



City of Pataskala *Legislative Report to Council*

Legislative Report

November 20, 2017 Council Meeting

Unfinished Business

A. Ordinances

➤ **ORDINANCE 2017-4299 – 4TH READING – 2018 BUDGET**

The proposed 2018 budget remains unchanged since its' last reading at the November 6th Council meeting, at which time the exhibit was amended. **Due to the fact that changes were made to the legislation at the 3rd reading, the charter requires an additional reading now be held at the November 20th meeting. We are requesting that the legislation receive its' fourth reading and adoption at that meeting.**

➤ **ORDINANCE 2017-4297 – 3RD READING**

Food trucks or mobile food vendors are currently permitted via a solicitor's license issued by the Police Department. A solicitor's license is required for a "peddler, solicitor, canvasser, itinerant merchant or mobile food service operation". The application for a license for a solicitor's permit also includes a fee; \$25 for 30 days or less or \$100 for no more than one year. There are no regulations for where a food truck may locate, hours, parking, signage, etc.

Prior to identifying the food truck regulations in the Code, the Planning and Zoning Department had used the regulations for Temporary Activities to issue a permit. A total of two permits were issued using these regulations.

The existing regulations for food trucks were created in 1985, well before their rise in popularity. Furthermore, there is no specific requirements on how a food truck is expected to operate. As a result, staff approached the Development Committee about establishing regulations for food trucks. Following their July 24th meeting, the Development Committee recommended the proposed regulations proceed through the code amendment process. The Planning and Zoning Commission recommended approved at their September 6th meeting.

➤ **ORDINANCE 2017-4298 – 3RD READING**

As part of the public hearing process for the Board of Zoning Appeals and Planning and Zoning Commission, the Code requires that the Planning and Zoning Department send notice of the hearing to the owner of neighboring properties “within 200 feet or two parcels from any point on the perimeter of the applicant’s property line, whichever creates more property owners”.

The Licking County Auditor, through their online mapping system, provides a tool whereby a list of property owners within a given radius of a property, in this case 200 feet, can be obtained. Issues arise when implementing the “two parcel” provision, which include:

- Interpretation of how to determine two parcels.
- Arbitrary notification process.
- Creation of holes in the notification area whereby one property will be left out while surrounding properties are notified.
- Arduous process to confirm property owner list provided by the applicant is accurate.
- Can create excessively large distances between “neighboring” properties.

Because of the issues that the “two parcel” provision creates, staff worked with the Development Committee to determine the radius of 300 feet from the subject property as the radius for notification. Furthermore, it was determined that it will be the responsibility of the Planning and Zoning Department not the applicant, to identify the individuals within that radius for notification. The Development Committee recommended the amendment proceed through the code amendment process at their July 24th meeting. The Planning and Zoning Commission recommended approval at their August 9th meeting.

➤ **ORDINANCE 2017-4300 – 3RD READING**

An ordinance to amend section 929.03 (g) of the Codified Ordinances for the City of Pataskala regarding Utility Capacity Connection Fees.

The Administration and Utility Committee reviewed the current connection capacity fee charges. It has been determined that an increase to the in town $\frac{3}{4}$ water and sewer connection fees should be increased. The Ordinance will amend the current rates to reflect an in town water $\frac{3}{4}$ charge increase to \$5,500 and $\frac{3}{4}$ sewer charge to \$4,500.

➤ **ORDINANCE 2017-4301 – 3RD READING – INCOME TAX ALLOCATION RATES**

Once debt service and operational funding requirements have been identified, the allocation of income tax revenues between the Debt Service, Street, Police and Capital Improvements funds must be calculated. The initial portion is taken off the top to cover any outstanding debt service requirements. After that amount has been calculated, the next level is allocated to the Street and Police funds to cover their current year

operational needs. For 2018, the allocations are proposed as follows: 32.10% - Street; 52.00% - Police; 13.90% - Debt Service; and 2.00% - Capital Improvements. **We are requesting that the ordinance receive its' third reading and adoption at the November 20th meeting.**

➤ **ORDINANCE 2017-4302 – 2ND READING – SUPPLEMENTAL APPROPRIATION**

As we go into year-end, it is important that we 'clean up' the budget a bit, ensuring that needed funding is available in the proper budget functions and categories. For now, two specific areas have been identified and are covered below. **The changes made to the legislation since its' last reading are highlighted in bold below. We are requesting that the ordinance receive its' second reading at the November 20th meeting.**

