



The City of Liberty City Council

Special Called Meeting

~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

April Gilliland
City Secretary
936-336-3684

Tuesday, August 22, 2023

6:00 PM

City Council Chambers

I. CALL TO ORDER

This meeting was called to order on August 22, 2023 in the City Council Chambers, 1829 Sam Houston Street, Liberty, Texas at 6:00 p.m. by Mayor Carl Pickett.

Attendee Name	Present	Absent	Late	Arrived
Mayor Carl Pickett	X			
Mayor Pro Tem Chipper Smith	X			
Council Member Dennis Beasley	X			
Council Member Libby Simonson	X			
Council Member John Hebert, Jr.	X			
Council Member Tommy Brents	X			
Council Member Ed Seymour	X			

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. City Manager Tom Warner spoke to Council regarding the MISO maximum generation advisory issued to SRMPA.

III. REGULAR AGENDA

A. Executive Session

At 6:07 p.m., Mayor Pickett closed the open meeting and opened the Executive Session as authorized by Title 5, Chapter 551 of the Texas Government Code.

1. Texas Government Code §551.074 - Personnel Matters.

To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

B. Regular Session

At 6:38 p.m., Mayor Pickett closed the Executive Session and reconvened the open meeting.

1. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AWARDED PROPOSALS FOR EMPLOYEE HEALTH, DENTAL, VISION, AND LIFE INSURANCE FOR FISCAL YEAR 2023 - 2024.

On August 1, 2023, the City received five proposals to provide health, dental, vision and life insurance for Fiscal Year 2023-2024. The firms submitting health, dental and vision proposals were Cigna, Blue Cross Blue Shield of Texas (BCBS) and United Health Care (UNC). Principal and MetLife submitted quotes for only dental and vision insurance. Life insurance quotes were submitted by Hartford, BCBS, Principal and MetLife. The firms submitting health insurance quotes included several plans that the City could select to best meet our needs.

The City's current health plan, provided by Cigna, has incurred a 155% loss ratio of funds to premiums over the last twelve (12) months and a 147% loss ratio to date. The current year's losses had a negative impact on the renewal rates offered by Cigna. The initial renewal from Cigna offered a 24% increase on the medical coverage. After obtaining competitive quotes, Cigna presented a final renewal rate of 5%. The rate was lowered to 4.53% if the City adds some voluntary benefits for employees to purchase (Accident, Hospital Indemnity and Critical Illness).

A BCBS Plan that most closely mirrors the current Cigna plan would result in a 4.34% decrease over the current plan. The detailed analysis between the Cigna and BCBS highlights the differences in the plans. The differences are as follows:

- BCBS's family deductible is \$9,000(I) versus \$6,000(F) on the current Cigna plan.
- BCBS's maximum out-of-pocket is \$8,150(I) and \$16,300(F) versus \$7,150(I) and \$14,300(F) on the current Cigna plan.
- BCBS's office visit co-pay is \$35/\$70 versus \$30/\$60 on the current Cigna plan.
- BCBS prescription plan has a higher rate at non-preferred pharmacies with the maximum Rx co-pay at \$250 versus Cigna's maximum co-pay at \$150.
- BCBS's preferred pharmacies include Walgreen's, Wal-Mart, Sam's, HEB and Brookshire Brothers. CVS is NOT a preferred pharmacy. Cigna does not have a preferred pharmacy arrangement.

Dental Plans:

- The Cigna dental renewal keeps the plan design the same and is priced at a 4% increase.
- The Principal quote mirrors the current plan design and is similarly priced to the Cigna renewal.

Vision Plans:

- The Cigna renewal maintains the same plan design and there is no change in premium.
- Principal's vision plan mirrors the current Cigna plan and is offered at 1% below the current Cigna rates. The rate is guaranteed for 2 years.

Group Term Life Plans:

- The current Hartford plan was renewed at a 46% increase over the current Hartford rates.
- The Principal proposal mirrors the Hartford plan and is offered at a 28% increase over the current Hartford rates.

An overall analysis of the two plans is provided below:

- Selecting BCBS as the medical rate will save \$50,536 over the current Cigna rates and \$103,260 over the Cigna renewal. There are differences in the coverage as noted above.
- Selecting Principal for dental, vision and life in conjunction with BCBS will save an additional \$4,027 over renewing with Cigna and The Hartford. The dental, vision and life benefits with Principal mirror the current benefits.
- Additionally, Principal can offer Accident insurance, Hospital Indemnity and Critical Illness coverage on a voluntary basis to the City of Liberty employees.

A motion was made by Council Member Brents to approve the resolution awarding proposals for employee health to Blue Cross Blue Shield of Texas and dental, vision, and term life insurance to Principal. The motion was seconded by Council Member Simonson. The motion passed 7 to 0 with all present voting yes.

2. Presentation of Proposed Fiscal Year 2023-2024 Budget.

City Manager Tom Warner presented the budget presentation for the 2023-2024 Fiscal Year. Mr. Warner started the presentation with the 2023-2024 Fiscal Year Revenues. Then Mr. Warner went over the 2022/2023 taxable value comparisons, the 2022/2023 average homestead taxable values, the fiscal year 2023-2024 budget summary and then the fiscal year 2023-2024 budget general fund changes.

3. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, SETTING A PUBLIC HEARING ON THE PROPOSED FISCAL YEAR 2023 – 2024 CITY BUDGET.

The governing body of a municipality is required to hold a public hearing on the proposed budget. The hearing must be at least fifteen days after the date the proposed budget is filed with the City Secretary and prior to the date that the Council passes the tax levy ordinance. The budget must be passed before the tax levy ordinance can be passed. (LGC §102.006). Any person may attend and/or participate in the hearing.

A motion was made by Council Member Brents to set a public hearing on the proposed fiscal year 2023-2024 City Budget for September 12, 2023 at 6:00 pm. This motion was seconded by Council Member Simonson. The motion passed 7 to 0 with all present voting yes.

4. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, SETTING THE DATE, TIME AND LOCATION FOR A PUBLIC HEARING ON THE 2023 TAX RATE.

Tax payers must be provided the opportunity to express their views regarding the proposed tax rate. A public hearing on a tax rate may not be held before the 7th day after the date the notice of a public hearing is given. The public hearing on setting the proposed tax rate is scheduled for September 12, 2023.

A motion was made by Council Member Smith to set the public hearing on the 2023 Tax Rate for September 12, 2023 at 6:00 pm. This motion was seconded by Council Member Seymour. The motion passed 7 to 0 with all present voting yes.

5. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, SETTING THE PROPOSED TAX RATE FOR FISCAL YEAR 2023 – 2024.

The City's current tax rate is \$0.6122 and staff is recommending a tax rate of \$0.6204 for Fiscal Year 2024. Truth in Taxation requires that we have one Public Hearing on the proposed tax rate.

A motion was made by Council Member Simonson to approve setting the proposed tax rate for fiscal year 2023- 2024 at \$0.6204. This motion was seconded by Council Member Beasley. The motion passed 5 to 2 with the Mayor and Council Members Simonson, Beasley, Smith and Seymour voting yes and Council Members Brents and Hebert voting No.

IV. ADJOURNMENT

A. Motion To: Adjourn

With no further business to discuss, Mayor Pickett adjourned the meeting at 7:52 p.m.

Carl Pickett, Mayor

ATTEST:

April Gilliland, City Secretary