

City of Hays
City Commission
Work Session Notes
November 15, 2007

Present: Troy Hickman, Ron Mellick, Christopher Channell, Allan Lytton, John Bird, Toby Dougherty

Absent: Barbara Wasinger

City of Hays Employee Health Insurance Plan for 2008

Alan Schumacher of Maverick Consulting reviewed and evaluated proposals from various companies including third party administrators that submitted proposals for self-insured plans. Additionally, Mr. Schumacher compared and researched the advantages and disadvantages of fully-insured plans along with health savings plans.

Both Blue Cross Blue Shield (BCBS) of Kansas and Preferred Health Systems (PHS) submitted very competitive bids. The proposal from PHS indicated an increase in rates of 9.76%, while the proposal from BCBS indicated an increase of 10.06%. Through negotiation, PHS has agreed to provide the City a "return of profit" agreement with a more timely return than that offered by BCBS. Additionally, the City would like to move toward an employee wellness campaign and it is felt that PHS will assist the City in achieving that goal.

Staff recommended the City sign an agreement with PHS to provide a fully-insured plan for City employees in 2008.

Mr. Schumacher also submitted proposals for a group dental plan, which would be fully paid by participating employees, but would be administered through the City's Flexible Benefit Plan, thereby providing employees with tax-free premiums. Four companies were compared and the results presented to an employee committee. It was recommended that the City sign an agreement with

Lincoln Financial Group to provide a dental plan based on 25% employee participation.

The Commissioners will be requested to consider approval of the proposals submitted by PHS and Lincoln Financial at the November 20, 2007 Commission meeting.

Amendment to Current Job Classification and Salary Schedule

Through negotiations with the City's three bargaining units, it was agreed that the City would adopt a salary schedule for 2008 that would eliminate steps and include only beginning and ending ranges. It was also agreed that the ranges would be adjusted by the amount of the CPI for 2006 which was 2.4%. Although it does not affect the salary schedule, the City also agreed to provide a 1% pay adjustment to all employees to become effective with the 2008 payroll year on December 16, 2007.

Employees will receive a performance evaluation after their six-month probationary period, on their one-year anniversary date, and every year thereafter. These evaluations will determine, through a numerical point system ranging from 0% to 5%, the amount of performance pay increase each employee will receive on his/her anniversary date.

The Commissioners will be requested to consider a resolution amending the job classification and salary schedule for City employees at the November 20, 2007 Commission meeting.

Abatement of Inoperable Vehicle Located at 526 West 17th Street

The inoperable vehicle has been removed from the property. No action will be required on this issue.

2008 Legislative Action Agenda

City Manager Toby Dougherty discussed a draft copy of the 2008 Legislative Action Agenda. The items in the Agenda are either on-going or specific issues with regard to cities that State legislators will deal with in the

upcoming session. He suggested that the two State representatives for our area and our State senator be invited to address the Commission at the November 20, 2007 Commission meeting in regards to the upcoming session.

Resolution in Support of Balanced Energy Policy

The Commissioners will be requested to approve a resolution supporting a balanced energy policy for Kansans that includes the development of renewable energy resources and the use of fossil fuels. Approval of the resolution will be on the November 20, 2007 Commission meeting agenda.

Clare Gustin, Sunflower Electric vice-president of member services and external affairs, and Kyle Nelson, Sunflower Electric vice-president of power production and engineering, answered questions from the Commissioners regarding the proposed coal plant expansion in Holcomb, Kansas. Permits to construct the expansion were denied by Rod Bremby, environmental regulator for the Kansas Department of Health and Environment, on October 18, 2007.

Mr. Nelson stated the current plant at Holcomb that went into operation in 1983 is still the most efficient and cleanest coal powered plant on virtually every measurable basis in the state. The Holcomb expansion project application exceeds all Environmental Protection Agency standards easily. Mr. Nelson described how the proposed plant is designed to use modern innovative technology to provide clean coal energy. Mr. Nelson stated Sunflower Electric is not anti-wind energy or anti renewable energy; Sunflower Electric has a higher percentage of renewable resources within their system than any other utility in the state. Sunflower is constantly looking for opportunities for additional renewable resources and other innovative carbon friendly resources.

Mrs. Gustin commented that that there are many debates going on about CO2 emissions; CO2 is a global issue. Sunflower believes that Kansas needs a sound energy policy that looks at utilizing all energy sources.

Executive Session

Allan Lytton moved, Ron Mellick seconded, that the Governing Body recess to executive session at 6:27 p.m. for ten minutes to discuss personnel issues and land acquisition. The executive session included the Commissioners, the City Manager, the Assistant City Manager, and the City Attorney. The justification for the executive session is that personnel issues are confidential and it is in the public's best interest to not reveal the City's position during property negotiations.

Vote: Ayes: Troy Hickman
Ron Mellick
Christopher Channell
Allan Lytton

Chairperson Hickman called the work session back to order at 6:37 p.m. He stated no action was taken during executive session.

The work session was adjourned.

Submitted by: _____

City Clerk