- *Sections 1-4: Income Tax Fees & Refunds* – Income tax collections continue to track better than the original budget estimates. As a result, the cost of collections have risen proportionally and the value of refunds have also increased. These sections represent the increases necessary to cover those expenses as we go into year-end.
- *Sections 5-6: Debt Service* – The debt service fund receives its' allocation of income tax revenue on a monthly basis. Unfortunately, there are some significant debt service payments that must be processed prior to receiving all 12 months of revenue. We are requesting an interfund transfer of \$56.5 thousand from the General (101) fund to cover any funding shortfall as we go into year-end. Section 6 authorizes the Finance Director to make the transfer on the general ledger.
- ***Section 7: Prosecutor Services*** – **The current budget for prosecutorial services at the Licking County Municipal Court have been running significantly higher than the current budget would provide for. We are requesting an increase of \$60,000 to cover any year-end charges related to cases being prosecuted on behalf of the city at the Licking County Municipal Court.**

New Business

A. Ordinances

B. Resolutions

➤ **RESOLUTION 2017-065 – 2018 EMPLOYEE MEDICAL INSURANCE**

The city's employee medical insurance program is up for renewal for 2018. As you may recall, we issued a notice earlier this year to our current provider that stated that we would not be renewing with them for 2018. Since that time, we've been working with our new broker, Wells Fargo, and their representatives Brian Gatch and Mark Braidech, to identify a comparable, cost-effective medical insurance program for our employees. Three suitable options were identified, and the information on each plan's coverages,

deductibles and costs have been summarized on a report entitled, 'Medical Plan Cost Summary' which has been provided with the Finance Director's report. In addition, a detailed financial analysis of each of the proposals (2018 Medical Insurance Renewal Analysis) has been prepared and also accompanies that report. Here's a brief summary of each of the proposals:

- **Remain with the Jefferson Health Plan:** Although we notified the OPEC-HC (Ohio Insurance Services – Frank Harmon) that the city was leaving the group, the plan administrator, the Jefferson Health Plan (JHP), prepared a 2018 proposal for us to consider. Although the deductibles and coinsurance remain unchanged from 2017, it reflects a 3.0% 2018 rate **increase** over the 2017 rates. At current participation levels, the net financial impact to the city would be an increase of \$19,104 over 2017 costs. Since the premiums are shared 90/10 with the employees, this would reflect a net 2.69% increase over 2017 for the city. Although this would have the least overall impact to our employees, we are concerned about the risk of remaining with the administrator that was a key player in the OPEC-HC debacle. While they may not have been driving the plan and its issues, at the same time we don't consider them to have 'clean hands' in it either.
- **Join the Central Ohio HealthCare Consortium (COHCC)** – The Central Ohio Healthcare Consortium is a group of central Ohio communities that have joined forces to better manage their healthcare costs and benefits. Established in 1992, it has been successfully serving central Ohio communities since that time. Every city/member has a seat and a voice on the executive board, ensuring that the member interests are appropriately represented. The current COHCC member cities include: Gahanna, Granville, Grove City, Powell, Canal Winchester, Worthington, New Albany, Obetz, Washington Court House and Madison Township. As a potential new member, we would be required to accept one of their seven (7) standard plans. The plan that most closely resembles our current plan has a \$2,500 single/\$5,000 family deductible (as compared to our current \$1,800 single/\$3,600 family deductible). Otherwise, the coverages, benefits, etc. are the same as our current plan. This plan offers comparable benefits at a nearly 3% **reduction** from today's rates. In order to mitigate the financial impact to our employees, the city would assume an additional \$500 single/\$1,000 family of the deductible. This would leave an additional \$200 single/\$400 family that the employee would have to cover as their portion of the deductible. Assuming these changes were acceptable, the city's costs would be up by \$18,289, or 2.57% over 2017. This increase is still less than would be experienced if we remained with JHP.

It is important to note that over the past several years, our employees have typically only used between 50-60% of the deductible amount funded by the city. As a result, the unused deductible funding has been refunded to the city once the claims year has closed for further claims. As a result, it is quite likely that we might not see an overall year-over-year increase if 2018 experience is comparable to that over the past several years.

