



City of Fort Bragg

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Meeting Minutes Finance and Administration Committee

Wednesday, March 4, 2015

3:00 PM

City Hall Conference Room, 416 N. Franklin Street

MEETING CALLED TO ORDER

Dave Turner called the meeting to order at 3:00 p.m.

ROLL CALL

Present: 4 - Doug Hammerstrom, Dave Turner, Ginny Feth-Michel and Brenda Jourdain

Others in Attendance - Jim Tarbell

APPROVAL OF MINUTES

PUBLIC COMMENTS ON NON-AGENDA ITEMS

CONDUCT OF BUSINESS

1. [15-051](#) Receive Report and Discuss Status of Redwood Empire Municipal Insurance Fund (REMIF) Proposed Move from Fully Funded Health Insurance Plans to Self-Funded Health Insurance Plans

Assistant City Manager Ginny Feth-Michel reviewed the summary report regarding the Redwood Empire Municipal Insurance Fund (REMIF) appointed sub-committee evaluation and recommendations from providing a fully insured health insurance plan to member cities to provide a self-funded model.

The following was noted during discussion of this item:

- * Ginny explained that the REMIF Board created the health care sub-committee. She joined the sub-committee in January of 2015.
- * The committee prepared a Request for Proposals (RFP) for various parts of a self-insured health plan. A third party administrator (TPA), Health Comp was selected to identify a network and work with the provider to find and develop pharmacy benefits.
- * Dave Turner asked what the administration costs are. Ginny explained that the TPA will bundle up the plan services and will work closely with the excess of stop loss providers. The committee also sent out a RFP for a stop loss provider.
- * Doug Hammerstrom asked since there is so much in technical information it seems like claims costs are not included in the package. Ginny replied it is self-funded because REMIF will be paying the claims and the downside of self-funded plans is in month one the costs could be small but in month two the costs can go up so the self-funded entity pays they go. Dave Turner asked if they are spreading the cost through all the cities or if Fort Bragg if will be responsible for our claims? Ginny replied no, it is a pooled plan.

* Some benefits of the self-funded model is some of the ACA fees and taxes are not imposed on a self-funded plan so we get about \$625,000 or \$650,000 benefit right away. The second benefit is REMIF has some flexibility on our plans. Another benefit is REMIF will have access on how and when our employees are using the benefits and can adjust the plans accordingly. In a self-funded plan REMIF can structure the benefit to modify behavior and reduce costs. The self-funded plan can focus on wellness.

* The downside is that self-funded creates cost fluctuations so you need to create reserves and create a funding mechanism that crates an administration burden on REMIF. When the premiums are built REMIF will have to establish reserves that will have to be set aside.

* Dave Turner asked does the cost include administration. Ginny replied it includes TPA admin, stop loss and is an all end cost. This chart shows REMIF and the cities will split savings of 1 million and a half.

* Ginny explained the REMIF report she received that will be brought to the board on Tuesday the 10th. The comparison handout is based on no plan changes. There are significant reduced costs. Retiree costs will change. Doug Hammerstrom asked will they still show the same differential. Ginny replied yes.

* Doug Hammerstrom asked if the FAC committee or City Council have say on the decisions? Ginny explained the City Council appointed Linda Ruffing to the REMIF board who will vote for the City of Fort Bragg and will follow Council direction.

* Doug Hammerstrom asked is our group of cities too small? Ginny said the actuaries are not saying we are not too small. Dave Turner asked is REMIF unique or rare. Ginny said no, there are other insurance pools. It's a way to band together and make your group bigger.

* Dave Turner asked if it will be tougher to go out of network. Ginny explained, No, we will be buying the exact same network from Anthem and a pharmacy network.

* Doug Hammerstrom asked about the benefit on a creative plan design, what firm has that knowledge. Ginny explained the third party administrator and our Broker (RealCare/NFP). That information will go to REMIF and our broker.

* Doug Hammerstrom asked if the Broker had been chosen, Ginny replied for FY 15/16 we are contracted up with Real Care/NFP. After that we should go out to bid.

* Jim Tarbell asked are all cities in Northern California. Ginny said yes. They go as far as Sonoma.

This Staff Report was recommended for approval.

2. [15-052](#) Consider Citizen Request that Council Agendize a Discussion of Making Fort Bragg a TransPacific Partnership (TPP)-Free Zone

The following was noted during discussion of this item:

* This item was originally brought to the FAC by Dave Tuner and was continued from the February 23, 2015 Special meeting of the Finance and Administration Committee.

* Dave Turner asked what difference the Council make to this process. Why not a letter from the Council instead of an ordinance? Jim explained the TPP-Free.

* Doug Hammerstrom explained it is affecting congress and the political process.. .

* Dave Turner asked how this will it benefit the City. What will the City Council support? How will it affect the political decisions of the City? This is why Dave feels a letter is adequate instead of a resolution.

* Doug Hammerstrom feels a resolution is more of a statement of the Council. If we are going to

get signatures on a letter, why would we not pass a resolution?

* Dave Turner recommended staff put together a resolution and place it on the appropriate City Council meeting under the consent calendar in April or May and will like Jim to attend so he can answer questions.

Committee consensus was to bring a resolution opposing the Fast-Track of Trans-Pacific Partnership (TPP) Agreement, TAFTA, forward to the full City Council at their meeting of April 13, 2015.

MATTERS FROM COMMITTEE / STAFF

ADJOURNMENT

This was adjourned at 4:05 p.m.