to be some major disruption to go above that. That's his opinion from looking at the numbers Mr. Swartzlander has presented.

Commissioners Currie and Capers stated they feel the same but would like to see the data.

Commissioner Capers stated by the way this information is great and kudos to everyone who participated in getting the information together, its amazing to see it in front of him.

Mayor Penny stated he would like to see it hit the rollback rate.

Mr. Forte stated he is just looking for a target. They're not committing to anything tonight. He is just trying to get a feel of the Commission in where their comfort zone is.

Commissioner Albert stated alluding to that conversation, since they have a lot going on with the lift stations and the water and wastewater area, stormwater they could infer then going forward in the next budget, perhaps, this will lighten a little bit or no?

Mr. Forte stated that's a different fund. That's the enterprise funds that their ad valorem taxes. Depending upon the revenues, this separate bank of revenues that come in, that will dictate what capital projects they could use.

Commissioner Albert stated, okay. She gets it. She is just trying to see where they can shift the weight around to get things done.

Mr. Forte stated this is the second year that they've done this and he doesn't think the Commission as ever done a mid-year review before. He thinks its educational and helpful not only for them but for the staff to understand where the city is at and it gets them ready and prepared to start to go into their budget sessions.

4. ADJOURNMENT

The special meeting adjourned at approximately 8:00 PM.

Valerie Manning

Valerie Manning, City Clerk CMC 5/17/2016

John Penny, Mayor 5/17/2016