- **Fully Insured UHC Product** – The final proposal to be considered was the purchase

of a fully-insured product on the insurance market. This approach involves no direct pooling of interests and risks to achieve lower rates, and is no different than an individual going out on one of the exchanges to purchase a policy. Not surprisingly, the goal of a product like this is not only to cover all claims and associated administrative expenses, but also to create a satisfactory return for the insurance carrier (e.g., profit motive). In this case, the carrier issuing the proposal was United Healthcare (UHC), and the closest product in their line would be significantly different than anything that the city has had for quite some time. It would increase deductibles to \$3,000 single/\$6,000 family, and would also introduce copayments (\$30 office visit, \$60 specialist, \$300 ER visit and \$75 urgent care) that were previously not part of our medical insurance programs. Additionally, it also would introduce prescription copays of between \$10 and \$70 per prescription, which also have not been a part of our plan design. In addition to being structured significantly different than our current program, it also has the highest premium cost. It would call for a 15.6% **increase** in premiums over those currently in place (in addition to the higher deductibles and copays).

Based upon the three proposals received and reviewed above, the administration is recommending that the city enter into an agreement with the COHCC for medical insurance in 2018. In addition to the plan having the benefit of being structured closest to our current plan, it also has the lowest overall cost increase. As a member of the group, we would have access to ours and the group's claims data. This transparency leads to better decision making and accountability. This was sorely lacking in our current group, the OPEC-HC. Of note, the group did inform us that once we've been a member of COHCC for a year, we would have the ability to reasonably modify the plan structure. This would enable us to reconsider deductible levels, etc. at that time.

Due to the time-sensitive nature of the annual insurance renewal, and our December open enrollment period, we are requesting Council approval of this resolution at the November 20th Council meeting.

➤ **RESOLUTION 2017-066 – 2018 EMPLOYEE DENTAL INSURANCE**

The city currently is a Delta Dental subscriber, and this resolution seeks to continue that relationship with Delta for 2018. Although the rates under the COHCC program have gone up rather dramatically as a percentage (up approximately 63% over the current rates), overall employee benefits and coverages from this program (through COHCC) reflect a dramatic improvement over those from the current Delta program through Ohio Insurance Services. Specifically, the plan improvements include the following: (1) the \$50/\$150 single/family annual deductible has been eliminated; (2) annual plan maximum amount has been increased from \$1,000 to \$1,500; (3) orthodontia for dependents is now included (up to \$1,500 per dependent); and (4) coverage for major services (crowns, bridges, etc.) has been increased from 50% (after deductible) to 75% (without a deductible).

Due to the time-sensitive nature of the annual insurance renewal, and our December open enrollment period, we are requesting Council approval of this resolution at the November 20th Council meeting.

➤ **RESOLUTION 2017-067 – 2018 EMPLOYEE VISION INSURANCE**

The city is currently a VSP subscriber, and this resolution seeks to continue that relationship with VSP for 2018. Although the rates have gone up approximately 2.6% over 2017, employee benefits and coverages from this program (through COHCC) have also been improved over those from the VSP program through Ohio Insurance Services. Specifically, the new plan uses the Signature network which is VSP's broadest network, which provides the greater negotiated discount. Even though it has lower allowances (such as \$120 versus \$150 for contacts in lieu of glasses), the greater discounts make the allowances not as big a factor.

Due to the time-sensitive nature of the annual insurance renewal, and our December open enrollment period, we are requesting Council approval of this resolution at the November 20th Council meeting.

➤ **RESOLUTION 2017-068 – 2018 EMPLOYEE LIFE INSURANCE**

The city currently provides coverage to all employees in the amount of \$100,000 with accidental death and dismemberment (ADD) coverage of \$200,000 and a \$300,000 death benefit for any Police line-of-duty death. The current policy is underwritten by The Standard Insurance Company, and we will be simply 'porting' the policy over to our current broker (Wells Fargo) from our former broker (Ohio Insurance Services). This resolution serves to authorize the City Administrator to execute a renewal contract for 2018.

Due to the time-sensitive nature of the annual insurance renewal, and our December open enrollment period, we are requesting Council approval of this resolution at the November 20th Council meeting.